

HOUSE BILL No. 5568

May 8, 2014, Introduced by Reps. Haines and Walsh and referred to the Committee on
Detroit's Recovery and Michigan's Future.

A bill to amend 1909 PA 279, entitled
"The home rule city act,"
by amending section 4i (MCL 117.4i), as amended by 2012 PA 7, and
by adding section 4p.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4i. Each city may provide in its charter for 1 or more of
2 the following:

3 (a) Laying and collecting rents, tolls, and excises.

4 (b) Regulating and restricting the locations of oil and
5 gasoline stations.

6 (c) The establishment of districts or zones within which the
7 use of land and structures, the height, area, size, and location of
8 buildings, the required open spaces for light and ventilation of
9 buildings, and the density of population may be regulated by

1 ordinance. The zoning ordinance provisions applicable to 1 or more
2 districts may differ from those applicable to other districts. If a
3 city is incorporated, or if territory is annexed to a city
4 incorporated under this act, the zoning ordinance provisions
5 applicable to the territory within the newly incorporated city or
6 the annexed territory shall remain in effect for 2 years after the
7 incorporation or annexation unless the legislative body of the city
8 lawfully adopts other zoning ordinance provisions.

9 (d) The regulation of trades, occupations, and amusements
10 within city boundaries, if the regulations are not inconsistent
11 with state or federal law, and the prohibition of trades,
12 occupations, and amusements that are detrimental to the health,
13 morals, or welfare of the inhabitants of that city.

14 (e) The regulation or prohibition of public nudity within city
15 boundaries. As used in this subdivision, "public nudity" means
16 knowingly or intentionally displaying in a public place, or for
17 payment or promise of payment by any person including, but not
18 limited to, payment or promise of payment of an admission fee, any
19 individual's genitals or anus with less than a fully opaque
20 covering or a female individual's breast with less than a fully
21 opaque covering of the nipple and areola. Public nudity does not
22 include any of the following:

23 (i) A woman's breastfeeding of a baby whether or not the nipple
24 or areola is exposed during or incidental to the feeding.

25 (ii) Material as defined in section 2 of 1984 PA 343, MCL
26 752.362.

27 (iii) Sexually explicit visual material as defined in section 3

1 of 1978 PA 33, MCL 722.673.

2 (f) Licensing, regulating, restricting, and limiting the
3 number and locations of billboards within the city.

4 (g) The initiative and referendum on all matters within the
5 scope of the powers of that city and the recall of city officials.

6 (h) A system of civil service for city employees, including
7 employees of that city's board of health, and employees of any jail
8 operated or maintained by the city. Charter provisions providing
9 for a system of civil service for employees of a local health board
10 are valid and effective.

11 (i) ~~A~~**SUBJECT TO SECTION 4P, A** system of compensation for city
12 employees and **FOR** the dependents of city employees in the case of
13 disability, injury, or death of city employees.

14 (j) The enforcement of police, sanitary, and other ordinances
15 that are not in conflict with the general laws.

16 (k) The punishment of persons who violate city ordinances
17 other than ordinances described in section 4l. The penalty for a
18 violation of such a city ordinance shall not exceed a fine of
19 \$500.00 or imprisonment for 90 days, or both. However, unless
20 otherwise provided by law, the ordinance may provide that a
21 violation of the ordinance is punishable by imprisonment for not
22 more than 93 days or a fine of not more than \$500.00, or both, if
23 the violation substantially corresponds to a violation of state law
24 that is a misdemeanor for which the maximum period of imprisonment
25 is 93 days. In addition, a city may adopt section 625(1)(c) of the
26 Michigan vehicle code, 1949 PA 300, MCL 257.625, by reference in an
27 adopting ordinance and shall provide that a violation of that

1 ordinance is punishable by 1 or more of the following:

2 (i) Community service for not more than 360 hours.

3 (ii) Imprisonment for not more than 180 days.

4 (iii) A fine of not less than \$200.00 or more than \$700.00.

