

Michigan Municipal League Convention 2017

Understanding the General Law Village Act



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COUNT ON MORE.

Presentation Outline

- I. Village Finances
- II. Police Departments/Street Administrators
- III. Annexation
- IV. Ethics
- V. Questions

Presentation is not intended as a detailed legal analysis or a comprehensive list—consult local counsel.

I. Village Finances, Taxes

Taxation:

- Taxation is an “express” power under state law;
- Village Council has authority to levy taxes/millages;
- Property taxes:
 - Headlee Amendments;
 - Proposal A;
 - Parcel taxed on taxable value.

Village Finances, Millages

Millages:

- General Law Village Act/other statutes establish millage limits:
 - General operating (general fund)—MCL 69.1(2);
 - Highway and Street—MCL 69.2, 69.5;
 - Cemetery maintenance—MCL 69.4;
 - Garbage collection—MCL 123.261;
 - Public safety—MCL 41.801.

Village Finances, Special Assessments

Special Assessments:

- Need statutory authority to make or provide underlying improvement or service;
- Special assessment district/single-lot assessments;
- Improvement/service must be proportional to benefit conferred;
- General procedures (Village ordinance: best practice):
 - Petition;
 - Hearings (necessity and apportionment);
 - Notice.

Village Finances, Tax Collection

- Village Treasurer/Township Treasurer;
- Attachment as lien to underlying property;
- Imposition of late fees and penalties;
- If remain unpaid—delinquent tax foreclosure process under Michigan General Property Tax Act.



Village Finances, Budgets

- Fiscal year—March 1 unless modified by ordinance—MCL 69.7a
- Budget requirements:
 - Revenues and expenditures: previous and proposed;
 - Surplus and deficits;
 - Capital outlays;
 - Balance between revenues and expenditures;
 - Uniform Budgeting and Accounting Act.

Budgets, cont.

- Operating Budgets (day-to-day);
- Capital Budgets (long-term view);
 - CIP;
- Adoption procedure:
 - Staff prepares proposed budget;
 - Village Council review;
 - Public hearing on rates;
 - Public hearing on budget.



II. Police Department

The General Law Village Act provides:

- For the establishment and maintenance of a police department—MCL 70.13;
- For the powers, duties and authority of Village police officers—MCL 70.14, 70.16;
- For the appointment of the Village Police Chief—MCL 70.15;
- For the creation of a public safety department—MCL 70.18;
- Police and Fire Protection Act (1951 PA 33, as amended)—interpreted by Michigan AG to mean Township provision of services is discretionary, absent a contract.

II. Street Administrator

The General Law Village Act provides:

- For the duties of the Village Street Administrator (Act 51);
- Allows for the establishment of a department of public works.



III. Annexation

The General Law Village Act provides:

- The procedures for the annexation of land to a Village—MCL 74.6;
- Differs from cities—approval at county level;
- Generally, a 7 step process:
 - (1) Resolution; (2) Notice; (3) Petition; (4) Hearing; (5) County board determination; (6) Entry of order; and (7) Notify Secretary of State.
- Annexation of property in charter townships.

IV. Ethics

Conflicts of Interest:

- Consists of statutes and case law;
- No “bright-line” rule—presumption exists that public officer will act lawfully;
- Generally—only exists where a direct personal or financial interest in an issue exists.
- Nepotism concerns.

Ethics:

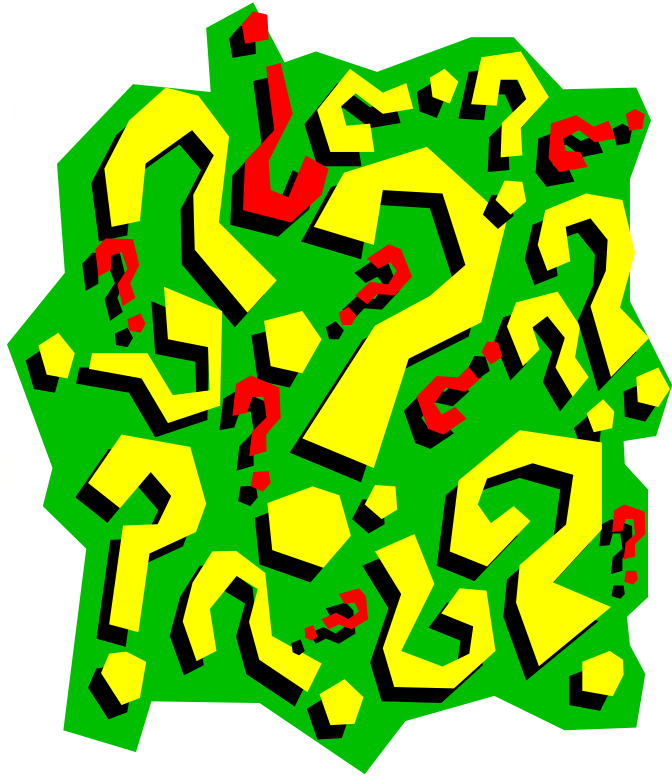
- State Ethics Act (PA 196);
- Contracts of Public Servants (PA 317).

Ethics, cont.

Incompatible Public Offices (PA 566):

- Provides that a public officer or employee may not hold two or more incompatible offices:
 - One office is subordinate to another;
 - One office is supervised by another;
 - Cause a breach of duty of public office.
- Contract negotiations can lead to a breach of duty.
- Number of exceptions within PA 566.

Questions?



Thank you

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