

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bill 6043 (Substitute H-2 as reported without amendment)
Sponsor: Representative Tom Meyer
House Committee: Commerce
Senate Committee: Economic Development, International Trade and Regulatory Affairs

CONTENT

The bill would amend the downtown development authority Act to ratify and validate an ordinance, enacted by a municipality with a population over 1,000 and less than 2,000, establishing an authority, creating a district, or approving a development plan or tax increment financing plan or an amendment to an authority, district, or plan, and all actions taken or to be taken under that ordinance, including the issuance of bonds. The ordinance would be ratified and validated even if notice for the public hearing on the establishment of the authority, creation of the district, or approval of the development plan or tax increment financing plan, or on the amendment, were not published, posted, or mailed at least 20 days before the hearing, as long as notice was either published or posted at least 10 days before the hearing or the authority was established in 1990 by a municipality that filed the ordinance with the Secretary of State by July 1991. Under the bill, "notice was either published or posted" would mean that either publication or posting of the notice occurred at least once.

The bill would apply only to an ordinance or an amendment adopted before January 1, 1999, and would include any bonds or amounts to be used by the authority to pay the principal of and interest on bonds that had been issued or that were to be issued by the authority or the incorporating municipality. An authority for which an ordinance establishing the authority, or an amendment to that ordinance, had been published before February 1, 1991, would be considered to have promptly filed the ordinance or amendment with the Secretary of State if it were filed with the Secretary of State before December 31, 2002.

The validity of the proceedings or findings establishing an authority described in the bill, or of the procedure, adequacy of notice, or findings with respect to the approval of a development plan or tax increment financing plan for an authority described in the bill would be conclusive with respect to the capture of tax increment revenues for a bond issued after June 1, 2002, and before June 1, 2006.

(Under the Act, notice of a public hearing on an ordinance creating an authority or approving a development plan or tax increment financing plan must be published twice in a newspaper of general circulation in the municipality, at least 20 days but not more than 40 days before the hearing. An ordinance creating an authority must be filed with the Secretary of State promptly after its adoption.)

Proposed MCL 125.1653d

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 5-29-02

Fiscal Analyst: David Zin