




Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bills 379 through 382 (as reported without amendment)
Senate Bill 383 (Substitute S-1 as reported)
Senate Bill 384 (as reported without amendment)
Sponsor: Senator Patricia L. Birkholz (S.B. 379)
Senator Laura M. Toy (S.B. 380)
Senator Alan Sanborn (S.B. 381)
Senator Jud Gilbert, II (S.B. 382)
Senator Raymond E. Basham (S.B. 383)
Senator Jim Barcia (S.B. 384)
Committee: Local, Urban and State Affairs

CONTENT

The bills would amend various statutes to do the following:

- Revise provisions regarding the annexation and detachment of city, village, township, or charter township territory.
- Prescribe procedures, including a referendum, for the annexation of territory in which there were 100 or fewer residents.
- Provide for negotiated annexation agreements.
- Revise procedures for the annexation of territory that had no residents.
- Revise provisions for the annexation of city-owned territory in a township.
- Require that certain conditions be met for the detachment of territory.
- Provide for a referendum on the annexation of township territory by a city or village.

Senate Bills 379 through 382 and 384 are tie-barred to each other and to Senate Bill 383.

Senate Bill 379 would add Section 9c to the Home Rule City Act to provide for a referendum or a negotiated agreement on the annexation to a city from a township of any territory with 100 or fewer residents. (Currently, a referendum is required only if the territory has more than 100 residents.) The bill also would add Section 9e to allow the detachment of territory from a city to a township only if the territory did not contain any city-owned real property, except utilities and facilities in a public right-of-way; the territory were not annexed within the previous years; and the detachment were approved by a majority vote of the electors in the territory, in the remaining portion of the city, and in the township. Further, the bill would establish methods for the annexation to a city of city-owned property, with no residents, located in a township.

Senate Bill 380 would add Section 5b to the Home Rule Village Act to provide that territory could be detached from a village to a township only if the territory to be detached did not contain any real property owned by the village, except utilities and other facilities located within a public right-of-way; the territory were not annexed within the previous two years; and the detachment were approved by a majority vote of the qualified electors in the territory proposed to be detached, in the remaining portion of the village, and in the township.

Senate Bill 381 would amend Public Act 191 of 1968, which prescribes the powers and duties of the State Boundary Commission, to provide that a petition or resolution for annexation of territory in a township with 100 or fewer residents would be subject to the referendum and election process provided for in Section 9c of the Home Rule City Act (proposed by Senate Bill 379).

Senate Bill 382 would amend Revised Statute 16 of 1846, which prescribes the powers and duties of general law townships, to provide that the annexation of township territory with 100 or fewer residents would be subject to the applicable sections of the Home Rule City Act, the General Law Village Act, or Sections 4 and 5 of the Home Rule Village Act, depending on the local unit to which the territory would be annexed. The detachment of any territory to a township also would be subject to the applicable sections of those Acts, depending on the local unit from which the territory would be detached.

Senate Bill 383 (S-1) would amend the General Law Village Act to prescribe procedures for the annexation to a village of township territory with more than 100 residents, including a referendum on the matter if certain petition requirements were met. The bill also would prescribe procedures for the annexation to a village of township territory with 100 or fewer residents, and provide for a referendum or negotiated agreement on the matter. The bill would allow the detachment of territory from a village to a township only if the territory did not contain any real property owned by the village, except utilities and other facilities located within a public right-of-way; the territory were not annexed within the previous two years; and the detachment were approved by a majority vote of the qualified electors in the territory proposed to be detached, in the remaining portion of the village, and in the township.

Senate Bill 384 would amend the Charter Township Act to revise procedures for the annexation of property to a city or village from a charter township. The bill also would provide for a referendum on the annexation of charter township territory to a city or village. The bill specifies that annexation of any territory with 100 or fewer residents from a charter township to a city or village, and the detachment of territory from a city or village to a charter township, would be subject to the applicable sections of the Home Rule City Act, the Home Rule Village Act, and the General Law Village Act (as proposed by Senate Bills 379, 380, and 383).

MCL 117.9 et al. (S.B. 379)
78.4 et al. (S.B. 380)
123.1011b (S.B. 381)
Proposed MCL 41.104a (S.B. 382)
MCL 74.6 et al. (S.B. 383)
42.34 (S.B. 384)

Legislative Analyst: George Towne

FISCAL IMPACT

To the extent that the bills would reduce the rate of annexations or amount of property annexed, the bills would minimally slow the rate at which revenues may increase for local units that annex, and minimally slow any revenue losses for local units that lose property under an annexation. It is expected that the net effect would negligibly slow the rate of growth in local unit revenues. To the extent that tax changes under annexations affect property tax credits, the bills should negligibly reduce the rate of growth in property tax refunds. Similar effects would result to the extent that the bills would increase the rate of detachments.

This estimate is preliminary and will be revised as new information becomes available.

Date Completed: 5-28-03

Fiscal Analyst: David Zin

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.