

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 47

A bill to provide for the establishment of a water improvement tax increment finance authority; to prescribe the powers and duties of the authority; to correct and prevent deterioration in water resources; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans and development areas; to promote water resource improvement; to create a board; to prescribe the powers and duties of the board; to authorize the issuance of bonds and other evidences of indebtedness; to authorize the use of tax increment financing; to prescribe powers and duties of certain state officials; to provide for rule promulgation; and to provide for enforcement of the act.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the "water
2 resource improvement tax increment finance authority act".

1 Sec. 2. 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 in
4 anticipation of repayment by the authority. Evidence of the intent
5 to repay an advance may include, but is not limited to, an executed
6 agreement to repay, provisions contained in a tax increment
7 financing plan approved prior to the advance, or a resolution of
8 the authority or the municipality.

9 (b) "Assessed value" means the taxable value as determined
10 under section 27a of the general property tax act, 1893 PA 206, MCL
11 211.27a.

12 (c) "Authority" means a water resource improvement tax
13 increment finance authority created under this act.

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

15 (e) "Captured assessed value" means the amount in any 1 year
16 by which the current assessed value of the development area,
17 including the assessed value of property for which specific local
18 taxes are paid in lieu of property taxes as determined in section
19 3(d), exceeds the initial assessed value. The state tax commission
20 shall prescribe the method for calculating captured assessed value.

21 (f) "Chief executive officer" means the mayor or city manager
22 of a city, the president or village manager of a village, or the
23 supervisor of a township.

24 (g) "Development area" means that area described in section 5
25 to which a development plan is applicable.

26 (h) "Development plan" means that information and those
27 requirements for a development area set forth in section 22.

1 (i) "Development program" means the implementation of the
2 development plan.

3 (j) "Fiscal year" means the fiscal year of the authority.

4 (k) "Governing body" or "governing body of a municipality"
5 means the elected body of a municipality having legislative powers.

6 (l) "Initial assessed value" means the assessed value of all
7 the taxable property within the boundaries of the development area
8 at the time the ordinance establishing the tax increment financing
9 plan is approved, as shown by the most recent assessment roll of
10 the municipality at the time the resolution is adopted. Property
11 exempt from taxation at the time of the determination of the
12 initial assessed value shall be included as zero. For the purpose
13 of determining initial assessed value, property for which a
14 specific local tax is paid in lieu of a property tax shall not be
15 considered to be property that is exempt from taxation. The initial
16 assessed value of property for which a specific local tax was paid
17 in lieu of a property tax shall be determined as provided in
18 section 3(d).

19 (m) "Inland lake" means a natural or artificial lake, pond, or
20 impoundment. Inland lake does not include the Great Lakes, Lake St.
21 Clair, or a lake or pond that has a surface area of less than 5
22 acres.

23 (n) "Land use plan" means a plan prepared under former 1921 PA
24 207, or a site plan under the Michigan zoning enabling act, 2006 PA
25 110, MCL 125.3101 to 125.3102.

26 (o) "Municipality" means a city, village, or township.

27 Sec. 3. As used in this act:

1 (a) "Operations" means office maintenance, including salaries
2 and expenses of employees, office supplies, consultation fees,
3 design costs, and other expenses incurred in the daily management
4 of the authority and planning of its activities.

5 (b) "Parcel" means an identifiable unit of land that is
6 treated as separate for valuation or zoning purposes.

7 (c) "Public facility" means a street, and any improvements to
8 a street, including street furniture and beautification, park,
9 parking facility, recreational facility, right of way, structure,
10 waterway, bridge, lake, pond, canal, utility line or pipe, or
11 building, including access routes designed and dedicated to use by
12 the public generally, or used by a public agency, that is related
13 to access to inland lakes or a water resource improvement, or means
14 a water resource improvement. Public facility includes an
15 improvement to a facility used by the public or a public facility
16 as those terms are defined in section 1 of 1966 PA 1, MCL 125.1351,
17 if the improvement complies with the barrier free design
18 requirements of the state construction code promulgated under the
19 Stille-DeRossett-Hale single state construction code act, 1972 PA
20 230, MCL 125.1501 to 125.1531.

21 (d) "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, or 1953 PA 189, MCL 211.181 to
25 211.182. 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 The state tax commission shall prescribe the method for calculating
2 the initial assessed value and current assessed value of property
3 for which a specific local tax was paid in lieu of a property tax.

