

**SUBSTITUTE FOR
HOUSE BILL NO. 5855**

A bill to amend 1980 PA 450, entitled
"The tax increment finance authority act,"
by amending sections 1, 4, 8, 14, and 30 (MCL 125.1801, 125.1804,
125.1808, 125.1814, and 125.1830), section 1 as amended by 2014 PA
38, section 4 as amended and section 8 as added by 1987 PA 68,
section 14 as amended by 1993 PA 322, and section 30 as added by
1988 PA 420.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Advance" means a transfer of funds made by a municipality
3 to an authority or to another person on behalf of the authority.
4 Evidence of the intent to repay an advance is required and may
5 include, but is not limited to, an executed agreement to repay,
6 provisions contained in a tax increment financing plan approved

1 before the advance or before August 14, 1993, or a resolution of
2 the authority or the municipality.

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

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

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

10 (c) "Authority" means a tax increment finance authority
11 created under this act.

12 (d) "Authority district" means that area within which an
13 authority exercises its powers and within which 1 or more
14 development areas may exist.

15 (e) "Board" means the governing body of an authority.

16 (f) "Captured assessed value" means the amount in any 1 year
17 by which the current assessed value of the development area,
18 including the assessed value of property for which specific local
19 taxes are paid in lieu of property taxes as determined in
20 subdivision (w), exceeds the initial assessed value. The state tax
21 commission shall prescribe the method for calculating captured
22 assessed value.

23 (g) "Chief executive officer" means the mayor or city manager
24 of a city, the president of a village, or the supervisor of a
25 township.

26 (h) "Development area" means that area to which a development
27 plan is applicable.

1 (i) "Development area citizens council" or "council" means
2 that advisory body established pursuant to section 20.

3 (j) "Development plan" means that information and those
4 requirements for a development set forth in section 16.

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

7 (l) "Eligible advance" means an advance made before August 19,
8 1993.

9 (m) "Eligible obligation" means an obligation issued or
10 incurred by an authority or by a municipality on behalf of an
11 authority before August 19, 1993 and its subsequent refunding by a
12 qualified refunding obligation. Eligible obligation includes an
13 authority's written agreement entered into before August 19, 1993
14 to pay an obligation issued after August 18, 1993 and before
15 December 31, 1996 by another entity on behalf of the authority.
16 Eligible obligation also includes an ongoing management contract or
17 contract for professional services or development services that was
18 entered into by the authority or a municipality on behalf of the
19 authority in 1991, and related similar written agreements executed
20 before 1984, if the 1991 agreement both provides for automatic
21 annual renewal and incorporates by reference the prior related
22 agreements; however, receipt by an authority of tax increment
23 revenues authorized under subdivision (aa) (ii) in order to pay
24 costs arising under those contracts shall be limited to:

25 (i) For taxes levied before July 1, 2005, the amount permitted
26 to be received by an authority for an eligible obligation as
27 provided in this act.

1 (ii) For taxes levied after June 30, 2005 and before July 1,
2 2006, \$3,000,000.00.

3 (iii) For taxes levied after June 30, 2006 and before July 1,
4 2007, \$3,000,000.00.

5 (iv) For taxes levied after June 30, 2007 and before July 1,
6 2008, \$3,000,000.00.

7 (v) For taxes levied after June 30, 2008 and before July 1,
8 2009, \$3,000,000.00.

9 (vi) For taxes levied after June 30, 2009 and before July 1,
10 2010, \$3,000,000.00.

11 (vii) For taxes levied after June 30, 2010 and before July 1,
12 2011, \$2,650,000.00.

13 (viii) For taxes levied after June 30, 2011 and before July 1,
14 2012, \$2,400,000.00.

15 (ix) For taxes levied after June 30, 2012 and before July 1,
16 2013, \$2,125,000.00.

17 (x) For taxes levied after June 30, 2013 and before July 1,
18 2014, \$1,500,000.00.

19 (xi) For taxes levied after June 30, 2014 and before July 1,
20 2015, \$1,150,000.00.

21 (xii) For taxes levied after June 30, 2015, \$0.00.

22 (n) "Fiscal year" means the fiscal year of the authority.

23 (o) "Governing body" means the elected body of a municipality
24 having legislative powers.

