

# HOUSE BILL No. 4874

July 27, 2011, Introduced by Rep. Jackson and referred to the Committee on Local, Intergovernmental, and Regional Affairs.

A bill to amend 1909 PA 279, entitled "The home rule city act," by amending sections 5, 5i, and 35a (MCL 117.5, 117.5i, and 117.35a), section 5 as amended by 2002 PA 201 and sections 5i and 35a as amended by 2001 PA 173.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 5. A city does not have power **TO DO ANY OF THE FOLLOWING:**

2           (a) To increase the rate of taxation now fixed by law, unless  
3 the authority to do so is given by a majority of the electors of  
4 the city voting at the election at which the proposition is  
5 submitted, but the increase in any case shall not be in an amount  
6 as to cause the rate to exceed 2%, except as provided by law, of  
7 the assessed value of the real and personal property in the city.

8           (b) To submit to the electors a charter more often than once

1 in every 2 years, nor unless the charter is filed with the city  
2 clerk 60 days before the election, but this provision shall not  
3 apply to the submission and resubmission of charters of cities that  
4 may be incorporated under this act until they shall have first  
5 adopted a charter. Where a city submits to the electors a charter  
6 and the charter is adopted by the electors, and the city has  
7 operated under the charter, which charter has not, at the time it  
8 is adopted, been on file with the city clerk 60 days, then the  
9 legislative body of the city, upon its giving the notice of  
10 election as provided in the charter, may resubmit to the electors,  
11 at a special or general election, the charter, which, if adopted by  
12 the electors, shall be considered operative and effective as of the  
13 date of the first submission and adoption. The charter shall not be  
14 resubmitted unless 60 days have elapsed between the date of the  
15 filing of the charter and the date of the election at which the  
16 charter is resubmitted.

17 (c) To call more than 2 special elections within 1 year. This  
18 prohibition does not apply to elections that may be held in the  
19 submission and resubmission of charters of cities that may be  
20 incorporated under this act until they have first adopted a  
21 charter, and does not apply to elections that may be held in the  
22 resubmission of a charter once adopted as provided in subdivision  
23 (b).

24 (d) To decrease the salary of a municipal judge after his or  
25 her election or appointment, or during the judge's term of office,  
26 notwithstanding any charter provision to the contrary. The term of  
27 a public official shall not be shortened or extended beyond the

1 period for which the official is elected or appointed, unless he or  
2 she resigns or is removed for cause, if the office is held for a  
3 fixed term.

4 (e) To adopt a charter or an amendment to the charter unless  
5 approved by a majority of the electors voting on the question; to  
6 sell a park, cemetery, or any part of a park or cemetery, except  
7 where the park is not required under an official master plan of the  
8 city; to engage in a business enterprise requiring an investment of  
9 money in excess of 10 cents per capita; or to authorize an issue of  
10 bonds except bonds issued in anticipation of the collection of  
11 taxes actually levied and uncollected or for which an appropriation  
12 has been made; bonds that the city is authorized by its charter to  
13 issue as part of its budget system, to an amount that in any year,  
14 together with the taxes levied for the same year, will not exceed  
15 the limit of taxation authorized by law; special assessment bonds;  
16 bonds for the city's portion of local improvements; refunding  
17 bonds; emergency bonds as defined by this act; and bonds that the  
18 legislative body is authorized by specific statute to issue without  
19 vote of the electors, unless approved by a majority of the electors  
20 voting on the question at a general or special election. In  
21 addition, a city that now has, or may subsequently have, a  
22 population of ~~750,000~~ 600,000 persons or more may issue bonds, upon  
23 resolution of its governing body, without prior approval of the  
24 electors, which the city is authorized by its charter to issue as  
25 part of its budget system, to an amount that in any year, together  
26 with the ad valorem taxes levied for the same year, exclusive of  
27 debt service taxes or taxes levied pursuant to other laws, will not