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

6 (f) "Tax increment revenues" means the amount of ad valorem
7 property taxes and specific local taxes attributable to the
8 application of the levy of all taxing jurisdictions upon the
9 captured assessed value of real and personal property in the
10 development area. Tax increment revenues do not include any of the
11 following:

12 (i) Taxes under the state education tax act, 1993 PA 331, MCL
13 211.901 to 211.906.

14 (ii) Taxes levied by local or intermediate school districts.

15 (iii) Ad valorem property taxes attributable either to a portion
16 of the captured assessed value shared with taxing jurisdictions
17 within the jurisdictional area of the authority or to a portion of
18 value of property that may be excluded from captured assessed value
19 or specific local taxes attributable to the ad valorem property
20 taxes.

21 (iv) Ad valorem property taxes excluded by the tax increment
22 financing plan of the authority from the determination of the
23 amount of tax increment revenues to be transmitted to the authority
24 or specific local taxes attributable to the ad valorem property
25 taxes.

26 (v) Ad valorem property taxes exempted from capture under
27 section 15(5) or specific local taxes attributable to the ad

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1 valorem property taxes.

2 (vi) Ad valorem property taxes specifically levied for the
3 payment of principal and interest of obligations approved by the
4 electors or obligations pledging the unlimited taxing power of the
5 local governmental unit or specific taxes attributable to those ad
6 valorem property taxes.

7 (g) "Water resource improvement" means enhancement of water
8 quality and water dependent natural resources, including, but not
9 limited to, the following:

10 (i) The elimination of the causes and the proliferation of
11 aquatic nuisance species, as defined in section 3101 of the natural
12 resources and environmental protection act, 1994 PA 451, MCL
13 324.3101. For purposes of this act, water resources improvement
14 does not include chemical treatment of waters for aquatic nuisance
15 control.

16 (ii) Sewer systems that service existing structures that have
17 failing on-site disposal systems.

18 (iii) Storm water systems that service existing infrastructure.

19 [(h) "Water resource improvement district" or "district" means 1
20 or both of the following:

21 (i) An inland body of water and land that is up to 1 mile from the
shoreline of an inland lake that contains 1 or more public access points.
22 (ii) An inland body of water and parcels of land that are contiguous
to the shoreline of an inland lake that does not contain a public access
point.]

23 Sec. 4. (1) Except as otherwise provided in this subsection, a
24 municipality may establish multiple authorities. A parcel of
25 property shall not be included in more than 1 authority created
under this act.

26 (2) An authority is a public body corporate that may sue and
27 be sued in any court of this state. An authority possesses all the

1 powers necessary to carry out its purpose. The enumeration of a
2 power in this act shall not be construed as a limitation upon the
3 general powers of an authority.

4 Sec. 5. (1) If the governing body of a municipality determines
5 that it is necessary for the best interests of the public to
6 promote water resource improvement or access to inland lakes, or
7 both, in a water resource improvement district, the governing body
8 may, by resolution, declare its intention to create and provide for
9 the operation of an authority within the boundaries of a water
10 resource improvement district.

11 (2) In the resolution of intent, the governing body shall set
12 a date for a public hearing on the adoption of a proposed ordinance
13 creating the authority and designating the boundaries of the
14 development area. Notice of the public hearing shall be published
15 twice in a newspaper of general circulation in the municipality,
16 not less than 20 or more than 40 days before the date of the
17 hearing. Not less than 20 days before the hearing, the governing
18 body proposing to create the authority shall also mail notice of
19 the hearing to the property taxpayers of record in the proposed
20 development area and to the governing body of each taxing
21 jurisdiction levying taxes that would be subject to capture if the
22 authority is established and a tax increment financing plan is
23 approved. Failure of a property taxpayer to receive the notice does
24 not invalidate these proceedings. Notice of the hearing shall be
25 posted in at least 20 conspicuous and public places in the proposed
26 development area not less than 20 days before the hearing. The
27 notice shall state the date, time, and place of the hearing and

1 shall describe the boundaries of the proposed development area. A
2 citizen, taxpayer, or property owner of the municipality or an
3 official from a taxing jurisdiction with millage that would be
4 subject to capture has the right to be heard in regard to the
5 establishment of the authority and the boundaries of the proposed
6 development area. The governing body of the municipality shall not
7 incorporate land into the development area not included in the
8 description contained in the notice of public hearing, but it may
9 eliminate described lands from the development area in the final
10 determination of the boundaries.

