



Senate Fiscal Agency
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Senate Bills 739 and 740 (as introduced 1-21-14)
Sponsor: Senator Virgil Smith
Committee: Economic Development

Date Completed: 3-5-14

CONTENT

Senate Bills 739 and 740 would amend the Local Development Financing Act and the Corridor Improvement Authority Act, respectively, to do the following:

- **Allow rules of procedure for authorities created under the Acts to permit a person to be appointed to a board in his or her capacity as a public official.**
- **Allow the rules of procedure to provide that the member's term on the board would end upon the expiration of his or her service as a public official.**

Currently, members of a local development financing authority board are appointed by the chief executive officer of the city, village, or urban township creating the authority, subject to the approval of the governing body of the municipality that created the authority. The board also must include the following members (who may vote only on matters related to their local units):

- One member appointed by the county board of commissioners of the county in which the authority is located.
- One member representing a community or junior college in whose district the authority is located, appointed by the school's chief executive officer.
- Two members appointed by the chief executive officer of each local governmental unit, other than the one that created the authority, which levied 20% or more of the ad valorem property taxes levied against all property located in an authority district in the year before the district was established.

The board of a corridor improvement authority consists of the chief executive officer of the municipality, or his or her assignee, and not less than five or more than nine members as determined by the governing body of the municipality that created the authority. Members are appointed by the chief executive officer of the municipality, subject to approval by its governing body. Not less than a majority of the members must have an ownership or business interest in property located in the development area, and at least one member must be a resident of the development area or an area within one-half mile of any part of the development area.

Under both Acts, board members are appointed to staggered, four-year terms and a member holds office until his or her successor is appointed

The bills would permit the boards to establish rules of procedure allowing a person to be appointed to a board in his or her capacity as a public official, whether appointed or elected. The bills also would allow the rules of procedure to provide that the member's term on the board would end upon the expiration of his or her service as a public official. Expiration of

service as a public official would include the member's resignation or removal from the position as a public official.

MCL 125.2155 (S.B. 739)
125.2878 (S.B. 740)

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

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

Fiscal Analyst: Elizabeth Pratt

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.