

SENATE BILL No. 678

December 16, 2015, Introduced by Senator YOUNG and referred to the Committee on Local Government.

A bill to amend 1909 PA 279, entitled
"The home rule city act,"
by amending section 5e (MCL 117.5e).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 5e. (1) A municipal water or sewage system established by
2 a city incorporated under this act ~~which~~**THAT** serves more than 40%
3 of the population of ~~the~~**THIS** state shall:

4 (a) Be audited annually by an independent auditor designated
5 by the legislative auditor general. ~~No~~**A** charter provision shall
6 **NOT** require an annual local audit for the same period. The auditor
7 shall be paid by the system. The results of the annual audit shall
8 be made available to the public in compliance with ~~Act No. 442 of~~
9 ~~the Public Acts of 1976, being sections 15.231 to 15.246 of the~~

~~Michigan Compiled Laws. THE FREEDOM OF INFORMATION ACT, 1976 PA~~
~~442, MCL 15.231 TO 15.246.~~ The annual audit shall be submitted to
the governing body of each city, village, or township served by the
system and to the legislature before December 1 of each year. Each
city, village, or township served by the system shall be audited
annually by an independent auditor. The auditor shall be paid by
that city, village, or township served by the system. The results
shall be made available to the public.

(b) Hold at least 1 public hearing at least 120 days before a
proposed rate increase is scheduled to take effect. Each hearing
shall be conducted in compliance with ~~Act No. 267 of the Public~~
~~Acts of 1976, being sections 15.261 to 15.275 of the Michigan~~
~~Compiled Laws. THE OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO~~
~~15.275.~~ Notice of the time, date, and place of each hearing shall
be given in the manner required by ~~Act No. 267 of the Public Acts~~
~~of 1976, THE OPEN MEETINGS ACT, 1976 PA 267, MC 15.261 TO 15.275,~~
shall be prominently printed in a daily newspaper of general
circulation within the area, and shall be mailed to each city,
village, or township served by the system not less than 30 days
before each hearing. A final vote by the governing body of the city
to implement a proposed rate increase shall not be taken until the
hearings provided for in this subdivision are concluded and the
results of those hearings are considered by the city's governing
body. This section shall not be construed to impair the obligations
of a contract. A city shall not be required to hold a public
hearing before the establishment of a water or sewer rate ~~which~~
THAT is necessary for debt retirement under outstanding bond

1 obligations.

2 (2) A CITY THAT ESTABLISHES A MUNICIPAL WATER OR SEWAGE SYSTEM
3 THAT SERVES MORE THAN 40% OF THE POPULATION OF THIS STATE MAY
4 CHARGE CUSTOMERS OF THE SYSTEM USING AN INCLINING BLOCK RATE
5 STRUCTURE. AS USED IN THIS SUBSECTION, "INCLINING BLOCK RATE
6 STRUCTURE" MEANS WATER OR SEWAGE RATES THAT INCREASE AS THE VOLUME
7 OF USE INCREASES.

8 Enacting section 1. This amendatory act takes effect 90 days
9 after the date it is enacted into law.