

# Appendix 2: Michigan Laws of Interest to Cities and Villages

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## **Conflict of Interest and Incompatible Public Offices**

**Conflict of Interest of Legislators and State Officers Act**, 1968 PA 318, MCL 15.301 et seq. Prohibits legislators and state officers from having an interest in any contract with the state or any political subdivision which would cause a substantial conflict of interest.

**Contract of Public Servants with Public Entities Act**, 1968 PA 317, as amended, MCL 15.321 et seq. Regulates contractual conflicts of interest.

**Incompatible Public Offices Act**, 1978 PA 566, MCL 15.181 et seq., as amended. Encourages the faithful performance of official duties by prescribing standards of conduct for public officers and employees and prohibiting the same person from holding incompatible offices simultaneously.

**Political Activities by Public Employees Act**, 1976 PA 169, MCL 15.401 et seq. Regulates political activity by public employees.

**Standards of Conduct and Ethics Act**, 1973 PA 196, MCL 15.341 et seq. Prescribes standards of conduct for public officers and employees.

## **Economic Development**

**Downtown Development Authority**, 1975 PA 197, as amended, MCL 125.1651 et seq. Provides for creation of an authority to correct and prevent deterioration in business districts. The authority can capture tax

increment revenue and levy a tax on property within the district.

**Local Development Financing Act**, 1986 PA 281, as amended, MCL 125.2151 et seq. Provides for creation of an authority to prevent conditions of unemployment and promote economic growth in the authority district. The authority can capture tax increment revenue.

**Plant Rehabilitation and Industrial Development Districts Act**, 1974 PA 198, as amended, MCL 207.551 et seq. Provides for the establishment of plant rehabilitation districts and industrial development districts in local governmental units; provides for the exemption from certain taxes.

**Principal Shopping Districts and Business Improvement Districts**, 1961 PA 120, as amended, MCL 125.981 et seq. Authorizes the creation of certain boards and the collection of revenue and bonding for the redevelopment of principal shopping areas and business improvement districts of certain cities.

**Tax Increment Finance Authority**, 1980 PA 450, as amended, MCL 125.1801 et seq. Provides for the creation of Tax Increment Finance Authorities (TIFAs) to capture tax increments which may be spent or pledged to make improvements within the TIFA district. Tax increment revenue is produced by applying existing tax levies to the difference between the taxable value of property after improvements have been made in the TIFA district where the property is located over the taxable value of that property fixed on the date a tax increment financing plan is adopted.

**Technology Park Development Act, 1984**  
PA 385, as amended, MCL 207.701 et seq. Provides for the establishment of technology park districts in local government units; provides for exemption from certain taxes and levying of specific tax on owners of certain facilities.

### **Finance**

**Budget Hearings of Local Governments, 1963 PA 42, (2<sup>nd</sup> Ex. Sess), MCL 141.411 et seq.** Requires public notice and hearing on annual proposed budget.

**General Property Tax Act, 1893 PA 206, as amended, MCL 211.1 et seq.** Provides the primary but not exclusive source of statutory law concerning property taxation. All property, except that which is expressly exempt, is taxable. The Act also provides for collection of delinquent property taxes by providing for the sale and redemption to collect tax liens on such property.

**Local Development Financing Act, 1986 PA 281, as amended, MCL 125.2151 et seq.** Provides for the creation of Local Development Finance Authorities (LDFAs) to capture tax increments which may be spent or pledged to make improvements within the district.

**Local Improvement Revolving Fund, 1957 PA 57, as amended, MCL 141.371 et seq.** Authorizes cities and villages to raise money by taxes or bond issue within certain limits for the purpose of establishing a local improvement revolving fund.

**Revenue Bond Act of 1933, 1933 PA 94, as amended, MCL 141.101 et seq.** Provides for the issuance of revenue bonds to finance public improvement which are self-supporting through use or service charges.

**Surplus Funds Investment Pool Act, 1982 PA 367, as amended, MCL 129.111 et seq.** Provides authority for the investment of surplus funds of a local unit in an investment pool by a financial institution.

