

**SUBSTITUTE FOR
SENATE BILL NO. 491**

A bill to amend 1909 PA 278, entitled
"The home rule village act,"
by amending section 26 (MCL 78.26), as amended by 1995 PA 211.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 26. (1) A village shall not do any of the following:

2 (a) Submit to the electors a charter or a revision of a
3 charter more often than once in every 2 years or file it with the
4 village clerk less than 90 days before the election. This
5 subdivision does not apply to the submission and resubmission of
6 charters to villages that may be incorporated under this act until
7 they have first adopted a charter.

8 (b) Call more than 2 special elections within 1 year. This
9 prohibition does not apply to elections that may be held in the
10 submission and resubmission of charters to villages that may be
11 incorporated under this act until they have first adopted a

1 charter.

2 (c) Change the salary or emoluments of a public official after
3 his or her election or appointment, or during his or her term of
4 office, if the office is held for a fixed term, or shorten or
5 extend the term of a public official from the period for which he
6 or she was elected or appointed, unless he or she is removed for
7 cause.

8 (d) Adopt a charter or amendment to a charter, unless approved
9 by a majority of the electors voting on the charter or amendment at
10 a general or special election.

11 (e) Authorize an issue of bonds unless approved at an election
12 by a majority of the electors of the village voting on the issuance
13 of the bonds. This subdivision does not apply to special assessment
14 bonds, bonds for the village portion of local improvements, not to
15 exceed 40% of the cost of the improvement, refunding bonds, bonds
16 for relief from fire, flood, or calamity, or for payment of
17 judgments, or bonds that the legislative body is authorized by
18 specific statute to issue without vote of the electors.

19 (f) Adopt a scheme for exemption from municipal taxation.

20 (g) Repudiate a debt by a change in its charter or by
21 consolidation with any other municipality.

22 (h) Incur indebtedness by the issue of bonds, or otherwise, in
23 a sum that, including existing indebtedness, exceeds 10% of the
24 assessed valuation of the real and personal property within the
25 village subject to taxation, as shown by the last assessment roll
26 of the village. Bonds issued in anticipation of the collection of
27 special assessments, even though they are a general obligation of

1 the village, motor vehicle highway fund bonds, revenue bonds, and
2 bonds issued, or contract or assessment obligations incurred, to
3 comply with an order of the department of environmental quality or
4 a court of competent jurisdiction, even though they are a general
5 obligation of the village, bonds issued, or contract or assessment
6 obligations incurred, for water supply, sewerage, drainage, or
7 refuse disposal projects necessary to protect the public health by
8 abating pollution, even though they are a general obligation of the
9 village, and bonds issued or assessments or contract obligations
10 incurred for the construction, improvement, or replacement of a
11 combined sewer overflow abatement facility are not included in this
12 limitation. Money on hand in a sinking fund limited to the payment
13 of indebtedness may be treated as a reduction of the indebtedness
14 to that extent. If, because of fire, flood, or other calamity, an
15 emergency fund is required for the relief of the inhabitants of the
16 village or for the repairing or rebuilding of any of its municipal
17 buildings, works, bridges, or streets, the legislative body of the
18 village may borrow money due in not more than 3 years and in an
19 amount not exceeding 1/4 of 1% of the assessed valuation of the
20 village, notwithstanding that the loan may increase the
21 indebtedness of the village beyond the limitations fixed by its
22 charter or in this subdivision. If a village is authorized to
23 acquire or operate a public utility, it may issue mortgage bonds
24 for that purpose beyond the general limit of bonded indebtedness
25 prescribed by law. The mortgage bonds issued beyond the limit of
26 general indebtedness prescribed by law shall not impose a liability
27 upon the village, but shall be secured only upon the property and

1 revenues of the public utility, including a franchise, stating the
2 terms upon which, in case of foreclosure, the purchaser may operate
3 the public utility. The franchise shall not extend for a period
4 longer than 20 years from the date of the sale of the public
5 utility and franchise on foreclosure. Bonds issued, or contract or
6 assessment obligations incurred, before July 31, 1973 are
7 validated. As used in this subdivision:

8 (i) "Combined sewer overflow" means a discharge from a combined
9 sewer system that occurs when the flow capacity of the combined
10 sewer system is exceeded.

11 (ii) "Combined sewer overflow abatement facility" means works,
12 instrumentalities, or equipment necessary or appropriate to abate
13 combined sewer overflows.

14 (iii) "Combined sewer system" means a sewer designed and used to
15 convey both storm water runoff and sanitary sewage, and which
16 contains lawfully installed regulators and control devices that
17 allow for delivery of sanitary flow to treatment during dry weather
18 periods and divert storm water and sanitary sewage to surface
19 waters during storm flow periods.

20 (iv) "Construction" means any action taken in the designing or
21 building of a combined sewer overflow abatement facility.

22 Construction includes, but is not limited to, all of the following:

23 (A) Engineering services.

24 (B) Legal services.

25 (C) Financial services.

26 (D) Design of plans and specifications.

27 (E) Acquisition of land or structural components.

1 (F) Building, erection, alteration, remodeling, or extension
2 of a combined sewer overflow abatement facility.

3 (G) Village supervision of the project activities described in
4 sub-subparagraphs (A) to (F).

5 (v) "Improvement" means any action undertaken to expand,
6 rehabilitate, or restore a combined sewer overflow abatement
7 facility.

8 (vi) "Replacement" means action taken to obtain and install
9 equipment, accessories, or appurtenances during the useful life of
10 a combined sewer overflow abatement facility necessary to maintain
11 the capacity and performance for which the equipment, accessories,
12 or appurtenances are designed and constructed.

13 (i) Lay or collect taxes for municipal purposes except as
14 otherwise provided by law, at a rate in excess of 2% of the
15 assessed value of all real and personal property in the village.

16 (j) Issue bonds without creating a sinking fund for the
17 payment of the bonds, except special assessment bonds that are a
18 charge upon a special district created for the payment of the
19 bonds, and serial bonds payable annually.

20 **(2) BEGINNING ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT**
21 **ADDED THIS SUBSECTION, A VILLAGE SHALL NOT ADOPT A VILLAGE CHARTER,**
22 **ORDINANCE, OR RESOLUTION THAT INCLUDES ANY MINIMUM STAFFING**
23 **REQUIREMENT FOR VILLAGE EMPLOYEES. EXCEPT AS OTHERWISE PROVIDED IN**
24 **THIS SUBSECTION, ANY PROVISION IN A VILLAGE CHARTER, ORDINANCE, OR**
25 **RESOLUTION ADOPTED ON OR AFTER THE EFFECTIVE DATE OF THE AMENDATORY**
26 **ACT THAT ADDED THIS SUBSECTION THAT CONTAINS A MINIMUM STAFFING**
27 **REQUIREMENT FOR VILLAGE EMPLOYEES IS VOID AND UNENFORCEABLE. THE**

1 PROVISIONS OF THIS SUBSECTION DO NOT APPLY TO THE ADOPTION OF A
2 RESOLUTION INVOLVING A COLLECTIVE BARGAINING AGREEMENT.