

**SUBSTITUTE FOR
HOUSE BILL NO. 5568**

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

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

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

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

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

26 (ii) Material as defined in section 2 of 1984 PA 343, MCL
27 752.362.

1 (iii) Sexually explicit visual material as defined in section 3
2 of 1978 PA 33, MCL 722.673.

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

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

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

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

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

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

adopting ordinance and shall provide that a violation of that ordinance is punishable by 1 or more of the following:

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

(ii) Imprisonment for not more than 180 days.

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

SEC. 4P. (1) FOR A CITY WITH A POPULATION OF MORE THAN 600,000 OR THAT HAS DISCHARGED \$1,000,000,000.00 OF PENSION LIABILITIES IN BANKRUPTCY, OR BOTH, THAT PROVIDES A DEFINED BENEFIT PLAN AS PART OF A SYSTEM OF COMPENSATION UNDER SECTION 4I, ALL OF THE FOLLOWING APPLY:

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

(B) EXCEPT AS OTHERWISE PROVIDED IN A PLAN FOR ADJUSTMENT, THE ANNUAL PENSION BENEFIT SHALL NOT INCLUDE AN ADDITIONAL PAYMENT BASED SOLELY ON THE RATE OF INVESTMENT RETURN EARNED ON THE RETIREMENT SYSTEM'S ASSETS. THIS SUBDIVISION DOES NOT PROHIBIT THE FULFILLMENT OF RIGHTS AND BENEFITS EARNED UNDER A RETIREMENT SYSTEM AGREED TO IN A PLAN FOR ADJUSTMENT. AS USED IN THIS SUBDIVISION, A "RETIREMENT SYSTEM" MEANS A PUBLIC EMPLOYEE RETIREMENT SYSTEM ESTABLISHED BY A CITY DESCRIBED IN THIS SUBSECTION.

(2) EXCEPT AS OTHERWISE PROVIDED IN A PLAN FOR ADJUSTMENT, FOR A CITY WITH A POPULATION OF MORE THAN 600,000 OR THAT HAS DISCHARGED \$1,000,000,000.00 OF PENSION LIABILITIES IN BANKRUPTCY, OR BOTH, THAT PROVIDES RETIREMENT BENEFITS FOR EMPLOYEES FIRST HIRED AFTER JULY 1, 2023 AS PART OF A SYSTEM OF COMPENSATION UNDER

1 SECTION 4I, EITHER OF THE FOLLOWING APPLIES FOR THE EMPLOYEES FIRST
2 HIRED AFTER JULY 1, 2023:

3 (A) THE CITY MAY OFFER RETIREMENT PLANS SO LONG AS THE CITY
4 DOES NOT CONTRIBUTE MORE THAN 7% OF THE EMPLOYEE'S BASE PAY TO AN
5 APPROPRIATE RETIREMENT ACCOUNT.

6 (B) THE CITY MAY OFFER THE SAME RETIREMENT PLAN AS PROVIDED IN
7 A PLAN FOR ADJUSTMENT.

8 (3) FOR A CITY WITH A POPULATION OF MORE THAN 600,000 OR THAT
9 HAS DISCHARGED \$1,000,000,000.00 OF PENSION LIABILITIES IN
10 BANKRUPTCY, OR BOTH, THAT PROVIDES RETIREMENT HEALTH CARE INSURANCE
11 BENEFITS FOR NEW EMPLOYEES AFTER JULY 1, 2023 AS PART OF A SYSTEM
12 OF COMPENSATION UNDER SECTION 4I, THE CITY SHALL NOT CONTRIBUTE
13 MORE THAN 2% OF THE EMPLOYEE'S BASE PAY OR THE PERCENTAGE A
14 QUALIFIED PARTICIPANT'S EMPLOYER CONTRIBUTES ON BEHALF OF A
15 QUALIFIED PARTICIPANT UNDER SECTION 68B(1) OF THE STATE EMPLOYEES'
16 RETIREMENT ACT, 1943 PA 240, MCL 38.68B, WHICHEVER PERCENTAGE IS
17 GREATER, TO AN APPROPRIATE TAX-DEFERRED ACCOUNT.

18 (4) NOT LATER THAN JANUARY 1, 2024, AND EACH JANUARY 1 AFTER
19 2024, FOR A CITY WITH A POPULATION OF MORE THAN 600,000 OR THAT HAS
20 DISCHARGED \$1,000,000,000.00 OF PENSION LIABILITIES IN BANKRUPTCY,
21 OR BOTH, THAT PROVIDES RETIREMENT BENEFITS AS PART OF A SYSTEM OF
22 COMPENSATION UNDER SECTION 4I, THE CITY OR A RETIREMENT SYSTEM
23 ESTABLISHED BY THE CITY, AS APPLICABLE, SHALL SUBMIT A
24 CERTIFICATION OF ITS COMPLIANCE WITH THIS SECTION TO THE FINANCIAL
25 REVIEW COMMISSION CREATED UNDER THE MICHIGAN FINANCIAL REVIEW
26 COMMISSION ACT.

27 (5) AS USED IN THIS SECTION:

1 (A) "BASE PAY" MEANS THE REMUNERATION PAID AN EMPLOYEE ON
2 ACCOUNT OF THE EMPLOYEE'S SERVICES RENDERED TO A CITY DESCRIBED IN
3 THIS SECTION. BASE PAY DOES NOT INCLUDE ANY OF THE FOLLOWING:

4 (i) PAYMENT FOR OVERTIME SERVICES.

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

6 (iii) REMUNERATION RECEIVED AS A BONUS.

7 (iv) PAYMENT FOR ACCRUED VACATION PAY.

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

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

11 (B) "MEDICAL BENEFIT PLAN" MEANS THAT TERM AS DEFINED IN
12 SECTION 2 OF THE PUBLICLY FUNDED HEALTH INSURANCE CONTRIBUTION ACT,
13 2011 PA 152, MCL 15.562.

14 (C) "MEMBER" MEANS A MEMBER OF A DEFINED BENEFIT PLAN
15 ESTABLISHED BY A CITY DESCRIBED IN SUBSECTION (1).

16 (D) "PLAN FOR ADJUSTMENT" MEANS A PLAN FOR THE ADJUSTMENT OF
17 DEBTS ENTERED AND APPROVED BY A FEDERAL BANKRUPTCY COURT.

18 (E) "RETIREMENT HEALTH CARE INSURANCE BENEFIT" MEANS
19 HOSPITALIZATION AND MEDICAL INSURANCE, DENTAL COVERAGE, VISION
20 COVERAGE, AND ANY OTHER HEALTH CARE INSURANCE PROVIDED FOR A
21 RETIRANT OR DEPENDENT OF A RETIRANT UNDER A SYSTEM OF COMPENSATION
22 THAT INCLUDES RETIREMENT BENEFITS ESTABLISHED UNDER SECTION 4I.