**Tax Increment Finance Authority, 1980 PA 450, as amended, MCL 125.1801 et seq.** Provides for the creation of Tax Increment Finance Authorities (TIFAs) to capture tax increments which may be spent or pledged to make improvements within the TIFA district. Tax increment revenue is produced by applying existing tax levies to the difference between the taxable value of property after improvements have been made in the TIFA district where the property is located over the taxable value of that property fixed on the date a tax increment financing plan is adopted. (After 1989, a new district could not be created or the boundaries expanded.)

**Tax Tribunal Act, 1973 PA 186, as amended, MCL 205.701 et seq.** Creates the Michigan Tax Tribunal to hear appeals related to the assessment and collection of taxes.

**Truth in Budgeting Acts, 1995 PA 40, as amended, MCL 141.412; 1995 PA 41, as amended, MCL 141.436 & 141.437; 1995 PA 42, as amended, MCL 211.24e.** Permits a local unit of government to combine the “notice of public hearing” on the unit’s budget with a notice stating that the property tax millage to be levied will be a subject of the hearing. This eliminates the need to publish a notice of increasing property taxes and hold a public hearing pursuant to the Truth in Taxation Act.

**Truth in Taxation Act, 1982 PA 5, as amended, MCL 211.24e et seq.** Provides that no local unit of government may levy an *ad valorem* property tax for operating purposes in excess of the base tax rate, as defined in the act, without first holding a public hearing pursuant to notice which contains the proposed additional millage rate and percentage increase in operating revenue which would be generated from the levy. A truth in taxation hearing is not necessary if the local unit complies with section 16 of the Uniform Budgeting and Accounting Act.

**Uniform Budgeting and Accounting Act**, 1968 PA 2, MCL 141.421 et seq. Requires local governments to comply with the uniform charts of accounts prescribed by state treasurer, to file an annual financial report, to be audited periodically and to formulate and adopt an annual budget.

### **Historic Preservation**

**Local Historic Districts Act**, 1970 PA 169, as amended, MCL 399.201 et seq. Provides for the establishment of historic districts and acquisition of resources for historic preservation purposes.

**Municipal Historical Commissions**, 1957 PA 213, as amended, MCL 399.171 et seq. Authorizes cities, villages, townships, and counties to create historical commissions and prescribes their functions, to issue revenue bonds, and to appropriate money for activities and projects.

### **Housing**

**Allowances for Moving Personal Property from Acquired Real Property**, 1965 PA 40, as amended, MCL 213.351 et seq. Authorizes and requires public agencies to pay allowances for the expense of moving personal property from real property acquired for public purposes.

**Blighted Area Rehabilitation**, 1945 PA 344, as amended, MCL 125.71 et seq. Authorizes counties, cities, villages, and townships to adopt plans to prevent blight and to adopt plans for the rehabilitation of blighted areas and authorizes assistance to acquire, improve, and dispose of real property in blighted areas.

**General Property Tax Act**, 1893 PA 206, as amended, MCL 211.1 et seq. Provides the primary but not exclusive source of statutory law concerning property taxation. All property, except that which is expressly exempt, is taxable. The act also provides for collection of delinquent property taxes by

providing for the sale and redemption to collect tax liens on such property.

**Housing Cooperation Law**, 1937 PA 293, as amended, MCL 125.601 et seq. Authorizes cities, villages, and other public bodies to aid housing projects of housing authorities and the like by furnishing parks, playgrounds, streets, and other improvements and facilities.

**Housing Facilities**, 1933 PA 18 (Ex. Sess.), as amended, MCL 125.651 et seq. Authorizes a city, village, or other unit of government to purchase, acquire, maintain, and operate housing facilities, to eliminate detrimental housing conditions and to create a commission with power to effectuate such purposes.

**Housing Law of Michigan**, 1917 PA 167, as amended, MCL 125.401 et seq. Promotes health, safety, and welfare by regulating the maintenance, safety, and improvement of dwellings, establishes administrative requirements, prescribes procedures for maintenance, improvement, or demolition of certain commercial buildings.

**Neighborhood Area Improvements**, 1949 PA 208, as amended, MCL 125.941 et seq. Authorizes cities, villages, and townships to designate neighborhood areas for the purpose of planning and carrying out local public improvements for the prevention of blight, to carry out such plans by acquiring and disposing of real property and providing for the establishment of local assessment districts.

