

SENATE BILL No. 1190

November 8, 2018, Introduced by Senator BRANDENBURG and referred to the Committee on Natural Resources.

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

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~~ **A**
7 **CHARTER** until ~~they have~~ **THE VILLAGE HAS** first adopted a charter.

8 (b) Call more than 2 special elections within 1 year. This
9 ~~prohibition~~ **SUBDIVISION** does not apply to elections that may be
10 held in the submission and resubmission of ~~charters to villages~~

1 ~~that may be incorporated under this act until they have~~ **A CHARTER**
2 **UNTIL THE VILLAGE HAS** first adopted a charter.

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

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

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

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

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

23 (h) ~~Incur~~ **SUBJECT TO SUBSECTION (2), INCUR** indebtedness by the
24 issue of bonds, or otherwise, in a sum that, including existing
25 indebtedness, exceeds 10% of the assessed valuation of the real and
26 personal property within the village subject to taxation, as shown
27 by the last assessment roll of the village. Bonds issued in

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

1 general indebtedness prescribed by law must not impose a liability
2 upon the village, but must be secured only upon the property and
3 revenues of the public utility, including a franchise, stating the
4 terms upon which, in case of foreclosure, the purchaser may operate
5 the public utility. The franchise must not extend for a period
6 longer than 20 years from the date of the sale of the public
7 utility and franchise on foreclosure. Bonds issued, or contract or
8 assessment obligations incurred, before July 31, 1973 are
9 validated. As used in this subdivision:

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

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

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

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

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

25 (A) Engineering services.

26 (B) Legal services.

27 (C) Financial services.

1 (D) Design of plans and specifications.

2 (E) Acquisition of land or structural components.

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

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

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

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

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

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

22 (2) In computing the net indebtedness for the purposes of
23 subsection (1)(h), there may be added to the assessed value of real
24 and personal property in a village for a fiscal year an amount
25 equal to the assessed value equivalent of certain village revenues
26 as determined under this subsection. The assessed value equivalent
27 must be calculated by dividing the sum of the following amounts by

1 the village's millage rate for the fiscal year:

2 (a) The amount paid or the estimated amount required to be
3 paid by the state to the village during the village's fiscal year
4 for the village's use under the Glenn Steil state revenue sharing
5 act of 1971, 1971 PA 140, MCL 141.901 to 141.921, and the amount of
6 any eligible reimbursement to the village under the local community
7 stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362,
8 except any amount distributed under section 17(4)(c) of the local
9 community stabilization authority act, 2014 PA 86, MCL 123.1357, in
10 excess of the village's qualified loss. The department of treasury
11 shall certify these amounts upon request. As used in this
12 subdivision, "qualified loss" means that term as defined in section
13 5 of the local community stabilization authority act, 2014 PA 86,
14 MCL 123.1345.

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

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

21 (3) Beginning on September 13, 2011, a village shall not adopt
22 a village charter or ordinance that includes ~~any~~**A** minimum staffing
23 requirement for village employees. ~~Any~~**A** provision in a village
24 charter or ordinance adopted on or after September 13, 2011 that
25 contains a minimum staffing requirement for village employees is
26 void and unenforceable.

27 **(4) THIS ACT IS SUBJECT TO THE VEGETATION REMOVAL PREEMPTION**

1 **ACT.**

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

4 Enacting section 2. This amendatory act does not take effect
5 unless Senate Bill No. 1188

6 of the 99th Legislature is enacted into law.