

Legislative Analysis



PUBLIC OFFICIALS ON BROWNFIELD AUTHORITY & ECONOMIC DEVELOPMENT CORPORATION BOARDS

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House Bills 5131 (H-1) & 5132 (H-1)

Sponsor: Rep. Harvey Santana

Committee: Commerce

Complete to 1-24-14

A SUMMARY OF HOUSE BILLS 5131 & 5132 AS REPORTED FROM COMMITTEE

Each of the bills would amend a separate economic development statute to add the same language regarding board membership.

Specifically, the bills would state that the rules of procedure or bylaws of a brownfield redevelopment authority or an economic development corporation could allow a person to be appointed to the board in his or her capacity as a public official, whether appointed or elected, or to be appointed to the board by a political official. The rules of procedure or bylaws could also provide that the public official's term is to expire upon expiration of service as a public official or, in the case of a member appointed by a public official, upon the expiration of the term of that public official. In addition, the expiration of service as a public official would include the member's resignation or removal from office as a public official.

House Bill 5131 would amend the Brownfield Redevelopment Financing Act (MCL 125.2655) to apply to brownfield authority boards. House Bill 5132 would amend the Economic Development Corporations Act (MCL 125.1604) to apply to economic development corporation boards.

Similar language already exists in the Downtown Development Authority Act (MCL 125.1654).

BACKGROUND INFORMATION:

According to committee testimony, the intent of the bill is two-fold: so that the rules or bylaws of a brownfield authority or development corporation could (1) allow the term of a member who serves on these boards in virtue of his or her role as an officer holder to end when the term office ends and (2) allow the term of a member appointed by an office holder to end when the term of that appointing office holder ends. The aim is to increase the accountability of such boards.

FISCAL IMPACT:

The bills will have no fiscal impact on state or local finances.

POSITIONS:

Representatives from the City of Detroit and the Detroit Economic Growth Corporation indicated support for the bill. (1-15-14)

The Michigan Economic Development Corporation (MEDC) indicated support for the bill. (1-15-14)

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