5 SEC. 4P. (1) FOR A CITY WITH A POPULATION OF MORE THAN 600,000
6 THAT PROVIDES A DEFINED BENEFIT PLAN AS PART OF A SYSTEM OF
7 COMPENSATION UNDER SECTION 4I, ALL OF THE FOLLOWING APPLY:

8 (A) EXCEPT AS OTHERWISE PROVIDED IN SUBDIVISION (C), BEGINNING
9 JANUARY 1, 2015, THE CALCULATION OF A PENSION BENEFIT UNDER THE
10 DEFINED BENEFIT PLAN SHALL ONLY INCLUDE BASE PAY. THIS SUBDIVISION
11 DOES NOT APPLY TO YEARS OF SERVICE ACCRUED BEFORE JANUARY 1, 2015.

12 (B) EXCEPT AS OTHERWISE PROVIDED IN SUBDIVISION (C), BEGINNING
13 JANUARY 1, 2015, THE ANNUAL PENSION BENEFIT SHALL NOT INCLUDE AN
14 ADDITIONAL PAYMENT BASED ON THE RATE OF INVESTMENT RETURN EARNED ON
15 THE RETIREMENT SYSTEM'S ASSETS. AS USED IN THIS SUBDIVISION, A
16 "RETIREMENT SYSTEM" MEANS A PUBLIC EMPLOYEE RETIREMENT SYSTEM
17 ESTABLISHED BY A CITY DESCRIBED IN THIS SUBSECTION.

18 (C) IF A COLLECTIVE BARGAINING AGREEMENT THAT IS IN EFFECT ON
19 JANUARY 1, 2015 REQUIRES THAT THE CALCULATION OF A PENSION BENEFIT
20 INCLUDE MORE THAN BASE PAY OR PROVIDES AN ADDITIONAL PAYMENT
21 DESCRIBED IN SUBDIVISION (B), OR BOTH, THEN THE ANNUAL PENSION
22 BENEFIT OF THE MEMBER SUBJECT TO THE COLLECTIVE BARGAINING
23 AGREEMENT SHALL BE ADMINISTERED IN ACCORDANCE WITH THE TERMS OF THE
24 COLLECTIVE BARGAINING AGREEMENT UNTIL THE COLLECTIVE BARGAINING
25 AGREEMENT EXPIRES OR IS RENEGOTIATED.

26 (2) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (3), IF A CITY
27 WITH A POPULATION OF MORE THAN 600,000 PROVIDES RETIREMENT BENEFITS

1 AS PART OF A SYSTEM OF COMPENSATION UNDER SECTION 4I, ALL OF THE
2 FOLLOWING APPLY TO INDIVIDUALS FIRST EMPLOYED BY THE CITY AFTER
3 DECEMBER 31, 2014:

4 (A) THE INDIVIDUAL SHALL ONLY PARTICIPATE IN THE CITY'S
5 DEFINED CONTRIBUTION PLAN, IF ANY.

6 (B) THE INDIVIDUAL SHALL NOT RECEIVE ANY RETIREMENT HEALTH
7 CARE INSURANCE BENEFIT.

8 (C) IN LIEU OF ANY RETIREMENT HEALTH CARE INSURANCE BENEFIT
9 THAT MIGHT HAVE BEEN PROVIDED BY THE CITY, THE CITY MAY MAKE A
10 MATCHING CONTRIBUTION UP TO 2% OF THE INDIVIDUAL'S BASE PAY TO AN
11 APPROPRIATE TAX-DEFERRED RETIREMENT ACCOUNT. A MATCHING
12 CONTRIBUTION UNDER THIS SUBDIVISION SHALL NOT BE USED AS THE BASIS
13 FOR A LOAN FROM THE INDIVIDUAL'S TAX-DEFERRED RETIREMENT ACCOUNT.

14 (D) THE CITY MAY CONTRIBUTE UP TO 4% OF THE INDIVIDUAL'S BASE
15 PAY TO AN APPROPRIATE TAX-DEFERRED RETIREMENT ACCOUNT.

16 (E) THE INDIVIDUAL MAY PERIODICALLY ELECT TO CONTRIBUTE UP TO
17 3% OF HIS OR HER BASE PAY TO HIS OR HER TAX-DEFERRED RETIREMENT
18 ACCOUNT UNDER SUBDIVISION (D). THE CITY MAY MAKE AN ADDITIONAL
19 CONTRIBUTION TO THE INDIVIDUAL'S TAX-DEFERRED RETIREMENT ACCOUNT
20 UNDER SUBDIVISION (D) IN AN AMOUNT NOT TO EXCEED THE CONTRIBUTION
21 MADE BY THE INDIVIDUAL UNDER THIS SUBDIVISION.

