



**House
Legislative
Analysis
Section**

Olds Plaza Building, 10th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

TIFA, DDA, LDA FUNDING

House Bills 5009-5011

Sponsor: Rep. Gregory E. Pitoniak

Committee: Economic Development

Complete to 9-17-93

A SUMMARY OF HOUSE BILLS 5009 TO 5011 AS INTRODUCED 8-31-93

The bills would apply to three acts that provide for tax increment financing, whereby projects are funded by capturing revenue from the growth in property taxes in a designated area, including capturing revenue that comes from the levying of school taxes. Public Act 145 of 1993 (Senate Bill 1) eliminated school property taxes as of January 1, 1994. The bills would appropriate sufficient state funds for the 1994-95 fiscal year (and fiscal years thereafter) to cover payment of obligations under plans approved before January 1, 1994. (The bills refer specifically to revenues needed to repay advances made to an authority by a municipality before August 19, 1993, or to pay obligations issued or incurred by or on behalf of an authority before April 1, 1994, if the financing plan was approved before January 1, 1994.)

House Bill 5009 would amend the Tax Increment Finance Authority Act (MCL 125.1812a). House Bill 5010 would amend the act governing downtown development authorities (MCL 125.1663b). House Bill 5011 would amend the Local Development Financing Act (MCL 125.211a).

HOUSE BILLS 5009-5011 (9-17-93)