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BILL ANALYSIS



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Senate Bill 621 (as introduced 10-10-17)
Sponsor: Senator Wayne Schmidt
Committee: Economic Development and International Investment

Date Completed: 11-30-17

CONTENT

The bill would amend Chapter 2 (Business Improvement Zone) of Public Act 120 of 1961, which authorizes the development or redevelopment of principal shopping districts and business improvement zones, to modify the period in which a business improvement zone may be authorized to operate.

Chapter 2 of the Act authorizes a city or village to establish one or more business improvement zones, which may engage in specific activities for the benefit of property owners located in the zones. A person may initiate the establishment of a business improvement zone by the delivery of a petition to the clerk of the city or village in which a proposed zone area is located. A business improvement zone may be funded in whole or in part by one or more assessments on assessable property, as provided in a zone plan, and the assessments must be collected by the treasurer of the city or village in which the zone area is located.

The term "10-year period" is used throughout the chapter, and means the period in which a business improvement zone is authorized to operate, beginning on the date that the business improvement zone is created or renewed, and ending 10 calendar years after that date. The bill would replace the term "10-year period" with the term "qualifying period". "Qualifying period" would mean the period in which a business improvement zone assessment is imposed by the treasurer of the city or village who is collecting the assessment and ending seven to 10 calendar years after that date as determined in the business improvement zone petition. The 10-year period or qualifying period of a business improvement zone that was created before the bill's effective date would begin on the date that the first business improvement zone assessment became imposed by the treasurer of the city or village who was collecting it.

In addition, the Act requires a business improvement zone petition to include an attached zone plan. The plan must contain specified information, including the following:

- A description of projects planned during the 10-year qualifying period, including the scope, nature, and duration of the projects.
- An estimate of the total amount of expenditures for projects planned during the 10-year qualifying period.
- The proposed source or sources of financing for the projects.
- If the proposed financing includes assessments, the projected amount or rate of the assessments for each year and the basis upon which the assessments are to be imposed on assessable property.

The bill would replace "10-year period" with "qualifying period" in these provisions, and would require a zone plan to include, beginning on the bill's effective date, the number of calendar years in the qualifying period, not more than 10 calendar years and not less than seven calendar years.

MCL 125.990 et al.

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

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

Fiscal Analyst: Elizabeth Pratt

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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.