

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 348 (as reported without amendment)
Sponsor: Senator Bev Hammerstrom
Committee: Economic Development, International Trade and Regulatory Affairs

CONTENT

The bill would amend the State Housing Development Authority Act to empower the Authority to operate homesteading programs, make loans to certain qualified buyers and resident organizations, and make grants to resident organizations as provided in the following:

- The Urban Homestead Act (proposed by Senate Bill 343).
- The Urban Homesteading in Single-Family Public Housing Act (proposed by Senate Bill 344).
- The Urban Homesteading in Multifamily Public Housing Act (proposed by Senate Bill 345).
- The Urban Homesteading on Vacant Land Act (proposed by Senate Bill 346).

MCL 125.1422

Legislative Analyst: N. Nagata

FISCAL IMPACT

The fiscal impact of Senate Bill 348 would depend on the fiscal impact of Senate Bills 343, 344, 345, and 346.

Senate Bill 343 would allow a local unit of government to contract with MSHDA to administer the urban homestead program. Although this would increase the administrative responsibility of the Authority, including possibly drug testing, the revenue generated from the interest on any loans and through the rent payment would most likely offset any fiscal impact this program would have.

Under Senate Bill 344, local units that participated in an urban homesteading program would incur administrative costs and would receive rent.

Senate Bill 345 would require MSHDA to request housing vouchers from the Federal government for residents who did not become owners. This could result in the administration of a separate voucher system for individuals residing in these units. Local units that participated in an urban homesteading program would incur administrative costs and would receive rent.

Under Senate Bill 346, local units that participated in an urban homesteading program for vacant land would incur administrative costs and would receive rent.

Date Completed: 3-17-99

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