

DRAFT 1

A bill to amend 1975 PA 197, entitled

"An act to provide for the establishment of a downtown development authority; to prescribe its powers and duties; to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans in the districts; to promote the economic growth of the districts; to create a board; to prescribe its powers and duties; to authorize the levy and collection of taxes; to authorize the issuance of bonds and other evidences of indebtedness; to authorize the use of tax increment financing; to reimburse downtown development authorities for certain losses of tax increment revenues; and to prescribe the powers and duties of certain state officials,"

by amending the title and sections 1, 1a, 2, 3, 3a, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 13a, 13b, 13c, 14, 15, 16, 17, 18, 19, 20, 28, 28a, 29, 30, and 31 (MCL 125.1651, 125.1651a, 125.1652, 125.1653, 125.1653a, 125.1654, 125.1655, 125.1656, 125.1657, 125.1658, 125.1659, 125.1660, 125.1661, 125.1662, 125.1663, 125.1663a, 125.1663b, 125.1663c, 125.1664, 125.1665, 125.1666, 125.1667,



125.1668, 125.1669, 125.1670, 125.1678, 125.1678a, 125.1679, 125.1680, and 125.1681), the title and sections 11, 15, and 30 as amended by 1993 PA 323, section 1 as amended by 2013 PA 66, sections 1a and 31 as added by 1988 PA 425, section 2 as amended and section 3a as added by 1985 PA 159, section 3 as amended by 2005 PA 115, sections 4, 14, and 19 as amended and section 28a as added by 2012 PA 396, section 7 as amended by 2008 PA 226, section 8 as added by 1987 PA 66, sections 12 and 16 as amended by 2002 PA 234, section 13a as added by 1981 PA 151, section 13b as amended by 1997 PA 202, section 13c as amended by 2012 PA 510, section 17 as amended by 1993 PA 122, section 18 as amended by 2005 PA 13, and section 29 as amended by 2004 PA 66, and by adding section 1b; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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TITLE

An act to provide for the establishment of a ~~downtown~~ **CERTAIN MUNICIPAL** development ~~authority~~; **AUTHORITIES; TO COMBINE CERTAIN TAX INCREMENT FINANCE AUTHORITIES;** to prescribe its powers and duties; to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans in the districts; to promote the economic growth of the districts; to create a board; to prescribe its powers and duties; to authorize the levy and collection of taxes; to authorize the issuance of bonds and other evidences of indebtedness; to authorize the use of tax increment financing; to reimburse ~~downtown~~ **CERTAIN MUNICIPAL**



1 development authorities for certain losses of tax increment
2 revenues; and to prescribe the powers and duties of certain state
3 officials.

4 Sec. 1. As used in this act:

5 (a) "Advance" means a transfer of funds made by a municipality
6 to an authority or to another person on behalf of the authority in
7 anticipation of repayment by the authority, **OR A TRANSFER OF FUNDS**
8 **BY AN AUTHORITY TO ANOTHER PERSON IN ANTICIPATION OF REPAYMENT OF**
9 **THE AUTHORITY FROM FUNDS IT RECEIVES.** Evidence of the intent to
10 repay an advance may include, but is not limited to, an executed
11 agreement to repay, provisions contained in a tax increment
12 financing plan approved prior to the advance, or a resolution of
13 the authority or the municipality.

14 (b) "Assessed value" means 1 of the following:

15 (i) For valuations made before January 1, 1995, the state
16 equalized valuation as determined under the general property tax
17 act, 1893 PA 206, MCL 211.1 to 211.155.

18 (ii) For valuations made after December 31, 1994, the taxable
19 value as determined under section 27a of the general property tax
20 act, 1893 PA 206, MCL 211.27a.

21 (c) "Authority" means a downtown development authority created
22 ~~pursuant to~~ **UNDER** this act **ON OR BEFORE DECEMBER 31, 2014 OR AN**
23 **AUTHORITY CREATED UNDER THIS ACT ON OR AFTER JANUARY 1, 2015.**

24 (d) "Board" means the governing body of an authority.

25 (e) "Business district" means an area in the downtown of a
26 municipality zoned and used principally for business.

27 (f) "Captured assessed value" means the amount in any 1 year



1 by which the current assessed value of the project area, including
 2 the assessed value of property for which specific local taxes are
 3 paid in lieu of property taxes as determined in subdivision ~~(aa)~~,
 4 (____), exceeds the initial assessed value. The state tax
 5 commission shall prescribe the method for calculating captured
 6 assessed value.

7 ~~—— (g) "Catalyst development project" means a project that is~~
 8 ~~located in a municipality with a population greater than 600,000,~~
 9 ~~is designated by the authority as a catalyst development project,~~
 10 ~~and is expected to result in at least \$300,000,000.00 of capital~~
 11 ~~investment. There shall be no more than 1 catalyst development~~
 12 ~~project designated within each authority.~~

13 (G) ~~(h)~~ "Chief executive officer" means the mayor or city
 14 manager of a city, the president or village manager of a village,
 15 or the supervisor of a township or, if designated by the township
 16 board for purposes of this act, the township superintendent or
 17 township manager of a township.

18 (H) "COMBINING AUTHORITY" MEANS A CORRIDOR IMPROVEMENT
 19 AUTHORITY, DOWNTOWN DEVELOPMENT AUTHORITY, LOCAL DEVELOPMENT
 20 FINANCE AUTHORITY, WATER RESOURCE IMPROVEMENT TAX INCREMENT FINANCE
 21 AUTHORITY, OR TAX INCREMENT FINANCE AUTHORITY ALREADY CREATED BY
 22 THE MUNICIPALITY THAT WILL BE COMBINED WITH THE AUTHORITY CREATED
 23 UNDER THIS ACT AS PROVIDED IN SECTION 2.

24 (I) "CORRIDOR IMPROVEMENT AUTHORITY" MEANS A CORRIDOR
 25 IMPROVEMENT AUTHORITY CREATED BY THE MUNICIPALITY PURSUANT TO THE
 26 CORRIDOR IMPROVEMENT AUTHORITY ACT, 2005 PA 280, MCL 125.2871 TO
 27 125.2899.



1 (J) ~~(i)~~ "Development area" means that area to which a
2 development plan is applicable.

3 (K) ~~(j)~~ "Development plan" means that information and those
4 requirements for a development plan set forth in section 17.

5 (L) ~~(k)~~ "Development program" means the implementation of the
6 development plan.

7 ~~(l) "Downtown district" means that part of an area in a
8 business district that is specifically designated by ordinance of
9 the governing body of the municipality pursuant to this act. A
10 downtown district may include 1 or more separate and distinct
11 geographic areas in a business district as determined by the
12 municipality if the municipality enters into an agreement with a
13 qualified township under section 3(7) or if the municipality is a
14 city that surrounds another city and that other city lies between
15 the 2 separate and distinct geographic areas. If the downtown
16 district contains more than 1 separate and distinct geographic area
17 in the downtown district, the separate and distinct geographic
18 areas shall be considered 1 downtown district.~~

19 (M) "DOWNTOWN DEVELOPMENT AUTHORITY" MEANS A DOWNTOWN
20 DEVELOPMENT AUTHORITY CREATED UNDER THIS ACT ON OR BEFORE DECEMBER
21 31, 2014.

22 (N) ~~(m)~~ "Eligible advance" means an advance made before August
23 19, 1993.

24 (O) ~~(n)~~ "Eligible obligation" means an obligation issued or
25 incurred by an authority or by a municipality on behalf of an
26 authority before August 19, 1993 and its subsequent refunding by a
27 qualified refunding obligation. Eligible obligation includes an



1 authority's written agreement entered into before August 19, 1993
 2 to pay an obligation issued after August 18, 1993 and before
 3 December 31, 1996 by another entity on behalf of the authority.

4 ~~—— (o) "Fire alarm system" means a system designed to detect and~~
 5 ~~annunciate the presence of fire, or by products of fire. Fire alarm~~
 6 ~~system includes smoke detectors.~~

7 (p) "Fiscal year" means the fiscal year of the authority.

8 (q) "Governing body of a municipality" means the elected body
 9 of a municipality having legislative powers.

10 (r) "Initial ~~assessed~~ **TAXABLE** value" means the ~~assessed~~
 11 **TAXABLE** value, as equalized, of all the taxable property within the
 12 boundaries of the development area at the time the ~~ordinance~~
 13 **RESOLUTION** establishing the tax increment financing plan is
 14 approved, as shown by the most recent assessment roll of the
 15 municipality for which equalization has been completed at the time
 16 the resolution is adopted. **FOR A DEVELOPMENT AREA IN A COMBINING**
 17 **AUTHORITY, INITIAL TAXABLE VALUE MEANS TAXABLE VALUE, AS EQUALIZED,**
 18 **OF ALL THE TAXABLE PROPERTY WITHIN THE BOUNDARIES OF THAT**
 19 **DEVELOPMENT AREA AT THE TIME THE RESOLUTION ESTABLISHING THE TAX**
 20 **INCREMENT FINANCING PLAN WAS APPROVED IN ACCORDANCE WITH THE**
 21 **STATUTE AUTHORIZING ITS ESTABLISHMENT EVEN THOUGH IT MAY HAVE BEEN**
 22 **DEFINED AS INITIAL ASSESSED VALUE.** Property exempt from taxation at
 23 the time of the determination of the initial ~~assessed~~ **TAXABLE** value
 24 shall be included as zero. For the purpose of determining initial
 25 ~~assessed~~ **TAXABLE** value, property for which a specific local tax is
 26 paid in lieu of a property tax shall not be considered to be
 27 property that is exempt from taxation. The initial ~~assessed~~ **TAXABLE**



1 value of property for which a specific local tax was paid in lieu
 2 of a property tax shall be determined as provided in subdivision
 3 ~~(aa).~~ **(CC)**. ~~In the case of a municipality having a population of~~
 4 ~~less than 35,000 that established an authority prior to 1985,~~
 5 ~~created a district or districts, and approved a development plan or~~
 6 ~~tax increment financing plan or amendments to a plan, and which~~
 7 ~~plan or tax increment financing plan or amendments to a plan, and~~
 8 ~~which plan expired by its terms December 31, 1991, the initial~~
 9 ~~assessed value for the purpose of any plan or plan amendment~~
 10 ~~adopted as an extension of the expired plan shall be determined as~~
 11 ~~if the plan had not expired December 31, 1991. For a development~~
 12 ~~area designated before 1997 in which a renaissance zone has~~
 13 ~~subsequently been designated pursuant to the Michigan renaissance~~
 14 ~~zone act, 1996 PA 376, MCL 125.2681 to 125.2696, the initial~~
 15 ~~assessed value of the development area otherwise determined under~~
 16 ~~this subdivision shall be reduced by the amount by which the~~
 17 ~~current assessed value of the development area was reduced in 1997~~
 18 ~~due to the exemption of property under section 7ff of the general~~
 19 ~~property tax act, 1993 PA 206, MCL 211.7ff, but in no case shall~~
 20 ~~the initial assessed value be less than zero.~~

21 **(S) "LOCAL DEVELOPMENT FINANCE AUTHORITY" MEANS A LOCAL**
 22 **DEVELOPMENT FINANCE AUTHORITY CREATED BY THE MUNICIPALITY PURSUANT**
 23 **TO THE LOCAL DEVELOPMENT FINANCING ACT, 1986 PA 281, MCL 125.2151**
 24 **TO MCL 125.2174.**

25 **(T)** ~~(s)~~ "Municipality" means a city, village, or township.

26 **(U)** ~~(t)~~ "Obligation" means a written promise to pay, whether
 27 evidenced by a **RESOLUTION**, contract, agreement, lease, sublease,



1 bond, or note, or a requirement to pay imposed by law. An
2 obligation does not include a payment required solely because of
3 default upon an obligation, employee salaries, or consideration
4 paid for the use of municipal offices. An obligation does not
5 include those bonds that have been economically defeased by
6 refunding bonds issued under this act. Obligation includes, but is
7 not limited to, the following:

8 (i) A requirement to pay proceeds derived from ad valorem
9 property taxes or taxes levied in lieu of ad valorem property
10 taxes.

11 (ii) A management contract or a contract for professional
12 services.

13 (iii) A payment required on a contract, agreement, bond, or note
14 if the requirement to make or assume the payment arose before
15 August 19, 1993.

16 (iv) A requirement to pay or reimburse a person for the cost of
17 insurance for, or to maintain, property subject to a lease, land
18 contract, purchase agreement, or other agreement.

19 (v) A letter of credit, paying agent, transfer agent, bond
20 registrar, or trustee fee associated with a contract, agreement,
21 bond, or note.

22 (v) ~~(u)~~—"On behalf of an authority", in relation to an
23 eligible advance made by a municipality, or an eligible obligation
24 or other protected obligation issued or incurred by a municipality,
25 means in anticipation that an authority would transfer tax
26 increment revenues or reimburse the municipality from tax increment
27 revenues in an amount sufficient to fully make payment required by



1 the eligible advance made by the municipality, or eligible
2 obligation or other protected obligation issued or incurred by the
3 municipality, if the anticipation of the transfer or receipt of tax
4 increment revenues from the authority is pursuant to or evidenced
5 by 1 or more of the following:

6 (i) A reimbursement agreement between the municipality and an
7 authority it established.

8 (ii) A requirement imposed by law that the authority transfer
9 tax increment revenues to the municipality.

10 (iii) A resolution of the authority agreeing to make payments to
11 the incorporating unit.

12 (iv) Provisions in a tax increment financing plan describing
13 the project for which the obligation was incurred.

14 **(W)** ~~(v)~~—"Operations" means office maintenance, including
15 salaries and expenses of employees, office supplies, consultation
16 fees, design costs, and other expenses incurred in the daily
17 management of the authority and planning of its activities.

18 **(X)** ~~(w)~~—"Other protected obligation" means:

19 (i) A qualified refunding obligation issued to refund an
20 obligation described in subparagraph (ii), (iii), or (iv), an
21 obligation that is not a qualified refunding obligation that is
22 issued to refund an eligible obligation, or a qualified refunding
23 obligation issued to refund an obligation described in this
24 subparagraph.

25 (ii) An obligation issued or incurred by an authority or by a
26 municipality on behalf of an authority after August 19, 1993, but
27 before December 31, 1994, to finance a project described in a tax

1 increment finance plan approved by the municipality in accordance
2 with this act before December 31, 1993, for which a contract for
3 final design is entered into by or on behalf of the municipality or
4 authority before March 1, 1994 or for which a written agreement
5 with a developer, titled preferred development agreement, was
6 entered into by or on behalf of the municipality or authority in
7 July 1993.

8 (iii) An obligation incurred by an authority or municipality
9 after August 19, 1993, to reimburse a party to a development
10 agreement entered into by a municipality or authority before August
11 19, 1993, for a project described in a tax increment financing plan
12 approved in accordance with this act before August 19, 1993, and
13 undertaken and installed by that party in accordance with the
14 development agreement.

15 (iv) An obligation incurred by the authority evidenced by or to
16 finance a contract to purchase real property within a development
17 area or a contract to develop that property within the development
18 area, or both, if all of the following requirements are met:

19 (A) The authority purchased the real property in 1993.

20 (B) Before June 30, 1995, the authority enters a contract for
21 the development of the real property located within the development
22 area.

23 (C) In 1993, the authority or municipality on behalf of the
24 authority received approval for a grant from both of the following:

25 (I) The department of natural resources for site reclamation
26 of the real property.

27 (II) The department of consumer and industry services for



1 development of the real property.

2 (v) An ongoing management or professional services contract
3 with the governing body of a county which was entered into before
4 March 1, 1994 and which was preceded by a series of limited term
5 management or professional services contracts with the governing
6 body of the county, the last of which was entered into before
7 August 19, 1993.

8 (vi) A loan from a municipality to an authority if the loan was
9 approved by the legislative body of the municipality on April 18,
10 1994.

11 (vii) Funds expended to match a grant received by a
12 municipality on behalf of an authority for sidewalk improvements
13 from the Michigan department of transportation if the legislative
14 body of the municipality approved the grant application on April 5,
15 1993 and the grant was received by the municipality in June 1993.

16 (viii) For taxes captured in 1994, an obligation described in
17 this subparagraph issued or incurred to finance a project. An
18 obligation is considered issued or incurred to finance a project
19 described in this subparagraph only if all of the following are
20 met:

21 (A) The obligation requires raising capital for the project or
22 paying for the project, whether or not a borrowing is involved.

23 (B) The obligation was part of a development plan and the tax
24 increment financing plan was approved by a municipality on May 6,
25 1991.

26 (C) The obligation is in the form of a written memorandum of
27 understanding between a municipality and a public utility dated



1 October 27, 1994.

2 (D) The authority or municipality captured school taxes during
3 1994.

4 (ix) An obligation incurred after July 31, 2012 by an
5 authority, municipality, or other governmental unit to pay for
6 costs associated with a catalyst development project.

7 (Y) "PROJECT" MEANS ACQUISITION, PREPARATION, CONSTRUCTION,
8 RENOVATION, INSTALLATION, REPAIR, IMPROVEMENT, ENLARGEMENT,
9 ENVIRONMENTAL ASSESSMENT, OR ENVIRONMENTAL REMEDIAL ACTIONS OF, ON,
10 OR RELATING TO A PUBLIC FACILITY, OR LAND, BUILDINGS, OR STRUCTURES
11 FOR PUBLIC OR PRIVATE USE.

12 (Z) ~~(x)~~—"Public facility" means a **ROAD**, street, plaza,
13 pedestrian mall, and any improvements to a **ROAD**, street, plaza, or
14 pedestrian mall including street furniture and beautification,
15 **SIDEWALK, TRAIL, LIGHTING, TRAFFIC FLOW MODIFICATION**, park, parking
16 facility, recreational facility, right-of-way, structure, waterway,
17 bridge, lake, pond, canal, utility line or pipe, building, and
18 access routes to any of the foregoing, designed and dedicated to
19 use by the public generally, or used by a public agency. Public
20 facility includes an improvement to a facility used by the public
21 or a public facility. ~~as those terms are defined in section 1 of~~
22 ~~1966 PA 1, MCL 125.1351, which improvement is made to comply with~~
23 ~~the barrier free design requirements of the state construction code~~
24 ~~promulgated under the Stille-DeRossett-Hale single state~~
25 ~~construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.~~
26 Public facility also includes the acquisition, construction, **AND**
27 improvement ~~, and operation~~ of a building owned or leased by the



1 authority. ~~to be used as a retail business incubator.~~ PUBLIC
 2 FACILITY ALSO INCLUDES A PROJECT, TRANSIT-ORIENTED FACILITY,
 3 TRANSIT-ORIENTED DEVELOPMENT, STORM WATER OR SANITARY SEWER, SEWAGE
 4 TREATMENT FACILITY, POLLUTION REDUCTION OR ELIMINATION FACILITY,
 5 RETENTION BASIN, PRETREATMENT FACILITY, WATER LINE, WATER STORAGE
 6 FACILITY, RAIL LINE, ELECTRIC, GAS, TELEPHONE OR OTHER
 7 COMMUNICATIONS, AND WATER RESOURCE IMPROVEMENTS.

8 (AA) "PUBLIC SERVICE" MEANS A SERVICE COMMONLY PROVIDED BY THE
 9 STATE, A COUNTY, OR A MUNICIPALITY AND INCLUDES, WITHOUT
 10 LIMITATION, WATER, SANITARY SEWER, AND STORM WATER SERVICES;
 11 POLICE, FIRE, JAIL, AND OTHER EMERGENCY SERVICES; STREET REPAIR AND
 12 MAINTENANCE SERVICES; OPERATION AND MAINTENANCE OF PARKS AND OTHER
 13 PUBLIC PLACES; OPERATION OF PUBLIC GATHERING PLACES; SNOWPLOWING;
 14 AND THE OPERATION AND MAINTENANCE OF OTHER PUBLIC FACILITIES.

15 (BB) "QUALIFIED OBLIGATION" MEANS A WRITTEN PROMISE TO PAY BY
 16 A COMBINING AUTHORITY, WHETHER EVIDENCED BY A CONTRACT, AGREEMENT,
 17 LEASE, SUBLEASE, BOND, RESOLUTION PROMISING REPAYMENT OF AN
 18 ADVANCE, OR NOTE, OR A REQUIREMENT TO PAY IMPOSED BY LAW THAT WAS
 19 MADE ON OR BEFORE DECEMBER 31, 2014. A QUALIFIED OBLIGATION DOES
 20 NOT INCLUDE A PAYMENT REQUIRED SOLELY BECAUSE OF EMPLOYEE SALARY OR
 21 CONSIDERATION PAID FOR THE USE OF MUNICIPAL OFFICES.

