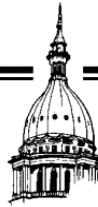




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BILL ANALYSIS



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Senate Bill 257 (Substitute S-2 as reported by the Committee of the Whole)
Sponsor: Senator Mike Kowall
Committee: Economic Development

CONTENT

The bill would amend Chapter 2 (Business Improvement Zones) of Public Act 120 of 1961, which provides for the creation, operation, and dissolution of principal shopping districts and business improvement zones, to revise the process for petitioning for the establishment of a business improvement zone (BIZ). Specifically, the bill would repeal Section 10d of the Act, which requires property owners within a proposed zone to adopt a zone plan for submission to and approval by the governing body of the city or village where a BIZ is proposed to be located. Under the bill, a local governing body would have to consider the establishment of a BIZ and a zone plan if the plan complied with requirements of Section 10c (which allows a person to petition the governing body); the zone plan specified that services to be provided by the BIZ and projects under the plan would be supplemental to city or village services, projects, and functions; and the plan provided a basis for allocating assessments that complied with Chapter 2.

The bill also would do the following:

- Allow zone plan assessments and votes to be allocated based on either taxable value or assessed value.
- Delete a provision under which a BIZ assessment is not a special assessment collected under the General Property Tax Act.
- Allow an unpaid BIZ assessment to be returned as delinquent by the local treasurer and be collected in the same manner as a delinquent tax special assessment, along with interest, fees, and costs.
- Allow the lien on an unpaid BIZ assessment to include interest.
- Authorize a BIZ to operate for 10, rather than seven, years.
- Allow a new zone plan to be approved by more than 50%, rather than 60%, of the property owners' weighted vote, before the BIZ's 10-year period expired.
- Require 30%, rather than 20%, of the owners of assessable property within a BIZ to sign a petition for dissolution of a BIZ, and require a *weighted* vote of more than 50% of the property owners, rather than a vote of more than 50% of property owners, to dissolve the BIZ.
- Expand the activities that a BIZ may conduct.
- Revise various deadlines and notice publication requirements in the BIZ and zone plan approval process.
- Allow the merger of two or more business improvement zones with the same city or village.
- Delete a provision restricting a city's or village's establishment of a BIZ if it had established a business improvement district under Chapter 1 of the Act on the date Chapter 2 took effect.

MCL 125.990 et al.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have an indeterminate effect on local units that have established business improvement zones. To the extent that the changes would allow zones to engage in other activities, consolidate or coordinate activities, and/or would alter the manner in which votes may be counted, if these changes resulted in a zone taking different actions, the bill could alter revenue and/or expenditure. The actual impact would depend on the nature of any changes and the specific characteristics of the affected properties.

The bill would have no effect on State revenue or expenditure.

Date Completed: 4-10-13

Fiscal Analyst: David Zin

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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.