

# Legislative Analysis



## **CHARTER TOWNSHIPS OVER 20,000: CANNOT BE ANNEXED; CANNOT DETACH**

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**House Bill 5779 without amendment**  
**Sponsor: Rep. Marc Corriveau**

**House Bill 5859 (Substitute H-1)**  
**Sponsor: Rep. Mark Meadows**  
**Committee: Intergovernmental, Urban and Regional Affairs**

**Complete to 3-12-08**

## **A SUMMARY OF HOUSE BILLS 5779 & 5859 AS REPORTED FROM COMMITTEE**

House Bill 5779 would amend the Charter Township Act (MCL 42.34) to specify that a charter township with a population of more than 20,000 is exempt from annexation and is not permitted to detach territory.

This would apply if the charter township meets the following requirements (currently found in the act for limited protection against annexation): (1) has a state equalized valuation of at least \$25 million; (2) has a minimum population density of 150 persons per square mile; (3) provides fire protection services; (4) is governed by a comprehensive zoning ordinance or master plan; (5) provides solid waste disposal services to township residents; (6) provides water and/or sewer services; (7) provides police protection.

House Bill 5859 would amend the Home Rule City Act (MCL 117.9b) to specify that no territory could be detached from a city to a charter township of the kind described in House Bill 5779. House Bill 5859 is tie-barred to House Bill 5779; that is, it could not take effect unless House Bill 5779 is also enacted.

### **FISCAL IMPACT:**

A fiscal analysis is in process.

### **BACKGROUND INFORMATION AND DISCUSSION:**

The Charter Township Act provides protection for a charter township from annexation by a contiguous city or village if the township existed prior to June 15, 1978, or if it was incorporated after that date and meets certain specified criteria. As noted earlier, these include: (1) has a state equalized valuation of at least \$25 million; (2) has a minimum population density of 150 persons per square mile; (3) provides fire protection services; (4) is governed by a comprehensive zoning ordinance or master plan; (5) provides solid waste disposal services to township residents; (6) provides water and/or sewer services; and (7) provides police protection.

The reasoning behind this provision, apparently, is that such townships function much like cities—they are densely populated, built-up areas that provide a wide range of public services. So, the usual justification for residents or a property developer seeking annexation—to obtain public services not available from the township—does not apply in these cases in the way they would in rural townships. However, there are exceptions to the protection from annexation. One exception allows the State Boundary Commission to order portions of a charter township to be annexed to eliminate free standing islands of the township completely surrounded by an annexing city. Another exception allows a vote on annexation if a petition is filed with the county clerk signed by 20 percent of the registered voters in a portion of the township requesting annexation.

**Proponents of these bills** say that this latter exception has proven problematic. It would allow, for example, a property developer frustrated by zoning or planning standards in a township to move a handful of residents onto its property with the intention of having those residents petition for annexation. This could provoke an annexation election that would involve the voters of the adjoining city and the voters in the portion of the township proposed for annexation, but not the voters of the entire township. Thus, a developer could force the annexation of property from a township to avoid meeting the zoning and planning standards of the township, standards that township residents consider essential to maintaining the character of the community.

There are charges that such actions have been taken in recent annexation attempts that have grown out of a dispute between Northville Township and the firm that seeks to redevelop the 400-acre site of the former state psychiatric hospital that it purchased from the state. This kind of behavior exploits a "loophole" in violation of the intent of current law and is destructive to the cause of intergovernmental cooperation, say proponents of the bills. House Bills 5779 and 5859 would provide charter townships over 20,000 in population providing extensive services with immunity from annexation and, at the same time, would prevent the township from detaching property from a contiguous city. This would close the current "loophole" in the act.

**Opponents of the bills**, notably representatives of those involved in the development of the former Northville hospital, have objected to the bills on several grounds. For one thing, the bills would interpose the Legislature into an ongoing legal dispute. The developers of the Northville property purchased the site from the state for over \$30 million and helped the state defend litigation to stop the sale (at a time, moreover, when the state badly needed the revenue). They made the purchase with the knowledge that annexation statutes were available if they could not receive the kind of infrastructural support they needed from the township. To interfere at this point would be unfair, particularly given that the developers propose an \$800 million development generating over 8,000 jobs.

Opponents also argue that the bills are, in general, anti-development and anti-jobs because they would, in more than 30 charter townships in the state, remove from developers the option of annexation when faced with an uncooperative and intransigent charter township government. Annexation has traditionally been used to address the

problem of the unavailability of infrastructure or where townships cannot or will not provide services to a new development. Charter townships, for example, do not build, upgrade, or maintain roads (a county function in townships). The Northville developers claim the township would require them to pay the full cost of upgrades to the road system (among numerous other disputes). They note that charter townships that want to avoid annexation can choose to become cities.

Senate Bill Package. Currently, there is a six-bill package on the floor of the Senate that addresses annexation issues comprehensively, Senate Bills 1078 to 1083. Information on those bills can be found on the Legislature's website: [www.legislature.mi.gov](http://www.legislature.mi.gov).

## **POSITIONS:**

Representatives from Northville Township and Meridian Township testified in support of the bills. (3-5-08)

The Michigan Municipal League testified in support of the bills. (3-5-08)

The Michigan Townships Association indicated "mild support" for the bills. (3-5-08)

A representative of the Schostak Brothers and Company, Inc. and Real Estate Interests Group, Inc. testified in opposition to House Bill 5779. (3-5-08)

The Michigan Association of Realtors indicated opposition to the bills. (3-5-08)

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.