

Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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House Bill 5566 (Substitute H-1 as passed by the House)  
Sponsor: Representative Beverly Hammerstrom  
House Committee: Urban Policy and Economic Development  
Senate Committee: Economic Development, International Trade and Regulatory Affairs

Date Completed: 3-18-98

### **CONTENT**

The bill would amend the Local Development Financing Act to expand the definition of "urban township" (which is a type of municipality eligible to establish a local development financing authority under the Act). The expanded definition would include two categories of townships that had a population under 20,000. (Currently, an urban township must have a population of 20,000 or more, or have a population of 10,000 or more but be located in a county with a population of at least 400,000.) Under the bill, "urban township" would include a township that met all of the following requirements:

- Had a population of less than 20,000.
- Was located in a county that had a population of at least 250,000 or more but less than 400,000, and was located in a metropolitan statistical area.
- Had within its boundaries a parcel of property under common ownership that was 800 acres or larger and was capable of being served by a railroad, and located within three miles of a limited access highway.

In addition, "urban township" would include a township that met all of the following requirements:

- Had a population under 20,000.
- Had a State equalized value for all real and personal property located in the township of more than \$200 million.
- Adopted a master zoning plan before February 1, 1997.
- Was a charter township under the Charter Township Act.
- Had within its boundaries a combination of parcels under common ownership that was 800 acres or larger, was immediately adjacent to a limited access highway, was capable of being served by a railroad, and was immediately adjacent to an existing sewer line.
- Established an authority before March 1, 1999.

MCL 125.2152

Legislative Analyst: S. Lowe

## **FISCAL IMPACT**

The bill would allow a township that met the definition in the bill to set up a local development financing authority. The township could capture the tax increment to provide for the additional local costs associated with the development.

Fiscal Analyst: R. Ross

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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.