

Legislative Analysis



REVISE QUALIFYING PERIOD FOR BUSINESS IMPROVEMENT ZONES

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House Bill 4871 (committee substitute H-2)
Sponsor: Rep. Stephanie Chang
Committee: Commerce and Trade
Complete to 3-2-18

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

SUMMARY:

House Bill 4871 would amend Public Act 120 of 1961, the statute that governs business improvement zones (BIZs), to change the time period for which a business improvement zone is authorized to operate. (MCL 125.990 et al.)

Currently under the act, a business improvement zone is authorized within a specified “10-year period,” beginning on the date that the business improvement zone is created or renewed, and ending 10 calendar years after that date. The bill would change this term to “qualifying period” and define it as beginning on the date that the BIZ is approved by the property owners voting on it and ending 7 to 10 years after that date, as determined in the zone plan.

The 10-year period or qualifying period of a BIZ that was created before the effective date of the bill would begin on the date that the BIZ was approved by the property owners voting on it.

The bill would make complementary changes in other sections of the act to reference the “qualifying period” as opposed to “10-year period.” Finally, beginning on the effective date of the bill, a zone plan would have to include the number of calendar years in the qualifying period, between 7 and 10 calendar years.

BRIEF BACKGROUND:

A business improvement zone is a public body created and led by property owners within a specific geographic areas. The zone can be funded by an assessment on assessable property. Revenue is used for various improvement projects in the zone, including, but not limited to, construction of park areas, improvement of sidewalks and lighting, and promotion of the area.¹

FISCAL IMPACT:

House Bill 4871 would have no fiscal impact on state or local government.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.

¹ See “Business Improvement District/Principal Shopping District/Business Improvement Zone (Bid/PSD/BIZ). Michigan Economic Development Corporation, 07/16. <https://www.michiganbusiness.org/cm/Files/Fact-Sheets/BusinessImprovementDistrict.pdf?rnd=1519315337938>