22 (CC) ~~(y)~~ "Qualified refunding obligation" means an obligation
 23 issued or incurred by an authority or by a municipality on behalf
 24 of an authority to refund an obligation if 1 or more of the
 25 following apply:

26 (i) The obligation is issued to refund a qualified refunding
 27 obligation issued in November 1997 and any subsequent refundings of

1 that obligation issued before January 1, 2010 or the obligation is
2 issued to refund a qualified refunding obligation issued on May 15,
3 1997 and any subsequent refundings of that obligation issued before
4 January 1, 2010 in an authority in which 1 parcel or group of
5 parcels under common ownership represents 50% or more of the
6 taxable value captured within the tax increment finance district
7 and that will ultimately provide for at least a 40% reduction in
8 the taxable value of the property as part of a negotiated
9 settlement as a result of an appeal filed with the state tax
10 tribunal. Qualified refunding obligations issued under this
11 subparagraph are not subject to the requirements of section 611 of
12 the revised municipal finance act, 2001 PA 34, MCL 141.2611, if
13 issued before January 1, 2010. The duration of the development
14 program described in the tax increment financing plan relating to
15 the qualified refunding obligations issued under this subparagraph
16 is hereby extended to 1 year after the final date of maturity of
17 the qualified refunding obligations.

18 (ii) The refunding obligation meets both of the following:

19 (A) The net present value of the principal and interest to be
20 paid on the refunding obligation, including the cost of issuance,
21 will be less than the net present value of the principal and
22 interest to be paid on the obligation being refunded, as calculated
23 using a method approved by the department of treasury.

24 (B) The net present value of the sum of the tax increment
25 revenues described in subdivision ~~(ee) (ii)~~ **(GG) (ii)** and the
26 distributions under section 13b to repay the refunding obligation
27 will not be greater than the net present value of the sum of the



1 tax increment revenues described in subdivision ~~(ee) (ii)~~ **(GG) (ii)** and
2 the distributions under section 13b to repay the obligation being
3 refunded, as calculated using a method approved by the department
4 of treasury.

5 (iii) The obligation is issued to refund an other protected
6 obligation issued as a capital appreciation bond delivered to the
7 Michigan municipal bond authority on December 21, 1994 and any
8 subsequent refundings of that obligation issued before January 1,
9 2012. Qualified refunding obligations issued under this
10 subparagraph are not subject to the requirements of section 305(2),
11 (3), (5), and (6), section 501, section 503, or section 611 of the
12 revised municipal finance act, 2001 PA 34, MCL 141.2305, 141.2501,
13 141.2503, and 141.2611, if issued before January 1, 2012. The
14 duration of the development program described in the tax increment
15 financing plan relating to the qualified refunding obligations
16 issued under this subparagraph is extended to 1 year after the
17 final date of maturity of the qualified refunding obligations. The
18 obligation may be payable through the year 2025 at an interest rate
19 not exceeding the maximum rate permitted by law, notwithstanding
20 the bond maturity dates contained in the notice of intent to issue
21 bonds published by the municipality. An obligation issued under
22 this subparagraph is a qualified refunding obligation only to the
23 extent that revenues described in subdivision ~~(ee) (ii)~~ **(GG) (ii)** and
24 distributions under section 13b to repay the qualified refunding
25 obligation do not exceed \$750,000.00.

26 (iv) The obligation is issued to refund a qualified refunding
27 obligation issued on February 13, 2008, and any subsequent



1 refundings of that obligation, issued before December 31, 2018.
 2 Qualified refunding obligations issued under this subparagraph are
 3 not subject to the requirements of section 305(2), (3), (5), and
 4 (6), 501, 503, or 611 of the revised municipal finance act, 2001 PA
 5 34, MCL 141.2305, 141.2501, 141.2503, and 141.2611. The duration of
 6 the development program described in the tax increment financing
 7 plan relating to the qualified refunding obligations issued under
 8 this subparagraph is extended to 1 year after the final date of
 9 maturity of the qualified refunding obligations. Revenues described
 10 in subdivision ~~(ee) (ii)~~ **(GG) (ii)** and distributions made under section
 11 13b in excess of the amount needed for current year debt service on
 12 an obligation issued under this subparagraph may be paid to the
 13 authority to the extent necessary to pay future years' debt service
 14 on the obligation as determined by the board.

15 ~~—— (z) "Qualified township" means a township that meets all of~~
 16 ~~the following requirements:~~

17 ~~—— (i) Was not eligible to create an authority prior to January 3,~~
 18 ~~2005.~~

19 ~~—— (ii) Adjoins a municipality that previously created an~~
 20 ~~authority.~~

21 ~~—— (iii) Along with the adjoining municipality that previously~~
 22 ~~created an authority, is a member of the same joint planning~~
 23 ~~commission under the joint municipal planning act, 2003 PA 226, MCL~~
 24 ~~125.131 to 125.143.~~

25 **(DD)** ~~(aa)~~ "Specific local tax" means a tax levied under 1974
 26 PA 198, MCL 207.551 to 207.572, the commercial redevelopment act,
 27 1978 PA 255, MCL 207.651 to 207.668, the technology park



1 development act, 1984 PA 385, MCL 207.701 to 207.718, **SECTIONS OF**
 2 **THE STATE ESSENTIAL SERVICES ASSESSMENT ACT, 2014 PA 92, MCL**
 3 **211.1055**, and 1953 PA 189, MCL 211.181 to 211.182. The initial
 4 assessed value or current assessed value of property subject to a
 5 specific local tax shall be the quotient of the specific local tax
 6 paid divided by the ad valorem millage rate. However, after 1993,
 7 the state tax commission shall prescribe the method for calculating
 8 the initial assessed value and current assessed value of property
 9 for which a specific local tax was paid in lieu of a property tax.

10 **(EE)** ~~(bb)~~—"State fiscal year" means the annual period
 11 commencing October 1 of each year.

12 **(FF) "TAX INCREMENT FINANCE AUTHORITY" MEANS A TAX INCREMENT**
 13 **FINANCE AUTHORITY CREATED BY THE MUNICIPALITY PURSUANT TO THE TAX**
 14 **INCREMENT FINANCE AUTHORITY ACT, 1980 PA 450, MCL 125.1801 TO**
 15 **125.1830.**

16 **(GG)** ~~(ee)~~—"Tax increment revenues" means the amount of ad
 17 valorem property taxes and specific local taxes attributable to the
 18 application of the levy of all taxing jurisdictions upon the
 19 captured assessed value of ~~real and personal property in the~~
 20 ~~development area, subject to the following requirements:~~

21 ~~—— (i) Tax increment revenues include ad valorem property taxes~~
 22 ~~and specific local taxes attributable to the application of the~~
 23 ~~levy of all taxing jurisdictions other than the state pursuant to~~
 24 ~~the state education tax act, 1993 PA 331, MCL 211.901 to 211.906,~~
 25 ~~and local or intermediate school districts upon the captured~~
 26 ~~assessed value of real and personal property in the development~~
 27 ~~area for any purpose authorized by this act.~~



1 ~~—— (ii) Tax increment revenues include ad valorem property taxes~~
2 ~~and specific local taxes attributable to the application of the~~
3 ~~levy of the state pursuant to the state education tax act, 1993 PA~~
4 ~~331, MCL 211.901 to 211.906, and local or intermediate school~~
5 ~~districts upon the captured assessed value of real and personal~~
6 ~~property in the development area in an amount equal to the amount~~
7 ~~necessary, without regard to subparagraph (i), to repay eligible~~
8 ~~advances, eligible obligations, and other protected obligations.~~

9 ~~—— (iii) Tax increment revenues do not include any of the~~
10 ~~following:~~

11 ~~—— (A) Ad valorem property taxes attributable either to a portion~~
12 ~~of the captured assessed value shared with taxing jurisdictions~~
13 ~~within the jurisdictional area of the authority or to a portion of~~
14 ~~value of property that may be excluded from captured assessed value~~
15 ~~or specific local taxes attributable to such ad valorem property~~
16 ~~taxes.~~

17 ~~—— (B) Ad valorem property taxes excluded by the tax increment~~
18 ~~financing plan of the authority from the determination of the~~
19 ~~amount of tax increment revenues to be transmitted to the authority~~
20 ~~or specific local taxes attributable to such ad valorem property~~
21 ~~taxes.~~

22 ~~—— (C) Ad valorem property taxes exempted from capture under~~
23 ~~section 3(3) or specific local taxes attributable to such ad~~
24 ~~valorem property taxes.~~

25 ~~—— (D) Ad valorem property taxes levied under 1 or more of the~~
26 ~~following or specific local taxes attributable to those ad valorem~~
27 ~~property taxes:~~



1 ~~—— (I) The zoological authorities act, 2008 PA 49, MCL 123.1161~~
2 ~~to 123.1183.~~

3 ~~—— (II) The art institute authorities act, 2010 PA 296, MCL~~
4 ~~123.1201 to 123.1229.~~

5 ~~—— (iv) The amount of tax increment revenues authorized to be~~
6 ~~included under subparagraph (ii) or (v), and required to be~~
7 ~~transmitted to the authority under section 14(1), from ad valorem~~
8 ~~property taxes and specific local taxes attributable to the~~
9 ~~application of the levy of the state education tax act, 1993 PA~~
10 ~~331, MCL 211.901 to 211.906, a local school district or an~~
11 ~~intermediate school district upon the captured assessed value of~~
12 ~~real and personal property in a development area shall be~~
13 ~~determined separately for the levy by the state, each school~~
14 ~~district, and each intermediate school district as the product of~~
15 ~~sub-subparagraphs (A) and (B):~~

16 ~~—— (A) The percentage that the total ad valorem taxes and~~
17 ~~specific local taxes available for distribution by law to the~~
18 ~~state, local school district, or intermediate school district,~~
19 ~~respectively, bears to the aggregate amount of ad valorem millage~~
20 ~~taxes and specific taxes available for distribution by law to the~~
21 ~~state, each local school district, and each intermediate school~~
22 ~~district.~~

23 ~~—— (B) The maximum amount of ad valorem property taxes and~~
24 ~~specific local taxes considered tax increment revenues under~~
25 ~~subparagraph (ii) or (v).~~

26 ~~—— (v) Tax increment revenues include ad valorem property taxes~~
27 ~~and specific local taxes, in an annual amount and for each year~~



~~1 approved by the state treasurer, attributable to the levy by this~~
~~2 state under the state education tax act, 1993 PA 331, MCL 211.901~~
~~3 to 211.906, and by local or intermediate school districts, upon the~~
~~4 captured assessed value of real and personal property in the~~
~~5 development area of an authority established in a city with a~~
~~6 population of 600,000 or more to pay for, or reimburse an advance~~
~~7 for, not more than \$8,000,000.00 for the demolition of buildings or~~
~~8 structures on public or privately owned property within a~~
~~9 development area that commences in 2005, or to pay the annual~~
~~10 principal of or interest on an obligation, the terms of which are~~
~~11 approved by the state treasurer, issued by an authority, or by a~~
~~12 city on behalf of an authority, to pay not more than \$8,000,000.00~~
~~13 of the costs to demolish buildings or structures on public or~~
~~14 privately owned property within a development area that commences~~
~~15 in 2005.~~

~~16 (vi) Tax increment revenues include ad valorem property taxes~~
~~17 and specific local taxes attributable to the levy by this state~~
~~18 under the state education tax act, 1993 PA 331, MCL 211.201 to~~
~~19 211.906, and by local or intermediate school districts which were~~
~~20 levied on or after July 1, 2010, upon the captured assessed value~~
~~21 of real and personal property in the development area of an~~
~~22 authority established in a city with a population of 600,000 or~~
~~23 more to pay for, or reimburse an advance for, costs associated with~~
~~24 the land acquisition, preliminary site work, and construction of a~~
~~25 catalyst development project.~~ **EACH PARCEL OF ELIGIBLE PROPERTY**
~~26 **WITHIN A DEVELOPMENT AREA AND TAXABLE PERSONAL PROPERTY LOCATED ON**~~
~~27 **THAT PROPERTY, REGARDLESS OF WHETHER THOSE TAXES BEGAN TO BE LEVIED**~~



1 AFTER THE TAX INCREMENT FINANCING PLAN WAS ADOPTED. TAX INCREMENT
2 REVENUES DO NOT INCLUDE ANY OF THE FOLLOWING:

3 (i) FOR ANY TAX INCREMENT FINANCING PLAN APPROVED OR AMENDED BY
4 AN AUTHORITY AFTER DECEMBER 31, 2014, AD VALOREM PROPERTY TAXES
5 SPECIFICALLY LEVIED FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON
6 EITHER OBLIGATIONS APPROVED BY THE ELECTORS OR OBLIGATIONS PLEDGING
7 THE UNLIMITED TAXING POWER OF THE LOCAL GOVERNMENTAL UNIT, AND
8 SPECIFIC TAXES ATTRIBUTABLE TO THOSE AD VALOREM PROPERTY TAXES.

9 (ii) FOR TAX INCREMENT REVENUES ATTRIBUTABLE TO A DEVELOPMENT
10 AREA EXISTING ON OR BEFORE DECEMBER 31, 2014, ALSO EXCLUDE THE
11 AMOUNT OF AD VALOREM PROPERTY TAXES OR SPECIFIC TAXES CAPTURED BY A
12 COMBINING AUTHORITY IF THOSE TAXES WERE CAPTURED BY THE COMBINING
13 AUTHORITY ON THE DATE THAT PROPERTY BECAME SUBJECT TO A TAX
14 INCREMENT FINANCING PLAN ON OR BEFORE DECEMBER 31, 2014, AND IF THE
15 CAPTURE OF THOSE TAXES IS REQUIRED TO PAY AN OBLIGATION OF THE
16 COMBINING AUTHORITY ISSUED ON OR BEFORE DECEMBER 31, 2014.

17 (iii) AD VALOREM PROPERTY TAXES LEVIED UNDER 1 OR MORE OF THE
18 FOLLOWING OR SPECIFIC TAXES ATTRIBUTABLE TO THOSE AD VALOREM
19 PROPERTY TAXES:

20 (A) THE ZOOLOGICAL AUTHORITIES ACT, 2008 PA 49, MCL 123.1161
21 TO 123.1183.

22 (B) THE ART INSTITUTE AUTHORITIES ACT, 2010 PA 296, MCL
23 123.1201 TO 123.1229.

24 (C) 1939 PA 147, MCL 119.51 TO 119.62.

25 (iv) FOR A TAX INCREMENT FINANCING PLAN APPROVED OR AMENDED BY
26 AN AUTHORITY AFTER DECEMBER 31, 2014, ANY AD VALOREM TAXES OR
27 SPECIFIC LOCAL TAXES LEVIED BY A TAXING UNIT AND APPROVED BY VOTERS



1 AFTER DECEMBER 31, 2014, TO THE EXTENT THE RATE OF THE AD VALOREM
 2 TAX OR SPECIFIC LOCAL TAX EXCEEDS THE RATE OF TAX LEVIED BY THAT
 3 TAXING UNIT ON OR BEFORE DECEMBER 31, 2014. IT IS SPECIFICALLY THE
 4 INTENT TO ALLOW TAX INCREMENT REVENUES TO INCLUDE TAXES THAT ARE
 5 VOTER-APPROVED RENEWALS OR VOTER-APPROVED REPLACEMENTS OF TAXES
 6 BEING LEVIED PRIOR TO DECEMBER 31, 2014, BUT TO EXCLUDE VOTER-
 7 APPROVED NEW TAXES OR VOTER-APPROVED INCREASES IN TAX RATES.

8 (HH) "TRANSIT-ORIENTED DEVELOPMENT" MEANS INFRASTRUCTURE
 9 IMPROVEMENTS THAT ARE LOCATED WITHIN 1/2 MILE OF A TRANSIT STATION
 10 OR TRANSIT-ORIENTED FACILITY THAT PROMOTES TRANSIT RIDERSHIP OR
 11 PASSENGER RAIL USE AS DETERMINED BY THE BOARD AND APPROVED BY THE
 12 MUNICIPALITY IN WHICH IT IS LOCATED.

13 (II) "TRANSIT-ORIENTED FACILITY" MEANS A FACILITY THAT HOUSES
 14 A TRANSIT STATION IN A MANNER THAT PROMOTES TRANSIT RIDERSHIP OR
 15 PASSENGER RAIL USE.

16 (JJ) "WATER RESOURCE IMPROVEMENT" MEANS THAT TERM AS DEFINED
 17 IN SECTION 3 OF THE WATER RESOURCE IMPROVEMENT TAX INCREMENT
 18 FINANCE AUTHORITY ACT, 2008 PA 94, MCL 125.1773.

19 (KK) "WATER RESOURCE IMPROVEMENT TAX INCREMENT FINANCE
 20 AUTHORITY" MEANS A WATER RESOURCE IMPROVEMENT TAX INCREMENT FINANCE
 21 AUTHORITY CREATED BY THE MUNICIPALITY PURSUANT TO THE WATER
 22 RESOURCE IMPROVEMENT TAX INCREMENT FINANCE AUTHORITY ACT, 2008 PA
 23 94, MCL 125.1771 TO 125.1793.

24 Sec. 1a. The legislature finds all of the following:

25 (a) ~~That there~~ **THERE** exists in this state conditions of
 26 property value deterioration detrimental to the state economy and
 27 the economic growth of the state and its ~~local units of~~



1 ~~government~~-**MUNICIPALITIES**.

2 (b) ~~That government~~ **MUNICIPAL** programs are desirable and
 3 necessary to ~~eliminate~~-**ADDRESS** the causes of property value
 4 deterioration **AND TO ENHANCE LOCAL ECONOMIC DEVELOPMENT** thereby
 5 benefiting the economic growth of the state.

6 (c) ~~That it~~-**IT** is appropriate to finance these government
 7 programs by means available to the state and ~~local units of~~
 8 ~~government~~-**MUNICIPALITIES** in the state, including tax increment
 9 financing.

10 (d) ~~That tax~~-**TAX** increment financing is a government financing
 11 program that contributes to economic growth and development by
 12 dedicating a portion of the increase in the tax base resulting from
 13 economic growth and development to facilities, structures, ~~or~~
 14 improvements, **PROGRAMS, AND OTHER EFFORTS** within a development area
 15 thereby facilitating economic growth and development.

16 (e) ~~That it~~-**IT** is necessary for the legislature to exercise
 17 its power to legislate tax increment financing as authorized in
 18 this act and in the exercise of this power to mandate the transfer
 19 of tax increment revenues by city, village, township, school
 20 district, ~~and~~-county treasurers, **AND OTHER TAXING UNITS** to
 21 authorities created under this act in order to effectuate the
 22 ~~legislative government programs~~-**EFFORTS** to eliminate property value
 23 deterioration and to promote economic growth.

24 (f) ~~That halting~~-**HALTING** property value deterioration and
 25 promoting economic growth in the state are essential governmental
 26 functions and constitute essential public purposes.

27 (g) ~~That economic~~-**ECONOMIC** development strengthens the tax



1 base upon which ~~local units of government~~ **MUNICIPALITIES** rely, and
 2 ~~that~~ government programs to eliminate property value deterioration
 3 benefit ~~local units of government~~ **MUNICIPALITIES** and are for the
 4 use of ~~the local units of government~~ **MUNICIPALITIES**.

5 (h) ~~That the~~ **THE** provisions of this act are enacted to provide
 6 a means for ~~local units of government~~ **MUNICIPALITIES** to eliminate
 7 property value deterioration and to promote economic growth in the
 8 communities served by those ~~local units of~~
 9 ~~government~~ **MUNICIPALITIES**.

10 **SEC. 1B. THIS ACT SHALL BE KNOWN AND MAY BE CITED AS THE**
 11 **"MUNICIPAL DEVELOPMENT AUTHORITY ACT".**

12 Sec. 2. (1) ~~Except as otherwise provided in this subsection, a~~
 13 **A** municipality may establish 1 authority. ~~If, before November 1,~~
 14 ~~1985, a municipality establishes more than 1 authority, those~~
 15 ~~authorities may continue to exist as separate authorities. Under~~
 16 ~~the conditions described in section 3a, a municipality may have~~
 17 ~~more than 1 authority within that municipality's boundaries. A~~
 18 ~~parcel of property shall not be included in more than 1 authority~~
 19 ~~created by this act.~~

20 (2) An authority shall be a public body corporate which may
 21 sue and be sued in any court of this state. An authority possesses
 22 all the powers necessary to carry out the purpose of its
 23 incorporation. The enumeration of a power in this act shall not be
 24 construed as a limitation upon the general powers of an authority.

25 **(3) A MUNICIPALITY THAT HAS 1 OR MORE COMBINING AUTHORITIES**
 26 **WITHIN ITS JURISDICTION AND IS EITHER REQUIRED, BECAUSE OF**
 27 **OUTSTANDING OBLIGATIONS OR OTHER REASONS, OR OTHERWISE DETERMINES**



1 TO CONTINUE THE OPERATIONS OF THAT COMBINING AUTHORITY SHALL CREATE
2 AN AUTHORITY UNDER THIS ACT AND SHALL COMBINE ALL THE COMBINING
3 AUTHORITIES INTO THE AUTHORITY IT CREATES UNDER THIS ACT. IF ANY OF
4 THE COMBINING AUTHORITIES HAVE OUTSTANDING OBLIGATIONS, THEN ALL OF
5 THE FOLLOWING APPLY:

6 (A) THE DEVELOPMENT AREAS, AND THE DEVELOPMENT AND TAX
7 INCREMENT FINANCING PLANS FOR SUPPORTING THOSE OUTSTANDING
8 OBLIGATIONS, SHALL REMAIN IN EFFECT UNTIL THE OBLIGATIONS HAVE
9 EXPIRED OR HAVE BEEN FULFILLED.

