



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 5142 (Substitute H-1 as passed by the House)
Sponsor: Representative Mark Ouimet
House Committee: Local, Intergovernmental, and Regional Affairs
Senate Committee: Local Government and Elections

Date Completed: 5-15-12

CONTENT

The bill would amend the Corridor Improvement Authority Act to allow two or more cities, villages, or townships to create a joint corridor improvement authority.

The Act allows a municipality (a city, village, or township) to establish multiple corridor improvement authorities, which may levy special assessments, issue revenue bonds and notes, and implement tax increment financing plans for the redevelopment of corridors meeting specific criteria ("development areas"). The bill would allow a city, village, or township to join by resolution with one or more other cities, villages, or townships to create a joint authority, and would include a joint authority in the definition of "authority".

The bill also would include in the definition of "municipality" a combination of two or more cities, villages, or townships acting jointly under a joint authority.

As a rule, a corridor improvement authority is under the supervision and control of a board consisting of the chief executive officer (CEO) of the municipality, or his or her assignee, and at least five but not more than nine members as determined by the municipality's governing body. Members are appointed by the CEO, subject to the governing body's approval. Of the members first appointed, an equal number, as near as practicable, must be appointed for one year, two years, three years, and four years. After the initial appointment, each member serves for a term of four years.

Under the bill, the board of a joint authority would have to consist of up to three individuals appointed by the CEO of each municipality that was a member of the authority. Each individual would have to be appointed for terms of two years, three years, and four years.

The Act permits an authority board to fix, charge, and collect fees, rents, and charges for the use of any facility, building, or property under its control, and pledge that money for the payment of authority revenue bonds. Under the bill, fees, rents, and charges could not include the addition of a toll or employment of new user fees for any motor vehicle access to a new or existing highway, road, street, highway ramp, or bridge.

MCL 125.2872 et al.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would have no effect on State revenue or expenditure. The bill would reduce the growth in local unit revenue by an unknown amount that would depend on the degree to which the changes increased the number of authorities and the specific characteristics of any property included in any resulting development areas.

Fiscal Analyst: David Zin

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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.