25 (p) "Initial assessed value" means the assessed value, as
26 equalized, of all the taxable property within the boundaries of the
27 development area at the time the resolution establishing the tax

1 increment financing plan is approved as shown by the most recent
2 assessment roll of the municipality for which equalization has been
3 completed at the time the resolution is adopted. Property exempt
4 from taxation at the time of the determination of the initial
5 assessed value shall be included as zero. For the purpose of
6 determining initial assessed value, property for which a specific
7 local tax is paid in lieu of a property tax shall not be considered
8 property that is exempt from taxation. The initial assessed value
9 of property for which a specific tax was paid in lieu of a property
10 tax shall be determined as provided in subdivision (w).

11 (q) "Municipality" means a city.

12 (r) "Obligation" means a written promise to pay, whether
13 evidenced by a contract, agreement, lease, sublease, bond, or note,
14 or a requirement to pay imposed by law. An obligation does not
15 include a payment required solely because of default upon an
16 obligation, employee salaries, or consideration paid for the use of
17 municipal offices. An obligation does not include those bonds that
18 have been economically defeased by refunding bonds issued under
19 this act. Obligation includes, but is not limited to, the
20 following:

21 (i) A requirement to pay proceeds derived from ad valorem
22 property taxes or taxes levied in lieu of ad valorem property
23 taxes.

24 (ii) A management contract or a contract for professional
25 services.

26 (iii) A payment required on a contract, agreement, bond, or
27 note if the requirement to make or assume the payment arose before

1 August 19, 1993.

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

5 (v) A letter of credit, paying agent, transfer agent, bond
6 registrar, or trustee fee associated with a contract, agreement,
7 bond, or note.

8 (s) "On behalf of an authority", in relation to an eligible
9 advance made by a municipality, or an eligible obligation or other
10 protected obligation issued or incurred by a municipality, means in
11 anticipation that an authority would transfer tax increment
12 revenues or reimburse the municipality from tax increment revenues
13 in an amount sufficient to fully make payment required by the
14 eligible advance made by a municipality, or the eligible obligation
15 or other protected obligation issued or incurred by the
16 municipality, if the anticipation of the transfer or receipt of tax
17 increment revenues from the authority is pursuant to or evidenced
18 by 1 or more of the following:

19 (i) A reimbursement agreement between the municipality and an
20 authority it established.

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

23 (iii) A resolution of the authority agreeing to make payments
24 to the incorporating unit.

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

27 (t) "Other protected obligation" means:

1 (i) A qualified refunding obligation issued to refund an
2 obligation described in subparagraph (ii) or (iii), an obligation
3 that is not a qualified refunding obligation that is issued to
4 refund an eligible obligation, or a qualified refunding obligation
5 issued to refund an obligation described in this subparagraph.

6 (ii) An obligation issued or incurred by an authority or by a
7 municipality on behalf of an authority after August 19, 1993, but
8 before December 31, 1994, to finance a project described in a tax
9 increment finance plan approved by the municipality in accordance
10 with this act before December 31, 1993, for which a contract for
11 final design is entered into by the municipality or authority
12 before March 1, 1994.

13 (iii) An obligation incurred by an authority or municipality
14 after August 19, 1993, to reimburse a party to a development
15 agreement entered into by a municipality or authority before August
16 19, 1993, for a project described in a tax increment financing plan
17 approved in accordance with this act before August 19, 1993, and
18 undertaken and installed by that party in accordance with the
19 development agreement.

20 (iv) An obligation issued or incurred by an authority or by a
21 municipality on behalf of an authority to implement a project
22 described in a tax increment finance plan approved by the
23 municipality in accordance with this act before August 19, 1993,
24 that is located on land owned by a public university on the date
25 the tax increment financing plan is approved, and for which a
26 contract for final design is entered into before December 31, 1993.

27 (v) An ongoing management or professional services contract

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

6 (vi) An obligation issued or incurred by a municipality under
7 a contract executed on December 19, 1994 as subsequently amended
8 between the municipality and the authority to implement a project
9 described in a tax increment finance plan approved by the
10 municipality under this act before August 19, 1993 for which a
11 contract for final design was entered into by the municipality
12 before March 1, 1994 provided that final payment by the
13 municipality is made on or before December 31, 2001.

