

## Incorporation from a Village to a City

### Introduction

In Michigan, cities and townships are primary local units of government and perform three basic functions: assessing, collecting taxes, and conducting elections. Villages are part of a township—village citizens vote in township elections and pay township taxes (in addition to village taxes). Reasons cited for separating from the township include issues with road millage sharing; joint funding operations; assessing practices; and township spending priorities.

### Beginning Process

The process of incorporating as a city can originate either with the village council or with residents and is found in the Home Rule City Act (PA 279 of 1909) and the State Boundary Commission Act (PA 191 of 1968). A village must demonstrate to the State Boundary Commission (SBC) that good faith efforts have been made to resolve issues with the township. The SBC assumes a mutual agreement, or an Act 425 Conditional Transfer Agreement, has been discussed by the village and township to no final conclusion.

### State Boundary Commission Requirements

The first step is to submit a petition to the SBC, triggering three separate meetings:

A **legal sufficiency meeting** for the state-appointed SBC members to review the petition to determine if the adjustment is appropriate based on the merits of questionnaire responses and the facts;

A **public hearing** held in the general area of the proposed adjustment; and

A **recommendation meeting** of the full SBC to deliberate and make one of three potential decisions:

A recommendation to the LARA director to deny the petition.

A recommendation to the LARA director to approve a modified petition.

A recommendation to the LARA director to approve the petition.

### Potential Referendum Vote

Within forty-five days of the LARA Director's decision, opponents could force a referendum on the incorporation.

### City Charter Commission

If the LARA Director finds in favor of incorporation, the electorate of the proposed city elects a charter commission either at a regular or special election or at the same election as the vote on whether to incorporate. The charter commission shall be responsible for submitting a proposed charter to the governor after review by the attorney general. The proposed city charter is then presented to the electorate of the proposed city to approve or reject. Approval of a proposed city charter must be obtained within three years, or the process must start over. Visit [mml.org](http://mml.org) for additional incorporation and charter resources.