

MICHIGAN
DOWNTOWN
ASSOCIATION



February 4, 2026

Senate Committee on Local Government
Room 1200, Binsfeld Office Building
Lansing, MI 48933

Subject: Opposition to Senate Bill 581

Dear Chair Klinefelt and Members of the Senate Local Government Committee:

Founded in 1980, the Michigan Downtown Association (MDA) is a state-wide, non-profit organization with a membership of 230 cities, villages, townships, counties, individuals, and businesses with a common goal: to strengthen Michigan's downtowns.

Since 1975, the State of Michigan has authorized Downtown Development Authorities (DDAs) to utilize Tax Increment Financing (TIF) to invest in infrastructure improvements, redevelop blighted areas, support job creation, and fund events and promotions that strengthen downtowns. Downtown management is economic development, and TIF remains a critical tool that allows municipalities to direct locally generated resources toward targeted economic development activities without increasing local property taxes.

The MDA has significant concerns regarding several provisions of Senate Bill 581, which could create unintended consequences for DDAs and communities across the state. Specifically, the bill would:

- Amend a state law for an issue specific to one community.
- Undermine the integrity of existing statute by creating exceptions that weaken the system and establish a dangerous precedent.
- Circumvent established local planning, oversight, and approval processes.

The MDA believes these concerns are best addressed at the local level. Amending state law to resolve a single community's issue risks unintended consequences for other communities and DDAs across Michigan and undermines consistent application of the statute. The MDA leadership welcomes the opportunity to meet with you to discuss the importance of the Tax Increment Financing Act (Public Act 57 of 2018) as written. Together, we can continue to strengthen Michigan downtowns, provide economic development, and create places in which people want to support, visit, and live.

Respectfully,

Cristina Sheppard-Decius
Chairperson
Michigan Downtown Association

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