



Senate Fiscal Agency  
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BILL ANALYSIS

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Senate Bill 341 (as enrolled)  
Sponsor: Senator Jud Gilbert, II  
Senate Committee: Commerce and Labor  
House Committee: Commerce

Date Completed: 12-16-05

### **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. 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 downtown development authority (DDA) to operate a parking violations bureau. Under the downtown development authority Act, a city, village, or township, by ordinance, may 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.

### **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 in which the DDA was located would have to determine, by written agreement between its legislative body and the DDA, the administration, expenses, personnel, distribution of parking violation revenue, and related matters.

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.

The bill 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.

#### **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.

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 collected from DDA property.

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.