10 (B) THE BOUNDARIES OF THE DEVELOPMENT AREA, AND THE
11 DEVELOPMENT AND TAX INCREMENT FINANCING PLANS FOR SUPPORTING THOSE
12 OUTSTANDING OBLIGATIONS, SHALL NOT BE AMENDED IN ANY WAY THAT COULD
13 IMPAIR ANY PROVISIONS, TERMS, REPRESENTATIONS, COVENANTS, OR
14 CONTRACTS RELATED TO THE OBLIGATION OR THE REVENUE NEEDED TO PAY
15 THE OBLIGATIONS.

16 (C) THE AUTHORITY CREATED UNDER THIS ACT SHALL MAINTAIN
17 SEPARATE ACCOUNTS FOR THE FUNDS COLLECTED FROM THOSE DEVELOPMENT
18 AREAS AND USE THEM, TO THE EXTENT REQUIRED TO COMPLY WITH
19 REPRESENTATIONS, COVENANTS, CONTRACTS, OR PLEDGES RELATED TO THE
20 OBLIGATIONS, ONLY TO PAY THOSE OBLIGATIONS.

21 (4) A MUNICIPALITY THAT HAS CREATED A CORRIDOR IMPROVEMENT
22 AUTHORITY, DOWNTOWN DEVELOPMENT AUTHORITY, LOCAL DEVELOPMENT
23 FINANCE AUTHORITY, WATER RESOURCE IMPROVEMENT TAX INCREMENT FINANCE
24 AUTHORITY, OR TAX INCREMENT FINANCE AUTHORITY THAT IS STILL IN
25 EXISTENCE SHALL, NOT LATER THAN DECEMBER 31, 2018, CREATE AN
26 AUTHORITY PURSUANT TO THIS ACT AND SHALL PROVIDE IN THE ORDINANCE
27 CREATING THE AUTHORITY UNDER THIS ACT THE DATE, NOT LATER THAN



1 DECEMBER 31, 2019, ON WHICH ANY CORRIDOR IMPROVEMENT AUTHORITY,
2 DOWNTOWN DEVELOPMENT AUTHORITY, LOCAL DEVELOPMENT FINANCE
3 AUTHORITY, WATER RESOURCE IMPROVEMENT TAX INCREMENT FINANCE
4 AUTHORITY, OR TAX INCREMENT FINANCE AUTHORITY REMAINING IN
5 EXISTENCE SHALL BE COMBINED WITH THE AUTHORITY CREATED UNDER THIS
6 ACT, AND SHALL PROVIDE FOR THE CONTINUATION OF DEVELOPMENT AREAS,
7 DEVELOPMENT AND TAX INCREMENT FINANCING PLANS, COLLECTIONS AND
8 EXPENDITURES OF TAX INCREMENT REVENUES GENERATED FROM THE
9 DEVELOPMENT AREAS, AND OTHER MATTERS AS NEEDED TO MEET ANY
10 OBLIGATIONS OF ALL COMBINING AUTHORITIES AS PROVIDED IN THIS ACT.

11 (5) IF ANY COMBINING AUTHORITY UNDER SUBSECTION (4) HAS
12 OUTSTANDING OBLIGATIONS, THE DEVELOPMENT AREA, DEVELOPMENT AND TAX
13 INCREMENT FINANCING PLANS, TAX INCREMENT REVENUES GENERATED FROM
14 THE DEVELOPMENT AREA, BUDGETS, AND PAYMENTS SHALL REMAIN UNAFFECTED
15 BY A COMBINATION REQUIRED BY THIS SECTION UNTIL SUCH OBLIGATIONS
16 ARE PAID OR OTHER ACTIONS UNRELATED TO THE COMBINATION ARE TAKEN
17 WITH RESPECT TO SUCH OBLIGATIONS SUCH THAT THEY ARE NO LONGER DUE.

18 (6) THE OBLIGATIONS OF A COMBINING AUTHORITY SHALL BE
19 OBLIGATIONS OF AN AUTHORITY CREATED UNDER THIS ACT, BUT THE PAYMENT
20 OF THOSE OBLIGATIONS OR OTHER REVENUES GENERATED PURSUANT TO ANY
21 CONTRACTS, GRANTS, TAX REVENUES, OR OTHER SOURCES OF FUNDING;
22 DEVELOPMENT AND TAX INCREMENT FINANCING PLANS; AND OTHER ASSETS,
23 RECEIVABLES, AND OTHER SOURCES OF REVENUES OF THE COMBINING
24 AUTHORITY SHALL BE USED ONLY TO PAY THE OBLIGATIONS OF THAT
25 COMBINING AUTHORITY. UNTIL ALL OBLIGATIONS OF A COMBINING AUTHORITY
26 ARE PAID, ASSETS AND SOURCES OF REVENUE OF THAT COMBINING AUTHORITY
27 MAY NOT BE USED BY AN AUTHORITY CREATED UNDER THIS ACT EXCEPT TO



1 PAY THE OBLIGATIONS OF THE COMBINING AUTHORITY.

2 (7) AMENDMENTS TO A DEVELOPMENT OR TAX INCREMENT FINANCING
 3 PLAN FOR ANY CORRIDOR IMPROVEMENT AUTHORITY, DOWNTOWN DEVELOPMENT
 4 AUTHORITY, LOCAL DEVELOPMENT FINANCE AUTHORITY, WATER RESOURCE
 5 IMPROVEMENT TAX INCREMENT FINANCE AUTHORITY, OR TAX INCREMENT
 6 FINANCE AUTHORITY EXISTING ON DECEMBER 31, 2014 MAY NOT BE AMENDED
 7 AFTER DECEMBER 31, 2014 BY THAT AUTHORITY. AN AUTHORITY CREATED
 8 PURSUANT TO THIS ACT MAY AMEND A DEVELOPMENT AND TAX INCREMENT
 9 FINANCING PLAN APPLICABLE TO A DEVELOPMENT AREA OF A COMBINING
 10 AUTHORITY, PROVIDED THAT THE AMENDMENT DOES NOT IMPAIR ANY
 11 OBLIGATIONS OF THE COMBINING AUTHORITY.

12 Sec. 3. (1) When the governing body of a municipality
 13 determines that it is necessary for the best interests of the
 14 public to ~~halt property value deterioration and increase property~~
 15 ~~tax valuation where possible in its business district, to eliminate~~
 16 ~~the causes of that deterioration, and to promote economic growth~~ **AS**
 17 **DESCRIBED IN SECTION 1A**, the governing body may, by resolution,
 18 declare its intention to create and provide for the operation of an
 19 authority.

20 (2) In the resolution of intent, the governing body shall set
 21 a date for ~~the holding of a public hearing on the adoption of a~~
 22 ~~proposed ordinance creating the authority. and designating the~~
 23 ~~boundaries of the downtown district.~~ Notice of the public hearing
 24 shall be published twice in a newspaper of general circulation in
 25 the municipality, not less than 20 ~~or more than 40~~ days before the
 26 date of the hearing. Not less than 20 days before the hearing, the
 27 governing body proposing to create the authority shall also mail



1 notice of the hearing ~~to the property taxpayers of record in the~~
2 ~~proposed district and for a public hearing to be held after~~
3 ~~February 15, 1994~~ **BY CERTIFIED MAIL** to the governing body of each
4 taxing jurisdiction levying taxes that would be subject to capture
5 if the authority is established and a tax increment financing plan
6 is approved. ~~Beginning June 1, 2005, the notice of hearing within~~
7 ~~the time frame described in this subsection shall be mailed by~~
8 ~~certified mail to the governing body of each taxing jurisdiction~~
9 ~~levying taxes that would be subject to capture if the authority is~~
10 ~~established and a tax increment financing plan is approved. Failure~~
11 ~~of a property taxpayer to receive the notice shall not invalidate~~
12 ~~these proceedings. Notice of the hearing shall be posted in at~~
13 ~~least 20 conspicuous and public places in the proposed downtown~~
14 ~~district~~ **ON THE MUNICIPALITY'S WEBSITE** not less than 20 days before
15 the hearing. The notice shall state the date, time, and place of
16 the hearing, and shall describe the boundaries of ~~the proposed~~
17 ~~downtown district.~~ **ANY AREA SUBJECT TO A COMBINING AUTHORITY THAT**
18 **WILL BE COMBINED WITH THE AUTHORITY PROPOSED TO BE CREATED UNDER**
19 **THIS ACT.** A citizen, taxpayer, or property owner of the
20 municipality or an official from a taxing jurisdiction with millage
21 that would be subject to capture has the right to be heard in
22 regard to the establishment of the authority. ~~and the boundaries of~~
23 ~~the proposed downtown district. The governing body of the~~
24 ~~municipality shall not incorporate land into the downtown district~~
25 ~~not included in the description contained in the notice of public~~
26 ~~hearing, but it may eliminate described lands from the downtown~~
27 ~~district in the final determination of the boundaries.~~



1 ~~—— (3) Not more than 60 days after a public hearing held after~~
 2 ~~February 15, 1994, the governing body of a taxing jurisdiction~~
 3 ~~levying ad valorem property taxes that would otherwise be subject~~
 4 ~~to capture may exempt its taxes from capture by adopting a~~
 5 ~~resolution to that effect and filing a copy with the clerk of the~~
 6 ~~municipality proposing to create the authority. The resolution~~
 7 ~~takes effect when filed with that clerk and remains effective until~~
 8 ~~a copy of a resolution rescinding that resolution is filed with~~
 9 ~~that clerk.~~

10 **(3) THE BOUNDARIES OF AN AUTHORITY CREATED BY A TOWNSHIP SHALL**
 11 **EXCLUDE THE CORPORATE LIMITS OF ANY VILLAGE WITHIN THE TOWNSHIP**
 12 **THAT ESTABLISHES AN AUTHORITY.**

13 ~~(4) Not less than 60 days after~~ **AFTER** the public hearing, if
 14 the governing body of the municipality intends to proceed with the
 15 establishment of the authority, it shall adopt, by majority vote of
 16 its members, an ordinance establishing the authority. ~~and~~
 17 ~~designating the boundaries of the downtown district within which~~
 18 ~~the authority shall exercise its powers.~~ The adoption of the
 19 ordinance is subject to any applicable statutory or charter
 20 provisions in respect to the approval or disapproval by the chief
 21 executive or other officer of the municipality and the adoption of
 22 an ordinance over his or her veto. This ordinance shall be filed
 23 with the secretary of state promptly after its adoption and shall
 24 be published at least once in a newspaper of general circulation in
 25 the municipality.

26 ~~—— (5) The governing body of the municipality may alter or amend~~
 27 ~~the boundaries of the downtown district to include or exclude lands~~



1 ~~from the downtown district pursuant to the same requirements for~~
 2 ~~adopting the ordinance creating the authority.~~

3 **(5) IF A TOWNSHIP ESTABLISHES AN AUTHORITY AND WISHES TO INCUR**
 4 **OBLIGATIONS THE REPAYMENT OF WHICH COULD BE IMPAIRED BY THE**
 5 **SUBSEQUENT ESTABLISHMENT OF AN AUTHORITY BY A VILLAGE DUE TO THE**
 6 **EXCLUSION OF THE TERRITORY OF THAT SUBSEQUENTLY ESTABLISHED**
 7 **AUTHORITY AS PROVIDED IN SUBSECTION (3) , THE TOWNSHIP MAY ENTER**
 8 **INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE VILLAGE UNDER 1 OR**
 9 **MORE OF THE FOLLOWING:**

10 **(A) PURSUANT TO WHICH THAT VILLAGE AGREES NOT TO CREATE AN**
 11 **AUTHORITY DURING THE PERIOD SUCH OBLIGATIONS REMAIN OUTSTANDING.**

12 **(B) PURSUANT TO WHICH THE MUNICIPALITY AGREES THAT IF IT**
 13 **ESTABLISHES AN AUTHORITY, IT SHALL SHARE A CERTAIN PORTION OF THE**
 14 **CAPTURED ASSESSED VALUE OR TAX INCREMENT REVENUES.**

15 **(C) IN WHICH THE MUNICIPALITY AND THE COUNTY OR TOWNSHIP**
 16 **OTHERWISE ADDRESS CONCERNS ABOUT POSSIBLE IMPAIRMENT OF THE**
 17 **COUNTY'S OR TOWNSHIP'S ABILITY TO REPAY OBLIGATIONS.**

18 (6) A municipality that has created an authority may enter
 19 into an agreement with an adjoining municipality that has created
 20 an authority to jointly operate and administer those authorities
 21 under an interlocal agreement under the urban cooperation act of
 22 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, **OR THE MUNICIPAL**
 23 **PARTNERSHIP ACT, 2011 PA 258, MCL 124.111 TO 124.123.**

24 ~~—— (7) A municipality that has created an authority may enter~~
 25 ~~into an agreement with a qualified township to operate its~~
 26 ~~authority in a downtown district in the qualified township under an~~
 27 ~~interlocal agreement under the urban cooperation act of 1967, 1967~~



1 ~~(Ex Sess) PA 7, MCL 124.501 to 124.512. The interlocal agreement~~
 2 ~~between the municipality and the qualified township shall provide~~
 3 ~~for, but is not limited to, all of the following:~~

4 ~~—— (a) Size and makeup of the board.~~

5 ~~—— (b) Determination and modification of downtown district,~~
 6 ~~business district, and development area.~~

7 ~~—— (c) Modification of development area and development plan.~~

8 ~~—— (d) Issuance and repayment of obligations.~~

9 ~~—— (e) Capture of taxes.~~

10 ~~—— (f) Notice, hearing, and exemption of taxes from capture~~
 11 ~~provisions described in this section.~~

12 Sec. 3a. If a ~~downtown district is part of an area~~ **ALL OR A**
 13 **PORTION OF A MUNICIPALITY IS** annexed to or consolidated with
 14 another municipality, the ~~authority managing that district~~ **ANNEXED**
 15 **OR CONSOLIDATED AREA** shall become an authority of the annexing or
 16 consolidated municipality. Obligations of that authority incurred
 17 under a development or tax increment plan, agreements related to a
 18 development or tax increment plan, and bonds issued under this act
 19 shall remain in effect following the annexation or consolidation.

20 Sec. 4. (1) Except as provided in ~~subsections~~ **SUBSECTION** (7),
 21 ~~(8), and (9),~~ an authority shall be under the supervision and
 22 control of a board consisting of **EITHER** the chief executive officer
 23 of the municipality **OR THE CHIEF EXECUTIVE OFFICER'S DESIGNEE** and
 24 not less than 8 or more than 12 members as determined by the
 25 governing body of the municipality. Members shall be appointed by
 26 the chief executive officer of the municipality, subject to
 27 approval by the governing body of the municipality. **IN ADDITION, 1**



1 MEMBER APPOINTED BY THE CHIEF EXECUTIVE OFFICER, SUBJECT TO THE
2 APPROVAL OF THE GOVERNING BODY OF THE MUNICIPALITY, FROM A LIST
3 PROVIDED BY THE GOVERNING BODY OF EACH TAXING UNIT THAT IS A
4 MUNICIPALITY OR A COUNTY, EXCEPT THE STATE, THAT LEVIES TAXES
5 WITHIN A DEVELOPMENT AREA OF THE AUTHORITY THAT ARE SUBJECT TO
6 CAPTURE BY THE AUTHORITY. IF A TAXING UNIT THAT IS A MUNICIPALITY
7 OR A COUNTY LEVIES TAXES THROUGHOUT THE JURISDICTION OF THE
8 MUNICIPALITY, A BOARD MEMBER REPRESENTING THAT TAXING UNIT THAT IS
9 A MUNICIPALITY OR A COUNTY SHALL ALWAYS BE APPOINTED AND SERVING.
10 HOWEVER, IF A TAXING UNIT THAT IS A MUNICIPALITY OR A COUNTY LEVIES
11 TAXES ONLY WITHIN A PORTION OF THE MUNICIPALITY, A BOARD MEMBER
12 REPRESENTING THAT TAXING UNIT SHALL BE ADDED WHEN A DEVELOPMENT
13 AREA IS PROPOSED THAT WOULD INCLUDE ALL OR A PORTION OF THE AREA OF
14 THE MUNICIPALITY IN WHICH THAT TAXING UNIT THAT IS A MUNICIPALITY
15 OR A COUNTY LEVIES TAXES. Not less than a majority of the **BOARD**
16 members shall be persons having an interest in property located in
17 the ~~downtown district~~ **MUNICIPALITY** or officers, members, trustees,
18 principals, or employees of a legal entity having an interest in
19 property located in the ~~downtown district~~ **MUNICIPALITY**. Not less
20 than 1 of the members **OF THE BOARD** shall be a resident of the
21 ~~downtown district, if the downtown district has 100 or more persons~~
22 ~~residing within it.~~ **MUNICIPALITY**. Of the members first appointed,
23 an equal number of the members, as near as is practicable, shall be
24 appointed for 1 year, 2 years, 3 years, and 4 years. A member shall
25 hold office until the member's successor is appointed. Thereafter,
26 each member shall serve for a term of 4 years. An appointment to
27 fill a vacancy shall be made by the chief executive officer of the



1 municipality for the unexpired term only. Members of the board
2 shall serve without compensation, but shall be reimbursed for
3 actual and necessary expenses. The chairperson of the board shall
4 be elected by the board. The **ORDINANCE ESTABLISHING THE AUTHORITY**
5 **OR THE** rules of procedure or the bylaws of the authority may
6 provide that a person be appointed to the board in his or her
7 capacity as a public official, whether appointed or elected. The
8 **ORDINANCE ESTABLISHING THE AUTHORITY OR THE** rules of procedure or
9 bylaws may also provide that the public official's term shall
10 expire upon expiration of his or her service as a public official.
11 In addition, the public official's membership on the board expires
12 on his or her resignation from office as a public official.

13 (2) Before assuming the duties of office, a member shall
14 qualify by taking and subscribing to the constitutional oath of
15 office.

16 (3) The business which the board may perform shall be
17 conducted at a public meeting of the board held in compliance with
18 the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. Public
19 notice of the time, date, and place of the meeting shall be given
20 in the manner required by the open meetings act, 1976 PA 267, MCL
21 15.261 to 15.275. The board shall adopt rules consistent with the
22 open meetings act, 1976 PA 267, MCL 15.261 to 15.275, governing its
23 procedure and the holding of regular meetings, subject to the
24 approval of the governing body. Special meetings may be held if
25 called in the manner provided in the rules of the board.

26 (4) ~~Pursuant to~~ **AFTER** notice and ~~after having been given an~~
27 opportunity to be heard, a member of the board may be removed for



1 cause by the governing body. Removal of a member is subject to
2 review by the circuit court.

3 (5) All expense items of the authority shall be publicized
4 monthly and the financial records shall always be open to the
5 public.

6 (6) In addition to the items and records prescribed in
7 subsection (5), a writing prepared, owned, used, in the possession
8 of, or retained by the board in the performance of an official
9 function shall be made available to the public in compliance with
10 the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

11 ~~(7) By resolution of its governing body, a municipality having~~
12 ~~more than 1 authority may establish a single board to govern all~~
13 ~~authorities in the municipality. The governing body may designate~~
14 ~~the board of an existing authority as the board for all authorities~~
15 ~~or may establish by resolution a new board in the same manner as~~
16 ~~provided in subsection (1). A member of a board governing more than~~
17 ~~1 authority may be a resident of or have an interest in property in~~
18 ~~any of the downtown districts controlled by the board in order to~~
19 ~~meet the requirements of this section.~~ **IF APPROVED IN THE ORDINANCE**

20 **ESTABLISHING AN AUTHORITY, AN AUTHORITY WITH 1 OR MORE COMBINING**
21 **AUTHORITIES MAY CONTINUE TO USE THE BOARD OR BOARDS OF THE**
22 **COMBINING AUTHORITIES WITH RESPECT TO EXISTING DEVELOPMENT AREAS**
23 **AND DEVELOPMENT AND TAX INCREMENT FINANCING PLANS OF 1 OR MORE OF**
24 **THE COMBINING AUTHORITIES. HOWEVER, THE GOVERNING BODY OF THE**
25 **MUNICIPALITY MAY DETERMINE AT ANY TIME BY AN AMENDMENT TO THE**
26 **ORDINANCE ESTABLISHING AN AUTHORITY TO ELIMINATE THE BOARD OF A**
27 **COMBINING AUTHORITY AND REPLACE IT WITH THE BOARD ESTABLISHED**



1 PURSUANT TO SUBSECTION (1) OR REPLACE THE BOARD OF 1 OR MORE
 2 COMBINING AUTHORITIES WITH THE BOARD OF ANOTHER COMBINING
 3 AUTHORITY. HOWEVER, ONCE THE BOARD ESTABLISHED PURSUANT TO
 4 SUBSECTION (1) SERVES AS THE BOARD FOR ANY DEVELOPMENT AREA, NO
 5 OTHER BOARD SHALL SUBSEQUENTLY SERVE AS THE BOARD FOR THAT
 6 DEVELOPMENT AREA.

