



Senate Fiscal Agency
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Senate Bill 1224 (as discharged)
Sponsor: Senator Wayne A. Schmidt
Committee: Economic and Small Business Development

CONTENT

The bill would amend Public Act 120 of 1961, which provided for the creation, operation, and dissolution of business improvement zones, to do the following:

- Amend or add various definitions within the Act.
- Remove a requirement that a zone plan must allocate assessments on the basis of the benefit to assessable property.
- Allow a zone plan to provide for assessments, and if it did so, require the zone plan to include a basis for the allocation of assessments in compliance with the Act on the basis of one or more factors specified in the bill.
- Specify that if the zone plan for a zone area provided a basis for the allocation of assessments on the basis of assessed value, the majority of all properties within the zone area would have to be assessable property.
- Require that if the zone plan for a zone area provided a basis for the allocation of assessment on a basis other than assessed value, the majority of all properties within the zone area would have to be assessable property.
- Allow a zone plan to provide for caps on the assessment amounts paid by an owner of assessable property and for caps on the growth of assessment amounts.
- Specify that if proportional voting would apply in the zone plan for a new business improvement zone, a description of the proportional voting mechanism to be used or, if proportional voting would not apply, a statement to that effect.
- Remove a requirement that any notice required as part of the assessment process include a statement that a residential property owner within a business improvement zone may seek a homestead deferment for an assessment.
- Prescribe the allocations for the proportional vote of a property owner, if a zone plan provides for proportional voting.
- Specify that the proportional vote allocated to any one property owner could not exceed 25% and prescribe procedures for reallocating the votes in excess of that threshold.

MCL 125.990 et al.

Legislative Analyst: Olivia Ponte

FISCAL IMPACT

The bill would have no fiscal impact on State government but could have a negative fiscal impact on local units of government. The bill would eliminate a requirement that cities and villages apply business improvement zone assessments first to property taxes owed by property owners, which would reduce revenue to cities or villages.

Date Completed: 12-1-22

Fiscal Analyst: Bobby Canell