

Legislative Analysis



ALLOW DDA TO OPERATE PARKING BUREAU

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Senate Bill 341 as passed by the Senate
Sponsor: Sen. Jud Gilbert II
House Committee: Commerce
Senate Committee: Commerce and Labor

First Analysis (11-30-05)

BRIEF SUMMARY: The bill would allow a local unit of government to designate a downtown development authority (DDA) to operate a parking violations bureau.

FISCAL IMPACT: The bill would have no fiscal impact on state government and an indeterminate impact on local units of government. The bill is permissive; it will be up to local units to decide whether to make use of it. It is not known how many will do so. The expectation is that a local unit and its DDA will decide how to distribute revenues and costs.

THE APPARENT PROBLEM:

The Revised Judicature Act allows a city, village, or township to establish a parking violations bureau to accept civil infraction admissions in parking violation cases and to collect and retain civil fines. The act says that the expense of operating a bureau is to be borne by the local unit and employees of the bureau are to be employees of the local unit. Some people have proposed, as part of a package of bills to help the "cores" of Michigan communities, that a local unit allow a downtown development authority to operate a parking violations bureau, both as a means of providing administrative flexibility for the local unit and as a service to downtown patrons. DDAs are a form of tax increment finance authority used to promote the revitalization of downtown districts. Typically, DDAs are created in downtown office and shopping districts and are able to capture any increment in tax revenues within the DDA boundaries for use in financing special projects that benefit the district. Some people believe a DDA is a logical agency to operate a parking violations bureau as a means of efficiently managing parking problems in an area likely to have greater-than-average traffic density.

THE CONTENT OF THE BILL:

The bill would amend the Revised Judicature Act to allow a city, village, or township to designate a downtown development authority located within its jurisdiction to operate a parking violations bureau. The expenses of operating the bureau and of the personnel of the bureau would be determined by the local unit of government.

MCL 600.8395

HOUSE COMMITTEE ACTION:

The House Committee on Commerce did not amend the Senate-passed version of the bill. Some of the information in this analysis is derived from the Senate Fiscal Agency analysis dated 4-27-05.

ARGUMENTS:

For:

Supporters of the legislation say that allowing a downtown development authority to be designated as the operator of a parking violations bureau has a number of advantages. It provides a local unit with administrative flexibility, since it is up to the local unit whether to make the designation and how the bureau will be funded. It could save the municipality money, since it could shift some or all of the cost of running the bureau to the DDA and could distribute revenue in a manner beneficial to the DDA and the municipality.

Supporters also point out that parking management is crucial in busy downtown areas, and so DDAs are logical agencies to operate parking systems. Locating the violations bureau within the downtown area also could make it easier for violators to pay their tickets promptly, benefiting both drivers and the local unit.

Response:

An amendment has been recommended that would make the bill more clearly spell out how revenue from parking violations would be distributed. The bill addresses "expenses" but not "revenues."

POSITIONS:

The Michigan Economic Development Corporation (MEDC) has indicated support for the bill. (11-29-05)

The Michigan Municipal League has indicated support for the bill. (11-29-05)

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.