**State Housing Development Authority Act**, 1966 PA 346, as amended, MCL 125.1401 et seq. Creates a state housing development authority, defines the powers and duties of the authority, establishes a housing development revolving fund and land acquisition and development fund and provides tax exemption.

**The Uniform Condemnation Procedures Act**, 1980 PA 87, as amended, MCL 213.51 et seq. Provides procedures for condemnation of real or personal property by public agencies or private agencies.

**Utilization of Public Facilities by Physically Limited**, 1966 PA 1, as amended, MCL 125.1351 et seq. Provides for the accessibility and utilization by physically limited persons of public facilities, prescribes for the creation of a barrier free design board with duties and powers, and prescribes powers and duties of other state and local authorities.

### **Intergovernmental Relations**

**Contracts for Assessing Services**, 1961 PA 37, as amended, MCL 123.621. Permits cities, villages, and townships to contract for assessing services.

**Emergency Services to Municipalities**, 1988 PA 57, as amended, MCL 124.601 et seq. Provides for the incorporation of an authority by 2 or more municipalities (cities, villages & townships) for the purpose of providing emergency services, provides for powers and duties of authorities, and provides for the levy of property taxes for certain purposes.

**Intergovernmental Conditional Transfer of Property by Contract (Act 425)**, 1984 PA 425, as amended, MCL 124.21 et seq. Permits the conditional transfer of property by contract between certain local units of government, provides for permissive and mandatory provisions in the contract and conditions upon termination.

**Intergovernmental Contracts Between Municipal Corporations Act**, 1951 PA 35, as amended, MCL 124.1 et seq. Authorizes intergovernmental contracts between municipal corporations, contracts with a third party to furnish municipal services to property outside the corporate limits, contracts between municipal corporations and with certain non-profit public

transportation corporations to form group self-insurance pools.

**Intergovernmental Transfers of Functions and Responsibilities**, 1967 PA 8 (ex sess), as amended, MCL 124.531 et seq. Provides for intergovernmental transfers of functions and responsibilities.

**Interlocal Tax Agreements**, 1995 PA 108, as amended, MCL 124.502 and 124.505a. Provides for interlocal agreements for sharing revenue derived by and for the benefit of local government units.

**Joint Public Building**, 1923 PA 150, as amended, MCL 123.921. Authorizes cities, villages, and other units of local government to acquire, singly or jointly, public buildings for the purpose of housing governmental offices or any other public uses and purposes.

**Metropolitan Councils Act**, 1989 PA 292, as amended, MCL 124.651 et seq. Authorizes local governmental units to create metropolitan councils under certain circumstances, prescribes the powers and duties, and authorizes councils to levy a property tax.

**Mutual Police Assistance Agreements**, 1967 PA 236, as amended, MCL 123.811 et seq. Authorizes cities, villages, and other units to enter into mutual police assistance agreements and provides for the compensation of units of local government entering into such agreements.

**Police and Fire Protection**, 1951 PA 33, as amended, MCL 41.801 et seq. Provides police and fire protection for certain cities, villages, and other units, authorizes contracts for protection and purchase of equipment, authorizes creation of special assessment districts and creation of administrative boards and authorizes collection of fees for such services.

**Recreation and Playgrounds**, 1917 PA 156, as amended, MCL 123.51 et seq.

Authorizes cities and villages and other units to operate systems of public recreation and playgrounds.

**Urban Cooperation Act of 1967**, 1967 PA 7 (Ex. Sess.), as amended, MCL 124.501 et seq. Provides for interlocal public agency agreements and permits allocation of certain taxes received from tax increment financing plans as revenues, permits tax sharing, and provides for additional approval for agreements.

**Local Government Powers, Duties, and Responsibilities**

**Allowances for Moving Personal Property from Acquired Real Property Act**, 1965 PA 40, as amended, MCL 213.351 et seq. Authorizes and requires public agencies to pay allowances for the expense of moving personal property from real property acquired for public purposes.

