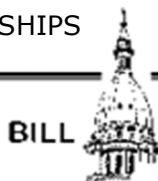




Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 334 (as introduced 4-14-11)
Sponsor: Senator Dave Hildenbrand
Committee: Economic Development

Date Completed: 5-2-11

CONTENT

The bill would amend Public Act 120 of 1961 (which governs principal shopping districts, business improvement districts, and business improvement zones) to allow business improvement zones in townships, as well as cities and villages.

Chapter 2 (Business Improvement Zone) of the Act allows one or more business improvement zones to be established within a city or village. The bill instead would allow the establishment of one or more business improvement zones in a local governmental unit, and would define "local governmental unit" as a city, village, or township. (A business improvement zone (BIZ) is a public body corporate and may take certain actions, outlined in Chapter 2, for the benefit of property owners located in the zone.)

Under Chapter 2, a person may initiate the establishment of a BIZ by the delivery of a petition to the clerk of the city or village in which a proposed zone is located. After a petition is filed, the clerk must notify all property owners within the zone area of a public meeting regarding the establishment of the zone. At the meeting, the property owners may adopt a zone plan for submission to and approval by the governing body of the city or village. If the zone plan is adopted and presented to the clerk, the governing body of the city or village must schedule a public hearing to review the zone plan and any proposed assessment, and to receive public comment. At the public hearing, or at its next regularly scheduled meeting, the governing body of the city or village must approve or reject the establishment of the BIZ and the zone plan.

An approved BIZ and zone plan must be scheduled for an election for adoption of the plan and establishment of the zone, including the identity of the zone's board. All property owners as of the date of the petition's delivery are eligible to participate in the election, which must be conducted by mail. A BIZ may be funded in whole or in part by one or more assessments on assessable property, as provided in the zone plan. The treasurer of the city or village in which a zone is located must collect the assessment, but assessment revenue is the property of the BIZ and not the city or village.

Chapter 2 also contains provisions for the amendment of a zone plan and the dissolution of a BIZ, including the role of the city or village in those procedures.

Under the bill, all of the provisions described above would apply to a "local governmental unit", rather than to a city or village.

FISCAL IMPACT

By expanding the provisions of business improvement zones to include townships, the bill would increase local unit revenue and expenses in townships by an unknown amount. The actual impact would depend upon the specific characteristics of property included within a zone as well as the provisions of applicable zone plans, including whether revenue for the plan were to be obtained through assessments on property within a zone.

The bill would have no fiscal impact on State government.

Fiscal Analyst: David Zin

S1112\334sa.

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.