

HOUSE BILL NO. 6336

June 30, 2022, Introduced by Rep. Calley and referred to the Committee on Regulatory Reform.

A bill to amend 1909 PA 278, entitled
"The home rule village act,"
by amending sections 17 and 26 (MCL 78.17 and 78.26), section 26 as
amended by 2018 PA 88.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 17. Any amendment to any existing charter, whether passed
2 ~~pursuant to the provisions of~~ **under** this act ~~or heretofore granted~~
3 or passed by the state legislature, for the government of a
4 village, may be submitted to the electors by a 2/3 vote of the
5 legislative body of the village, or may be petitioned for by not

1 less than ~~20 per centum~~ **20%** of the number of electors voting for
2 president at the last preceding election, which petition ~~shall~~ **must**
3 be verified by the oath of the party or parties securing the ~~same~~
4 **petition** and filed with the village clerk. ~~Every such~~ **Except as**
5 **otherwise provided in section 26, every** amendment ~~shall~~ **under this**
6 **section must** be submitted to the electors at the next general or
7 special election. When the amendment originates in the legislative
8 body, it ~~shall~~ **must** be published and remain on the table for 30
9 days before action is taken ~~thereon.~~ **on the amendment.** The form in
10 which any proposed amendment to a village charter ~~shall be~~ **is**
11 submitted on the ballot, unless provided for in the initiatory
12 petition, ~~shall~~ **must** be determined by resolution by the legislative
13 body.

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

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

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

26 (c) Change the salary or emoluments of a public official after
27 his or her election or appointment, or during his or her term of
28 office, if the office is held for a fixed term, or shorten or
29 extend the term of a public official from the period for which he

1 or she was elected or appointed, unless he or she is removed for
2 cause.

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

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

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

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

17 (h) Incur indebtedness by the issue of bonds, or otherwise, in
18 a sum that, including existing indebtedness, exceeds 10% of the
19 assessed valuation of the real and personal property within the
20 village subject to taxation, as shown by the last assessment roll
21 of the village. Bonds issued in anticipation of the collection of
22 special assessments, even though they are a general obligation of
23 the village, motor vehicle highway fund bonds, revenue bonds, and
24 bonds issued, or contract or assessment obligations incurred, to
25 comply with an order of the department of ~~environmental quality~~
26 **environment, Great Lakes, and energy** or a court of competent
27 jurisdiction, even though they are a general obligation of the
28 village, bonds issued, or contract or assessment obligations
29 incurred, for water supply, sewerage, drainage, or refuse disposal

1 projects necessary to protect the public health by abating
2 pollution, even though they are a general obligation of the
3 village, and bonds issued or assessments or contract obligations
4 incurred for the construction, improvement, or replacement of a
5 combined sewer overflow abatement facility are not included in this
6 limitation. Money on hand in a sinking fund limited to the payment
7 of indebtedness may be treated as a reduction of the indebtedness
8 to that extent. If, because of fire, flood, or other calamity, an
9 emergency fund is required for the relief of the inhabitants of the
10 village or for the repairing or rebuilding of any of its municipal
11 buildings, works, bridges, or streets, the legislative body of the
12 village may borrow money due in not more than 3 years and in an
13 amount not exceeding 1/4 of 1% of the assessed valuation of the
14 village, notwithstanding that the loan may increase the
15 indebtedness of the village beyond the limitations fixed by its
16 charter or in this subdivision. If a village is authorized to
17 acquire or operate a public utility, it may issue mortgage bonds
18 for that purpose beyond the general limit of bonded indebtedness
19 prescribed by law. The mortgage bonds issued beyond the limit of
20 general indebtedness prescribed by law must not impose a liability
21 upon the village, but must be secured only upon the property and
22 revenues of the public utility, including a franchise, stating the
23 terms upon which, in case of foreclosure, the purchaser may operate
24 the public utility. The franchise must not extend for a period
25 longer than 20 years from the date of the sale of the public
26 utility and franchise on foreclosure. Bonds issued, or contract or
27 assessment obligations incurred, before July 31, 1973 are
28 validated. As used in this subdivision:

29 (i) "Combined sewer overflow" means a discharge from a combined

1 sewer system that occurs when the flow capacity of the combined
2 sewer system is exceeded.

