Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 110 (as introduced 2-7-17)
Sponsor: Senator Wayne Schmidt
Committee: Local Government

Date Completed: 12-12-17

CONTENT

The bill would amend Public Act 226 of 1988, which limits the powers of local governmental units regarding the lease of private residential property, to specify that a prohibition against a local governmental unit's controlling the amount of rent charged for leasing private residential property would not limit the power of the local unit to implement a plan to increase the supply of moderate- or low-cost housing through incentives.

The Act prohibits a local governmental unit from enacting, maintaining, or enforcing an ordinance or resolution that would have the effect of controlling the amount of rent charged for leasing private residential property. The prohibition does not impair the right of a local unit to manage and control residential property in which it has a property interest.

Under the bill, the prohibition also would not limit the power of a local governmental unit to adopt an ordinance or resolution to implement a plan designed to increase, through incentives, the supply of moderate- or low-cost private residential property available for lease. Incentives could include density bonuses or adjustments, expedited service for local permitting processes, reduced or deferred fees, modification of site-specific requirements, fee-in-lieu incentives, or other incentives as determined by the local governmental unit.

The Act defines "local governmental unit" as a political subdivision of the State, including a county, city, village, or township, if the political subdivision provides local government services for residents in a geographically limited area of the State as its primary purpose and has the power to act primarily on behalf of that area.

The bill would take effect 90 days after its enactment.

MCL 123.411 Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

A local government that chose to offer incentives for development of low- or moderate-income housing pursuant to the authority in the bill would incur additional costs or forego local revenue in order to fund the incentive. The amount of the local fiscal impact would depend on local decisions to implement a low- or moderate-income housing incentive program and the type and scope of the specific incentives offered. The bill would have no fiscal impact on the State.

Fiscal Analyst: Elizabeth Pratt

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