7 ~~—— (8) By ordinance, the governing body of a municipality that~~
 8 ~~has a population of less than 5,000 may have the municipality's~~
 9 ~~planning commission created pursuant to former 1931 PA 285 or the~~
 10 ~~Michigan planning enabling act, 2008 PA 33, MCL 125.3801 to~~
 11 ~~125.3885, serve as the board provided for in subsection (1).~~

12 ~~—— (9) If a municipality enters into an agreement with a~~
 13 ~~qualified township under section 3(7), the membership of the board~~
 14 ~~may be modified by the interlocal agreement described in section~~
 15 ~~3(7).~~

16 Sec. 5. (1) The board may employ and fix the compensation of a
 17 director, subject to the approval of the governing body of the
 18 municipality. The director shall serve at the pleasure of the
 19 board. A member of the board is not eligible to hold the position
 20 of director. Before entering upon the duties of his **OR HER** office,
 21 the director shall take and subscribe to the constitutional oath,
 22 and furnish bond, by posting a bond in the penal sum determined in
 23 the ordinance establishing the authority payable to the authority
 24 for use and benefit of the authority, approved by the board, and
 25 filed with the municipal clerk. The premium on the bond shall be
 26 deemed an operating expense of the authority, payable from funds
 27 available to the authority for expenses of operation. The director



1 shall be the chief executive officer of the authority. Subject to
2 the approval of the board, the director shall supervise, and be
3 responsible for, the preparation of plans and the performance of
4 the functions of the authority in the manner authorized by this
5 act. The director shall attend the meetings of the board ~~—~~and
6 shall render to the board and to the governing body of the
7 municipality a regular report covering the activities and financial
8 condition of the authority. If the director is absent or disabled,
9 the board may designate a qualified person as acting director to
10 perform the duties of the office. Before entering upon the duties
11 of his **OR HER** office, the acting director shall take and subscribe
12 to the oath, and furnish bond, as required of the director. The
13 director shall furnish the board with information or reports
14 governing the operation of the authority as the board requires.

15 (2) The board may employ and fix the compensation of a
16 treasurer, who shall keep the financial records of the authority
17 and who, together with the director, shall approve all vouchers for
18 the expenditure of funds of the authority. The treasurer shall
19 perform such other duties as may be delegated to him **OR HER** by the
20 board and shall furnish bond in an amount as prescribed by the
21 board.

22 (3) The board may employ and fix the compensation of a
23 secretary, who shall maintain custody of the official seal and of
24 records, books, documents, or other papers not required to be
25 maintained by the treasurer. The secretary shall attend meetings of
26 the board and keep a record of its proceedings ~~—~~and shall perform
27 such other duties delegated by the board.

1 (4) The board may retain legal counsel to advise the board in
2 the proper performance of its duties. The legal counsel shall
3 represent the authority in actions brought by or against the
4 authority.

5 (5) The board may employ other personnel deemed necessary by
6 the board.

7 (6) AS AN ALTERNATIVE TO EMPLOYING ANY OFFICER OR OTHER
8 PERSONNEL, THE BOARD MAY CONTRACT WITH THE MUNICIPALITY OR WITH
9 OTHER ENTITIES OR INDIVIDUALS TO PROVIDE SERVICES REQUIRED BY THE
10 AUTHORITY. ALL CONTRACTS FOR THOSE SERVICES SHALL REQUIRE THE
11 BOARD'S APPROVAL AND SHALL BE LISTED IN THE ANNUAL BUDGET OF THE
12 AUTHORITY. ANY BOARD MEMBER MAY ALSO BE SELECTED AS THE SECRETARY
13 OR TREASURER BUT MAY NOT BE COMPENSATED.

14 Sec. 6. (1) The employees of an authority ~~shall~~ **MAY, IF**
15 **APPROVED BY THE BOARD AND THE GOVERNING BODY,** be eligible to
16 participate in municipal retirement and insurance programs of the
17 municipality. ~~as if they were civil service employees except that~~
18 ~~the employees of an authority are not civil service employees.~~

19 (2) THE FOLLOWING ARE PROHIBITED SUBJECTS OF COLLECTIVE
20 BARGAINING BETWEEN A MUNICIPALITY OR A COMBINING AUTHORITY THAT
21 WILL BE COMBINED WITH THE AUTHORITY PROPOSED TO BE CREATED UNDER
22 THIS ACT AND A BARGAINING REPRESENTATIVE OF ITS EMPLOYEES:

23 (A) A DECISION AS TO WHETHER OR NOT THE MUNICIPALITY WILL
24 CREATE AN AUTHORITY UNDER THIS ACT AFTER THE EFFECTIVE DATE OF THE
25 AMENDATORY ACT THAT ADDED THIS SUBSECTION, THAT WILL RESULT IN THE
26 COMBINATION OF THAT AUTHORITY AND A COMBINING AUTHORITY THAT WILL
27 BE COMBINED WITH THE AUTHORITY PROPOSED TO BE CREATED UNDER THIS



1 ACT.

2 (B) THE PROCEDURES FOR COMBINING THE AUTHORITY CREATED UNDER
3 THIS ACT AFTER DECEMBER 31, 2014 WITH A COMBINING AUTHORITY.

4 (3) NOTHING IN THIS ACT CREATES AN EMPLOYMENT RELATIONSHIP
5 BETWEEN THE EXISTING EMPLOYEES OF A COMBINING AUTHORITY WITH THE
6 AUTHORITY CREATED PURSUANT TO THIS ACT.

7 (4) NOTHING IN THIS ACT RELIEVES A COMBINING AUTHORITY OF THE
8 DUTY, TO THE EXTENT A DUTY EXISTS UNDER APPLICABLE LAW, TO
9 COLLECTIVELY BARGAIN WITH ITS EMPLOYEES OVER THE EFFECT OF THE
10 COMBINATION ON ITS EMPLOYEES.

11 Sec. 7. (1) ~~The board~~ AN AUTHORITY may DO 1 OR MORE OF THE
12 FOLLOWING:

13 (A) SUBJECT TO THE APPROVAL OF THE GOVERNING BODY OF THE
14 MUNICIPALITY, ADOPT, AMEND, AND REPEAL BYLAWS OR RULES OF PROCEDURE
15 FOR THE REGULATION OF ITS AFFAIRS AND THE CONDUCT OF ITS BUSINESS.

16 (B) SUBJECT TO THE FOLLOWING LIMITATIONS, CREATE 1 OR MORE
17 DEVELOPMENT AREAS WITHIN THE MUNICIPALITY:

18 (i) ACCORDING TO THE AD VALOREM AND SPECIFIC LOCAL TAX ROLLS OF
19 THE MUNICIPALITY, THE TOTAL OF THE TRUE CASH VALUE OF ALL REAL
20 PROPERTY AND ALL PERSONAL PROPERTY THAT IS NOT EXEMPT PERSONAL
21 PROPERTY UNDER SECTION 9M, 9N, OR 9O OF THE GENERAL PROPERTY TAX
22 ACT, 1893 PA 206, MCL 211.9M, 211.9N, AND 211.9O, WITHIN THE
23 ESTABLISHED AND PROPOSED DEVELOPMENT AREAS, WHEN ADDED TO THE TRUE
24 CASH VALUE OF ALL REAL AND PERSONAL PROPERTY WITHIN DEVELOPMENT
25 AREAS OF A COMBINING AUTHORITY THAT IS CAPTURING TAXES OF 1 OR MORE
26 TAXING UNITS, SHALL NOT EXCEED 35% OF THE TOTAL TRUE CASH VALUE OF
27 ALL REAL PROPERTY AND ALL PERSONAL PROPERTY WITHIN THE MUNICIPALITY



1 THAT IS NOT EXEMPT PERSONAL PROPERTY UNDER SECTION 9M, 9N, OR 9O OF
 2 THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.9M, 211.9N, AND
 3 211.9O. THIS LIMITATION SHALL NOT APPLY TO THE EXTENT THE
 4 DEVELOPMENT AREAS OF 1 OR MORE COMBINING AUTHORITIES ARE THE
 5 AUTHORITY'S ONLY DEVELOPMENT AREAS AND THERE ARE OUTSTANDING
 6 OBLIGATIONS, REPRESENTATIONS, COVENANTS, OR CONTRACTS THAT PRECLUDE
 7 DISSOLUTION OF OR REDUCTION IN THE SIZE OF THE AFFECTED DEVELOPMENT
 8 AREAS OR ALTERATION OF TAX INCREMENT FINANCING PLANS TO REDUCE THE
 9 CAPTURE OF TAXABLE VALUE.

10 (ii) THE TOTAL LAND AREA WITHIN THE ESTABLISHED AND PROPOSED
 11 DEVELOPMENT AREAS, WHEN ADDED TO THE TOTAL LAND AREA OF ALL
 12 DEVELOPMENT AREAS OF A COMBINING AUTHORITY, SHALL NOT EXCEED 50% OF
 13 THE TOTAL LAND AREA OF THE MUNICIPALITY. THIS LIMITATION SHALL NOT
 14 APPLY TO THE EXTENT THE DEVELOPMENT AREAS OF 1 OR MORE COMBINING
 15 AUTHORITIES ARE THE AUTHORITY'S ONLY DEVELOPMENT AREAS AND THERE
 16 ARE OUTSTANDING OBLIGATIONS, REPRESENTATIONS, COVENANTS, OR
 17 CONTRACTS THAT PRECLUDE DISSOLUTION OF OR REDUCTION IN THE SIZE OF
 18 THE AFFECTED DEVELOPMENT AREAS OR ALTERATION OF TAX INCREMENT
 19 FINANCING PLANS TO REDUCE THE CAPTURE OF TAXABLE VALUE.

20 (C) EXCEPT WHEN DOING SO WILL IMPAIR THE PAYMENT OF ANY
 21 OBLIGATIONS OF THE AUTHORITY OR A COMBINING AUTHORITY THAT IS OR
 22 WILL BE COMBINED WITH THE AUTHORITY, TERMINATE OR DISSOLVE ANY
 23 DEVELOPMENT AREA BY THE EXPIRATION OR OTHER TERMINATION OF A
 24 DEVELOPMENT PLAN.

25 (D) ~~(a)~~ Prepare an analysis of economic changes taking place
 26 in the ~~downtown district~~. MUNICIPALITY.

27 (E) ~~(b)~~ Study and analyze the impact of metropolitan growth



1 upon the ~~downtown district~~. **MUNICIPALITY**.

2 **(F)** ~~(e)~~—Plan and propose the construction, renovation, repair,
3 remodeling, rehabilitation, restoration, preservation, or
4 reconstruction of a public facility, an existing building, or a
5 ~~multiple-family dwelling unit~~ **BUILDING WITHIN A DEVELOPMENT** which
6 may be necessary or appropriate to the execution of a **DEVELOPMENT**
7 plan which, in the opinion of the board, aids in the economic
8 growth of the ~~downtown district~~. **MUNICIPALITY**.

9 ~~(d)~~—Plan, propose, and implement an improvement to a public
10 facility within the development area to comply with the barrier
11 free design requirements of the state construction code promulgated
12 under the ~~Stille-DeRossett-Hale single state construction code act,~~
13 ~~1972 PA 230, MCL 125.1501 to 125.1531.~~

14 **(G)** ~~(e)~~—Develop long-range plans, in cooperation with the
15 agency which is chiefly responsible for planning in the
16 municipality, designed to halt the deterioration of **OR IMPROVE**
17 property values in the ~~downtown district~~ **MUNICIPALITY** and to
18 promote the economic growth of **WITHIN** the ~~downtown district,~~
19 **DEVELOPMENT AREA**, and take such steps as may be necessary to
20 persuade property owners to implement the plans to the fullest
21 extent possible.

22 **(H)** ~~(f)~~—Implement any plan of development in the ~~downtown~~
23 ~~district~~ **DEVELOPMENT AREA** necessary to achieve the purposes of this
24 act, in accordance with the powers of the authority as granted by
25 this act.

26 **(I)** ~~(g)~~—Make and enter into contracts necessary or incidental
27 to the exercise of its powers and the performance of its duties.



1 (J) ~~(h)~~—Acquire by purchase or otherwise, on terms and
 2 conditions and in a manner the authority considers proper or own,
 3 convey, or otherwise dispose of, or lease as lessor or lessee, land
 4 and other property, real or personal, or rights or interests in
 5 property **IN A DEVELOPMENT AREA**, which the authority determines is
 6 reasonably necessary to achieve the purposes of this act, and to
 7 grant or acquire licenses, easements, and options with respect to
 8 that property.

9 (K) ~~(i)~~—Improve land and construct, reconstruct, rehabilitate,
 10 restore and preserve, equip, improve, maintain, repair, and operate
 11 any building, ~~including multiple-family dwellings,~~ and any
 12 necessary or desirable appurtenances to that property, within the
 13 ~~downtown district~~ **DEVELOPMENT AREA** for the use, in whole or in
 14 part, of any public or private person or corporation, or a
 15 combination of them.

16 (L) ~~(j)~~—Fix, charge, and collect fees, rents, and charges for
 17 the use of any building or property under its control or any part
 18 thereof, or facility therein, and pledge the fees, rents, and
 19 charges for the payment of revenue bonds issued by the authority.

20 (M) ~~(k)~~—Lease any building or property under its control, or
 21 any part of a building or property.

22 (N) ~~(l)~~—Accept grants and donations of property, labor, or
 23 other things of value from a public or private source.

24 (O) ~~(m)~~—Acquire, ~~and~~ construct, **DEMOLISH, RECONSTRUCT,**
 25 **DEVELOP, REDEVELOP, USE, OPERATE, REPAIR, MAINTAIN, IMPROVE,**
 26 **ENLARGE, OR MODIFY** public facilities **LOCATED WITHIN A DEVELOPMENT**
 27 **AREA.**



1 (P) ~~(n) Create,~~ **SUBJECT TO THE LIMITATION ON THE USE OF TAX**
 2 **INCREMENT REVENUES, CREATE,** operate, and fund marketing initiatives
 3 that benefit only retail and general marketing ~~of the downtown~~
 4 ~~district.~~ **WITHIN 1 OR MORE DEVELOPMENT AREAS.**

5 (Q) ~~(e) Contract for broadband service and wireless technology~~
 6 ~~service in the downtown district.~~ **WITHIN 1 OR MORE DEVELOPMENT**
 7 **AREAS.**

8 ~~—— (p) Operate and perform all duties and exercise all~~
 9 ~~responsibilities described in this section in a qualified township~~
 10 ~~if the qualified township has entered into an agreement with the~~
 11 ~~municipality under section 3(7).~~

12 (R) ~~(q) Create, operate, and fund a loan program to fund~~
 13 ~~improvements for existing buildings located in a downtown district~~
 14 **DEVELOPMENT AREA** to make them marketable for sale or lease. The
 15 board may make loans with interest at a market rate or may make
 16 loans with interest at a below market rate, as determined by the
 17 board.

18 (S) ~~(r) Create, operate, and fund retail business OR~~
 19 **INDUSTRIAL** incubators ~~in the downtown district.~~ **WITHIN A DEVELOPMENT**
 20 **AREA.**

21 (T) **ACCEPT GRANTS AND DONATIONS OF PROPERTY, LABOR, OR OTHER**
 22 **THINGS OF VALUE FROM A PUBLIC OR PRIVATE SOURCE.**

23 (U) **INCUR COSTS IN CONNECTION WITH THE PERFORMANCE OF ITS**
 24 **AUTHORIZED FUNCTIONS, INCLUDING, BUT NOT LIMITED TO, ADMINISTRATIVE**
 25 **COSTS AND ARCHITECT, ENGINEER, LEGAL, OR ACCOUNTING FEES.**

26 (V) **PROCURE INSURANCE AGAINST LOSS IN CONNECTION WITH THE**
 27 **AUTHORITY'S PROPERTY, ASSETS, OR ACTIVITIES.**



1 (W) INVEST THE MONEY OF THE AUTHORITY AT THE AUTHORITY'S
 2 DISCRETION IN OBLIGATIONS DETERMINED PROPER BY THE AUTHORITY, AND
 3 NAME AND USE DEPOSITORIES FOR ITS MONEY IN ACCORDANCE WITH THE
 4 PROVISIONS OF LAW APPLICABLE TO INVESTMENTS BY THAT MUNICIPALITY.

5 (X) COMMIT TO MAKE, MAKE, AND PARTICIPATE IN MAKING LOANS;
 6 SECURE AND OBTAIN SECURITY FOR LOANS; BUY AND SELL LOANS; REFUND OR
 7 RESTRUCTURE LOANS; UNDERTAKE ACTIONS TO ENFORCE LOANS OR RIGHTS
 8 UNDER LOAN DOCUMENTS; COLLECT LOANS; PAY PRINCIPAL, INTEREST, AND
 9 OTHER AMOUNTS DUE ON LOANS; ACQUIRE INTERESTS IN PROPERTY OR LOANS
 10 DURING FORECLOSURES OR OTHER PROCEEDINGS; AND OTHERWISE PROTECT THE
 11 INTERESTS OF THE AUTHORITY.

12 (Y) SUBJECT TO LIMITATIONS ON THE USES OF TAX INCREMENT
 13 REVENUES, ENGAGE IN PLACE MAKING AND PLACE SUSTAINING ACTIVITIES,
 14 INCLUDING THE SUPPORT OF LOCAL SPECIAL EVENTS DESIGNED AND HAVING
 15 THE EFFECT TO ATTRACTING TOURISTS AND BUSINESSES TO A DEVELOPMENT
 16 AREA.

17 (2) If it is the express determination of the ~~board~~-AUTHORITY
 18 to create, operate, or fund a retail business incubator in the
 19 ~~downtown district~~, **A DEVELOPMENT AREA**, the board shall give
 20 preference to tenants who will provide goods or services that are
 21 not available or that are underserved in the ~~downtown~~-**DEVELOPMENT**
 22 area. If the board creates, operates, or funds retail business
 23 incubators in the ~~downtown district~~, **DEVELOPMENT AREA**, the board
 24 and each tenant who leases space in a retail business incubator
 25 shall enter into a written contract that includes, but is not
 26 limited to, all of the following:

27 (a) The lease or rental rate that may be below the fair market

1 rate as determined by the board.

2 (b) The requirement that a tenant may lease space in the
3 retail business incubator for a period not to exceed 18 months.

4 (c) The terms of a joint operating plan with 1 or more other
5 businesses located in the downtown district.

6 (d) A copy of the business plan of the tenant that contains
7 measurable goals and objectives.

8 (e) The requirement that the tenant participate in basic
9 management classes, business seminars, or other business education
10 programs offered by the authority, the local chamber of commerce,
11 local community colleges, or institutions of higher education, as
12 determined by the board.

13 (3) A CERTIFIED TECHNOLOGY PARK WITHIN A DEVELOPMENT AREA OF A
14 LOCAL DEVELOPMENT FINANCING AUTHORITY THAT EXISTS AS OF DECEMBER
15 31, 2014 MAY CONTINUE IN EXISTENCE ACCORDING TO THE TERMS OF ANY
16 APPLICABLE ORDINANCES, RESOLUTIONS, OR AGREEMENTS OF AND AMONG OR
17 BETWEEN THAT LOCAL DEVELOPMENT FINANCING AUTHORITY, THE
18 MUNICIPALITY, AND THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION,
19 BUT THE AUTHORITY SHALL BE THE SUCCESSOR TO THE LOCAL DEVELOPMENT
20 FINANCING AUTHORITY. THE CAPTURE OF TAX INCREMENT REVENUES SHALL
21 CONTINUE IN THE SAME MANNER AND ACCORDING TO THE SAME REQUIREMENTS
22 APPLICABLE TO THE CAPTURE AND USE OF THOSE TAX INCREMENT REVENUES
23 ON DECEMBER 31, 2014, AND REIMBURSEMENT TO THE SCHOOL AID FUND AND
24 TO SCHOOL DISTRICTS SHALL OCCUR IN THE SAME MANNER AND AMOUNTS AS
25 APPLICABLE ON DECEMBER 31, 2014.