**Building Authorities**, 1948 PA 31 (1<sup>st</sup> Ex. Sess.), as amended, MCL 123.951 et seq. Provides for the incorporation of authorities to acquire and maintain buildings, parking lots, transit-oriented developments, transit-oriented facilities, recreational facilities, and stadiums for the use of local units of government and the issuance of bonds for such authorities.

**Compulsory Arbitration of Labor Disputes in Police and Fire Departments (Act 312)**, 1969 PA 312, as amended, MCL 423.231 et seq. Provides for compulsory arbitration of labor disputes in municipal police and fire departments and prescribes procedures and authority.

**County Departments and Board of Public Works**, 1957 PA 185, as amended, MCL 123.731. Establishes the department and board of public works in counties and outlines the duties of municipalities subject to the Act.

**Freedom of Information Act**, 1976 PA 442, as amended, MCL 15.231 et seq.

Regulates and requires disclosure of public records to the public by all public bodies in the state.

**General Law Village Act**, 1895 PA 3, as amended, MCL 61.1 et seq. Provides for the government of certain villages (statutory charter for general law villages). Provides for powers and duties of village council and officers; the authority to levy tax, borrow money, issue bonds; alter boundaries by annexation; adopt ordinances; and disincorporation.

**General Property Tax Act**, 1893 PA 206, as amended, MCL 211.1 et seq. Provides the primary but not exclusive source of statutory law concerning property taxation. All property, except that which is expressly exempt, is taxable. The Act also provides for collection of delinquent property taxes by providing for the sale and redemption to collect tax liens on such property.

**Home Rule City Act**, 1909 PA 279, as amended, MCL 117.1 et seq. Provides for the incorporation of cities and for revising and amending their charters; provides for certain powers and duties; and provides for the levy and collection of taxes, borrowing of money, and issuance of bonds.

**Home Rule Village Act**, 1909 PA 278, as amended, MCL 78.1 et seq. Provides for the incorporation of villages and for revising and amending their charters; provides for the levy and collection of taxes, borrowing of money, and issuance of bonds.

**Incompatible Public Offices Act**, 1978 PA 566, MCL 15.181 et seq., as amended. Encourages the faithful performance of official duties by prescribing standards of conduct for public officers and employees and prohibiting the same person from holding incompatible offices simultaneously.

**Michigan Campaign Finance Act**, 1976 PA 388, as amended, MCL 169.201 et seq.

Regulates political activity, campaign financing, campaign contributions and expenditures, campaign advertising and creates state campaign fund.

**Michigan Liquor Control Act**, 1933 PA 8, as amended, MCL 436.1 et seq. Creates liquor control commission and prescribes its powers, duties and limitations.

**Open Meetings Act**, 1976 PA 267, as amended, MCL 15.2621 et seq. Requires public bodies (legislative or governing body including boards, commissions, committees, subcommittees, authorities or councils which are empowered to perform governmental or proprietary functions or a lessee thereof performing an essential public purpose pursuant to a lease) to conduct nearly all business at open meetings.

**Political Activities by Public Employees Act**, 1976 PA 169, MCL 15.401 et seq. Regulates political activity by public employees.

**Public Employment Relations Act**, 1947 PA 336, as amended, MCL 423.201 et seq. Prohibits strikes by certain public employees, provides review from disciplinary action, mediation of grievances and protects rights and privileges of public employees.

**Purchase of Lands and Property for Public Purpose**, 1933 PA 99, as amended, MCL 123.721 et seq. See also Municipal Finance Act, 1943 PA 202, as amended, MCL 133.1. Authorizes incorporated villages, townships and cities to enter into contracts for the purchase of lands, equipment for public purposes.

**State Boundary Commission Act**, 1968 PA 191, as amended, MCL 123.1001 et seq. Creates the State Boundary Commission and prescribes its powers and duties with respect to municipal incorporation, consolidation and annexation.

**Uniform Condemnation Procedures Act**, 1980 PA 87, as amended, MCL 213.51 et seq. Provides procedures for condemnation of real or personal property by public agencies or private agencies.

### **Miscellaneous**

**Armistice, Independence and Memorial Day Expenditures**, 1905 PA 170, as amended, MCL 123.851 et seq. Authorizes townships, cities and villages to appropriate money to defray the expenses of observance of Armistice, Independence and Memorial Day or for the observance of a diamond jubilee or centennial.

