



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 780 (Substitute S-1 as reported)
Sponsor: Senator Nancy Cassis
Committee: Natural Resources and Environmental Affairs

CONTENT

The bill would amend the Local Development Financing Act to expand the definition of "urban township" (which may establish a local development finance authority).

The Act defines "urban township" as a township that meets at least one of four sets of criteria. Although the sets vary in their criteria, each takes into account township and county population, and the date the township adopted a master zoning plan or established a local development finance authority. The bill would add a fifth category: a township located in a county with a population of 1 million or more (Oakland and Wayne Counties, according to 2002 U.S. Census Bureau data); had a written agreement with an adjoining township to develop one or more public facilities on contiguous property located in both townships; and had a master plan in effect.

Under the Act, a city, village, or urban township may establish a local development finance authority to "capture" revenue from millage levied on increased property values within the boundaries of the authority, and to invest the revenue in public facilities, or infrastructure, for the property. The Act allows the capture of property taxes only from property used for manufacturing and agricultural processing activities and from property within certified technology parks.

MCL 125.2152

Legislative Analyst: Claire Layman

FISCAL IMPACT

The bill would increase both expenses and revenues for the local units affected by an unknown amount. As provided in the Act, the increased revenues would be limited to defray the increased expenses.

Date Completed: 12-4-03

Fiscal Analyst: David Zin