14 (vii) An obligation issued or incurred by an authority or by a
15 municipality on behalf of an authority that meets all of the
16 following qualifications:

17 (A) The obligation is issued or incurred to finance a project
18 described in a tax increment financing plan approved before August
19 19, 1993 by a municipality in accordance with this act.

20 (B) The obligation qualifies as an other protected obligation
21 under subparagraph (ii) and was issued or incurred by the authority
22 before December 31, 1994 for the purpose of financing the project.

23 (C) A portion of the obligation issued or incurred by the
24 authority before December 31, 1994 for the purpose of financing the
25 project was retired prior to December 31, 1996.

26 (D) The obligation does not exceed the dollar amount of the
27 portion of the obligation retired prior to December 31, 1996.

1 (viii) An obligation incurred by an authority that meets both
2 of the following qualifications:

3 (A) The obligation is a contract of lease originally executed
4 on December 20, 1994 between the municipality and the authority to
5 partially implement the authority's development plan and tax
6 increment financing plan.

7 (B) The obligation qualifies as an obligation under
8 subparagraph (ii). The obligation described in this subparagraph
9 may be amended to extend cash rental payments for a period not to
10 exceed 30 years through the year 2039. The duration of the
11 development plan and tax increment financing plan described in this
12 subparagraph is extended to 1 year after the final date that the
13 extended cash rental payments are due.

14 (u) "Public facility" means 1 or more of the following:

15 (i) A street, plaza, or pedestrian mall, and any improvements
16 to a street, plaza, boulevard, alley, or pedestrian mall, including
17 street furniture and beautification, park, parking facility,
18 recreation facility, playground, school, library, public
19 institution or administration building, right of way, structure,
20 waterway, bridge, lake, pond, canal, utility line or pipeline,
21 transit-oriented development, transit-oriented facility, and other
22 similar facilities and necessary easements of these facilities
23 designed and dedicated to use by the public generally or used by a
24 public agency. As used in this subparagraph, public institution or
25 administration building includes, but is not limited to, a police
26 station, fire station, court building, or other public safety
27 facility.

1 (ii) The acquisition and disposal of real and personal
2 property or interests in real and personal property, demolition of
3 structures, site preparation, relocation costs, building
4 rehabilitation, and all associated administrative costs, including,
5 but not limited to, architect's, engineer's, legal, and accounting
6 fees as contained in the resolution establishing the district's
7 development plan.

8 (iii) An improvement to a facility used by the public or a
9 public facility as those terms are defined in section 1 of 1966 PA
10 1, MCL 125.1351, which improvement is made to comply with the
11 barrier free design requirements of the state construction code
12 promulgated under the Stille-DeRossett-Hale single state
13 construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.

14 (v) "Qualified refunding obligation" means an obligation
15 issued or incurred by an authority or by a municipality on behalf
16 of an authority to refund an obligation if 1 of the following
17 applies:

18 (i) 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 (aa) (ii) and the distributions
26 under section 12a to repay the refunding obligation will not be
27 greater than the net present value of the sum of the tax increment

1 revenues described in subdivision (aa) (ii) and the distributions
2 under section 12a to repay the obligation being refunded, as
3 calculated using a method approved by the department of treasury.

4 (ii) The refunding obligation is a tax increment refunding
5 bond issued to refund a refunding bond that is an other protected
6 obligation issued as a capital appreciation bond delivered to the
7 Michigan municipal bond authority on December 21, 1994, or bonds
8 issued to refund that bond, and the authority, by resolution of its
9 board, authorized issuance of the refunding obligation before
10 December 31, 2019 with a final maturity not later than 2039. The
11 municipality by majority vote of the members of its governing body
12 may pledge its full faith and credit for the payment of the
13 principal of and interest on the refunding obligation. A refunding
14 obligation issued under this subparagraph is not subject to the
15 requirements of section 305(2), (3), (5), or (6), 501, 503, or 611
16 of the revised municipal finance act, 2001 PA 34, MCL 141.2305,
17 141.2501, 141.2503, and 141.2611. The duration of the development
18 plan and the tax increment financing plan relating to the refunding
19 obligations described in this subparagraph is extended to 1 year
20 after the final date of maturity of the refunding obligation.

