

SENATE BILL No. 424

June 12, 2013, Introduced by Senator SMITH and referred to the Committee on Local Government and Elections.

A bill to amend 1909 PA 279, entitled
"The home rule city act,"
by amending sections 5 and 35a (MCL 117.5 and 117.35a), section 5
as amended by 2011 PA 133 and section 35a as amended by 2001 PA
173.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 5. (1) A city does not have power to do any of the
2 following:

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

1 the assessed value of the real and personal property in the city.

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

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

26 (d) To decrease the salary of a municipal judge after his or
27 her election or appointment, or during the judge's term of office,

1 notwithstanding any charter provision to the contrary. The term of
2 a public official shall not be shortened or extended beyond the
3 period for which the official is elected or appointed, unless he or
4 she resigns or is removed for cause, if the office is held for a
5 fixed term.

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

1 with the ad valorem taxes levied for the same year, exclusive of
2 debt service taxes or taxes levied pursuant to other laws, will not
3 exceed 2-1/2% of the assessed value of the real and personal
4 property in the city, this limitation to supersede and take the
5 place of any contrary language in any existing city charter. For
6 the purposes of this subdivision only, the assessed value of real
7 and personal property in any city shall include the assessed value
8 equivalent of money received during the city's fiscal year under
9 the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL
10 141.901 to 141.921. The assessed value equivalent shall be
11 calculated by dividing the money received by the city's millage
12 rate for the fiscal year. Notwithstanding the former provisions of
13 this subdivision requiring approval by 3/5 of the electors voting
14 on the question as a prerequisite to the exercise of certain
15 powers, these powers may be exercised if approved by a majority of
16 the electors voting on the question at a general or special
17 election held on or after April 1, 1966.

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

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

1 insure for losses as authorized by the revised municipal finance
2 act, 2001 PA 34, MCL 141.2101 to 141.2821, bonds the issuance of
3 which has been approved by the voters, and bonds issued to comply
4 with an order of a court of competent jurisdiction shall not be
5 issued by a city unless notice of the issuance of the bonds is
6 published once in a newspaper of general circulation in the city at
7 least 45 days before the issuance of the bonds, within which period
8 a petition may be filed with the legislative body signed by not
9 less than 10% or 15,000 of the registered electors in the city,
10 whichever is less, in which event the legislative body shall submit
11 the question of the issuance of the bonds to the electors of the
12 city, at a regular or special election in the city. The bonds shall
13 not be issued unless a majority vote of the electors voting on the
14 issuance vote in favor of issuing the bonds. The notice of intent
15 to issue bonds shall state the maximum amount of the bond issue,
16 the purpose of the bond issuance, source of payment, right of
17 referendum on the issuance of the bonds, and other information as
18 the legislative body determines to be necessary to adequately
19 inform the electors and all other interested persons of the nature
20 of the issue and of their rights with respect to the issue.

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

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

27 (2) Beginning ~~on the effective date of the amendatory act that~~

~~added this subsection~~ **SEPTEMBER 13, 2011**, a city shall not adopt a city charter or ordinance that includes any minimum staffing requirement for city employees. ~~Except as otherwise provided in this subsection, any~~ **ANY** provision in a city charter or ordinance adopted on or after ~~the effective date of the amendatory act that~~ ~~added this subsection~~ **SEPTEMBER 13, 2011** that contains a minimum staffing requirement for city employees is void and unenforceable.

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