



Telephone: (517) 373-5383 Fax: (517) 373-1986 TDD: (517) 373-0543

Senate Bills 1235 and 1238 (as reported without amendment)

Sponsor: Senator Alan L. Cropsey (S.B. 1235)

Senator Buzz Thomas (S.B. 1238)

Committee: Commerce and Tourism

CONTENT

<u>Senate Bill 1235</u> would amend Public Act 31 of the First Extra Session of 1948, which provides for the incorporation of building authorities, to include transit-oriented development and transit-oriented facilities in the activities allowed under that Act.

Under the Act, a county, city, village, or township may incorporate one or more authorities to acquire, furnish, equip, own, improve, enlarge, operate, and maintain buildings, parking lots or structures, recreational facilities, stadiums, and the necessary sites for those buildings, for use for any legitimate public purpose of the county, city, village, or township. The bill would include transit-oriented developments and transit-oriented facilities in that provision.

Senate Bill 1238 would amend the Tax Increment Finance Authority Act to include transit-oriented development and transit-oriented facilities in the Act's definition of "public facility". The Act allows a city to establish not more than one tax increment finance authority, which may "capture" ad valorem property taxes and specific local taxes attributable to the incremental increase in the value of property in an authority district. 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

Under the bill, "public facility" would include transit-oriented development and a transit-oriented facility.

Under both bills, "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 123.951 (S.B. 1235) 125.1801 (S.B. 1238)

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

By expanding the type of activities that are eligible under the various statutes to include transit-oriented development, the bills 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: 6-23-10 Fiscal Analyst: Eric Scorsone floor\sb1235 Bill Analysis @ www.senate.michigan.gov/sfa