



**House
Legislative
Analysis
Section**

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MUSKEGON DOWNTOWN DEVELOPMENT

House Bill 4131 (Substitute H-4)
First Analysis (7-26-89)

RECEIVED

SEP 06 1989

Sponsor: Rep. David Honigman
Committee: Taxation

Mich. State Law Library

THE APPARENT PROBLEM:

A pending bond issue by the downtown development authority in Muskegon, which is part of a plan to privatize (and, it is hoped, greatly expand) the city's downtown mall, has been stymied because of a technical violation of public notice requirements, officials say. The downtown development authority act requires public notice of a hearing on a bond issue at least 20 days before the hearing. Local officials appear to have miscounted (reportedly by counting the day of the hearing as one of the days of notice) and provided only 19 days of notice. A bill to validate this bond issue has been requested since all other elements for a successful issue (including a purchaser for the bonds) are in place.

THE CONTENT OF THE BILL:

The bill would amend the downtown development authority act to ratify and validate an ordinance enacted by a municipality of less than 50,000 people establishing an authority, creating a district, or approving a development plan or tax increment financing plan, or any subsequent amendments or actions, including the issuance of bonds, notwithstanding the fact that the 20-day notice requirement was not met, provided notice was published or posted at least 15 days before the required hearing. The bill would only apply to an ordinance adopted before August 1, 1989.

MCL 125.1653b

FISCAL IMPLICATIONS:

There is no information at present.

ARGUMENTS:

For:

The bill is considered by bond attorneys necessary and sufficient for the downtown development authority in Muskegon to issue bonds as part of the city's effort to privatize and expand its downtown mall. Officials did not meet a required public notice requirement because they counted the day of the meeting as one of the days of notice. The bill would, essentially, forgive them and permit the bond issue to go forward.

POSITIONS:

There are no positions at present.

H.B. 4131 (7-26-89)