21 (w) "Specific local tax" means a tax levied under 1974 PA 198,
22 MCL 207.551 to 207.572, the commercial redevelopment act, 1978 PA
23 255, MCL 207.651 to 207.668, the technology park development act,
24 1984 PA 385, MCL 207.701 to 207.718, and 1953 PA 189, MCL 211.181
25 to 211.182. The initial assessed value or current assessed value of
26 property subject to a specific local tax shall be the quotient of
27 the specific local tax paid divided by the ad valorem millage rate.

1 However, after 1993, the state tax commission shall prescribe the
2 method for calculating the initial assessed value and current
3 assessed value of property for which a specific local tax was paid
4 in lieu of a property tax.

5 (x) "State fiscal year" means the annual period commencing
6 October 1 of each year.

7 (y) "Tax increment district" or "district" means that area to
8 which the tax increment finance plan pertains.

9 (z) "Tax increment financing plan" means that information and
10 those requirements set forth in sections 13 to 15.

11 (aa) "Tax increment revenues" means the amount of ad valorem
12 property taxes and specific local taxes attributable to the
13 application of the levy of all taxing jurisdictions upon the
14 captured assessed value of real and personal property in the
15 development area, subject to the following requirements:

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

23 (ii) Tax increment revenues include ad valorem property taxes
24 and specific local taxes attributable to the application of the
25 levy of the state pursuant to the state education tax act, 1993 PA
26 331, MCL 211.901 to 211.906, and local or intermediate school
27 districts upon the captured assessed value of real and personal

1 property in the development area in an amount equal to the amount
2 necessary, without regard to subparagraph (i), to repay eligible
3 advances, eligible obligations, and other protected obligations.

4 (iii) Tax increment revenues do not include any of the
5 following:

6 (A) Ad valorem property taxes attributable either to a portion
7 of the captured assessed value shared with taxing jurisdictions
8 within the jurisdictional area of the authority or to a portion of
9 value of property that may be excluded from captured assessed value
10 or specific local taxes attributable to such ad valorem property
11 taxes.

12 (B) Ad valorem property taxes excluded by the tax increment
13 financing plan of the authority from the determination of the
14 amount of tax increment revenues to be transmitted to the authority
15 or specific local taxes attributable to such ad valorem property
16 taxes.

17 (C) Ad valorem property taxes levied under 1 or more of the
18 following or specific local taxes attributable to those ad valorem
19 property taxes:

20 (I) The zoological authorities act, 2008 PA 49, MCL 123.1161
21 to 123.1183.

22 (II) The art institute authorities act, 2010 PA 296, MCL
23 123.1201 to 123.1229.

24 (III) **THE REGIONAL TRANSIT AUTHORITY ACT, 2012 PA 387, MCL**
25 **124.541 TO 124.558.**

26 **(D) AD VALOREM PROPERTY TAXES OR SPECIFIC LOCAL TAXES LEVIED**
27 **FOR A MILLAGE APPROVED BY THE ELECTORS AFTER DECEMBER 31, 2016,**

1 EXCEPT FOR 1 OR MORE OF THE FOLLOWING:

2 (I) A MILLAGE APPROVED BY THE ELECTORS UNDER SECTION 34D(11)
3 OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.34D.

4 (II) A RENEWAL OF A MILLAGE AUTHORIZED ON OR BEFORE DECEMBER
5 31, 2016.

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

16 (A) The percentage which 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, bear 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).

26 (bb) "Transit-oriented development" means infrastructure
27 improvements that are located within 1/2 mile of a transit station

1 or transit-oriented facility that promotes transit ridership or
 2 passenger rail use as determined by the board and approved by the
 3 municipality in which it is located.

4 (cc) "Transit-oriented facility" means a facility that houses
 5 a transit station in a manner that promotes transit ridership or
 6 passenger rail use.

