

Legislative Analysis



BUSINESS IMPROVEMENT ZONES: TRANSIT-ORIENTED DEVELOPMENT

Phone: (517) 373-8080
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House Bill 4422

Sponsor: Rep. Andy Schor

Committee: Commerce and Trade

Complete to 5-22-15

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

The bill would allow projects in business improvement zones to include transit-oriented development and transit-oriented facilities.

The bill is an amendment to Chapter 2 of Public Act 120 of 1961, which provides for the creation and operation of business improvement zones. These zones can be created by cities and villages through petition by property owners. Under such a program, property owners and business owners in a specified geographic area band together to create a district in which special assessments can be levied, typically based on property values, with the proceeds used to fund various enhancement projects for the benefit of property owners within the zone. The revenue stream can also be used to support bonds to pay for a variety of streetscape improvements, such as lighting, benches, and plantings. While such a zone is a privately managed entity, it requires the authorization of the local unit of government to make the assessments binding and to collect the assessments.

Under the bill, "transit-oriented development" refers to infrastructure improvements located within one-half mile of a transit station, transit line, or transit-oriented facility that promotes transit ridership or passenger rail use. A "transit line" refers to a street railway system and/or a rolling rapid transit system. A "transit-oriented facility" is a facility that houses a transit station in a manner that promotes transit ridership or passenger rail use.

Under the act, a business improvement district can carry out a variety of activities for the benefit of property owners. House Bill 4422 would add: "develop and finance transit-oriented development and transit-oriented facilities."

FISCAL IMPACT:

The revenues collected by business improvement zones, under the enabling statute, "are the funds of the business improvement zone and not funds of the state or of the city or village in which the business improvement zone is located."

Legislative Analyst: Chris Couch

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