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BILL ANALYSIS

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Senate Bill 1203 (as passed by the Senate)
Sponsor: Senator Jud Gilbert, II
Committee: Commerce and Labor

Date Completed: 5-27-04

RATIONALE

Under the Revised Judicature Act (RJA), a city, village, or township may establish a parking violations bureau to accept civil infraction admissions in parking violation cases and to collect and retain civil fines and costs. The city, village, or township must bear the expense of operating the parking violations bureau, and the bureau's personnel must be city, village, or township employees. The downtown development authority (DDA) Act permits a city, village, or township, by ordinance, to create an authority and establish a downtown district, in order to "capture" the incremental growth in tax revenue on property within the district, for use in financing a variety of public improvements in that area. Since many parking violations occur in a municipality's downtown area, some people believe that a city, village, or township should be authorized to designate its DDA to operate a parking violations bureau.

CONTENT

The bill would amend the Revised Judicature Act to allow a city, village, or township to designate a DDA located within its borders to operate a parking violations bureau. The city, village, or township would have to determine the bureau's operating and personnel expenses.

MCL 600.8395

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

By allowing a city, village, or township to delegate the operation of a parking violations bureau to a DDA within the city, village, or township, the bill would provide a degree of administrative flexibility to municipalities. Also, allowing a city, village, or township to have its DDA operate a parking violations bureau could save the municipality the cost of operating a bureau and employing its staff.

Supporting Argument

Parking management and efficiency are crucial to busy downtown areas. Since DDAs operate solely in downtown districts, for the benefit of those districts, a DDA could be effective at operating a parking violations bureau. In addition, having a DDA operate a parking violations bureau could be convenient for parking violators. Many of a municipality's parking violations are likely to occur in a downtown area, where parking typically is at a premium and usually is highly regulated. Having the DDA operate a parking violations bureau could make it easy for violators to pay their fines in a prompt manner, which also would be beneficial to the municipality.

Opposing Argument

The bill is unclear as to whether a DDA designated to operate a parking violations bureau would be responsible for paying the bureau's operating expenses and furnishing its staff. Also, the bill does not address whether a DDA operating a parking violations bureau could retain civil fines and costs, as a city, village, or municipality that operates a bureau is authorized to do.

Response: The bill specifies that a bureau's operating expenses and personnel would have to be determined by the city, township, or village. This would allow a participating DDA and the local government to agree, on a community-by-community basis, how to cover the costs of operating a bureau and employing staff and how to distribute revenue from civil fines and costs, in a way that was mutually beneficial to the DDA and the municipality.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have an unknown, and likely minimal, fiscal impact on affected local units of government and no fiscal impact on State government. It is unknown how many DDAs would be designated to operate a parking violations bureau under the bill. Presumably, such designations would not be made unless the change would lower operating costs or somehow enhance the administration of the DDA and/or improve the revenue stream collected from DDA properties.

This analysis is preliminary and will be revised as new information becomes available.

Fiscal Analyst: David Zin

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.