1 exceed 2-1/2% of the assessed value of the real and personal  
2 property in the city, this limitation to supersede and take the  
3 place of any contrary language in any existing city charter. For  
4 the purposes of this subdivision only, the assessed value of real  
5 and personal property in any city shall include the assessed value  
6 equivalent of money received during the city's fiscal year under  
7 the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL  
8 141.901 to 141.921. The assessed value equivalent shall be  
9 calculated by dividing the money received by the city's millage  
10 rate for the fiscal year. Notwithstanding the former provisions of  
11 this subdivision requiring approval by 3/5 of the electors voting  
12 on the question as a prerequisite to the exercise of certain  
13 powers, these powers may be exercised if approved by a majority of  
14 the electors voting on the question at a general or special  
15 election held on or after April 1, 1966.

16 (f) To make a contract with, or give an official position to,  
17 one who is in default to the city.

18 (g) To issue bonds without providing a sinking fund to pay  
19 them at maturity, except as provided in section 4g(1), but sinking  
20 funds shall not be required in the case of serial bonds that fall  
21 due annually. Bonds, whether authorized under this act or any other  
22 act, except refunding bonds, revenue bonds, motor vehicle highway  
23 fund bonds, rehabilitation bonds, judgment bonds, bonds or other  
24 obligations issued to fund an operating deficit of a city, bonds or  
25 other obligations to pay premiums or to establish funds to self-  
26 insure for losses as authorized by the revised municipal finance  
27 act, 2001 PA 34, MCL 141.2101 to 141.2821, bonds the issuance of

1 which has been approved by the voters, and bonds issued to comply  
2 with an order of a court of competent jurisdiction shall not be  
3 issued by a city unless notice of the issuance of the bonds is  
4 published once in a newspaper of general circulation in the city at  
5 least 45 days before the issuance of the bonds, within which period  
6 a petition may be filed with the legislative body signed by not  
7 less than 10% or 15,000 of the registered electors in the city,  
8 whichever is less, in which event the legislative body shall submit  
9 the question of the issuance of the bonds to the electors of the  
10 city, at a regular or special election in the city. The bonds shall  
11 not be issued unless a majority vote of the electors voting on the  
12 issuance vote in favor of issuing the bonds. The notice of intent  
13 to issue bonds shall state the maximum amount of the bond issue,  
14 the purpose of the bond issuance, source of payment, right of  
15 referendum on the issuance of the bonds, and other information as  
16 the legislative body determines to be necessary to adequately  
17 inform the electors and all other interested persons of the nature  
18 of the issue and of their rights with respect to the issue.

19 (h) To repudiate a debt by a change in its charter or by  
20 consolidation with any other municipality.

21 (i) To submit a franchise to the electors at a special  
22 election, unless the expense of holding the election, as determined  
23 by the legislative body, is paid in advance to the city treasurer  
24 by the grantee in the franchise.

25 Sec. 5i. (1) Whether or not authorized by its charter, a city  
26 with a population of more than ~~750,000~~ **600,000** may provide by  
27 ordinance a procedure to finance by special assessments the

1 provision by private contractors of snow removal from streets,  
2 mosquito abatement, and security services. The ordinance shall  
3 authorize the use of petitions to initiate the establishment of a  
4 special assessment district. The record owners of not less than 51%  
5 of the land comprising the actual special assessment district must  
6 have signed the petitions.

7 (2) A service instituted under this section may be  
8 discontinued upon petition by the record owners of 51% of the land  
9 comprising the special assessment district.

10 Sec. 35a. Any municipality with a population of ~~750,000~~  
11 **600,000** or more may issue general obligation bonds and other  
12 evidences of debt for all lawful purposes in accordance with state  
13 law, but subject to the overall debt limitations provided by state  
14 law or the charter of the municipality. No charter shall allocate  
15 the debt limitation or any part of the debt limitation to specific  
16 purposes.