7 Sec. 4. (1) The authority shall be under the supervision and
 8 control of a board chosen by the governing body which may by
 9 majority vote designate any 1 of the following to constitute the
 10 board:

11 (a) The board of directors of the economic development
 12 corporation of the municipality established pursuant to the
 13 economic development corporations act, ~~Act No. 338 of the Public~~
 14 ~~Acts of 1974, as amended, being sections 125.1601 to 125.1636 of~~
 15 ~~the Michigan Compiled Laws.~~ **1974 PA 338, MCL 125.1601 TO 125.1636.**

16 (b) The trustees of the board of a downtown development
 17 authority established pursuant to ~~Act No. 197 of the Public Acts of~~
 18 ~~1975, as amended, being sections 125.1651 to 125.1680 of the~~
 19 ~~Michigan Compiled Laws.~~ **1975 PA 197, MCL 125.1651 TO 125.1681.**

20 (c) The trustees of the board of an urban redevelopment
 21 corporation established pursuant to the urban redevelopment
 22 corporations law, ~~Act No. 250 of the Public Acts of 1941, as~~
 23 ~~amended, being sections 125.901 to 125.922 of the Michigan Compiled~~
 24 ~~Laws.~~ **1941 PA 250, MCL 125.901 TO 125.922.**

25 (d) The members of the commission established pursuant to ~~Act~~
 26 ~~No. 344 of the Public Acts of 1945, being sections 125.71 to 125.84~~
 27 ~~of the Michigan Compiled Laws.~~ **1945 PA 344, MCL 125.71 TO 125.84.**

1 (e) In a municipality that has a population of less than
2 5,000, the planning commission of the municipality established
3 pursuant to ~~Act No. 285 of the Public Acts of 1931, being sections~~
4 ~~125.31 to 125.45 of the Michigan Compiled Laws.~~ **FORMER 1931 PA 285**
5 **OR THE MICHIGAN PLANNING ENABLING ACT, 2008 PA 33, MCL 125.3801 TO**
6 **125.3885.**

7 (f) Not less than 7 nor more than 13 persons appointed by the
8 chief executive officer of the municipality subject to the approval
9 of the governing body. Of the members appointed, an equal number,
10 as near as practicable, shall be appointed for 1 year, 2 years, 3
11 years, and 4 years. A member shall hold office until the member's
12 successor is appointed. Thereafter, each member shall serve for a
13 term of 4 years. An appointment to fill a vacancy shall be made by
14 the chief executive officer of the municipality for the unexpired
15 term only. Members of the board shall serve without compensation,
16 but shall be reimbursed for actual and necessary expenses.

17 (2) The chairperson of the board shall be elected by the
18 board.

19 (3) Before assuming the duties of office, a member shall
20 qualify by taking and subscribing to the constitutional oath of
21 office.

22 (4) The board shall adopt rules governing its procedure and
23 the holding of regular meetings, subject to the approval of the
24 governing body. Special meetings may be held when called in the
25 manner provided in the rules of the board. Meetings of the board
26 shall be open to the public, in accordance with the open meetings
27 act, ~~Act No. 267 of the Public Acts of 1976, as amended, being~~

~~sections 15.261 to 15.275 of the Michigan Compiled Laws.1976 PA~~
267, MCL 15.261 TO 15.275.

(5) Pursuant to notice and an opportunity to be heard, a member of the board appointed pursuant to subsection (1)(f) may be removed before the expiration of his or her term for cause by the governing body. Removal of a member is subject to the review by the circuit court.

(6) All expense items of the authority shall be publicized annually and the financial records shall be open to the public pursuant to the freedom of information act, ~~Act No. 442 of the Public Acts of 1976, as amended, being sections 15.231 to 15.246 of the Michigan Compiled Laws.1976 PA 442, MCL 15.231 TO 15.246.~~

~~Sec. 8. (1) If a board created under this act serves as the planning commission under section 2 of Act No. 285 of the Public Acts of 1931, being section 125.32 of the Michigan Compiled Laws, the board shall include planning commission business in its agenda.~~
THE MUNICIPALITY CREATING THE AUTHORITY SHALL ENSURE THAT A WEBSITE IS OPERATED AND REGULARLY MAINTAINED WITH ALL AUTHORITY RECORDS AND DOCUMENTS, FOR THE IMMEDIATELY PRECEDING 5 FISCAL YEARS, INCLUDING ALL OF THE FOLLOWING:

- (A) MINUTES OF ALL BOARD MEETINGS.**
- (B) ANNUAL BUDGET.**
- (C) ANNUAL AUDITS.**
- (D) CURRENTLY ADOPTED DEVELOPMENT PLAN.**
- (E) CURRENTLY ADOPTED TAX INCREMENT FINANCE PLAN.**
- (F) LIST OF ALL AUTHORITY SPONSORED AND MANAGED EVENTS.**
- (G) CURRENT AUTHORITY STAFF CONTACT INFORMATION.**

1 (H) ALL PROMOTIONAL AND MARKETING MATERIALS.

