



Senate Fiscal Agency
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**BILL ANALYSIS**

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House Bill 4679 (Substitute S-1 as reported)

Sponsor: Representative Chris Ward

House Committee: Commerce

Senate Committee: Economic Development, Small Business and Regulatory Reform

CONTENT

The bill would amend the downtown development authority (DDA) Act to allow a municipality that had created an authority to enter into an agreement with an adjoining qualified township to operate its authority in a downtown district in the qualified township under an interlocal agreement under the Urban Cooperation Act.

The bill also would do the following:

- List specific provisions that would have to be included in an interlocal agreement.
- Allow a downtown district to include one or more separate and distinct geographic areas in a business district as determined by the municipality if the municipality entered into an interlocal agreement with a qualified township.
- Define "qualified township".
- Delete the development of new commercial property from the permissible reasons for determining a DDA is necessary.

MCL 125.1651 et al.

Legislative Analyst: J.P. Finet

FISCAL IMPACT

The bill would have no net effect on the State or local units. For local units affected by the bill, it would increase both revenue and expenditures by the same amount. Downtown district expansions are allowed under current law for certain contiguous property added to an authority, but the bill would expand the conditions allowing property to be included in an authority. To the extent that the areas included in these expansions would not otherwise become part of a downtown district and that any developments occurring as a result of being included in the district would not occur absent the bill, and to the extent that there would be some interaction between capturing revenue from the existing portion of a district and repaying any bonds issued related to the expansion, the bill would represent new revenue and new expenses that otherwise would not occur. The bill should not have any significant effect on State revenue or expenses.

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

Date Completed: 7-7-05

Fiscal Analyst: David Zin

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