



June 11th, 2015

Chair Shirkey and members of the Michigan Competitiveness Committee we appreciate the opportunity to provide testimony on this bill today and the willingness of the chair and staff to listen to the concerns we have with the House-passed version on HB 4052.

Unfortunately, despite the attempts to narrow the focus of this proposal, we must share our opposition with you today on behalf of all local government.

As passed the House, this bill would have created numerous unintended consequences beyond the stated intentions of the bill. A wide variety of common and acceptable interactions between local governments and their resident businesses would have been put at risk. Things like zoning decisions limiting hours of operation, noise abatement regulations, and the ability to negotiate with a community's own vendors for services and developers for economic development agreements would have been wiped out.

The substitute before you today attempts to address many of these major concerns and we applaud these efforts to bring the scope of this bill back into focus. However, three key issues remain.

First, this language would still preclude a local unit of government from enforcing operating licenses designed to protect the residents of a community. Regulations that would require that the owner of a pedicab company in Grand Rapids provide a training program for their drivers or training for ambulance services in Livonia. In Delta Township an ordinance that requires background checks for door to door salespeople prohibited an applicant with a record of breaking and entering from receiving a business license. This ordinance would be prohibited under this bill.

Second, despite the language in section 16 allowing a community to negotiate with vendors and developers, the limitations on what a community may actually negotiate is a concern. Local government should have the same ability as private business to negotiate with their vendors on all aspects of a contract. This language will tie one hand behind our backs in those negotiations. Communities like Ingham County have stated that their wage ordinance was actually designed to save the county money by ensuring that those workers would not need to claim scarce county human service resources essentially causing the county to pay twice for a project. With tax abatements, a community should have the ability to forgo tax dollars in return for the creation of quality jobs.

Finally, at its core, this bill preempts local control. Article VII, section 22 of the MI Constitution is clear, "Each such city and village shall have the power to adopt resolutions and ordinances relating to its municipal concerns, property and government, subject to the constitution and law. No enumeration of

powers granted to cities and villages in this constitution shall limit or restrict the general grant of authority conferred by this section.”

Later in statute, the Home Rule City Act reads... Sec. 4-j. Each city may in its charter provide:

(3) For the exercise of all municipal powers in the management and control of municipal property and in the administration of the municipal government, whether such powers be expressly enumerated or not; for any act to advance the interests of the city, the good government and prosperity of the municipality and its inhabitants and through its regularly constituted authority to pass all laws and ordinances relating to its municipal concerns subject to the constitution and general laws of this state.”

Local governments from counties, to townships, to cities and villages take this responsibility very seriously and their residents appreciate the ability to work with their local officials to design solutions that are relevant to their own community.

Thank you for your consideration.

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