



Senate Fiscal Agency  
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**BILL ANALYSIS**

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Senate Bill 575 (Substitute S-3 as reported)  
Sponsor: Senator Bill Schuette  
Committee: Local, Urban and State Affairs

**CONTENT**

The bill would amend Public Act 207 of 1921 (which the bill would name the "City and Village Zoning Act") to provide that, in order to protect agricultural land, the legislative body of a city or village could adopt a development rights ordinance limited to the establishment, financing, and administration of a "PDR program" (a program for the purchase of development rights, i.e., the rights to develop land to the maximum intensity of development authorized by law). Under a PDR program, a city or village could purchase development rights only from a willing landowner. A development rights ordinance would have to contain specific information, including the intensity of development permitted and the circumstances under which a landowner could repurchase development rights.

A PDR program and the administration of a development rights authority could be financed through general appropriations by the city or village, proceeds from the sale of development rights, grants, donations, bonds or notes issued by the city or village, general fund revenue, and other sources approved by the city or village and permitted by law.

A development rights ordinance could establish a development rights authority to exercise some or all of the city's or village's powers and duties under the bill and the ordinance, although the purchase and sale of development rights would be subject to the approval of the city's or village's legislative body, and only the legislative body could issue bonds and notes and enter into intergovernmental agreements.

The legislative body of a city or village also could enter into an intergovernmental agreement for the creation of a joint development rights authority to implement agreements between counties, cities, villages, and townships for the purchase of development rights, including cross-jurisdictional purchase.

MCL 125.581 et al.

Legislative Analyst: S. Margules

**FISCAL IMPACT**

Local units that adopted an ordinance authorizing the purchase of development rights would experience an indeterminate fiscal impact. The purchase of development rights could involve an authority that could purchase, hold, or sell development rights. The authority or local unit would incur the cost of compensating authority members for actual and reasonable expenses.

The bill would have no State fiscal impact.

Date Completed: 5-21-96

Fiscal Analyst: R. Ross

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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.