26 (4) A MUNICIPALITY THAT HAS CREATED AN AUTHORITY IN WHICH A
27 CERTIFIED TECHNOLOGY PARK HAS BEEN DESIGNATED UNDER THIS ACT MAY



1 ENTER INTO AN AGREEMENT WITH ANOTHER AUTHORITY THAT DOES NOT
2 CONTAIN A CERTIFIED TECHNOLOGY PARK TO DESIGNATE A DISTINCT
3 GEOGRAPHIC AREA WITHIN THE AUTHORITY DISTRICT AS A CERTIFIED
4 TECHNOLOGY PARK. THE AUTHORITY SHALL CONSIDER THE ADVANTAGES OF THE
5 UNIQUE CHARACTERISTICS AND SPECIALTIES OFFERED BY THE PUBLIC AND
6 PRIVATE RESOURCES AVAILABLE IN THE DISTINCT GEOGRAPHIC AREA, SHALL
7 CONSIDER THE BENEFITS TO REGIONAL COOPERATION AND COLLABORATION,
8 AND SHALL CONSIDER WHETHER DESIGNATING THE ADDITIONAL DISTINCT
9 GEOGRAPHIC AREA ADDS VALUE TO THE MISSION OF THE DESIGNATED
10 CERTIFIED TECHNOLOGY PARK. THE DISTINCT GEOGRAPHIC AREA IS SUBJECT
11 TO THE PROVISIONS OF SUBSECTION (3) (C), (D), AND (E). THE STATE
12 TREASURER SHALL NOT APPROVE THE CAPTURE OF AMOUNTS LEVIED BY THE
13 STATE UNDER THE STATE EDUCATION TAX ACT, 1993 PA 331, MCL 211.901
14 TO 211.906, AND BY LOCAL AND INTERMEDIATE SCHOOL DISTRICTS AS
15 PERMITTED IN SECTION 2(GG) FOR MORE THAN 3 DISTINCT GEOGRAPHIC
16 AREAS DESIGNATED UNDER THIS SECTION. A COPY OF THE DESIGNATION
17 SHALL BE FILED WITH THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION.

18 (5) A CERTIFIED ALTERNATIVE ENERGY PARK WITHIN A DEVELOPMENT
19 AREA OF A LOCAL DEVELOPMENT FINANCING AUTHORITY THAT EXISTS AS OF
20 DECEMBER 31, 2014 MAY CONTINUE IN EXISTENCE ACCORDING TO THE TERMS
21 OF ANY APPLICABLE ORDINANCES, RESOLUTIONS, OR AGREEMENTS OF AND
22 AMONG OR BETWEEN THAT LOCAL DEVELOPMENT FINANCING AUTHORITY, THE
23 MUNICIPALITY, AND THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION,
24 BUT THE AUTHORITY SHALL BE THE SUCCESSOR TO THE LOCAL DEVELOPMENT
25 FINANCING AUTHORITY. THE CAPTURE OF TAX INCREMENT REVENUES SHALL
26 CONTINUE IN THE SAME MANNER AND ACCORDING TO THE SAME REQUIREMENTS
27 APPLICABLE TO THE CAPTURE AND USE OF THOSE TAX INCREMENT REVENUES



1 ON DECEMBER 31, 2014, AND REIMBURSEMENT TO THE SCHOOL AID FUND AND
2 TO SCHOOL DISTRICTS SHALL OCCUR IN THE SAME MANNER AND AMOUNTS AS
3 APPLICABLE ON DECEMBER 31, 2014.

4 (6) AN AUTHORITY MAY PROVIDE OR CAUSE TO BE PROVIDED PUBLIC
5 SERVICES WITHIN A DEVELOPMENT AREA THAT EXCEED THE LEVELS OF PUBLIC
6 SERVICES GENERALLY PROVIDED TO THE EXTENT THAT THOSE INCREMENTAL
7 INCREASES IN PUBLIC SERVICES ARE DETERMINED BY THE AUTHORITY TO BE
8 NECESSARY WITHIN THE DEVELOPMENT AREA. AN AUTHORITY MAY NOT PROVIDE
9 FUNDING FOR ADDITIONAL PUBLIC SERVICES OUTSIDE THE DEVELOPMENT
10 AREA.

11 ~~Sec. 8. (1) If a board created under this act serves as the~~
12 ~~planning commission under section 2 of Act No. 285 of the Public~~
13 ~~Acts of 1931, being section 125.32 of the Michigan Compiled Laws,~~
14 ~~the board shall include planning commission business in its agenda.~~

15 THE AUTHORITY OR THE MUNICIPALITY CREATING THE AUTHORITY SHALL
16 CREATE, OPERATE, AND REGULARLY MAINTAIN A WEBSITE WITH ALL
17 AUTHORITY RECORDS AND DOCUMENTS INCLUDING ALL OF THE FOLLOWING:

- 18 (A) MINUTES OF ALL BOARD MEETINGS.
19 (B) ANNUAL BUDGET.
20 (C) ANNUAL AUDITS.
21 (D) CURRENTLY ADOPTED DEVELOPMENT PLAN.
22 (E) CURRENTLY ADOPTED TAX INCREMENT FINANCE PLAN.
23 (F) LIST OF ALL AUTHORITY SPONSORED AND MANAGED EVENTS.
24 (G) AUTHORITY STAFF CONTACT INFORMATION.
25 (H) ALL PROMOTIONAL AND MARKETING MATERIALS.
26 (I) AMOUNT OF TAX INCREMENT REVENUES CAPTURED FOR EACH TAXING
27 JURISDICTION THAT LEVIES AD VALOREM PROPERTY TAXES OR SPECIFIC



1 LOCAL TAXES WITHIN THE BOUNDARIES OF THE AUTHORITY.

2 (J) OTHER DOCUMENTS RELATED TO MANAGEMENT OF THE AUTHORITY.

3 (2) EACH YEAR, THE BOARD SHALL HOLD AN ANNUAL MEETING. THE
 4 PURPOSE OF THE ANNUAL MEETING WILL BE TO HIGHLIGHT ALL OF THE
 5 SUCCESSES AND STATISTICS OVER THE PAST YEAR AND PROJECTS
 6 ACCOMPLISHED, EVENTS HELD, PROMOTIONAL AND MARKETING PROGRAMS
 7 UNDERTAKEN, PROPERTY TAX VALUATION FROM THE PREVIOUS YEAR, THE
 8 OUTCOMES RELATED TO AUTHORITY ACTIVITY, AND TO HEAR ANY QUESTIONS,
 9 CONCERNS, STATEMENTS, OR OTHER INFORMATION PRESENTED VERBALLY OR IN
 10 WRITING AT THE MEETING OR IN WRITING BEFORE THE MEETING. NOTICE OF
 11 THE ANNUAL MEETING SHALL BE POSTED ON THE MUNICIPALITY'S WEBSITE
 12 NOT LESS THAN 20 DAYS BEFORE THE DATE OF THE MEETING. NOT LESS THAN
 13 20 DAYS BEFORE THE ANNUAL MEETING, THE BOARD SHALL MAIL NOTICE OF
 14 THE ANNUAL MEETING TO THE GOVERNING BODY OF EACH TAXING
 15 JURISDICTION LEVYING TAXES THAT ARE SUBJECT TO CAPTURE BY THE
 16 AUTHORITY.

17 Sec. 9. The authority shall be ~~deemed~~ **CONSIDERED** an
 18 instrumentality of a ~~political subdivision for purposes of Act No.~~
 19 ~~227 of the Public Acts of 1972, being sections 213.321 to 213.332~~
 20 ~~of the Michigan Compiled Laws.~~ **THE MUNICIPALITY.**

21 Sec. 10. A municipality may take private property under ~~Act~~
 22 ~~No. 149 of the Public Acts of 1911, as amended, being sections~~
 23 ~~213.21 to 213.41 of the Michigan Compiled Laws,~~ **1911 PA 149, MCL**
 24 **213.21 TO 213.25**, for the purpose of transfer to the authority, and
 25 may transfer the property to the authority for use in an ~~approved~~
 26 ~~development,~~ **A PUBLIC FACILITY**, on terms and conditions it ~~deems~~
 27 **CONSIDERS** appropriate, and the taking, transfer, and use shall be



1 considered necessary for public purposes and for the benefit of the
2 public.

3 Sec. 11. (1) The activities of the authority shall be financed
4 from 1 or more of the following sources:

5 (a) Donations to the authority for the performance of its
6 functions.

7 (b) Proceeds of a tax imposed pursuant to section 12.

8 (c) Money borrowed and to be repaid as authorized by sections
9 13 and 13a.

10 (d) Revenues from any property, building, or facility owned,
11 leased, licensed, or operated by the authority or under its
12 control, subject to the limitations imposed upon the authority by
13 trusts or other agreements.

14 (e) Proceeds of a tax increment financing plan, established
15 under sections 14 to 16.

16 (f) Proceeds from a special assessment ~~district created~~ **LEVIED**
17 as provided ~~by law.~~ **IN SUBSECTION (3)**.

18 (g) Money obtained from other sources approved by the
19 governing body of the municipality or otherwise authorized by law
20 for use by the authority or the municipality to finance a
21 development program.

22 (h) Money obtained pursuant to section 13b.

23 ~~Revenue from the federal facility development act, Act No.~~
24 ~~275 of the Public Acts of 1992, being sections 3.931 to 3.940 of~~
25 ~~the Michigan Compiled Laws, or revenue transferred pursuant to~~
26 ~~section 11a of chapter 2 of the city income tax act, Act No. 284 of~~
27 ~~the Public Acts of 1964, being section 141.611a of the Michigan~~



1 Compiled Laws.

2 ~~—— (j) Revenue from the federal data facility act, Act No. 126 of~~
 3 ~~the Public Acts of 1993, being sections 3.951 to 3.961 of the~~
 4 ~~Michigan Compiled Laws, or revenue transferred pursuant to section~~
 5 ~~11b of chapter 2 of the city income tax act, Act No. 284 of the~~
 6 ~~Public Acts of 1964, being section 141.611b of the Michigan~~
 7 ~~Compiled Laws.~~

8 **(I) REVENUE FROM ANY FEDERAL OR STATE GRANTS OR LOANS.**

9 **(J) REVENUE FROM ANY CONTRACT BETWEEN THE AUTHORITY AND**
 10 **ANOTHER ENTITY OR INDIVIDUAL.**

11 **(K) FUNDS TRANSFERRED FROM THE MUNICIPALITY TO THE AUTHORITY**
 12 **PURSUANT TO A VALID CONTRACT OR APPLICABLE LAW.**

13 **(l) FUNDS PROVIDED PURSUANT TO ANY INTERGOVERNMENTAL AGREEMENT**
 14 **INCLUDING ANY AGREEMENT FOR A JOINT ENDEAVOR PURSUANT TO THE**
 15 **MUNICIPAL PARTNERSHIP ACT, 2011 PA 258, MCL 124.111 TO 124.123.**

16 **(M) FUNDS PROPERLY PAID FROM A COUNTY DELINQUENT TAX REVOLVING**
 17 **FUND, SUBJECT TO ANY REPAYMENT OBLIGATIONS IF PROPERTY IS SOLD FOR**
 18 **AN AMOUNT THAT IS INSUFFICIENT TO PAY THE TAXES AND OTHER AMOUNTS**
 19 **DUE THE COUNTY DELINQUENT TAX REVOLVING FUND.**

20 **(N) FUNDS PAID PURSUANT TO THE LOCAL COMMUNITY STABILIZATION**
 21 **AUTHORITY ACT, 2014 PA 86, MCL 123.1341 TO 123.1362.**

22 (2) Money received by the authority and not covered under
 23 subsection (1) shall immediately be deposited to the credit of the
 24 authority, subject to disbursement pursuant to this act. Except as
 25 provided in this act, the municipality shall not obligate itself,
 26 nor shall it ever be obligated to pay any sums from public funds,
 27 other than money received by the municipality pursuant to this



1 section, for or on account of the activities of the authority.

2 (3) AN AUTHORITY MAY FINANCE ANY OF ITS PROJECTS, PROGRAMS, OR
3 ACTIVITIES IN WHOLE OR IN PART BY THE LEVY OF SPECIAL ASSESSMENTS
4 AGAINST PROPERTY IN THE DEVELOPMENT AREA THAT SPECIALLY BENEFITS
5 FROM THE PROJECT, PROGRAM, OR ACTIVITY BEING FINANCED. SPECIAL
6 ASSESSMENTS MAY BE USED EVEN IF LOCAL CHARTER PROVISIONS DO NOT
7 ALLOW OR PROHIBIT SPECIAL ASSESSMENTS FOR THE PURPOSES DESCRIBED IN
8 THIS SUBSECTION. SPECIAL ASSESSMENTS LEVIED UNDER THIS SUBSECTION
9 ARE SUBJECT TO ALL OF THE FOLLOWING:

10 (A) IF AN AUTHORITY ELECTS TO LEVY SPECIAL ASSESSMENTS TO
11 DEFRAID ALL OR PART OF THE COST OF A PROJECT, PROGRAM, OR ACTIVITY,
12 THEN THE SPECIAL ASSESSMENTS SHALL BE LEVIED PURSUANT TO STATUTORY
13 OR CHARTER PROVISIONS APPLICABLE TO THE MUNICIPALITY AND THOSE
14 PROJECTS, PROGRAMS, OR ACTIVITIES, OR, IF THERE ARE NO APPLICABLE
15 STATUTORY OR CHARTER PROVISIONS, PURSUANT TO STATUTORY OR CHARTER
16 PROVISIONS APPLICABLE TO STREET IMPROVEMENTS IN THE MUNICIPALITY.
17 THE TOTAL AMOUNT ASSESSED FOR DISTRICT PURPOSES MAY BE MADE PAYABLE
18 IN NOT MORE THAN 20 ANNUAL INSTALLMENTS AS DETERMINED BY THE BOARD,
19 THE FIRST INSTALLMENT TO BE PAYABLE IN NOT MORE THAN 18 MONTHS
20 AFTER THE DATE OF THE CONFIRMATION OF THE SPECIAL ASSESSMENT ROLL.

21 (B) A SPECIAL ASSESSMENT SHALL BE LEVIED AGAINST ASSESSABLE
22 PROPERTY IN A DEVELOPMENT AREA ON THE BASIS OF THE SPECIAL BENEFITS
23 TO THAT PARCEL FROM THE TOTAL PROJECT. THERE IS A REBUTTABLE
24 PRESUMPTION THAT A PROJECT, PROGRAM, OR ACTIVITY SPECIALLY BENEFITS
25 ALL ASSESSABLE PROPERTY LOCATED WITHIN THE DEVELOPMENT AREA.

26 (C) THE SPECIAL ASSESSMENTS ANNUALLY LEVIED ON A PARCEL UNDER
27 THIS SUBSECTION SHALL NOT EXCEED THE PRODUCT OF \$10,000.00 AND THE



1 NUMBER OF BUSINESSES ON THAT PARCEL. A BUSINESS LOCATED ON A SINGLE
2 PARCEL SHALL NOT BE RESPONSIBLE FOR A SPECIAL ASSESSMENT IN EXCESS
3 OF \$10,000.00 ANNUALLY. WHEN THE SPECIAL ASSESSMENT DISTRICT IS
4 CREATED, A LESSOR OF A PARCEL SUBJECT TO A SPECIAL ASSESSMENT MAY
5 UNILATERALLY REVISE AN EXISTING LEASE TO A BUSINESS LOCATED ON THAT
6 PARCEL TO RECOVER FROM THAT BUSINESS ALL OR PART OF THE SPECIAL
7 ASSESSMENT, AS IS PROPORTIONATE CONSIDERING THE PORTION OF THE
8 PARCEL OCCUPIED BY THE BUSINESS.

9 (D) THE \$10,000.00 MAXIMUM AMOUNTS IN SUBDIVISION (C) SHALL BE
10 ADJUSTED EACH JANUARY 1, BEGINNING JANUARY 1, 2016, PURSUANT TO THE
11 ANNUAL AVERAGE PERCENTAGE INCREASE OR DECREASE IN THE DETROIT
12 CONSUMER PRICE INDEX FOR ALL ITEMS AS REPORTED BY THE UNITED STATES
13 DEPARTMENT OF LABOR. THE ADJUSTMENT FOR EACH YEAR SHALL BE MADE BY
14 COMPARING THE DETROIT CONSUMER PRICE INDEX FOR THE 12-MONTH PERIOD
15 ENDING THE PRECEDING OCTOBER 31 WITH THE CORRESPONDING DETROIT
16 CONSUMER PRICE INDEX OF 1 YEAR EARLIER. THE PERCENTAGE INCREASE OR
17 DECREASE SHALL THEN BE MULTIPLIED BY THE CURRENT AMOUNTS UNDER
18 SUBDIVISION (C) AUTHORIZED BY THIS SECTION. THE PRODUCT SHALL BE
19 ROUNDED UP TO THE NEAREST MULTIPLE OF 50 CENTS AND SHALL BE THE NEW
20 AMOUNT.

21 (E) THE AUTHORITY MAY ISSUE SPECIAL ASSESSMENT BONDS IN
22 ANTICIPATION OF THE COLLECTION OF THE SPECIAL ASSESSMENTS FOR A
23 DISTRICT PROJECT, AND THE MUNICIPALITY, BY ACTION OF ITS GOVERNING
24 BODY, MAY PLEDGE ITS LIMITED FULL FAITH AND CREDIT FOR THE PROMPT
25 PAYMENT OF THE BONDS. SPECIAL ASSESSMENT BONDS ISSUED UNDER THIS
26 SECTION ARE SUBJECT TO THE REVISED MUNICIPAL FINANCE ACT, 2001 PA
27 34, MCL 141.2101 TO 141.2821. THE LAST MATURITY ON THE BONDS SHALL



1 BE NOT LATER THAN 2 YEARS AFTER THE DUE DATE OF THE LAST
2 INSTALLMENT ON THE SPECIAL ASSESSMENTS. SPECIAL ASSESSMENT BONDS
3 MAY BE ISSUED PURSUANT TO STATUTORY OR CHARTER PROVISIONS
4 APPLICABLE TO THE ISSUANCE BY THE MUNICIPALITY FOR SPECIAL
5 ASSESSMENT BONDS FOR THE IMPROVEMENT OR, IF THERE ARE NO APPLICABLE
6 STATUTORY OR CHARTER PROVISIONS, PURSUANT TO STATUTORY OR CHARTER
7 PROVISIONS APPLICABLE TO THE ISSUANCE BY THE LOCAL GOVERNMENTAL
8 UNIT OF SPECIAL ASSESSMENT BONDS FOR STREET IMPROVEMENTS.

9 (F) IF A PROJECT, PROGRAM, OR ACTIVITY IN A DEVELOPMENT AREA
10 IS FINANCED BY SPECIAL ASSESSMENTS, THE BOARD SHALL REVIEW THE
11 SPECIAL ASSESSMENTS EVERY 5 YEARS, UNLESS SPECIAL ASSESSMENT BONDS
12 ARE OUTSTANDING.

13 (G) BEFORE AN AUTHORITY LEVIES A SPECIAL ASSESSMENT UNDER THIS
14 SUBSECTION THAT BENEFITS PROPERTY WITHIN A DEVELOPMENT AREA, THE
15 AUTHORITY SHALL DEVELOP A MARKETING AND DEVELOPMENT PLAN THAT
16 DETAILS ALL OF THE FOLLOWING AND MAY BE A PART OF A DEVELOPMENT
17 PLAN AS PROVIDED IN SECTION 17:

18 (i) THE SCOPE, NATURE, AND DURATION OF THE PROJECT, PROGRAM, OR
19 ACTIVITY.

20 (ii) THE DIFFERENT CLASSES OF PROPERTY THAT IS GOING TO BE
21 ASSESSED AND THE PROJECTED AMOUNT OF THE SPECIAL ASSESSMENT ON THE
22 DIFFERENT CLASSES.

23 (H) AN AUTHORITY THAT LEVIES A SPECIAL ASSESSMENT UNDER THIS
24 SUBSECTION THAT BENEFITS PROPERTY WITHIN A DEVELOPMENT AREA IS
25 CONSIDERED TO HAVE APPROVED THE PLAN DESCRIBED IN SUBDIVISION (G).

26 Sec. 12. (1) An authority with the approval of the municipal
27 governing body may levy an ad valorem tax on the real and tangible



1 personal property not exempt by law and as finally equalized in ~~the~~
 2 ~~downtown district.~~ **1 OR MORE OF ITS DEVELOPMENT AREAS.** The tax
 3 shall not be more than ~~1 mill if the downtown district is in a~~
 4 ~~municipality having a population of 1,000,000 or more, or not more~~
 5 ~~than 2 mills. if the downtown district is in a municipality having~~
 6 ~~a population of less than 1,000,000.~~ The tax shall be collected by
 7 the municipality creating the authority levying the tax. The
 8 municipality shall collect the tax at the same time and in the same
 9 manner as it collects its other ad valorem taxes. The tax shall be
 10 paid to the treasurer of the authority and credited to the general
 11 fund of the authority for purposes of the authority.

12 (2) The municipality may at the request of the authority
 13 borrow money and issue its notes under the revised municipal
 14 finance act, 2001 PA 34, MCL 141.2101 to 141.2821, in anticipation
 15 of collection of the ad valorem tax authorized in this section.

16 Sec. 13. The authority may borrow money and issue its
 17 negotiable revenue bonds ~~therefor pursuant to Act No. 94 of the~~
 18 ~~Public Acts of 1933, as amended, being sections 141.101 to 141.139~~
 19 ~~of the Michigan Compiled Laws.~~ **UNDER THE REVENUE BOND ACT OF 1933,**
 20 **1933 PA 94, MCL 141.101 TO 141.140, IN ANTICIPATION OF THE**
 21 **COLLECTION ANY REVENUE OR FUNDS IT MAY COLLECT UNDER THIS ACT.**
 22 Revenue bonds issued by the authority, **EXCEPT AS OTHERWISE PROVIDED**
 23 **IN THIS SECTION,** shall not ~~except as hereinafter provided be deemed~~
 24 **BE CONSIDERED** a debt of the municipality or ~~the~~**THIS** state. The
 25 municipality by majority vote of the members of its governing body
 26 may pledge its **LIMITED** full faith and credit to support the
 27 authority's revenue bonds.