**Bands**, 1923 PA 230, as amended, MCL 123.861 et seq. Authorizes villages and townships and cities with a population not exceeding 50,000 to levy a tax for the maintenance and employment of a band for musical purposes for the benefit of the public provided that a special question is subjected to the voters and agreed to by a majority vote.

**Bidders on Public Works**, 1933 PA 170, as amended, MCL 123.501 et seq. Regulates the practice of taking bids and awarding contracts on public work construction and maintenance (except public buildings).

**Garbage Disposal Plants**, 1917 PA 298, as amended, MCL 123.261. Authorizes three mill garbage tax for cities and villages.

**Gifts from Municipal Utilities**, 1969 PA 301, as amended, MCL 123.391. Authorizes the giving of gifts or contributions from the operating revenues of any municipality owning or operating any public utility as determined by its governing board.

**Gifts of Property to Local Government**, 1913 PA 380, as amended, MCL 123.871 et seq. Regulates gifts of real and personal property to cities, villages, townships, and counties.

**Municipal Water and Sewage System Liens**, 1939 PA 178, as amended, MCL 123.161 et seq. See also Revenue Bond Act, 1933 PA 94, as amended, MCL 141.121. Provides for the collection of water or sewage system rates and assessment charges, and provides for a lien for nonpayment for services furnished by municipalities.

**Prohibited Taxes by Cities and Villages**, 1964 PA 243, as amended, MCL 141.91. Prohibits the imposition, levy or collection of taxes other than ad valorem property taxes by cities and villages except as otherwise provided by law.

**Resignations, Vacancies and Removals**, R.S. 1846, ch. 15, as amended, MCL 201.1 et seq. Provides for procedures regarding resignations, vacancies and removals from public office and for filling vacancies.

**Special Tax for Advertising**, 1925 PA 359, as amended, MCL 123.881. Empowers the council or corporate authorities of any city or village to levy a special tax to be used for advertising the industrial, commercial, educational, or recreational advantages of the city or village and to establish recreational and educational projects for the purpose of encouraging growth or trade of the city or village.

**Utilization of Public Facilities by Physically Limited Persons**, 1966 PA 1, as amended, MCL 125.1351 et seq. Provides for the accessibility and utilization by physically limited persons of public facilities, creates the barrier for the design board with duties and powers, prescribes powers and duties of other state and local authorities.

**Water Furnished Outside Territorial Limits**, 1917 PA 34, as amended, MCL 123.141 et seq. Authorizes municipal corporations having authority by law to furnish water outside their territorial limits, to sell water to other municipal corporations,

contract with individuals, firms or corporations regarding the construction of water mains, sale of water, to construct water mains through the highways outside territorial limits with the consent of appropriate authorities.

**Youth Center**, 1967 PA 179, as amended, MCL 123.461. Authorizes tax levy of 1.5 mills for 20 years for operation of a youth center.

### **Organization, Governmental Forms and Dissolution**

**Disconnection of Land from Cities and Villages**, 1949 PA 123, as amended, MCL 123.31 et seq. Provides a mechanism by which an owner of farmland may have it disconnected from a city or village if the land is: (1) 10 or more acres; (2) is not subdivided; (3) is located on a border or boundary and the disconnection will not isolate any part of the city or village from the remainder of the city or village; and shall have been used for only agricultural purposes for the three years preceding the filing of the petition to disconnect.

**General Law Village Act**, 1895 PA 3, MCL 61.1 et seq. Provides for the government of certain villages (statutory charter for General Law Villages). Provides for powers and duties of village council and officers, the authority to levy tax, borrow money, issue bonds, alter boundaries by annexation or disconnection, adopt ordinances and disincorporate.

**Home Rule City Act**, 1909 PA 279, as amended, MCL 117.1 et seq. Provides for the incorporation of cities and for revising and amending their charters; provides for certain powers and duties; and provides for the levy and collection of taxes, borrowing of money, and issuance of bonds.

**Home Rule Village Act**, 1909 PA 278, MCL 78.1 et seq. or section 17 (MCL 78.17) with reference to the authority of general law villages to amend the statutory charter (1895 PA 3) locally.