3 (ii) "Combined sewer overflow abatement facility" means works,
4 instrumentalities, or equipment necessary or appropriate to abate
5 combined sewer overflows.

6 (iii) "Combined sewer system" means a sewer designed and used to
7 convey both storm water runoff and sanitary sewage, and that
8 contains lawfully installed regulators and control devices that
9 allow for delivery of sanitary flow to treatment during dry weather
10 periods and divert storm water and sanitary sewage to surface
11 waters during storm flow periods.

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

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

15 (A) Engineering services.

16 (B) Legal services.

17 (C) Financial services.

18 (D) Design of plans and specifications.

19 (E) Acquisition of land or structural components.

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

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

24 (v) "Improvement" means any action undertaken to expand,
25 rehabilitate, or restore a combined sewer overflow abatement
26 facility.

27 (vi) "Replacement" means action taken to obtain and install
28 equipment, accessories, or appurtenances during the useful life of
29 a combined sewer overflow abatement facility necessary to maintain

1 the capacity and performance for which the equipment, accessories,
2 or appurtenances are designed and constructed.

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

6 (j) Issue bonds without creating a sinking fund for the
7 payment of the bonds, except special assessment bonds that are a
8 charge upon a special district created for the payment of the
9 bonds, and serial bonds payable annually.

10 (2) In computing the net indebtedness for the purposes of
11 subsection (1)(h), there may be added to the assessed value of real
12 and personal property in a village for a fiscal year an amount
13 equal to the assessed value equivalent of certain village revenues
14 as determined under this subsection. The assessed value equivalent
15 must be calculated by dividing the sum of the following amounts by
16 the village's millage rate for the fiscal year:

17 (a) The amount paid or the estimated amount required to be
18 paid by the state to the village during the village's fiscal year
19 for the village's use under the Glenn Steil state revenue sharing
20 act of 1971, 1971 PA 140, MCL 141.901 to 141.921, and the amount of
21 any eligible reimbursement to the village under the local community
22 stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362,
23 except any amount distributed under section 17(4)(c) of the local
24 community stabilization authority act, 2014 PA 86, MCL 123.1357, in
25 excess of the village's qualified loss. The department of treasury
26 shall certify these amounts upon request. As used in this
27 subdivision, "qualified loss" means that term as defined in section
28 5 of the local community stabilization authority act, 2014 PA 86,
29 MCL 123.1345.

1 (b) The amount levied by the village for its own use during
2 the village's fiscal year from the specific tax levied under 1974
3 PA 198, MCL 207.551 to 207.572.

4 (c) The amount levied by the village for its own use during
5 the village's fiscal year from the specific tax levied under the
6 commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668.

7 (3) Beginning on September 13, 2011, a village shall not adopt
8 a village charter or ordinance that includes any minimum staffing
9 requirement for village employees. Any provision in a village
10 charter or ordinance adopted on or after September 13, 2011 that
11 contains a minimum staffing requirement for village employees is
12 void and unenforceable.

13 (4) **Beginning on the effective date of the amendatory act that**
14 **added this subsection, a village shall not adopt a charter**
15 **amendment proposed by initiatory petition that does either of the**
16 **following:**

17 (a) **Authorizes or provides for the number of marihuana**
18 **facilities or marihuana establishments that may operate within the**
19 **village under the Michigan medical marihuana facilities licensing**
20 **act, 2016 PA 281, MCL 333.27101 to 333.27801, or the Michigan**
21 **Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951**
22 **to 333.27967.**

23 (b) **Directs the legislative body of the village to adopt an**
24 **ordinance that authorizes or provides for the number of marihuana**
25 **facilities or marihuana establishments that may operate within the**
26 **village under the Michigan medical marihuana facilities licensing**
27 **act, 2016 PA 281, MCL 333.27101 to 333.27801, or the Michigan**
28 **Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951**
29 **to 333.27967.**

1 (5) The village clerk, or the township clerk of the township
2 in which the village is located, shall certify as insufficient any
3 initiatory petition that proposes a charter amendment prohibited
4 under subsection (4), and any proposed charter amendment prohibited
5 under subsection (4) must not be submitted to the electors of the
6 village.