



Senate Fiscal Agency  
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**BILL ANALYSIS**

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Senate Bill 1078 (Substitute S-1 as reported)  
Senate Bill 1079 (as reported without amendment)  
Senate Bill 1080 (Substitute S-1 as reported)  
Senate Bill 1081 (Substitute S-1 as reported)  
Senate Bills 1082 and 1083 (as reported without amendment)  
Sponsor: Senator Bruce Patterson (S.B. 1078 & 1083)  
          Senator Patricia L. Birkholz (S.B. 1079)  
          Senator Raymond E. Basham (S.B. 1080)  
          Senator Mike Prusi (S.B. 1081)  
          Senator Jud Gilbert, II (S.B. 1082)  
Committee: Natural Resources and Environmental Affairs

**CONTENT**

The bills would amend various statutes to do the following:

- Revise provisions regarding the annexation and detachment of a 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 without any residents.
- Revise provisions for the annexation of city- or village-owned territory in a township.
- Require that certain conditions be met for the detachment of territory.
- Provide for a referendum on the annexation of charter township territory by a city or village, and on the annexation of territory by a village.

The bills are tie-barred to each other.

Senate Bill 1078 (S-1) 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 township territory to a city or village. The bill specifies that the annexation of any territory with 100 or fewer residents from a charter township, and the detachment of territory to a charter township, would be subject to procedures set forth in the Home Rule City Act, the General Law Village Act, and the Home Rule Village Act (as proposed by Senate Bills 1080, 1081, and 1082, respectively).

Senate Bill 1079 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 specific sections 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 1080 (S-1) would amend 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 allow the detachment of territory from a city to a

township only if the territory did not contain any real property owned by the city, except for 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, the remaining portion of the city, and 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 1081 (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 for 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, the remaining portion of the village, and the township.

Senate Bill 1082 would amend the Home Rule Village Act to provide that territory could be detached from a village to a township only if the territory did not contain any real property owned by the village, except for 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 residing in the territory, the remaining portion of the village, and the township.

Senate Bill 1083 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 the Home Rule City Act (proposed by Senate Bill 1080).

MCL 42.34 (S.B. 1078)  
Proposed MCL 41.104a (S.B. 1079)  
MCL 117.9 et al. (S.B. 1080)  
74.6 et al. (S.B. 1081)  
78.4 et al. (S.B. 1082)  
123.1011b (S.B. 1083)

Legislative Analyst: Julie Cassidy

## **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 revenue 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 revenue. 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 decrease the rate of detachments. It is unknown how many local units would negotiate agreements to share revenue, which would potentially mitigate portions of any fiscal impact upon individual units.

Date Completed: 2-14-08

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.