

# SENATE BILL NO. 866

April 24, 2020, Introduced by Senator HOLLIER and referred to the Committee on Elections.

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

## **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~~**must** not be in an

1 amount as to cause the rate to exceed 2%, except as provided by  
2 law, of the assessed value of the real and personal property in the  
3 city.

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

21 (c) To 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 of cities that may be  
24 incorporated under this act until they have first adopted a  
25 charter, and does not apply to elections that may be held in the  
26 resubmission of a charter once adopted as provided in subdivision  
27 (b).

28 (d) To decrease the salary of a municipal judge after his or  
29 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~~**must** not be shortened or extended beyond  
3 the period for which the official is elected or appointed, unless  
4 he or she resigns or is removed for cause, if the office is held  
5 for a fixed term.

6 (e) ~~To~~**Except as otherwise provided in subsection (3), to**  
7 adopt a charter or an amendment to the charter unless approved by a  
8 majority of the electors voting on the question; to sell a park,  
9 cemetery, or any part of a park or cemetery, except where the park  
10 is not required under an official master plan of the city; to  
11 engage in a business enterprise requiring an investment of money in  
12 excess of 10 cents per capita; or to authorize an issue of bonds  
13 except bonds issued in anticipation of the collection of taxes  
14 actually levied and uncollected or for which an appropriation has  
15 been made; bonds that the city is authorized by its charter to  
16 issue as part of its budget system, to an amount that in any year,  
17 together with the taxes levied for the same year, will not exceed  
18 the limit of taxation authorized by law; special assessment bonds;  
19 bonds for the city's portion of local improvements; refunding  
20 bonds; emergency bonds as defined by this act; and bonds that the  
21 legislative body is authorized by specific statute to issue without  
22 vote of the electors, unless approved by a majority of the electors  
23 voting on the question at a general or special election. In  
24 addition, a city that now has, or may subsequently have, a  
25 population of 750,000 persons or more may issue bonds, upon  
26 resolution of its governing body, without prior approval of the  
27 electors, which the city is authorized by its charter to issue as  
28 part of its budget system, to an amount that in any year, together  
29 with the ad valorem taxes levied for the same year, exclusive of

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

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

19 (g) To issue bonds without providing a sinking fund to pay  
20 them at maturity, except as provided in section 4g(1), but sinking  
21 funds ~~shall~~ **are** not ~~be~~ required in the case of serial bonds that  
22 fall due annually. Bonds, whether authorized under this act or any  
23 other act, except refunding bonds, revenue bonds, motor vehicle  
24 highway fund bonds, rehabilitation bonds, judgment bonds, bonds or  
25 other obligations issued to fund an operating deficit of a city,  
26 bonds or other obligations to pay premiums or to establish funds to  
27 self-insure for losses as authorized by the revised municipal  
28 finance act, 2001 PA 34, MCL 141.2101 to 141.2821, bonds the  
29 issuance of which has been approved by the voters, and bonds issued

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

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

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

25 (2) ~~Beginning on the effective date of the amendatory act that~~  
 26 ~~added this subsection, September 13, 2011,~~ a city shall not adopt a  
 27 city charter or ordinance that includes any minimum staffing  
 28 requirement for city employees. ~~Except as otherwise provided in~~  
 29 ~~this subsection, any~~ **Any** provision in a city charter or ordinance

1 adopted on or after ~~the effective date of the amendatory act that~~  
2 ~~added this subsection~~ **September 13, 2011** that contains a minimum  
3 staffing requirement for city employees is void and unenforceable.

4       **(3) Beginning on the effective date of the amendatory act that**  
5 **added this subsection, a city may adopt a charter amendment by**  
6 **resolution if the charter amendment involves revising the full text**  
7 **of the charter to refer to individuals in ungended terms. A**  
8 **charter amendment adopted by resolution under this subsection does**  
9 **not need to be approved by a majority of the electors of the city.**