1 Sec. 13a. (1) ~~The authority may with~~ **WITH** approval of the
2 ~~local governing body~~ **OF THE MUNICIPALITY, THE AUTHORITY MAY** borrow
3 money and issue its revenue bonds or notes to finance all or part
4 of the costs of acquiring or constructing property in connection
5 with the implementation of a development plan in ~~the downtown~~
6 ~~district~~ **A DEVELOPMENT AREA** or to refund or refund in advance bonds
7 or notes issued pursuant to this section. The costs which may be
8 financed by the issuance of revenue bonds or notes may include the
9 cost of purchasing, acquiring, constructing, improving, enlarging,
10 extending, or repairing property in connection with the
11 implementation of a development plan in ~~the downtown district~~; **A**
12 **DEVELOPMENT AREA**; any engineering, architectural, legal,
13 accounting, or financial expenses; **THE COSTS OF PROJECTS; THE COSTS**
14 **OF PUBLIC FACILITIES**; the costs necessary or incidental to the
15 borrowing of money; interest on the bonds or notes during the
16 period of construction; a reserve for payment of principal and
17 interest on the bonds or notes; and a reserve for operation and
18 maintenance until sufficient revenues have developed. The authority
19 may secure the bonds and notes by mortgage, assignment, or pledge
20 of the property and any money, revenues, or income received in
21 connection therewith.

22 (2) A pledge made by the authority shall be valid and binding
23 from the time the pledge is made. The money or property pledged by
24 the authority immediately shall be subject to the lien of the
25 pledge without a physical delivery, filing, or further act. The
26 lien of such a pledge shall be valid and binding as against parties
27 having claims of any kind in tort, contract, or otherwise, against



1 the authority, irrespective of whether the parties have notice of
2 the lien. Neither the resolution, the trust agreement, nor any
3 other instrument by which a pledge is created need be filed or
4 recorded.

5 (3) Bonds or notes issued pursuant to this section shall be
6 exempt from all taxation in this state except inheritance and
7 transfer taxes, and the interest on the bonds or notes shall be
8 exempt from all taxation in this state, notwithstanding that the
9 interest may be subject to federal income tax.

10 (4) The municipality shall not be liable on bonds or notes of
11 the authority issued pursuant to this section and the bonds or
12 notes shall not be a debt of the municipality. The bonds or notes
13 shall contain on their face a statement to that effect.

14 (5) The bonds and notes of the authority may be invested in by
15 all public officers, state agencies and political subdivisions,
16 insurance companies, banks, savings and loan associations,
17 investment companies, and fiduciaries and trustees, and may be
18 deposited with and received by all public officers and the agencies
19 and political subdivisions of this state for any purpose for which
20 the deposit of bonds is authorized.

21 Sec. 13b. (1) If the amount of tax increment revenues lost as
22 a result of the reduction of taxes levied by local school districts
23 for school operating purposes required by the millage limitations
24 under section 1211 of the school code of 1976, 1976 PA 451, MCL
25 380.1211, reduced by the amount of tax increment revenues received
26 from the capture of taxes levied under or attributable to the state
27 education tax act, 1993 PA 331, MCL 211.901 to 211.906, will cause



1 the tax increment revenues received in a fiscal year by ~~an~~**A**
2 **COMBINING** authority ~~under section 15~~ to be insufficient to repay an
3 eligible advance or to pay an eligible obligation, the legislature
4 shall appropriate and distribute to the authority the amount
5 described in subsection ~~(5)~~**(4)**.

6 (2) Not less than 30 days before the first day of a fiscal
7 year, an authority eligible to retain tax increment revenues from
8 taxes levied by a local or intermediate school district or this
9 state or to receive a distribution under this section **DUE TO THE**
10 **ELIGIBILITY OF A COMBINING AUTHORITY** for that fiscal year shall
11 file a claim with the department of treasury. The claim shall
12 include the following information:

13 (a) The property tax millage rates levied in 1993 by local
14 school districts within the jurisdictional area of the **COMBINING**
15 authority for school operating purposes.

16 (b) The property tax millage rates expected to be levied by
17 local school districts within the jurisdictional area of the
18 **COMBINING** authority for school operating purposes for that fiscal
19 year.

20 (c) The tax increment revenues estimated to be received by the
21 **COMBINING** authority for that fiscal year based upon actual property
22 tax levies of all taxing jurisdictions within the jurisdictional
23 area of the **COMBINING** authority.

24 (d) The tax increment revenues the **COMBINING** authority
25 estimates it would have received for that fiscal year if property
26 taxes were levied by local school districts within the
27 jurisdictional area of the **COMBINING** authority for school operating



1 purposes at the millage rates described in subdivision (a) and if
2 no property taxes were levied by this state under the state
3 education tax act, 1993 PA 331, MCL 211.901 to 211.906.

4 (e) A list and documentation of eligible obligations and
5 eligible advances and the payments due on each of those eligible
6 obligations or eligible advances in that fiscal year, and the total
7 amount of all the payments due on those eligible obligations and
8 eligible advances in that fiscal year.

9 (f) The amount of money, other than tax increment revenues,
10 estimated to be received in that fiscal year by the **COMBINING**
11 authority that is primarily pledged to, and to be used for, the
12 payment of an eligible obligation or the repayment of an eligible
13 advance. That amount shall not include excess tax increment
14 revenues of the **COMBINING** authority that are permitted by law to be
15 retained by the authority for purposes that further the development
16 program. However, that amount shall include money to be obtained
17 from sources authorized by law, which law is enacted on or after
18 December 1, 1993, for use by the municipality or **COMBINING**
19 authority to finance a development project.

20 (g) The amount of a distribution received pursuant to this act
21 for a fiscal year in excess of or less than the distribution that
22 would have been required if calculated upon actual tax increment
23 revenues received for that fiscal year.

24 (h) A list and documentation of other protected obligations
25 and the payments due on each of those other protected obligations
26 in that fiscal year, and the total amount of all the payments due
27 on those other protected obligations in that fiscal year.



1 ~~(3) For the fiscal year that commences after September 30,~~
 2 ~~1993 and before October 1, 1994, an authority may make a claim with~~
 3 ~~all information required by subsection (2) at any time after March~~
 4 ~~15, 1994.~~

5 (3) ~~(4)~~ After review and verification of claims submitted
 6 pursuant to this section, amounts appropriated by the state in
 7 compliance with this act shall be distributed as 2 equal payments
 8 on March 1 and September 1 after receipt of a claim. An authority
 9 shall allocate a distribution it receives for an eligible
 10 obligation issued **BY A COMBINING AUTHORITY** on behalf of a
 11 municipality to the municipality.

12 (4) ~~(5)~~ Subject to subsections ~~(6)~~ **(5)** and ~~(7)~~, **(6)**, the
 13 aggregate amount to be appropriated and distributed pursuant to
 14 this section to an authority shall be the sum of the amounts
 15 determined pursuant to subdivisions (a) and (b) minus the amount
 16 determined pursuant to subdivision (c), as follows:

17 (a) The amount by which the tax increment revenues the
 18 authority would have received for the fiscal year, excluding taxes
 19 exempt under section 7ff of the general property tax act, 1893 PA
 20 206, MCL 211.7ff, if property taxes were levied by local school
 21 districts for school operating purposes at the millage rates
 22 described in subsection (2) (a) and if no property taxes were levied
 23 under the state education tax act, 1993 PA 331, MCL 211.901 to
 24 211.906, exceed the tax increment revenues the authority actually
 25 received for the fiscal year.

26 (b) A shortfall required to be reported pursuant to subsection
 27 (2) (g) that had not previously increased a distribution.



1 (c) An excess amount required to be reported pursuant to
2 subsection (2)(g) that had not previously decreased a distribution.

3 ~~(5)~~ ~~(6)~~—The amount distributed under subsection ~~(5)~~—~~(4)~~ shall
4 not exceed the difference between the amount described in
5 subsection (2)(e) and the sum of the amounts described in
6 subsection (2)(c) and (f).

7 ~~(6)~~ ~~(7)~~—If, based upon the tax increment financing plan **OF A**
8 **COMBINING AUTHORITY** in effect on August 19, 1993, the payment due
9 on eligible obligations or eligible advances anticipates the use of
10 excess prior year tax increment revenues permitted by law to be
11 retained by the **COMBINING** authority, and if the sum of the amounts
12 described in subsection (2)(c) and (f) plus the amount to be
13 distributed under subsections ~~(5)~~—~~(4)~~ and ~~(6)~~—~~(5)~~ is less than the
14 amount described in subsection (2)(e), the amount to be distributed
15 under subsections ~~(5)~~—~~(4)~~ and ~~(6)~~—~~(5)~~ shall be increased by the
16 amount of the shortfall. However, the amount authorized to be
17 distributed pursuant to this section shall not exceed that portion
18 of the cumulative difference, for each preceding fiscal year,
19 between the amount that could have been distributed pursuant to
20 subsection ~~(5)~~—~~(4)~~ and the amount actually distributed pursuant to
21 subsections ~~(5)~~—~~(4)~~ and ~~(6)~~—~~(5)~~ and this subsection.

22 ~~(7)~~ ~~(8)~~—A distribution under this section replacing tax
23 increment revenues pledged by an authority or a municipality is
24 subject to the lien of the pledge, whether or not there has been
25 physical delivery of the distribution.

26 ~~(8)~~ ~~(9)~~—Obligations for which distributions are made pursuant
27 to this section are not a debt or liability of this state; do not

1 create or constitute an indebtedness, liability, or obligation of
2 this state; and are not and do not constitute a pledge of the faith
3 and credit of this state.

4 (9) ~~(10)~~—Not later than July 1 of each year, the authority
5 shall certify to the local tax collecting treasurer the amount of
6 the distribution required under subsection ~~(5)~~, **(4)**, calculated
7 without regard to the receipt of tax increment revenues
8 attributable to local or intermediate school district taxes or
9 attributable to taxes levied under the state education tax act,
10 1993 PA 331, MCL 211.901 to 211.906.

11 (10) ~~(11)~~—Calculations of distributions under this section and
12 claims reports required to be made under subsection (2) shall be
13 made on the basis of each development area of ~~the~~ **COMBINING**
14 authority.

15 (11) ~~(12)~~—The state tax commission may provide that the
16 reimbursement calculations under this section and the calculation
17 of allowable capture of school taxes shall be made for each
18 calendar year's tax increment revenues using a 12-month debt
19 payment period used by the authority and approved by the state tax
20 commission.

21 Sec. 13c. (1) If the amount of tax increment revenues lost as
22 a result of the personal property tax exemptions provided by
23 section 1211(4) of the revised school code, 1976 PA 451, MCL
24 380.1211, section 3 of the state education tax act, 1993 PA 331,
25 MCL 211.903, section 14(4) of 1974 PA 198, MCL 207.564, and section
26 9k of the general property tax act, 1893 PA 206, MCL 211.9k, will
27 reduce the allowable school tax capture received **BY AN AUTHORITY** in



1 a fiscal year, then, notwithstanding any other provision of this
 2 act, the authority, with approval of the department of treasury
 3 under subsection (3), may request the local tax collecting
 4 treasurer to retain and pay to the authority taxes levied under the
 5 state education tax act, 1993 PA 331, MCL 211.901 to 211.906, to be
 6 used for the following:

- 7 (a) To repay an eligible advance.
- 8 (b) To repay an eligible obligation.
- 9 (c) To repay an other protected obligation.

10 (2) ~~Not later than June 15, 2008, not later than September 30,~~
 11 ~~2009, and not later than June 1 of each subsequent year, except for~~
 12 ~~2011, not later than June 15,~~ an authority eligible under
 13 subsection (1) to have taxes levied under the state education tax
 14 act, 1993 PA 331, MCL 211.901 to 211.906, retained and paid to the
 15 authority under this section, shall apply for approval with the
 16 department of treasury. The application for approval shall include
 17 the following information:

18 (a) The property tax millage rates expected to be levied by
 19 local school districts within the jurisdictional area of the
 20 **COMBINING** authority for school operating purposes for that fiscal
 21 year.

22 (b) The tax increment revenues estimated to be received by the
 23 authority for that fiscal year based upon actual property tax
 24 levies of all taxing jurisdictions within the jurisdictional area
 25 of the **COMBINING** authority.

26 (c) The tax increment revenues the authority estimates it
 27 would have received for that fiscal year if the personal property



1 tax exemptions described in subsection (1) were not in effect.

2 (d) A list of eligible obligations, eligible advances, and
3 other protected obligations **OF THE COMBINING AUTHORITY**, the
4 payments due on each of those in that fiscal year, and the total
5 amount of all the payments due on all of those in that fiscal year.

6 (e) The amount of money, other than tax increment revenues,
7 estimated to be received in that fiscal year by the authority that
8 is primarily pledged to, and to be used for, the payment of an
9 eligible obligation, the repayment of an eligible advance, or the
10 payment of an other protected obligation. That amount shall not
11 include excess tax increment revenues of the authority that are
12 permitted by law to be retained by the authority for purposes that
13 further the development program **OF THE AUTHORITY**. However, that
14 amount shall include money to be obtained from sources authorized
15 by law, which law is enacted on or after December 1, 1993, for use
16 by the municipality or authority to finance a development plan **OF**
17 **THE COMBINING AUTHORITY**.

18 (f) The amount of a distribution received pursuant to this act
19 for a fiscal year in excess of or less than the distribution that
20 would have been required if calculated upon actual tax increment
21 revenues received for that fiscal year.

22 (3) ~~Not later than August 15, 2008; for 2009, not later than~~
23 ~~February 3, 2010; for 2011 only, not later than 30 days after the~~
24 ~~effective date of the amendatory act that amended this sentence;~~
25 ~~and not later than August 15 for 2010, 2012, and~~ **OF** each subsequent
26 year, based on the calculations under subsection (5), the
27 department of treasury shall approve, modify, or deny the



1 application for approval to have taxes levied under the state
2 education tax act, 1993 PA 331, MCL 211.901 to 211.906, retained
3 and paid to the authority under this section. If the application
4 for approval contains the information required under subsection
5 (2) (a) through (f) and appears to be in substantial compliance with
6 the provisions of this section, then the department of treasury
7 shall approve the application. If the application is denied by the
8 department of treasury, then the department of treasury shall
9 provide the opportunity for a representative of the authority to
10 discuss the denial within 21 days after the denial occurs and shall
11 sustain or modify its decision within 30 days after receiving
12 information from the authority. If the application for approval is
13 approved or modified by the department of treasury, the local tax
14 collecting treasurer shall retain and pay to the authority the
15 amount described in subsection (5) as approved by the department.
16 If the department of treasury denies the authority's application
17 for approval, the local tax collecting treasurer shall not retain
18 or pay to the authority the taxes levied under the state education
19 tax act, 1993 PA 331, MCL 211.901 to 211.906. An approval by the
20 department does not prohibit a subsequent audit of taxes retained
21 in accordance with the procedures currently authorized by law.

22 (4) Each year the legislature shall appropriate and distribute
23 an amount sufficient to pay each authority the following:

24 (a) If the amount to be retained and paid under subsection (3)
25 is less than the amount calculated under subsection (5), the
26 difference between those amounts.

27 (b) If the application for approval is denied by the



1 department of treasury, an amount verified by the department equal
2 to the amount calculated under subsection (5).

3 (5) Subject to subsection (6), the aggregate amount under this
4 section shall be the sum of the amounts determined under
5 subdivisions (a) and (b) minus the amount determined under
6 subdivision (c), as follows:

7 (a) The amount by which the tax increment revenues the
8 authority would have received and retained for the fiscal year,
9 excluding taxes exempt under section 7ff of the general property
10 tax act, 1893 PA 206, MCL 211.7ff, if the personal property tax
11 exemptions described in subsection (1) were not in effect, exceed
12 the tax increment revenues the authority actually received for the
13 fiscal year.

14 (b) A shortfall required to be reported under subsection
15 (2)(f) that had not previously increased a distribution.

16 (c) An excess amount required to be reported under subsection
17 (2)(f) that had not previously decreased a distribution.

18 (6) A distribution or taxes retained under this section
19 replacing tax increment revenues pledged by an authority or a
20 municipality are subject to any lien of the pledge described in
21 subsection (1), whether or not there has been physical delivery of
22 the distribution.

23 (7) Obligations for which distributions are made under this
24 section are not a debt or liability of this state; do not create or
25 constitute an indebtedness, liability, or obligation of this state;
26 and are not and do not constitute a pledge of the faith and credit
27 of this state.



1 (8) Not later than September 15 of each year, the authority
2 shall provide a copy of the application for approval approved by
3 the department of treasury to the local tax collecting treasurer
4 and provide the amount of the taxes retained and paid to the
5 authority under subsection (5).

6 (9) Calculations of amounts retained and paid and
7 appropriations to be distributed under this section shall be made
8 on the basis of each development area of the authority.

9 (10) The state tax commission may provide that the
10 reimbursement calculations under this section and the calculation
11 of allowable capture of school taxes shall be made for each
12 calendar year's tax increment revenues using a 12-month debt
13 payment period used by the authority and approved by the state tax
14 commission.

15 (11) It is the intent of the legislature that, to the extent
16 that the total amount of taxes levied under the state education tax
17 act, 1993 PA 331, MCL 211.901 to 211.906, that are allowed to be
18 retained under this section and section 11b of the local
19 development financing act, 1986 PA 281, MCL 125.2161b, section 15a
20 of the brownfield redevelopment financing act, 1996 PA 381, MCL
21 125.2665a, and section 12b of the tax increment financing act, 1980
22 PA 450, MCL 125.1812b, exceeds the difference of the total school
23 aid fund revenue for the tax year minus the estimated amount of
24 revenue the school aid fund would have received for the tax year
25 had the tax exemptions described in subsection (1) and the earmark
26 created by section 515 of the Michigan business tax act, 2007 PA
27 36, MCL 208.1515, not taken effect, the general fund shall



1 reimburse the school aid fund the difference.

2 Sec. 14. (1) When the authority determines that it is
3 necessary for the achievement of the purposes of this act, the
4 authority shall prepare and submit a tax increment financing plan
5 to the governing body of the municipality. The plan shall include a
6 development plan as provided in section 17, a detailed explanation
7 of the tax increment procedure, the maximum amount of bonded
8 indebtedness to be incurred, and the duration of the program, and
9 shall be in compliance with section 15. The plan shall contain a
10 statement of the estimated impact of tax increment financing on the
11 assessed values of all taxing jurisdictions in which the
12 development area is located. The plan may provide for the use of
13 part or all of the captured assessed value, but the portion
14 intended to be used by the authority shall be clearly stated in the
15 tax increment financing plan. The authority or municipality may
16 exclude from captured assessed value growth in property value
17 resulting solely from inflation. The plan shall set forth the
18 method for excluding growth in property value resulting solely from
19 inflation.

20 (2) The percentage of taxes levied for school operating
21 purposes that is captured and used by the tax increment financing
22 plan shall not be greater than the plan's percentage capture and
23 use of taxes levied by a municipality or county for operating
24 purposes. For purposes of the previous sentence, taxes levied by a
25 county for operating purposes include only millage allocated for
26 county or charter county purposes under the property tax limitation
27 act, 1933 PA 62, MCL 211.201 to 211.217a. For purposes of this



1 subsection, tax increment revenues used to pay bonds issued by a
2 municipality under section 16(1) shall be considered to be used by
3 the tax increment financing plan rather than shared with the
4 municipality. The limitation of this subsection does not apply to
5 the portion of the captured assessed value shared pursuant to an
6 agreement entered into before 1989 with a county or with a city in
7 which an enterprise zone is approved under section 13 of the
8 enterprise zone act, 1985 PA 224, MCL 125.2113.

9 (3) Approval of the tax increment financing plan shall be
10 pursuant to the notice, hearing, and disclosure provisions of
11 section 18. If the development plan is part of the tax increment
12 financing plan, only 1 hearing and approval procedure is required
13 for the 2 plans together.