2 (I) AMOUNT OF TAX INCREMENT REVENUES CAPTURED FOR EACH TAXING
3 JURISDICTION THAT LEVIES AD VALOREM PROPERTY TAXES OR SPECIFIC
4 LOCAL TAXES WITHIN THE BOUNDARIES OF THE AUTHORITY.

5 (J) CURRENT CONTRACTS AND OTHER DOCUMENTS RELATED TO
6 MANAGEMENT OF THE AUTHORITY.

7 (2) SUBJECT TO SUBSECTION (3), THE REQUIREMENTS IN SUBSECTION
8 (1) ARE REQUIRED FOR RECORDS AND DOCUMENTS RELATED TO FISCAL YEARS
9 STARTING THE FISCAL YEAR OF THE DATE OF ENACTMENT OF THE AMENDATORY
10 ACT THAT ADDED THIS SUBSECTION.

11 (3) THE RECORDS AND DOCUMENTS DESCRIBED IN SUBSECTION (1) (F) ,
12 (G) , (H) , AND (J) SHALL BE REQUIRED FOR 2 FISCAL YEARS IMMEDIATELY
13 PRECEDING THE DATE OF ENACTMENT OF THE AMENDATORY ACT THAT ADDED
14 THIS SUBSECTION.

15 (4) THE REQUIREMENTS OF THIS SECTION SHALL NOT TAKE EFFECT
16 UNTIL 180 DAYS AFTER THE END OF AN AUTHORITY'S CURRENT FISCAL YEAR
17 AS OF THE DATE OF ENACTMENT OF THE AMENDATORY ACT THAT ADDED THIS
18 SUBSECTION.

19 (5) EACH YEAR, THE BOARD SHALL HOLD NOT FEWER THAN 1
20 INFORMATIONAL MEETING. THE PURPOSE OF THE INFORMATIONAL MEETING
21 WILL BE TO HIGHLIGHT THE INFORMATION DESCRIBED IN SUBSECTION (1) (A)
22 TO (J) . NOTICE OF AN INFORMATIONAL MEETING SHALL BE POSTED ON THE
23 MUNICIPALITY'S OR AUTHORITY'S WEBSITE NOT LESS THAN 20 DAYS BEFORE
24 THE DATE OF THE INFORMATIONAL MEETING. NOT LESS THAN 20 DAYS BEFORE
25 THE INFORMATIONAL MEETING, THE BOARD SHALL MAIL OR ELECTRONICALLY
26 MAIL NOTICE OF THE INFORMATIONAL MEETING TO THE GOVERNING BODY OF
27 EACH TAXING JURISDICTION LEVYING TAXES THAT ARE SUBJECT TO CAPTURE

1 **BY THE AUTHORITY.**

2 Sec. 14. (1) The municipal and county treasurers shall
3 transmit to the authority tax increment revenues.

4 (2) The authority shall expend the tax increment revenues
5 received for the development program only in accordance with the
6 tax increment financing plan. Surplus funds may be retained by the
7 authority for the payment of the principal of and interest on
8 outstanding tax increment bonds or for other purposes that, by
9 resolution of the board, are determined to further the development
10 program. Any surplus funds not so used shall revert proportionately
11 to the respective taxing bodies. These revenues shall not be used
12 to circumvent existing property tax laws or a local charter that
13 provides a maximum authorized rate for levy of property taxes. The
14 governing body may abolish the tax increment financing plan when it
15 finds that the purposes for which the plan was established are
16 accomplished. However, the tax increment finance plan shall not be
17 abolished, **ALLOWED TO EXPIRE, OR OTHERWISE TERMINATE**, until the
18 principal of and interest on bonds issued pursuant to section 15
19 have been paid or funds sufficient to make the payment have been
20 segregated.