## **Personnel & Employment**

**Bullard-Plawecki Employee Right to Know Act**, 1978 PA 397, MCL 423.501 et seq. Permits employees to review personnel records; provides criteria for review; and prescribes what information may be contained in personnel records.

**Elliott-Larsen Civil Rights Act**, 1976 PA 453, as amended, MCL 37.2101 et seq. Defines civil rights, prohibits discriminatory practices and prescribes the powers and duties of the civil rights commission.

**Fire Department Hours of Labor**, 1925 PA 125, as amended, MCL 123.841 et seq. Regulates the hours of labor of employees in municipal fire departments.

**Persons With Disabilities Civil Rights Act**, 1976 PA 220, MCL 37.1101 et seq. Prohibits an employer from discriminating against a qualified individual with a disability in regard to application procedures, hiring, promotion, termination, compensation, job training and other terms, conditions, and privileges of employment if the applicant or employee can perform the essential functions of the position, with or without an accommodation.

**Preference in Employment (Veterans)**, 1897 PA 205, as amended, MCL 35.401 et seq. Provides for preference of honorably discharged members of the armed forces of the U.S. for public employment. Applicable to discipline public employees who are veterans.

**Whistle Blowers Protection Act**, 1980 PA 469, as amended, MCL 15.361 et seq. Provides protection to employees who report a violation or suspected violation of state, local or federal law and also protection for employees who participate in hearings, investigations, etc.

## **Planning & Zoning**

**Condominium Act**, 1978 PA 59, MCL 559.101 et seq. Provides for condominium

projects; prescribes powers and duties of Department of Consumer and Industry Services; and provides protection for certain tenants, senior citizens, etc.

**Land Division Act** (formerly Subdivision Control Act of 1967), 1967 PA 288, as amended, MCL 560.101 et seq. Regulates the division of land, provides for proper ingress to and egress from lots and parcels, establishes procedures for vacating, correcting and revising plats, and related issues.

**Michigan Planning Enabling Act**, 2008 PA 33, MCL 125.3801 et seq. Codifies the previously separate planning acts for counties, townships, cities, and villages into one act to provide for the creation, organization, powers, and duties of local planning commissions; to provide for the powers and duties of certain state and local governmental officers and agencies; to provide for the regulation and subdivision of land.

**Michigan Zoning Enabling Act**, 2006 PA 110, MCL 125.3101 et seq. Codifies the previously separate County Zoning Act, Township Zoning Act and City and Village Zoning Act into one act regulating the development and use of land; provides for the adoption of zoning ordinances; provides for the establishment in counties, townships, cities, and villages of zoning districts.

**Mobile Home Commission Act**, 1987 PA 96, as amended, MCL 125.2301 et seq. Creates a mobile home commission and prescribes its powers and duties in those of local governments; provides for mobile home code, licensure and regulation.

**Natural Beauty Roads**, 1970 PA 150, as amended, MCL 247.381 et seq. Designates certain roads as Michigan Natural Beauty Roads, provides certain powers and duties and also provides for the development of guidelines and procedures.



**Neighborhood Area Improvements Act**, 1949 PA 208, as amended, MCL 125.941 et seq. Authorizes cities, villages and townships to designate neighborhood areas for the purpose of planning and carrying out local public improvements for the prevention of blight, to carry out such plans by acquiring and disposing of real property and providing for the establishment of local assessment districts.

**Sunshine Laws (Right to Know/Open Government)**

**Bullard-Plawecki Employee Right to Know Act**, 1978 PA 397, MCL 423.501 et seq. Permits employees to review personnel records; provides criteria for review; and

prescribes what information may be contained in personnel records.

**Freedom of Information Act**, 1976 PA 442, MCL 15.231 et seq. Regulates and requires disclosure of public records to the public by all public bodies in the state.

**Open Meetings Act**, 1976 PA 267, MCL 15.261 et seq. Requires public bodies (legislative or governing body including boards, commissions, committees, subcommittees, authorities or councils which are empowered to perform governmental or proprietary functions or a lessee performing an essential public purpose pursuant to a lease) to conduct nearly all business at open meeting.