14 (4) Before the public hearing on the tax increment financing
15 plan, the governing body shall provide a reasonable opportunity to
16 the taxing jurisdictions levying taxes subject to capture to meet
17 with the governing body. The authority shall fully inform the
18 taxing jurisdictions of the fiscal and economic implications of the
19 proposed development area. The taxing jurisdictions may present
20 their recommendations at the public hearing on the tax increment
21 financing plan. The authority may enter into agreements with the
22 taxing jurisdictions and the governing body of the municipality in
23 which the development area is located to share a portion of the
24 captured assessed value of the ~~district~~. **DEVELOPMENT AREA OR A**
25 **PORTION OF THE TAX INCREMENT REVENUE RESULTING FROM THE CAPTURED**
26 **ASSESSED VALUE IN THAT DEVELOPMENT.**

27 (5) A tax increment financing plan may be modified if the



1 modification is approved by the governing body upon notice and
 2 after public hearings and agreements as are required ~~for approval~~
 3 ~~of the original plan.~~ **UNDER SECTION 18.**

4 ~~—— (6) Under a tax increment financing plan that includes a~~
 5 ~~catalyst development project, an authority may pledge available tax~~
 6 ~~increment revenues of the authority as security for any bonds~~
 7 ~~issued to develop and construct a catalyst development project.~~

8 **(6) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, TAX**
 9 **INCREMENT REVENUES SHALL ONLY BE USED TO PAY OR FINANCE THE COSTS**
 10 **OF ACQUIRING, DEMOLISHING, CONSTRUCTING, RECONSTRUCTING,**
 11 **DEVELOPING, REDEVELOPING, IMPROVING, ENLARGING, MODIFYING, OR**
 12 **REPLACING PUBLIC FACILITIES. TAX INCREMENT REVENUES SHALL NOT BE**
 13 **USED IN THE USE, OPERATION, MAINTENANCE, OR REPAIR OF PUBLIC**
 14 **FACILITIES.**

15 **(7) TAX INCREMENT REVENUES MAY NOT BE USED TO PAY THE COSTS OF**
 16 **OR TO PAY THE PRINCIPAL, INTEREST, AND OTHER AMOUNTS RELATED TO**
 17 **BONDS ISSUED PURSUANT TO THIS ACT TO PAY THE COSTS OF BUILDINGS AND**
 18 **OTHER STRUCTURES, VEHICLES, OR EQUIPMENT TO BE PRINCIPALLY OCCUPIED**
 19 **AND USED BY THE MUNICIPALITY FOR THE MUNICIPALITY'S MUNICIPAL**
 20 **OFFICES OR MEETINGS, FOR THE MUNICIPALITY'S PUBLIC WORKS, OR FOR**
 21 **PUBLIC SAFETY PERSONNEL OR EQUIPMENT UNLESS 1 OR MORE OF THE**
 22 **FOLLOWING APPLY:**

23 **(A) THE BUILDING IS A HISTORIC RESOURCE AS THAT TERM IS**
 24 **DEFINED IN SECTION 90A OF THE MICHIGAN STRATEGIC FUND ACT, 1984 PA**
 25 **270, MCL 125.2090A, IS BLIGHTED AS THAT TERM IS DEFINED IN SECTION**
 26 **90A OF THE MICHIGAN STRATEGIC FUND ACT, 1984 PA 270, MCL 125.2090A,**
 27 **AND PLANNED USE OF THE BUILDING WILL PREVENT ITS FURTHER**



1 DETERIORATION OR ITS DEMOLITION.

2 (B) THE STRUCTURES AND LAND CURRENTLY OCCUPIED FOR THAT USE
3 NEED TO BE REPURPOSED OR DEMOLISHED TO ACCOMMODATE A SIGNIFICANT
4 REDEVELOPMENT TO BE OCCUPIED BY A COMMERCIAL ENTERPRISE OR BY A
5 FACILITY THAT WILL BE BUILT WITH THE REASONABLE EXPECTATION THAT IT
6 WILL ATTRACT TOURISTS, CONVENTIONS, OR CONFERENCES TO THE
7 DEVELOPMENT AREA.

8 (C) THE RENOVATION OF THE MUNICIPAL OFFICE OR MEETING BUILDING
9 IS REASONABLY NEEDED TO CATALYZE REDEVELOPMENT IN THE DOWNTOWN
10 DISTRICT AND THERE ARE WRITTEN COMMITMENTS FROM THE OWNERS OF NOT
11 LESS THAN 30% OF THE BUILDINGS IN THE DEVELOPMENT AREA TO RENOVATE
12 THEIR FACADES AND BUILDINGS WITH A RESULTING TOTAL PRIVATE
13 INVESTMENT IN THOSE BUILDINGS WITHIN 3 YEARS OF THE COMPLETION OF
14 THE RENOVATION MUNICIPAL OFFICE OR MEETING BUILDING THAT IS EQUAL
15 TO THE TAX INCREMENT REVENUES EXPENDED TO PAY THE COSTS OF THE
16 RENOVATION OF THE MUNICIPAL OFFICE OR MEETING BUILDING OR THE DEBT
17 SERVICE ON BONDS ISSUED TO PAY THOSE COSTS.

18 (D) THE MUNICIPAL BUILDING IS A MULTIPLE-USE FACILITY THAT
19 ALSO SERVES AS A CONVENTION OR CIVIC CENTER, NOT LESS THAN 50% OF
20 THE SPACE OF WHICH IS MADE AVAILABLE TO THE GENERAL PUBLIC OR TO
21 ENTITIES NOT AFFILIATED WITH THE MUNICIPALITY FOR CONFERENCES,
22 CONVENTIONS, OR MEETINGS OR IS A RECREATION CENTER OPEN TO THE
23 GENERAL PUBLIC OF THE MUNICIPALITY.

24 (8) TAX INCREMENT REVENUES MAY NOT BE USED TO PROVIDE OR PAY
25 FOR PUBLIC FACILITIES, INFRASTRUCTURE, DEMOLITION, SITE
26 PREPARATION, BUILDINGS, UTILITIES, OR ANY OTHER INCENTIVES,
27 ASSISTANCE, OR SUPPORT FOR A PROJECT OUTSIDE THE JURISDICTIONAL



1 LIMITS OF A CITY OR VILLAGE TO BE DEVELOPED ON PROPERTY THAT HAS
2 BEEN PRIMARILY ZONED OR USED FOR AGRICULTURAL OR RESIDENTIAL
3 PURPOSES 50% OR MORE OF THE USE OF WHICH PROPERTY AFTER ITS
4 DEVELOPMENT WILL BE FOR RETAIL OR LODGING USES.

5 (9) NOTHING IN SUBSECTION (7) OR (8) IS INTENDED TO AFFECT THE
6 USE OF TAX INCREMENT REVENUES FOR OTHER PUBLIC FACILITIES AS IS
7 OTHERWISE AUTHORIZED BY THIS ACT.

8 (10) TAX INCREMENT FINANCING PLANS MAY BE MADE FOR 1 OF THE
9 FOLLOWING:

10 (A) FOR MULTIPLE PROJECTS THAT MAY INVOLVE A MULTIPLE PARCEL
11 DEVELOPMENT AREA.

12 (B) FOR A SINGLE PROJECT IN A DEVELOPMENT AREA COMPOSED OF A
13 SINGLE PARCEL OR ADJACENT AND CONTIGUOUS PARCELS.

14 (11) FOR A TAX INCREMENT FINANCING PLAN UNDER SUBSECTION
15 (10) (A), TAX INCREMENT REVENUES SHALL EXCLUDE THE STATE EDUCATION
16 TAX LEVIED PURSUANT TO 1993 PA 331, MCL 211.901 TO 211.906, AND ANY
17 TAXES LEVIED BY LOCAL OR INTERMEDIATE SCHOOL DISTRICTS.

18 (12) FOR A TAX INCREMENT FINANCING PLAN UNDER SUBSECTION
19 (10) (B), TAX INCREMENT REVENUES MAY INCLUDE STATE EDUCATION TAX
20 LEVIED PURSUANT TO 1993 PA 331, MCL 211.901 TO 211.906, AND ANY
21 TAXES LEVIED BY LOCAL OR INTERMEDIATE SCHOOL DISTRICTS FOR
22 OPERATING PURPOSES ONLY IN COMPLIANCE WITH ALL OF THE FOLLOWING:

23 (A) THE PROJECT CONSISTS OF ACTIVITIES DESCRIBED IN SUBSECTION
24 (8) OR OF THE CONSTRUCTION OR INSTALLATION OF BUILDING, OTHER
25 STRUCTURE OR IMPROVEMENTS TO LAND, PUBLIC FACILITIES, PUBLIC
26 UTILITIES, OR OTHER INFRASTRUCTURE.

27 (B) THE MICHIGAN STRATEGIC FUND SHALL APPROVE THE TAX



1 INCREMENT FINANCING PLAN INCLUDING THE DEVELOPMENT PLAN AND A
2 DEVELOPMENT AGREEMENT OR REIMBURSEMENT AGREEMENT BETWEEN THE
3 MUNICIPALITY OR AUTHORITY AND AN OWNER OR DEVELOPER OF PROPERTY
4 COMPRISING THE DEVELOPMENT AREA FROM WHICH THE TAX INCREMENT
5 REVENUES WILL BE CAPTURED ARE REQUIRED.

6 (C) THE TERM OF THE TAX INCREMENT FINANCING PLAN SHALL BE ONLY
7 AS LONG AS IS NEEDED TO PAY THE COSTS INCURRED PURSUANT TO IT OR TO
8 FULLY PAY THE PRINCIPAL AND INTEREST ON BONDS ISSUED TO PAY THOSE
9 COSTS. NO TAX INCREMENT FINANCING PLAN UNDER THIS SUBSECTION SHALL
10 EXCEED A TERM OF 30 YEARS UNLESS FIRST APPROVED BY THE MICHIGAN
11 STRATEGIC FUND. THE MICHIGAN STRATEGIC FUND MAY APPROVE AN
12 EXTENSION OF A TAX INCREMENT FINANCING PLAN WHERE NEEDED BECAUSE
13 TAX INCREMENT REVENUES HAVE NOT BE GENERATED AS ANTICIPATED IN THE
14 INITIAL TAX INCREMENT FINANCING PLAN AND THE AUTHORITY IS RELYING
15 ON TAX INCREMENT REVENUES TO REPAY BONDS ISSUED PURSUANT TO THIS
16 ACT.

17 (13) AN AUTHORITY MAY REIMBURSE ADVANCES, WITH OR WITHOUT
18 INTEREST, MADE BY THE AUTHORITY, THE MUNICIPALITY, A LAND BANK FAST
19 TRACK AUTHORITY, OR ANY OTHER PERSON OR ENTITY FOR COSTS ELIGIBLE
20 TO BE PAID UNDER A TAX INCREMENT FINANCING PLAN.

21 (14) NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS ACT, FOR
22 A TAX INCREMENT FINANCING PLAN THAT INCLUDES THE CAPTURE OF TAXES
23 LEVIED FOR SCHOOL OPERATING PURPOSES, AN AUTHORITY SHALL PAY TO THE
24 DEPARTMENT OF TREASURY AT LEAST ONCE ANNUALLY AN AMOUNT EQUAL TO 3
25 MILLS OF THE TAXES LEVIED UNDER THE STATE EDUCATION TAX, 1993 PA
26 331, MCL 211.901 TO 211.906, THAT ARE CAPTURED UNDER THE BROWNFIELD
27 PLAN FOR UP TO THE FIRST 25 YEARS OF THE DURATION OF CAPTURE OF TAX



1 INCREMENT REVENUES FOR EACH ELIGIBLE PROPERTY INCLUDED IN THE TAX
2 INCREMENT FINANCING PLAN. THE DEPARTMENT OF TREASURY SHALL DEPOSIT
3 THESE AMOUNTS INTO THE STATE BROWNFIELD REDEVELOPMENT FUND. IF AN
4 AUTHORITY PAYS AN AMOUNT EQUAL TO 3 MILLS OF THE TAXES LEVIED UNDER
5 THE STATE EDUCATION TAX, 1993 PA 331, MCL 211.901 TO 211.906, ON A
6 PARCEL OF ELIGIBLE PROPERTY TO THE DEPARTMENT OF TREASURY UNDER
7 THIS SUBSECTION, THE PERCENTAGE OF LOCAL TAXES LEVIED ON THAT
8 PARCEL AND USED TO REIMBURSE ELIGIBLE ACTIVITIES FOR A PROJECT
9 UNDER A TAX INCREMENT FINANCING PLAN SHALL NOT EXCEED THE
10 PERCENTAGE OF LOCAL TAXES LEVIED ON THAT PARCEL THAT WOULD HAVE
11 BEEN USED TO REIMBURSE ELIGIBLE ACTIVITIES FOR THE PROJECT UNDER A
12 TAX INCREMENT FINANCING PLAN IF THE 3 MILLS OF THE TAXES LEVIED
13 UNDER THE STATE EDUCATION TAX, 1993 PA 331, MCL 211.901 TO 211.906,
14 ON THAT PARCEL WERE NOT PAID TO THE DEPARTMENT OF TREASURY UNDER
15 THIS SUBSECTION. IF, DUE TO AN APPEAL OF ANY TAX ASSESSMENT, AN
16 AUTHORITY IS REQUIRED TO REIMBURSE A TAXPAYER FOR ANY PORTION OF
17 THE 3 MILLS THAT ARE PAID TO THE DEPARTMENT OF TREASURY UNDER THIS
18 SUBSECTION, THE DEPARTMENT OF TREASURY SHALL REIMBURSE THAT AMOUNT
19 TO THE AUTHORITY WITHIN 30 DAYS AFTER RECEIVING A REQUEST FROM THE
20 AUTHORITY FOR REIMBURSEMENT.

21 (15) AN AUTHORITY SHALL NOT USE TAXES CAPTURED FROM A
22 DEVELOPMENT AREA TO PAY FOR COSTS INCURRED BEFORE APPROVAL OF THE
23 TAX INCREMENT FINANCING PLAN EXCEPT FOR COSTS DESCRIBED IN
24 SUBSECTION (13).

25 (16) FOR A TAX INCREMENT FINANCING PLAN APPROVED ON OR BEFORE
26 DECEMBER 31, 2014, THE TAX INCREMENT FINANCING PLAN SHALL PROVIDE
27 FOR THE SHARING OF TAX INCREMENT REVENUES ON A PROPORTIONAL BASIS



1 WITH ALL TAXING JURISDICTIONS LEVYING TAXES WITHIN THE DEVELOPMENT
2 AREA, PROVIDED THAT A TAXING JURISDICTION SHALL NOT BE ENTITLED TO
3 GAINSHARING FROM TAX INCREMENT REVENUES GENERATED BY ANY PARCEL
4 FROM WHICH THAT TAXING JURISDICTION'S TAXES ARE NOT CAPTURED. AT A
5 MINIMUM, THE TAX INCREMENT FINANCING PLAN SHALL REQUIRE THAT,
6 SUBJECT TO THE PLEDGE OF TAX INCREMENT REVENUES AS SECURITY FOR A
7 QUALIFIED OBLIGATION, THE TAX CAPTURING AUTHORITY SHALL RETURN TO
8 EACH OF THE TAXING UNITS NOT LESS THAN 25% OF THE TAX INCREMENT
9 REVENUES CAPTURED AND COLLECTED FROM SUCH TAXING JURISDICTIONS' AD
10 VALOREM PROPERTY TAXES BY 2035 AND PROVIDE FOR THE PHASE-IN OF THAT
11 SHARING AT THE RATE OF NOT LESS THAN 1.25% FOR ADDITIONAL SHARING
12 EACH YEAR DURING THAT TIME. TAX INCREMENT FINANCING PLANS IN EFFECT
13 AT THE TIME OF THE AMENDMENT ADDING THIS REQUIREMENT SHALL BE
14 AMENDED NOT LATER THAN DECEMBER 31, 2015 TO ADD THIS PROVISION.

15 (17) FOR AN AUTHORITY ESTABLISHED UNDER THIS ACT AFTER
16 DECEMBER 31, 2014, A TAX INCREMENT FINANCING PLAN SHALL PROVIDE FOR
17 THE SHARING OF TAX INCREMENT REVENUES ON A PROPORTIONAL BASIS WITH
18 ALL TAXING JURISDICTIONS LEVYING TAXES WITHIN THE DEVELOPMENT AREA
19 SUBJECT TO ALL OF THE FOLLOWING:

20 (A) A TAXING JURISDICTION LEVYING TAXES WITHIN THE DEVELOPMENT
21 AREA THAT IS NOT SUBJECT TO CAPTURE SHALL NOT BE ENTITLED TO TAX
22 INCREMENT REVENUE SHARING.

23 (B) EXCEPT AS OTHERWISE PROVIDED IN SUBDIVISION (C), AN
24 AUTHORITY SHARING TAX INCREMENT REVENUES PURSUANT TO THIS
25 SUBSECTION SHALL PROVIDE IN ITS TAX INCREMENT FINANCING PLAN THAT,
26 BEGINNING 5 YEARS AFTER THE APPROVAL OF THE TAX INCREMENT FINANCING
27 PLAN, AND SUBJECT TO THE PLEDGE OF TAX INCREMENT REVENUES AS



1 SECURITY FOR AN OBLIGATION, THE AUTHORITY SHALL RETURN TO EACH OF
2 THE TAXING JURISDICTIONS 1.25% OF THE TAX INCREMENT REVENUES EACH
3 YEAR CAPTURED FROM THAT TAXING JURISDICTION'S AD VALOREM PROPERTY
4 TAXES. THE AMOUNT SHARED BY AN AUTHORITY SHALL INCREASE BY 1.25%
5 EACH YEAR THEREAFTER.

6 (C) AN AUTHORITY AND 1 OR MORE TAXING JURISDICTIONS THAT LEVY
7 TAXES SUBJECT TO CAPTURE MAY PROVIDE BY CONTRACT FOR A DIFFERENT
8 METHOD OF SHARING TAX INCREMENT REVENUES THAN THAT PROVIDED IN
9 SUBDIVISION (B).

10 Sec. 15. (1) The municipal and county treasurers shall
11 transmit to the authority tax increment revenues.

12 (2) The authority shall expend the tax increment revenues
13 received for the development program only pursuant to the tax
14 increment financing plan. Surplus funds shall revert
15 proportionately to the respective taxing bodies. These revenues
16 shall not be used to circumvent existing property tax limitations.
17 The governing body of the municipality may abolish the tax
18 increment financing plan when it finds that the purposes for which
19 it was established are accomplished. However, the tax increment
20 financing plan shall not be abolished, **ALLOWED TO EXPIRE, OR**
21 **OTHERWISE TERMINATE**, until the principal of, and interest on, bonds
22 issued pursuant to section 16 have been paid or funds sufficient to
23 make the payment have been segregated.

24 (3) Annually the authority shall submit to the governing body
25 of the municipality, **THE GOVERNING BODY OF A TAXING UNIT LEVYING**
26 **TAXES SUBJECT TO CAPTURE BY AN AUTHORITY**, and the state tax
27 commission a report on the status of the tax increment financing



1 account. The report shall be published in a newspaper of general
 2 circulation in the municipality **OR ON A WEBSITE OF THE AUTHORITY OR**
 3 **THE MUNICIPALITY** and shall include the following:

4 (a) The amount and source of revenue in the account.

5 (b) The amount in any bond reserve account.

6 (c) The amount and purpose of expenditures from the account.

7 (d) The amount of principal and interest on any outstanding
 8 bonded indebtedness.

9 (e) The initial assessed value of the ~~project~~ **DEVELOPMENT**
 10 area.

11 (f) The captured assessed value retained by the authority.

12 (g) The tax increment revenues received.

13 ~~(h) The number of jobs created as a result of the~~
 14 ~~implementation of the tax increment financing plan.~~

15 **(H) THE TOTAL NEW PUBLIC INVESTMENT IN EACH OF THE DEVELOPMENT**
 16 **AREAS.**

17 **(I) THE TOTAL VALUE OF ALL PROJECTS FOR WHICH A BUILDING**
 18 **PERMIT WAS ISSUED FOR NEW PRIVATE INVESTMENT WITHIN EACH OF THE**
 19 **DEVELOPMENT AREAS.**

20 **(J) THE TOTAL NUMBERS OF BUSINESSES THAT WERE ESTABLISHED IN**
 21 **OR LEFT EACH OF THE DEVELOPMENT AREAS.**

22 **(K) THE TOTAL NUMBER OF NEW BUILDINGS OR ADDITIONS TO**
 23 **BUILDINGS WITHIN EACH DEVELOPMENT AREA.**

24 **(l) THE TOTALS RECEIVED BY THE AUTHORITY OR OTHER ENTITIES OR**
 25 **PERSONS WITH WHICH IS IT COOPERATING IN SPONSORSHIPS, CASH, AND IN-**
 26 **KIND SERVICES FOR EVENTS, PROGRAMS, AND PROJECTS WITHIN EACH**
 27 **DEVELOPMENT AREA.**



1 (M) THE AMOUNTS OF ANY FUNDS OTHER THAN TAX INCREMENTS
 2 REVENUES USED BY THE AUTHORITY FOR ANY PROJECTS OR ACTIVITIES IN
 3 THE DEVELOPMENT AREAS.

4 (N) INFORMATION ON OUTCOMES RESULTING FROM THE EXPENDITURES OF
 5 TAX INCREMENT REVENUES MEASURING ALL OF THE FOLLOWING WITH RESPECT
 6 TO EACH DEVELOPMENT AREA:

7 (i) JOB GROWTH.

8 (ii) GROWTH IN THE CREATION OF NEW BUSINESSES.

9 (iii) GROWTH IN EXISTING BUSINESSES.

10 (iv) COMMERCIAL OR INDUSTRIAL BUILDING VACANCY RATES.

