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BILL ANALYSIS

Senate Fiscal Agency

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House Bills 4527 through 4530 (as reported without amendment)**Sponsor: Representative Donald Van Singel****House Committee: Economic Development and Energy****Senate Committee: Criminal Justice, Urban Affairs, and Economic Development****Date Completed: 6-5-87*****RATIONALE***

Some small communities have experienced problems recruiting people to serve on various boards and commissions. Consequently, the memberships of these groups sometimes consist of the same people, making it difficult for the various bodies to schedule meetings. Some contend that local planning commissions should be allowed to serve as the boards of directors for such entities as Downtown Development Authorities, Economic Development Corporations, and Tax Increment Finance Authorities.

CONTENT

House Bills 4527 through 4530 would amend various Acts to allow certain specified boards to serve as planning commissions or planning commissions to serve as those boards, in a municipality with a population of less than 5,000.

The bills are tie-barred.

House Bill 4527

House Bill 4527 would amend Public Act 285 of 1931 to allow a city or village that has a population of less than 5,000, and has not established a planning commission by charter, to have the board of directors of its Economic Development Corporation, its Downtown Development Authority, or its Tax Increment Finance Authority serve as its planning commission.

MCL 125.32

House Bill 4528

House Bill 4528 would amend Public Act 197 of 1975 to allow the governing body of a municipality that had a population of less than 5,000 to pass an ordinance allowing the municipality's planning commission to serve as the municipality's Downtown Development Authority board. In addition, if an Authority board served as the municipality's planning commission, the bill would require the board to include planning commission business in its agenda.

MCL 125.1654

House Bill 4529

House Bill 4529 would amend the Economic Development Corporations Act to allow the governing body of a municipality that had a population of less than 5,000 to pass an ordinance allowing the municipality's planning commission to serve as the municipality's Economic Development Corporation board of directors. In addition, if an Economic Development Corporation board served as the municipality's planning commission, the bill would require the board to include planning commission business in its agenda.

MCL 125.1604

House Bill 4530

House Bill 4530 would amend the Tax Increment Finance Authority Act to allow an Authority to be under the supervision of a municipality's planning commission in a municipality that had a population of less than 5,000, upon a majority vote of the municipality's governing body. In addition, if an Authority board served as the municipality's planning commission, the bill would require the board to include planning commission business in its agenda.

MCL 125.1804

FISCAL IMPACT

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

ARGUMENTS***Supporting Argument***

Recruiting people to serve on commissions and boards frequently is a problem in smaller communities. The bill would permit small cities and villages to overcome this problem by "doubling up" the membership of those boards and commissions.

Response: The bills should apply to small townships as well as cities and villages.

Opposing Argument

The bills should contain some provision to require that a search for separate members of the indicated boards and commissions be conducted. Otherwise, the danger would exist that a small clique could dominate various aspects of a community's economic development policy.

Opposing Argument

The boards of Downtown Development Authorities, Economic Development Corporations, and Tax Increment Finance Authorities should not be permitted to act as local planning commissions. The Authorities' boundaries usually don't incorporate a community's total land area; if these boards were to act as planning commissions, some parts of the community could go unrepresented on the commission.

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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.

H.B. 4527-4530 (6-5-87)