21 (3) The authority shall submit annually to the governing body,
22 **THE GOVERNING BODY OF A TAXING UNIT LEVYING TAXES SUBJECT TO**
23 **CAPTURE BY AN AUTHORITY**, and the state tax commission a financial
24 report on the status of the tax increment financing plan. **THE**
25 **REPORT SHALL BE PUBLISHED IN A NEWSPAPER OF GENERAL CIRCULATION IN**
26 **THE MUNICIPALITY OR ON A WEBSITE OF THE AUTHORITY OR THE**
27 **MUNICIPALITY.** The report shall include the following:

(a) The amount and source of tax increments received.

(b) The amount in any bond reserve account.

(c) The amount and purpose of expenditures of tax increment revenues.

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

(e) The initial assessed value of the development area.

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

~~(g) The number of jobs created as a result of the implementation of the tax increment financing plan.~~ **THE TAX**

INCREMENT REVENUES RECEIVED.

(H) THE TOTAL NEW PUBLIC INVESTMENT BY THE AUTHORITY IN EACH OF THE DEVELOPMENT AREAS.

(I) THE TOTALS RECEIVED BY THE AUTHORITY OR CONTRIBUTIONS MADE BY SPONSORSHIPS, CASH, AND IN-KIND SERVICES FOR EVENTS, PROGRAMS, AND PROJECTS WITHIN EACH DEVELOPMENT AREA.

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

(K) THE CURRENT ASSESSED VALUE OF THE DEVELOPMENT AREA.

(L) THE CAPTURED ASSESSED VALUE RETAINED BY THE AUTHORITY FOR EACH TAXING JURISDICTION.

(M) THE AMOUNT OF THE TAX INCREMENT REVENUES USED FOR THE OPERATION OF THE AUTHORITY.

(N) ~~(h)~~ Any additional information the governing body or the state tax commission considers necessary.

(4) TAX INCREMENT REVENUES SHALL BE EXPENDED WITHIN 5 YEARS OF

1 THEIR RECEIPT. HOWEVER, TAX INCREMENT REVENUES MAY BE ACCUMULATED
 2 FOR A PERIOD LONGER THAN 5 YEARS, PROVIDED THE TAX INCREMENT
 3 FINANCING PLAN SPECIFICALLY PROVIDES FOR ALL OF THE FOLLOWING:

4 (A) THE REASONS FOR ACCUMULATING THOSE FUNDS.

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

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

7 Sec. 30. (1) The ~~state tax commission~~ DEPARTMENT OF TREASURY
 8 may institute proceedings to compel enforcement of this act AND
 9 SHALL SEND WRITTEN NOTIFICATION OF THE SPECIFIC VIOLATION TO AN
 10 AUTHORITY FAILING TO COMPLY WITH THIS ACT AND THE GOVERNING BODY OF
 11 THE MUNICIPALITY THAT ESTABLISHED THE AUTHORITY OF A VIOLATION OF
 12 ANY PROVISION OF THIS ACT.

13 (2) The ~~state tax commission~~ DEPARTMENT OF TREASURY may
 14 promulgate rules necessary for the administration of this act
 15 pursuant to the administrative procedures act of 1969, ~~Act No. 306~~
 16 ~~of the Public Acts of 1969, being sections 24.201 to 24.328 of the~~
 17 ~~Michigan Compiled Laws.1969~~ PA 306, MCL 24.201 TO 24.328.

18 (3) IF THE DEPARTMENT OF TREASURY NOTIFIES AN AUTHORITY IN
 19 WRITING THAT THE AUTHORITY FAILED TO COMPLY WITH ANY PROVISION OF
 20 THIS ACT AND AFTER 60 DAYS FOLLOWING RECEIPT OF THAT NOTICE THE
 21 AUTHORITY DOES NOT COMPLY, THAT AUTHORITY SHALL NOT CAPTURE ANY TAX
 22 INCREMENT REVENUES THAT ARE IN EXCESS OF AMOUNTS NECESSARY TO PAY
 23 BONDED INDEBTEDNESS OR OTHER OBLIGATIONS FOR THE PERIOD OF
 24 NONCOMPLIANCE AS DETERMINED BY THE DEPARTMENT OF TREASURY. ANY
 25 EXCESS FUNDS CAPTURED SHALL BE RETURNED TO THE TAXING JURISDICTION
 26 FROM WHICH THEY WERE CAPTURED AS PROVIDED IN SECTION 14(2).