11 (v) RESIDENTIAL GROWTH.

12 (vi) INCREASED ACTIVITY FROM EVENTS, CONVENTIONS, CONFERENCE,
 13 CONCERTS, TOURISM, OR SIMILAR ACTIVITIES OR EFFORTS.

14 (vii) INCREASED ECONOMIC ACTIVITY IN THE REGION IN WHICH THE
 15 AUTHORITY IS LOCATED.

16 (viii) EVIDENCE OF THE REVERSAL OF BLIGHT OR DETERIORATION IN
 17 DEVELOPMENT AREAS OR SURROUNDING NEIGHBORHOODS.

18 (ix) RESULTS OF REPURPOSING DEVELOPMENT AREAS TO IMPROVE
 19 ECONOMIC VIABILITY OR VITALITY.

20 (O) ~~(i)~~ Any additional information the governing body or the
 21 state tax commission considers necessary.

22 (4) TAX INCREMENT REVENUES SHALL BE EXPENDED WITHIN 5 YEARS OF
 23 THEIR RECEIPT. HOWEVER, TAX INCREMENT REVENUES MAY BE ACCUMULATED
 24 FOR A PERIOD LONGER THAN 5 YEARS BUT NOT MORE THAN 15 YEARS
 25 PROVIDED THE TAX INCREMENT FINANCING PLAN SPECIFICALLY PROVIDES FOR
 26 ALL OF THE FOLLOWING:

27 (A) THE REASONS FOR ACCUMULATING THOSE FUNDS.



1 (B) A TIME FRAME WHEN THE FUND WILL BE EXPENDED.

2 (C) THE USES FOR WHICH THE FUND WILL BE EXPENDED.

3 (5) TAX INCREMENT REVENUES MAY ALSO BE ACCUMULATED AS REQUIRED
 4 PURSUANT TO THE TERMS OF BONDS ISSUED UNDER THIS ACT OR BONDS
 5 ISSUED BY THE AUTHORITY OR BY A COMBINING AUTHORITY THAT WILL BE
 6 COMBINED WITH THE AUTHORITY CREATED PURSUANT TO THIS ACT AFTER
 7 DECEMBER 31, 2014. IF THE ACCUMULATION OF TAX INCREMENT REVENUES IS
 8 NOT REQUIRED PURSUANT TO THE TERMS OF BONDS AND THE REQUIREMENTS OF
 9 SUBSECTION (4) (A), (B), AND (C) HAVE NOT BEEN MET, TAX INCREMENT
 10 REVENUES NOT EXPENDED WITHIN 5 YEARS SHALL BE PROPORTIONATELY
 11 RETURNED TO THE RESPECTIVE TAXING BODIES AS PROVIDED IN SUBSECTION
 12 (2).

13 Sec. 16. (1) The municipality may by resolution of its
 14 governing body authorize, issue, and sell general obligation bonds
 15 subject to the limitations set forth in this subsection to finance
 16 the development program of ~~the~~**A** tax increment financing plan and
 17 shall pledge its full faith and credit for the payment of the
 18 bonds. The municipality may pledge as additional security for the
 19 bonds any money received by the authority or the municipality
 20 pursuant to section 11. The bonds are subject to the revised
 21 municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. Before
 22 the municipality may authorize the borrowing, the authority shall
 23 submit an estimate of the anticipated tax increment revenues **FROM**
 24 **THE DEVELOPMENT AREA** and other revenue available under section 11
 25 to be available for payment of principal and interest on the bonds,
 26 to the governing body of the municipality. This estimate shall be
 27 approved by the governing body of the municipality by resolution



1 adopted by majority vote of the members of the governing body in
2 the resolution authorizing the bonds. If the governing body of the
3 municipality adopts the resolution authorizing the bonds, the
4 estimate of the anticipated tax increment revenues and other
5 revenue available under section 11 to be available for payment of
6 principal and interest on the bonds shall be conclusive for
7 purposes of this section. The bonds issued under this subsection
8 shall be considered a single series for the purposes of the revised
9 municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2801.

10 (2) By resolution of ~~its governing body,~~ **THE BOARD**, the
11 authority may authorize, issue, and sell tax increment bonds
12 subject to the limitations set forth in this subsection to finance
13 the development program of the tax increment financing plan. The
14 tax increment bonds issued by the authority under this subsection
15 shall pledge solely the tax increment revenues of a development
16 area in which the project is located or a development area from
17 which tax increment revenues may be used for this project, or both.
18 In addition or in the alternative, the bonds issued by the
19 authority pursuant to this subsection may be secured by any other
20 revenues identified in section 11 as sources of financing for
21 activities of the authority that the authority shall specifically
22 pledge in the resolution. However, the full faith and credit of the
23 municipality shall not be pledged to secure bonds issued pursuant
24 to this subsection. The bond issue may include a sum sufficient to
25 pay interest on the tax increment bonds until full development of
26 tax increment revenues from the project and also a sum to provide a
27 reasonable reserve for payment of principal and interest on the



1 bonds. The resolution authorizing the bonds shall create a lien on
2 the tax increment revenues and other revenues pledged by the
3 resolution that shall be a statutory lien and shall be a first lien
4 subject only to liens previously created. The resolution may
5 provide the terms upon which additional bonds may be issued of
6 equal standing and parity of lien as to the tax increment revenues
7 and other revenues pledged under the resolution. Bonds issued under
8 this subsection that pledge revenue received under section 11 for
9 repayment of the bonds are subject to the revised municipal finance
10 act, 2001 PA 34, MCL 141.2101 to 141.2821.

11 (3) Notwithstanding any other provision of this act, if the
12 state treasurer determines that an authority or municipality can
13 issue a qualified refunding obligation and the authority or
14 municipality does not make a good faith effort to issue the
15 qualified refunding obligation as determined by the state
16 treasurer, the state treasurer may reduce the amount claimed by the
17 authority or municipality under section 13b by an amount equal to
18 the net present value saving that would have been realized had the
19 authority or municipality refunded the obligation or the state
20 treasurer may require a reduction in the capture of tax increment
21 revenues from taxes levied by a local or intermediate school
22 district or this state by an amount equal to the net present value
23 savings that would have been realized had the authority or
24 municipality refunded the obligation. This subsection does not
25 authorize the state treasurer to require the authority or
26 municipality to pledge security greater than the security pledged
27 for the obligation being refunded.



1 Sec. 17. (1) When a board decides to finance a project, ~~in the~~
2 ~~downtown district~~ **PUBLIC FACILITY, OR ANY OTHER ACTIVITY AUTHORIZED**
3 **UNDER THIS ACT** by the use of **SPECIAL ASSESSMENTS, SPECIAL**
4 **ASSESSMENT BONDS AS AUTHORIZED IN THIS ACT**, revenue bonds as
5 authorized in section 13, or tax increment financing as authorized
6 in sections 14, 15, and 16, it shall prepare a development plan
7 **APPLICABLE TO THE DEVELOPMENT AREAS.**

8 (2) The development plan shall contain all of the following:

9 (a) The designation of boundaries of the development area in
10 relation to highways, streets, streams, or otherwise.

11 (b) The location and extent of existing streets and other
12 public facilities within the development area, shall designate the
13 location, character, and extent of the categories of public and
14 private land uses then existing and proposed for the development
15 area, including residential, recreational, commercial, industrial,
16 educational, and other uses, and shall include a legal description
17 of the development area.

18 (c) A description of existing improvements in the development
19 area to be demolished, repaired, or altered, a description of any
20 repairs and alterations, and an estimate of the time required for
21 completion.

22 (d) The location, extent, character, and estimated cost of the
23 improvements including rehabilitation contemplated for the
24 development area and an estimate of the time required for
25 completion.

26 (e) A statement of the construction or stages of construction
27 planned, and the estimated time of completion of each stage.



1 (f) A description of any parts of the development area to be
2 left as open space and the use contemplated for the space.

3 (g) A description of any portions of the development area that
4 the authority desires to sell, donate, exchange, or lease to or
5 from the municipality and the proposed terms.

6 (h) A description of desired zoning changes and changes in
7 streets, street levels, intersections, or utilities.

8 (i) An estimate of the cost of the development, a statement of
9 the proposed method of financing the development, and the ability
10 of the authority to arrange the financing.

11 (j) Designation of the person or persons, natural or
12 corporate, to whom all or a portion of the development is to be
13 leased, sold, or conveyed in any manner and for whose benefit the
14 project is being undertaken if that information is available to the
15 authority.

16 (k) The procedures for bidding for the leasing, purchasing, or
17 conveying in any manner of all or a portion of the development upon
18 its completion, if there is no express or implied agreement between
19 the authority and persons, natural or corporate, that all or a
20 portion of the development will be leased, sold, or conveyed in any
21 manner to those persons.

22 (l) Estimates of the number of persons residing in the
23 development area and the number of families and individuals to be
24 displaced. If occupied residences are designated for acquisition
25 and clearance by the authority, a development plan shall include a
26 survey of the families and individuals to be displaced, including
27 their income and racial composition, a statistical description of

1 the housing supply in the community, including the number of
2 private and public units in existence or under construction, the
3 condition of those units in existence, the number of owner-occupied
4 and renter-occupied units, the annual rate of turnover of the
5 various types of housing and the range of rents and sale prices, an
6 estimate of the total demand for housing in the community, and the
7 estimated capacity of private and public housing available to
8 displaced families and individuals.

9 (m) A plan for establishing priority for the relocation of
10 persons displaced by the development in any new housing in the
11 development area.

12 (n) Provision for the costs of relocating persons displaced by
13 the development and financial assistance and reimbursement of
14 expenses, including litigation expenses and expenses incident to
15 the transfer of title, in accordance with the standards and
16 provisions of the federal uniform relocation assistance and real
17 property acquisition policies act of 1970, ~~being~~ Public Law 91-646,
18 42 U.S.C. ~~USC~~ sections 4601, et seq.

19 (o) A plan for compliance with ~~Act No. 227 of the Public Acts~~
20 ~~of 1972, being sections 213.321 to 213.332 of the Michigan Compiled~~
21 ~~Laws. 1972 PA 227, MCL 213.321 TO 213.332.~~

22 **(P) IF THE PROJECT OR ACTIVITY IS A NONCAPITAL EXPENSE, DETAIL**
23 **THE NATURE OF THE ACTIVITY OR PROJECT, THE BENEFITS TO THE**
24 **DEVELOPMENT AREA, AND THE ECONOMIC DEVELOPMENT GOALS THAT ARE**
25 **ANTICIPATED TO RESULT.**

26 **(Q)** ~~(p)~~ Other material that the authority, local public
27 agency, or governing body considers pertinent.



1 ~~—— (3) A development plan may provide for improvements related to~~
 2 ~~a qualified facility, as defined in the federal facility~~
 3 ~~development act, Act No. 275 of the Public Acts of 1992, being~~
 4 ~~sections 3.931 to 3.940 of the Michigan Compiled Laws, that is~~
 5 ~~located outside of the boundaries of the development area but~~
 6 ~~within the district, including the cost of construction,~~
 7 ~~renovation, rehabilitation, or acquisition of that qualified~~
 8 ~~facility or of public facilities and improvements related to that~~
 9 ~~qualified facility.~~

10 Sec. 18. (1) The governing body, before adoption of an
 11 ordinance approving or amending a development plan or approving or
 12 amending a tax increment financing plan, shall hold a public
 13 hearing on the development plan. Notice of the time and place of
 14 the hearing shall be given by publication ~~twice~~ in a newspaper of
 15 general circulation designated by the municipality **AND ON THE**
 16 **WEBSITE OF THE AUTHORITY OR MUNICIPALITY**, ~~the first of which shall~~
 17 ~~be~~ not less than 20 days before the date set for the hearing.
 18 ~~Notice of the hearing shall be posted in at least 20 conspicuous~~
 19 ~~and public places in the downtown district not less than 20 days~~
 20 ~~before the hearing.~~ Notice shall also be mailed to all property
 21 taxpayers of record in the ~~downtown district~~ **DEVELOPMENT AREA** not
 22 less than 20 days before the hearing. ~~Beginning June 1, 2005, the~~
 23 **THE** notice of hearing within the time frame described in this
 24 subsection shall be mailed by certified mail to the governing body
 25 of each taxing jurisdiction levying taxes that would be subject to
 26 capture if the development plan or the tax increment financing plan
 27 is approved or amended.



1 (2) Notice of the time and place of hearing on a development
2 plan shall contain: a description of the proposed development area
3 in relation to highways, streets, streams, or otherwise; a
4 statement that maps, plats, and a description of the development
5 plan, including the method of relocating families and individuals
6 who may be displaced from the area, are available for public
7 inspection at a place designated in the notice, and that all
8 aspects of the development plan will be open for discussion at the
9 public hearing; and other information that the governing body
10 considers appropriate. At the time set for hearing, the governing
11 body shall provide an opportunity for interested persons to be
12 heard and shall receive and consider communications in writing with
13 reference to the development plan. The hearing shall provide the
14 fullest opportunity for expression of opinion, for argument on the
15 merits, and for introduction of documentary evidence pertinent to
16 the development plan. The governing body shall make and preserve a
17 record of the public hearing, including all data presented thereat.

18 Sec. 19. (1) The governing body after a public hearing on the
19 development plan or the tax increment financing plan, or both, with
20 notice of the hearing given in accordance with section 18, shall
21 determine whether the development plan or tax increment financing
22 plan constitutes a public purpose. If it determines that the
23 development plan or tax increment financing plan constitutes a
24 public purpose, it shall then approve or reject the plan, or
25 approve it with modification, by ordinance based on the following
26 considerations:

27 ~~(a) The findings and recommendations of a development area~~



1 ~~citizens council, if a development area citizens council was~~
 2 ~~formed.~~

3 **(A)** ~~(b)~~—The plan meets the requirements set forth in section
 4 17 (2).

5 **(B)** ~~(c)~~—The proposed method of financing the development is
 6 feasible and the authority has the ability to arrange the
 7 financing.

8 **(C)** ~~(d)~~—The development is reasonable and necessary to carry
 9 out the purposes of this act.

10 **(D)** ~~(e)~~—The land included within the development area to be
 11 acquired is reasonably necessary to carry out the purposes of the
 12 plan and of this act in an efficient and economically satisfactory
 13 manner.

14 **(E)** ~~(f)~~—The development plan is in reasonable accord with the
 15 master plan of the municipality.

16 **(F)** ~~(g)~~—Public services, such as fire and police protection
 17 and utilities, are or will be adequate to service the project area.

18 **(G)** ~~(h)~~—Changes in zoning, streets, street levels,
 19 intersections, and utilities are reasonably necessary for the
 20 project and for the municipality.

21 (2) Amendments to an approved development plan or tax
 22 increment plan must be submitted by the authority to the governing
 23 body for approval or rejection.

24 ~~—— (3) Proposed amendments made to an approved development plan~~
 25 ~~to incorporate a catalyst development project plan shall be~~
 26 ~~submitted by the authority to the Michigan strategic fund for~~
 27 ~~approval or rejection of that part of the plan relating to the~~



1 ~~catalyst development project. Amendments not approved or rejected~~
2 ~~under this subsection by the Michigan strategic fund within 45 days~~
3 ~~of submission for approval shall be considered approved.~~

4 Sec. 20. A person to be relocated under this act shall be
5 given not less than 90 days' written notice to vacate unless
6 modified by court order for good cause.

7 Sec. 28. (1) The director of the authority shall prepare and
8 submit for the approval of the board a budget for the operation of
9 the authority for the ensuing fiscal year. The budget shall be
10 prepared in the manner and contain the information required of
11 municipal departments. Before the budget may be adopted by the
12 board, it shall be approved by the governing body of the
13 municipality. Funds of the municipality shall not be included in
14 the budget of the authority except those funds authorized in this
15 act or by the governing body of the municipality.

16 (2) The governing body of the municipality may assess a
17 reasonable ~~pro rata share of the funds for the~~ cost of handling and
18 auditing the funds against the funds of the authority, other than
19 those committed, which cost shall be paid annually by the board
20 pursuant to an appropriate item in its budget.

21 Sec. 28a. ~~Beginning January 1, 2010, the~~ **THE** authority shall
22 be exempt from all taxation on its earnings or property.
23 Instruments of conveyance from an authority are exempt from
24 transfer taxes under 1966 PA 134, MCL 207.501 to 207.513, and the
25 state real estate transfer tax act, 1993 PA 330, MCL 207.521 to
26 207.537.

27 Sec. 29. (1) A public facility, building, or structure that is



1 determined by the municipality to have significant historical
2 interests shall be preserved in a manner as considered necessary by
3 the municipality in accordance with laws relative to the
4 preservation of historical sites. The preservation of facilities,
5 buildings, or structures determined to be historic sites by a
6 municipality shall include, at a minimum, equipping the historic
7 site with a fire alarm system.

8 (2) An authority shall refer all proposed changes to the
9 exterior of sites listed on the state register of historic sites
10 and the national register of historic places to the applicable
11 historic district commission created under the local historic
12 districts act, 1970 PA 169, MCL 399.201 to 399.215, or the
13 department of history, arts, and libraries for review.

14 Sec. 30. (1) An authority that has completed the purposes for
15 which it was organized shall be dissolved by ordinance of the
16 governing body. The property and assets of the authority remaining
17 after the satisfaction of the obligations of the authority belong
18 to the municipality.

19 ~~—— (2) An authority established under this act before December~~
20 ~~31, 1988, that is dissolved by ordinance of the governing body~~
21 ~~before September 30, 1990 and that is reinstated by ordinance of~~
22 ~~the governing body after notice and public hearing as provided in~~
23 ~~section 3(2) shall not be invalidated pursuant to a claim that,~~
24 ~~based upon the standards set forth in section 3(1), a governing~~
25 ~~body improperly determined that the necessary conditions existed~~
26 ~~for the reinstatement of an authority under the act if at the time~~
27 ~~the governing body established the authority the governing body~~



1 ~~determined or could have determined that the necessary conditions~~
 2 ~~existed for the establishment of an authority under this act or~~
 3 ~~could have determined that establishment of an authority under this~~
 4 ~~act would serve to promote economic growth and notwithstanding that~~
 5 ~~the boundaries of the downtown district are altered at the time of~~
 6 ~~reinstatement of the authority.~~

7 ~~—— (3) In the resolution of intent, the municipality shall set a~~
 8 ~~date for the holding of a public hearing on the adoption of a~~
 9 ~~proposed ordinance reinstating the authority. The procedure for~~
 10 ~~publishing the notice of hearing, holding the hearing, and adopting~~
 11 ~~the ordinance reinstating the authority shall be as provided in~~
 12 ~~section 3(2), (4), and (5).~~

13 (2) ~~(4)~~ The validity of the proceedings, findings, and
 14 determinations ~~reinstating~~ **CREATING** an authority shall be
 15 conclusive unless contested in a court of competent jurisdiction
 16 within 60 days after the last of the following occurs:

17 (a) Publication of the ordinance ~~reinstating~~ **ESTABLISHING** the
 18 authority as adopted.

19 (b) Filing of the ordinance ~~reinstating~~ **ESTABLISHING** the
 20 authority with the secretary of state.

21 ~~—— (c) May 27, 1993.~~

22 Sec. 31. (1) The state tax commission may institute
 23 proceedings to compel enforcement of this act.

24 (2) The state tax commission may promulgate rules necessary
 25 for the administration of this act pursuant to the administrative
 26 procedures act of 1969, ~~Act No. 306 of the Public Acts of 1969,~~
 27 ~~being sections 24.201 to 24.328 of the Michigan Compiled Laws.~~ **1969**



1 PA 306, MCL 24.201 TO 24.328.

2 (3) IF AN AUTHORITY FAILS TO COMPLY WITH PROVISIONS OF THIS
3 ACT, THE STATE TAX COMMISSION MAY, AFTER PROVIDING THE AUTHORITY
4 NOTICE AND AT LEAST 60 DAYS TO CURE THAT VIOLATION, ISSUE NOTICE TO
5 THE LOCAL COMMUNITY STABILIZATION AUTHORITY TO SUSPEND PAYMENTS TO
6 THE AUTHORITY UNDER THE LOCAL COMMUNITY STABILIZATION AUTHORITY
7 ACT, 2014 PA 86, MCL 123.1341 TO 123.1362, UNTIL SUCH TIME AS THE
8 AUTHORITY COMPLIES WITH THIS ACT.

9 Enacting section 1. Sections 3b, 3c, 3d, 21, 22, 23, 24, 25,
10 26, and 27 of 1975 PA 197, MCL 125.1653b, 125.1653c, 125.1653d,
11 125.1671, 125.1672, 125.1673, 125.1674, 125.1675, 125.1676, and
12 125.1677, are repealed.

13 Enacting section 2. The following acts are repealed:

14 (a) The historic neighborhood tax increment finance authority
15 act, 2004 PA 530, MCL 125.2841 to 125.2866.

16 (b) The neighborhood improvement authority act, 2007 PA 61,
17 MCL 125.2911 to 125.2932.

18 (c) The private investment infrastructure funding act, 2010 PA
19 250, MCL 125.1871 to 125.1883.