



Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536

## BILL ANALYSIS



Telephone: (517) 373-5383  
Fax: (517) 373-1986

Senate Bill 218 (Substitute S-1 as reported)  
Sponsor: Senator Goeff Hansen  
Committee: Outdoor Recreation and Tourism

**CONTENT**

The bill would amend the Water Resource Improvement Tax Increment Finance Authority (TIFA) Act to do the following:

- Include dredging and other activities that enhance a waterway's navigability among the water resource improvements that may be financed under the Act.
- Include the shoreline of a Great Lakes harbor, as well as connected land and tributaries, in the definition of "water resource improvement district".
- Delete the exclusion of chemical treatment for aquatic nuisance control, from water resource improvements eligible for financing.
- Allow a TIFA board to apply for the necessary State and Federal permits required for a public facility or water resource improvement under the Act.

The bill also would repeal a section prohibiting the creation of a water resource improvement TIFA or the expansion of a TIFA's development plan after December 31, 2011.

(The Act allows the governing body of a city, village, or township to establish a water resource improvement TIFA within the boundaries of a designated water resource improvement district. The authority may finance the costs of water resource improvements in various ways, including tax increment financing; the issuance of revenue bonds and notes; and special assessments.)

MCL 125.1773 et al.

Legislative Analyst: Julie Cassidy

**FISCAL IMPACT**

The bill would have an indeterminate impact on local units of government. The bill not only would allow the creation and/or expansion of existing plan areas, but also would expand the purposes for which an authority may be organized or the activities allowed under a plan. The amount of revenue captured by an authority would depend on the specific characteristics of the authority and any applicable plans, as well as the specific characteristics of the properties within the development area. Generally, the bill would divert to an authority revenue that a local unit otherwise would receive. In some cases, the diversion could affect multiple local units at once, such as both a city and a library.

Date Completed: 3-13-13

Fiscal Analyst: David Zin