

Legislative Analysis



REVISE POPULATION THRESHOLD FOR DETROIT UNDER HOME RULE CITIES ACT

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House Bill 4874

Sponsor: Rep. Shanelle Jackson

Committee: Local, Intergovernmental, and Regional Affairs

Complete to 12-7-11

A SUMMARY OF HOUSE BILL 4874 AS INTRODUCED 7-27-11

House Bill 4874 would amend the Home Rule Cities Act to lower from 750,000 to 600,000 the population threshold that allows home rule cities (and in particular, the City of Detroit) to issue general obligation bonds and other debt, as well as to designate special assessment districts in order to provide health and safety services. A more detailed explanation of the bill follows.

Now under the law, a city that has a population of 750,000 or more may issue bonds, upon resolution of its governing body, without prior approval of the electors, which the city is authorized by its charter to issue as part of its budget system—an amount that is capped each year by statute, and calculated taking into account the city's state-shared revenue payment. House Bill 4874 would retain this provision, but lower the population threshold to 600,000.

Further, the law now allows a home rule city with a population of more than 750,000 to provide by ordinance a procedure to finance, by special assessments, the provision by private contractors of snow removal from streets, mosquito abatement, and security services, with the approval of the owners of at least 51 percent of the property in the designated special assessment district. House Bill 4874 would also retain this provision, but lower the population threshold to 600,000.

Finally, the law now specifies that any municipality with a population of 750,000 or more may issue general obligation bonds and other evidences of debt, in accord with state law, but subject to the overall debt limitations provided by the state or the municipal charter. House Bill 4874 would also retain this provision of the law, but lower the population threshold from 750,000 to 600,000.

(MCL 117.5, 117.5i, & 117.35a)

FISCAL IMPACT:

The bill would essentially keep current provisions and practices in place by amending the population threshold.

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