



Senate Fiscal Agency
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**BILL ANALYSIS**

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House Bill 6005 (as reported without amendment)

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 Act to ratify and validate a development plan and tax increment financing plan that were approved by a resolution adopted by the village council of a village with a population of less than 7,000 before June 1, 1998, if the council adopted an amendment to the plans in compliance with the Act.

Under the Act, a downtown development authority may finance its activities by various methods, including tax increment financing. If it decides to use tax increment financing, the authority must prepare a tax increment financing plan and submit it to the governing body for approval by ordinance. The tax increment financing plan must include a development plan.

Under the bill, a development plan and tax increment financing plan approved by a resolution adopted by the village council of a village having a population of less than 7,000 before June 1, 1998, rather than by the adoption of an ordinance, would be ratified and validated if an amendment to the plans were adopted by the village council in compliance with Sections 18 and 19 of the Act.

Under Section 18, before adopting an ordinance approving or amending a development plan or approving or amending a tax increment financing plan, the governing body must hold a public hearing on the plan. Under Section 19, after the public hearing, the governing body must determine whether the plan constitutes a public purpose. If it determines that the plan does so, the governing body must approve or reject the plan or approve it with modification, by ordinance.

MCL 125.1653b

Legislative Analyst: J.P. Finet

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 7-5-06

Fiscal Analyst: David Zin