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Senate Bill 1234 (as reported without amendment)

Sponsor: Senator Gilda Z. Jacobs Committee: Commerce and Tourism

## **CONTENT**

The bill would amend the Corridor Improvement Authority Act to include transit-oriented development and transit-oriented facilities in the activities allowed under the Act.

The Act allows a municipality to form a corridor improvement authority to "capture" the incremental growth in tax revenue from property located in a development area or a qualified development area. Among other things, an authority board may plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility. A board also may plan, propose, and implement an improvement to a public facility. The bill would include transit-oriented development and a transit-oriented facility in the Act's definition of "public facility".

The Act also provides for a "qualified development area" in the City of Detroit in which tax increment revenue subject to capture may include taxes under the State Education Tax Act and taxes levied by local or intermediate school districts, with the approval of the Michigan Economic Growth Authority. The qualified development area is not subject to a provision of the Act that allows a taxing jurisdiction's governing body to exempt its taxes from capture by a corridor improvement authority. Under the bill, the qualified development area would include a development area that contains transit-oriented development or a transit-oriented facility.

"Transit-oriented development" would mean infrastructure improvements that are located within one-half mile of a transit station or transit-oriented facility that promotes transit ridership or passenger rail use. "Transit-oriented facility" would mean a facility that houses a transit station in a manner that promotes transit ridership or passenger rail use.

MCL 125.2873 Legislative Analyst: Patrick Affholter

## **FISCAL IMPACT**

By expanding the type of activities that are eligible under the statute to include transitoriented development, the bill could result in a loss of State and local revenue. The potential lost revenue would depend on the amount and value of transit-oriented activity spurred by this change in law that would not have occurred otherwise. Potential lost revenue would include State and local education property taxes as well as local general property taxes. The State also would potentially incur increased expenditures due to the need to replace losses in school operating property taxes.

Date Completed: 8-30-10 Fiscal Analyst: Eric Scorsone