

# PURPOSE OF CHARTER

To set out and define  
the structure of  
government and its  
powers.

▶ **A Home Rule City is a  
Municipal Corporation**

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# Municipal Corporation

- ▶ Statutory Authorization:
- ▶ Home Rule City Act
- ▶ Act 279 of 1909
- ▶ “An Act to provide for the incorporation of cities ...”
- ▶ **Charter** is filed with the State of MI

# Business Corporation

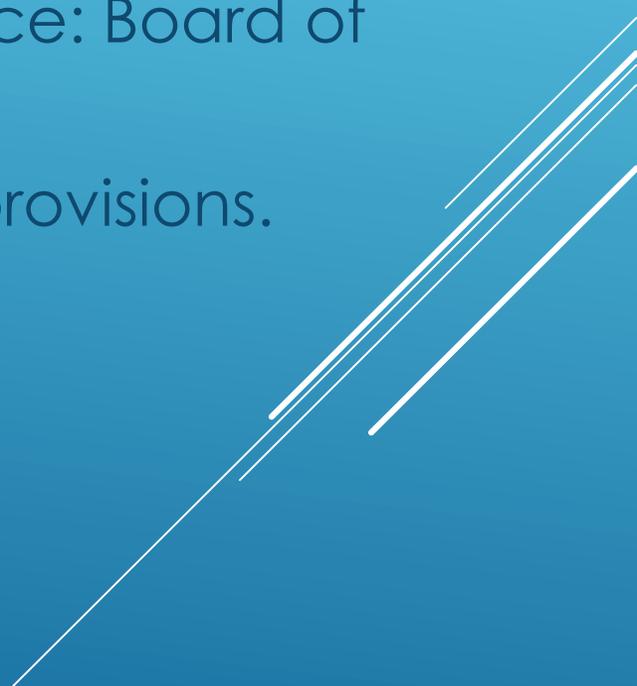
- ▶ Statutory Authorization:
- ▶ Business Corporation Act
- ▶ Act 284 of 1972
- ▶ “An Act to provide for the organization and regulation of corporations.”
- ▶ **Articles of Incorporation** are filed with the State of MI.

## COMPARISON FOR CONTEXT

# CHARTER

- ▶ Sets out the structure of Municipal Corporations.
- ▶ Sets out governance: An elected council that is led by either Mayor or City Manager.
- ▶ Sets out required provisions, permissive provisions and prohibited provisions to ensure it is consistent with the State Constitution and State Statutes.

# ARTICLES OF INCORPORATION

- ▶ Sets out the structure of Business Corporations.
  - ▶ Sets out governance: Board of Directors
  - ▶ Sets out required provisions.
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# STANDARD PROVISIONS MUNICIPAL CORPORATIONS

- Election of governing body
- Terms of Office
- Mayor
- Wards
- Financing: Annual appropriations, borrowing money, bonds.
- Utilities: Sewers, waterworks, lighting.
- City Departments – municipal powers
- Rapid Transit System
- Conduct of Racing Events
- Franchises

# ADDITIONAL STANDARD CHARTER PROVISIONS

- Condemnation
  - Transportation Facilities
  - Public Ways
  - Civic, artistic and cultural activities and authorizing use of public funds for the same
  - Blight Ordinances
  - Administrative Hearing Bureaus
  - City Departments and Municipal Powers
  - Annexation and Detachment
  - Adjusting Municipal Boundaries
  - Revising or Amending Charter
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# SOME PROHIBITED CHARTER POWERS

- Certain rates of taxation.
- Submitting a charter more than every two years.
- More than two special elections per year.
- To make a contract with, or give an official position to, someone who is in default to the city.
- Repudiating a debt by a change in the charter or by consolidation with any other municipality.

# PERMISSIBLE CHARTER PROVISIONS:

- Laying and collecting rent and tolls.
  - Regulating/restricting locations of oil and gas stations.
  - Zoning
  - Regulating public nudity
  - Licensing and regulating billboards.
  - Setting up a system of civil service.
  - Compensation system for City employees.
  - Enforcement of police, sanitary and other ordinances and possible/maximum penalties.
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## Municipal Corporation

- ▶ Ordinances
- ▶ Resolutions
- ▶ Policies

## Business Corporation

- ▶ By Laws
- ▶ Resolutions
- ▶ Policies

**GOVERNANCE NOT FILED WITH STATE  
PROVIDING MORE FLEXIBILITY**

