

Legislative Analysis



DOWNTOWN DEVELOPMENT AUTHORITY BOARD

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House Bill 4198

Sponsor: Rep. Philip Lajoy

Committee: Commerce

Complete to 4-6-05

A SUMMARY OF HOUSE BILL 4198 AS INTRODUCED 2-3-05

The bill would amend Section 7 of Downtown Development Authority Act (MCL 125.1657), which describes the powers of an authority board, to add that a board may evaluate, develop, and implement programs designed to inform and attract potential customers and tenants to the downtown district and to retain existing customers and tenants. The programs would have to be those that, in the opinion of the board, were expected to aid in the economic vitality and growth of the downtown district.

The act currently allows a board to, among other things, prepare an analysis of economic change in the district; study the impact of metropolitan growth on the district; plan building projects; develop and implement long-term plans to halt the deterioration of property values and to promote economic growth, and take steps to persuade property owners to implement plans; improve land and construct and renovate buildings, including residential buildings; lease property and collect rents; acquire and construct public facilities; establish marketing initiatives; contract for broadband and wireless technology services; and accept grants and donations of property, labor, and other things of value.

[A downtown development authority is a type of tax increment finance authority available to a city, village, or township. Under tax increment financing, an authority captures a defined portion of the property tax revenues in a designated area. Typically, a DDA captures the growth in tax revenue within a designated development area for use in financing a variety of public improvements in the area. The act says a municipality can create a DDA by resolution in order “to halt property value deterioration and increase property tax valuation where possible in its business district, to halt the causes of that deterioration, and to promote economic growth.”]

FISCAL IMPACT:

There is no fiscal impact on the State of Michigan or its local units of government because the bill provides no additional funding for the expanded powers.

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