22 (3) IF A COLLECTIVE BARGAINING AGREEMENT THAT IS IN EFFECT ON
23 JANUARY 1, 2015 REQUIRES AN INDIVIDUAL WHO IS FIRST EMPLOYED BY A
24 CITY DESCRIBED IN SUBSECTION (2) AFTER DECEMBER 31, 2014 TO
25 PARTICIPATE IN A RETIREMENT PLAN THAT IS NOT A DEFINED CONTRIBUTION
26 PLAN OR RECEIVE A RETIREMENT HEALTH CARE INSURANCE BENEFIT, OR
27 BOTH, THEN THE INDIVIDUAL SHALL PARTICIPATE IN THE RETIREMENT PLAN

1 THAT IS NOT A DEFINED CONTRIBUTION PLAN OR RECEIVE THE RETIREMENT
2 HEALTH CARE INSURANCE BENEFIT, OR BOTH, AS APPLICABLE, IN
3 ACCORDANCE WITH THE TERMS OF THE COLLECTIVE BARGAINING AGREEMENT
4 AND SUBJECT TO THE PROVISIONS UNDER SUBSECTION (1).

5 (4) NOT LATER THAN JANUARY 1, 2015, AND EACH JANUARY 1 AFTER
6 2015, FOR A CITY WITH A POPULATION OF MORE THAN 600,000 THAT
7 PROVIDES RETIREMENT BENEFITS AS PART OF A SYSTEM OF COMPENSATION
8 UNDER SECTION 4I, THE CITY OR A RETIREMENT SYSTEM ESTABLISHED BY
9 THE CITY, AS APPLICABLE, SHALL SUBMIT A CERTIFICATION OF ITS
10 COMPLIANCE WITH THIS SECTION TO THE OVERSIGHT COMMISSION CREATED
11 UNDER THE OVERSIGHT COMMISSION ACT.

12 (5) AS USED IN THIS SECTION:

13 (A) "BASE PAY" MEANS THE REMUNERATION PAID A MEMBER OR
14 QUALIFIED PARTICIPANT ON ACCOUNT OF THE MEMBER'S OR QUALIFIED
15 PARTICIPANT'S SERVICES RENDERED TO A CITY DESCRIBED IN THIS
16 SECTION. BASE PAY DOES NOT INCLUDE ANY OF THE FOLLOWING:

17 (i) PAYMENT FOR OVERTIME SERVICES.

18 (ii) REMUNERATION PAID IN LIEU OF ACCUMULATED SICK LEAVE.

19 (iii) REMUNERATION RECEIVED AS A BONUS.

20 (iv) PAYMENT FOR ACCRUED VACATION PAY.

21 (v) ONE-TIME LUMP-SUM PAYMENTS.

22 (vi) THE COST OF FRINGE BENEFITS, INCLUDING, BUT NOT LIMITED
23 TO, A MEDICAL BENEFIT PLAN.

24 (B) "MEDICAL BENEFIT PLAN" MEANS THAT TERM AS DEFINED IN
25 SECTION 2 OF THE PUBLICLY FUNDED HEALTH INSURANCE CONTRIBUTION ACT,
26 2011 PA 152, MCL 15.562.

27 (C) "MEMBER" MEANS A MEMBER OF A DEFINED BENEFIT PLAN

1 ESTABLISHED BY A CITY DESCRIBED IN SUBSECTION (1).

2 (D) "QUALIFIED PARTICIPANT" MEANS A PARTICIPANT OF A DEFINED
3 CONTRIBUTION PLAN ESTABLISHED BY A CITY DESCRIBED IN SUBSECTION
4 (2).

5 (E) "RETIREMENT HEALTH CARE INSURANCE BENEFIT" MEANS
6 HOSPITALIZATION AND MEDICAL INSURANCE, DENTAL COVERAGE, VISION
7 COVERAGE, AND ANY OTHER HEALTH CARE INSURANCE PROVIDED FOR A
8 RETIRANT OR DEPENDENT OF A RETIRANT UNDER A SYSTEM OF COMPENSATION
9 THAT INCLUDES RETIREMENT BENEFITS ESTABLISHED UNDER SECTION 4I.