

Senate Fiscal Agency
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SFA

BILL ANALYSIS

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House Bills 4735 and 4736 (Substitutes S-1 as reported)

Sponsor: Representative Jason Allen (House Bill 4735)

Representative Samuel Buzz Thomas (House Bill 4736)

House Committee: Commerce

Senate Committee: Economic Development, International Trade and Regulatory Affairs

CONTENT

House Bill 4735 (S-1) would amend the shopping areas redevelopment Act to designate the current statute, which provides for the creation and operation of principal shopping districts and business improvement districts (BIDs), as Chapter 1 ("Principal Shopping District") of the Act. The bill also specifies that a special assessment under Chapter 1 would have to be levied against "assessable property" rather than "a parcel" in a principal shopping district or BID established under that chapter. "Assessable property" would mean real property in a principal shopping district or BID established under Chapter 1 other than 1) property classified as residential; 2) government-owned property that was exempt from property taxes; or 3) a class of property owners whose property either was exempt from property taxes or, as a class, had been determined not to benefit from a project for which special assessments were to be levied.

The bill also would authorize a city with a principal shopping district or BID to provide for or contract with other entities for the provision of services that the district board determined were a benefit to the shopping district or BID.

House Bill 4736 (S-1) would amend the shopping areas redevelopment Act to add a new Chapter 2 ("Business Improvement Districts"), which would provide for the creation and operation of a different type of BID. The bill would do all of the following:

- Allow a city or village to create a BID for a renewable seven-year period.
- Specify the procedures for establishing a BID, including a petition and public hearing, adoption of a district plan, approval of the governing body of the city or village in which the BID would be located, and approval by the property owners within the proposed BID.
- Require a board of directors to manage a BID's activities and implement its district plan.
- Allow a BID established under Chapter 2 to be funded by one or more assessments.
- Specify a process for amending a BID plan, reauthorizing a BID, and dissolving a BID.
- Provide that, to the extent not protected by the governmental immunity Act, a city or village that approved a BID would be immune from civil or administrative liability arising from action of the BID.
- Require a BID to comply with the Open Meetings Act and the Freedom of Information Act.

MCL 125.981 et al. (H.B. 4735)
Proposed MCL 125.990-125.990m (H.B. 4736)

Legislative Analyst: P. Affholter

FISCAL IMPACT

The bills would have no fiscal impact on the State. Their impact on local units of government would be minimal, if any.

Date Completed: 9-28-01

Fiscal Analyst: D. Zin

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Analysis available @ <http://www.michiganlegislature.org>

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.