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BILL ANALYSIS

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House Bill 5779 (Substitute H-1 as discharged)
House Bill 5859 (Substitute H-1 as discharged)
Sponsor: Representative Marc Corriveau (H.B. 5779)
Representative Mark Meadows (H.B. 5859)
House Committee: Intergovernmental, Urban and Regional Affairs
Senate Committee: Judiciary

CONTENT

House Bill 5779 (H-1) would amend the Charter Township Act to provide that, beginning on the bill's effective date, a charter township that has a population of more than 20,000 and meets certain requirements would be exempt from annexation and could not detach territory. The bill would apply to any annexation or detachment pending on or initiated after its effective date.

Under the Act, a charter township that meets the following criteria is exempt from annexation to any contiguous city or village, except as otherwise provided:

- Has a State equalized valuation of at least \$25.0 million.
- Has a population density of at least 150 people per square mile.
- Provides fire protection service by contract or otherwise.
- Is governed by a comprehensive zoning ordinance or master plan.
- Provides solid waste disposal services to township residents.
- Provides water and/or sewer services by contract or otherwise.
- Provides police protection through contract with the sheriff in addition to normal sheriff patrol, through an intergovernmental contract, or through its own police department.

The Act specifies several procedures by which a portion of a charter township may be annexed by a city or village, regardless of this exemption.

Under the bill, a charter township with a population of more than 20,000 that met all of the criteria listed above would be exempt from annexation and could not detach territory. The township would not be subject to the provisions under which a portion of a charter township may be annexed despite the current exemption.

The bill also would amend the criteria to refer to solid waste disposal services *or* recycling services.

House Bill 5859 (H-1) would amend the Home Rule City Act to specify that no territory could be detached from a city to a charter township that met all of the requirements of Section 34(9) of the Charter Township Act (the exemption under House Bill 5779 (H-1)). The bill is tie-barred to House Bill 5779.

MCL 42.34 (H.B. 5779)
117.9b (H.B. 5859)

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bills would alter the distribution of local unit revenue across local units from what could occur under current law. To the extent that none of the cities and townships meeting the bills' criteria would ever be affected by an annexation or a detachment, the bills would have no fiscal impact. To the extent that such units would be affected, the bills would reduce the ability of cities and villages to gain from the annexation of certain townships, reducing potential revenue to cities and villages and preventing the loss of revenue to affected townships. Under the assumption that such areas also require local unit expenditures, the bills also would reduce potential expenditures for affected cities and villages, while retaining expenditures for affected townships. Similarly, the restrictions on detachments would produce the opposite effects on local units.

Annexations do not directly affect other types of local units, such as school districts and community colleges. Transfers of property between school districts are handled by separate actions, although the annexation/detachment of an area may affect the likelihood that those separate actions will occur. Community college districts consist of counties, intermediate school districts (ISDs), and/or individual school districts. Any changes in annexation or detachment would not directly affect community colleges, but to the extent that an annexation or detachment altered school district or ISD boundaries through one of these separate actions, it also could affect community colleges.

Based on the criteria for population and population density, data from the 2000 Census indicate that the bills would affect the following six townships: Shelby Charter Township in Macomb County, Saginaw Charter Township in Saginaw County, Meridian Charter Township and Delhi Charter Township in Ingham County, Pittsfield Charter Township in Washtenaw County, and Delta Charter Township in Eaton County.

Date Completed: 6-24-08

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.