



Senate Fiscal Agency  
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BILL ANALYSIS

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Senate Bill 34 (Substitute S-4 as reported)

Sponsor: Senator Gilda Jacobs

Committee: Economic Development, Small Business and Regulatory Reform

### **CONTENT**

The bill would create the "Corridor Improvement Authority Act" to do the following:

- Allow a municipality (a city, village, or township) to establish a corridor improvement authority if it determined that one was necessary to redevelop its commercial corridors and promote economic growth.
- Require the establishment of a development area in the municipality, and require the development area to meet specific criteria.
- Require a public hearing regarding the creation of the authority and the development area.
- Provide for a board to govern the authority, and enumerate the board's powers.
- Provide for the financing of authority activities and allow it to levy special assessments, borrow money, and issue revenue bonds.
- Allow the authority to prepare and submit a tax increment financing plan to the governing body of the municipality, if the authority determined that one was necessary.
- Require municipal and county treasurers to transmit tax increment revenue to the authority.
- Require the authority to prepare a development plan if the board decided to finance a project in a development area by use of revenue bonds or tax increment financing.
- Require a public hearing before the municipality's governing body approved a development plan or a tax increment financing plan.
- Require the preservation of historical sites.
- Provide for the dissolution of the authority when it had completed its purposes.
- Allow the State Tax Commission to enforce the proposed Act and to promulgate rules necessary for its administration.
- Allow adjoining municipalities to operate corridor improvement authorities jointly.

Legislative Analyst: J.P. Finet

### **FISCAL IMPACT**

The bill would have no effect on State revenue or expenditures. The bill would reduce the growth in local unit revenue by an unknown amount, depending upon the number of development areas created and the characteristics of the property in the development areas.

This estimate is preliminary and will be revised as new information becomes available.

Date Completed: 6-27-05

Fiscal Analyst: David Zin