

Legislative Analysis



DOWNTOWN DEVELOPMENT AUTHORITY: ALLOW AGRICULTURE-RELATED INITIATIVES

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House Bill 4487

Sponsor: Rep. Stacy Erwin Oakes

Committee: Commerce

Complete to 1-13-14

A SUMMARY OF HOUSE BILL 4487 AS INTRODUCED 3-21-13

The bill would amend the Downtown Development Authority Act to allow the board of a DDA to create, operate, and fund marketing initiatives, infrastructure improvements, billing and payment systems, and technology updates that promote local agriculture, locally produced agricultural products, locally produced value-added agricultural products, locally processed agricultural products, and local farmers markets.

A downtown development authority is a type of tax increment finance authority available to a city, village, or township. Typically, a DDA captures the growth in tax revenue within a designated development area for use in financing a variety of public improvements in the area, as well as for such activities as property acquisition, marketing, and operations. The act says a municipality can create a DDA by resolution in order "to halt property value deterioration and increase property tax valuation where possible in its business district, to halt the causes of that deterioration, and to promote economic growth." DDAs often issue bonds to carry out their functions and use the captured tax revenue to pay the bonds.

MCL 125.1657

FISCAL IMPACT:

Because the bill would not alter any of the provisions allowing a DDA to capture revenue, there would be no state or local impact relative to current law.

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