

DISINCORPORATION OF HOME RULE VILLAGES

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Senate Bill 1167

Sponsor: Sen. Arlan Meekhof

House Committee: Local, Intergovernmental, and Regional Affairs

Senate Committee: Local Government and Elections

Complete to 9-12-12

A SUMMARY OF SENATE BILL 1167 AS PASSED BY THE SENATE 6-14-12

The bill would add 14 sections to the Home Rule Village Act (MCL 78.1 to 78.28) to prescribe procedures for the disincorporation of a village. A more detailed description of the bill follows.

Petition; Two-thirds Vote. To initiate disincorporation, a petition, filed with the township clerk, would have to be signed by at least 15 percent of the village's registered electors, to request a vote on whether the village should disincorporate into the township or townships in which it was originally located. Unless the village council proceeded as described below, the question would appear on the next general election (or special election) ballot, if the clerk determined that the petition was sufficient. The disincorporation could take place only if two-thirds of the electors voting on the question voted "yes". If the disincorporation were approved, the county board of commissioners would have to pass a resolution vacating the village's incorporation at its next regular annual meeting.

Disincorporation Commission; Ratification; Majority vote. After the township clerk verified the petition signatures, the village council could form a commission which could adopt a plan providing an orderly process for disincorporation. The village council and the board of each affected township could ratify the plan. If the plan were ratified, the question would have to be placed on the ballot at the next general or special election. If the plan were not ratified, the question would have to be submitted to the electorate within one year after the petition was filed.

If the plan were approved, the clerk of the commission would have to certify the proposed disincorporation for inclusion on the ballot. If a commission failed to adopt a plan or the clerk did not certify the proposed disincorporation, the question would have to be submitted to the electors within one year after the petition was filed.

The disincorporation would be approved and could take place as the plan specified, only if a majority of each of the following were in favor:

- The votes cast by the village electors.
- The votes cast by the electors of each affected township, excluding votes cast by village residents.

FISCAL IMPACT:

As written, the bill would reduce the revenue and expenditures of a disincorporated village, and potentially increase the revenues and expenditures of townships that contained disincorporated villages, although the actual amount cannot be estimated.

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