

WHAT TOWNSHIPS NEED TO KNOW ABOUT CITY AND VILLAGE INCORPORATION

October 4, 2007

presented by

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WHAT TOWNSHIPS NEED TO KNOW ABOUT CITY AND VILLAGE INCORPORATION

I. THE THREATENED STATUS OF TOWNSHIP GOVERNMENT

- A. Michigan's current financial crisis.
- B. Michigan's efforts at "right sizing".
- C. Townships targeted as one of Michigan's solutions.
- D. HB-4780, the legislature's first salvo against townships.
- E. The legislature's alleged basis for its township target.
 - (1) Consolidation is cheaper.
 - (2) Reduction of state revenue sharing.
 - (3) More expeditious development.
- F. The vote for a constitutional convention in 2010.

II. TOWNSHIPS LEGITIMATE DEFENSES.

- A. Bigger is not better.
 - (1) Wendell Cox Report (renowned internationally and nationwide).
- b. Least expensive form of local government.
- C. Consolidation increases labor costs.
- D. Majority of state's population resides in townships.
- E. More personal relationship between electors and township officials.
- F. Most efficient and least bureaucratic form of government.
 - (1) Emphasis on direct response and minimal required procedures in response to requests.
- G. Citizens informed of township's existing and potential services and comparative taxes and costs.
 - (1) Use of web sites.
 - (2) Distribution of newsletters.
 - (3) Utilization of other media.
- H. Performance and assistance as distinguished from excuses.

III. HOME RULE CITY STATUS AS A RELUCTANT LAST DEFENSE

A. Procedure.

- (1) Petition of qualified electors who are freeholders equal to 5% of the township population (minimum of 100 required.)
- (2) Petition addressed to the Michigan State Boundary Commission.
- (3) Incorporated area must have a population of 2,000 and a minimum average population of 500 per square mile.
- (4) Public hearing conducted by the boundary commission in the area.
 - (a) Boundary commission basis its decision on specified statutory criteria which includes, among others, the increase in taxes in relation to the benefits expected to accrue.
- (5) If approved by the boundary commission, its decision is final providing a referendum petition signed by 5% of the registered electors of the area is not filed within 45 days of the decision.
 - (a) Upon the filing of the referendum petition, the boundary commission schedules an election in the area to be incorporated.
- (6) At the referendum election or a separate election, nine charter commissioners are elected.
 - (a) The county clerk prepares the ballots or ballot.
 - (b) Nomination petitions for charter commissioners has to be signed by not less than 20 qualified electors
- (7) Following election, charter commissioners prepare a proposed charter within 90 days.
- (8) The proposed charter is submitted to the electors preceded by notice published in the local newspaper and posted in ten public places which notice includes the proposed charter.
- (9) If the charter is rejected, the same or a new charter commission can draft and resubmit a new charter to a new election.
 - (a) If a second election also fails, the city incorporation fails.
 - (b) If the first or second election is successful, another election must be held for the election of such officers as is specified in the city charter.
 - (c) The second charter election must be preceded by the same notice as in the original first election.

B. Results of City Incorporation.

- (1) Real and personal taxes are authorized up to 20 mills unless specified lower in the charter.
- (2) The limit of 15 mills, 18 mills or 50 total governmental mills applicable to general law townships does not apply to the city.
- (3) The city is responsible for road construction and maintenance.

- (4) Newly elected officials would consist of the mayor and city commission but not other administrative officials.
- (5) Assessing levy and collection of taxes must be performed by the city.
- (6) The city would establish a police and fire department and would be obligated to enforce its laws.

IV. HOME RULE VILLAGE INCORPORATION AS A DEFENSE

A. Procedure.

- (1) Petition for incorporation by qualified electors equal to 1% of the population including 1% of the population in each plat and 1% of the unplatted area. The signer must also be a freeholder in the unplatted areas.
 - (a) The Boundary Commission Act requires the petition to be filed with the boundary commission.
 - (b) The Village Incorporation Act, amended in 2005, requires the petition to be filed by the county board of commissioners.
 - (c) The conflict is unresolved.
- (2) The area must have a minimum of 150 persons and an average of 100 per square mile.
- (3) An election must be held in the area to be incorporated and can include a separate ballot for the election of five charter commissioners who are nominated by petition of at least 20 qualified electors. Commissioner's election is non-partisan.
- (4) The election is preceded by published and posted notices similar to city incorporation.
- (5) If the incorporation is successful and charter commissioners are elected, they must prepare a charter which is submitted to a vote of the electors similarly to the city incorporation procedure including limitations on the number of elections.
- (6) The statute includes both mandatory and permissible charter provisions.

B. Results of Village Incorporation.

- (1) The village assumes all township indebtedness.
- (2) The village assumes road construction and maintenance obligations.
- (3) New officers are elected which include a president and clerk and a village commission. Other officers are provided by appointment.
- (4) Taxes are limited to 2% of assessed valuation which equates to 20 mills.

V. CONCLUSION

Although city or village incorporation obviously would remove the municipality from the category of a township which currently appears to be the targeted municipality, there is no guarantee that new legislation under the same erroneous thinking of “right-sizing” would not similarly attack designated types of cities and villages.

Michigan townships are insured continuance in the 1963 Michigan Constitution. The United States census discloses that a larger portion of the population of the State of Michigan now reside in townships as distinguished from the population in cities and villages. With township officials being more directly responsible and accountable to their constituents, professionally responding to and educating their constituents on township services and the economy of township government in comparison with other forms of local government, we believe the current irrational attack on township government will disappear as unsubstantiated.

In furtherance of this, we submit that the Michigan Townships Association is probably one of the most respected legislative lobbying organizations in the State and will continue to be relentless in its efforts toward the preservation and enhancement of the township government before the elected legislature and state officials, the state agents and agencies and the general public.

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