



Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536

BILL



ANALYSIS

Telephone: (517) 373-5383  
Fax: (517) 373-1986

Senate Bill 1167 (as reported without amendment)  
Sponsor: Senator Arlan Meekhof  
Committee: Local Government and Elections

### **CONTENT**

The bill would amend the Home Rule Village Act to prescribe procedures for the disincorporation of a village.

To initiate disincorporation, a petition signed by at least 15% of the registered electors of the village requesting a vote on whether the village should disincorporate into the township or townships in which it was located would have to be filed with the township clerk. Unless the village council proceeded as described below, if the clerk determined that the petition was sufficient, the question would have to appear on the ballot at the next general or special election held in the village. 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.

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 pursuant to the plan 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.

Proposed MCL 78.27a-78.27n

Legislative Analyst: Julie Cassidy

### **FISCAL IMPACT**

The bill would reduce local unit revenue and expenses in a disincorporated village. The magnitude of any impact would depend on the number of villages that chose to disincorporate under the bill, as well as their specific characteristics, such as property

values, tax rates, and provided services. The bill could increase local unit expenses by an unknown amount in townships containing a dissolved village, as the townships would be responsible for additional duties with respect to property that had previously been within the village. The magnitude of any impact also would depend on the specific characteristics (such as services provided and the number of properties affected) of the affected townships. The bill would increase local unit revenue, particularly to townships that contained a dissolved village, by an unknown amount by increasing constitutional revenue sharing payments. The magnitude of any impact on revenue sharing payments would depend on the population of the disincorporated village.

The bill would not affect State revenue or expenditure.

Date Completed: 6-7-12

Fiscal Analyst: David Zin

Floor\sb1167.

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.