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

24 (4) The governing body of the municipality may alter or amend
25 the boundaries of the development area to include or exclude lands
26 from the development area in the same manner as adopting the
27 ordinance creating the authority.

1 (5) A municipality that has created an authority may enter
2 into an agreement with an adjoining municipality that has created
3 an authority to jointly operate and administer those authorities
4 under an interlocal agreement under the urban cooperation act of
5 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

6 Sec. 6. If a development area is part of an area annexed to or
7 consolidated with another municipality, the authority managing that
8 development area shall become an authority of the annexing or
9 consolidated municipality. Obligations of that authority incurred
10 under a development or tax increment plan, agreements related to a
11 development or tax increment plan, and bonds issued under this act
12 shall remain in effect following the annexation or consolidation.

13 Sec. 7. (1) An authority shall be under the supervision and
14 control of a board consisting of the chief executive officer of the
15 municipality or his or her designee and not less than 5 or more
16 than 9 members as determined by the governing body of the
17 municipality. Members shall be appointed by the chief executive
18 officer of the municipality, subject to approval by the governing
19 body of the municipality. Not less than a majority of the members
20 shall be persons having an ownership or business interest in
21 property located in the development area. At least 1 of the members
22 shall be a resident of the development area or of an area within
23 1/2 mile of any part of the development area. Of the members first
24 appointed, an equal number of the members, as near as is
25 practicable, shall be appointed for 1 year, 2 years, 3 years, and 4
26 years. A member shall hold office until the member's successor is
27 appointed. After the initial appointment, each member shall serve

1 for a term of 4 years. An appointment to fill a vacancy shall be
2 made by the chief executive officer of the municipality for the
3 unexpired term only. Members of the board shall serve without
4 compensation, but shall be reimbursed for actual and necessary
5 expenses. The chairperson of the board shall be elected by the
6 board.

7 (2) Before assuming the duties of office, a member shall
8 qualify by taking and subscribing to the constitutional oath of
9 office.

10 (3) The proceedings and rules of the board are subject to the
11 open meetings act, 1976 PA 267, MCL 15.261 to 15.275. The board
12 shall adopt rules governing its procedure and the holding of
13 regular meetings, subject to the approval of the governing body.
14 Special meetings may be held if called in the manner provided in
15 the rules of the board.

16 (4) After having been given notice and an opportunity to be
17 heard, a member of the board may be removed for cause by the
18 governing body.

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

22 (6) A writing prepared, owned, used, in the possession of, or
23 retained by the board in the performance of an official function is
24 subject to the freedom of information act, 1976 PA 442, MCL 15.231
25 to 15.246.

26 Sec. 8. (1) The board may employ and fix the compensation of a
27 director, subject to the approval of the governing body of the

1 municipality. The director shall serve at the pleasure of the
2 board. A member of the board is not eligible to hold the position
3 of director. Before beginning his or her duties, the director shall
4 take and subscribe to the constitutional oath, and furnish bond, by
5 posting a bond in the sum determined in the ordinance establishing
6 the authority payable to the authority for use and benefit of the
7 authority, approved by the board, and filed with the municipal
8 clerk. The premium on the bond shall be considered an operating
9 expense of the authority, payable from funds available to the
10 authority for expenses of operation. The director shall be the
11 chief executive officer of the authority. Subject to the approval
12 of the board, the director shall supervise and be responsible for
13 the preparation of plans and the performance of the functions of
14 the authority in the manner authorized by this act. The director
15 shall attend the meetings of the board and shall provide to the
16 board and to the governing body of the municipality a regular
17 report covering the activities and financial condition of the
18 authority. If the director is absent or disabled, the board may
19 designate a qualified person as acting director to perform the
20 duties of the office. Before beginning his or her duties, the
21 acting director shall take and subscribe to the oath, and furnish
22 bond, as required of the director. The director shall furnish the
23 board with information or reports governing the operation of the
24 authority as the board requires.

25 (2) The board may employ and fix the compensation of a
26 treasurer, who shall keep the financial records of the authority
27 and who, together with the director, shall approve all vouchers for

1 the expenditure of funds of the authority. The treasurer shall
2 perform all duties delegated to him or her by the board and shall
3 furnish bond in an amount prescribed by the board.

4 (3) The board may employ and fix the compensation of a
5 secretary, who shall maintain custody of the official seal and of
6 records, books, documents, or other papers not required to be
7 maintained by the treasurer. The secretary shall attend meetings of
8 the board and keep a record of its proceedings and shall perform
9 other duties delegated by the board.

10 (4) The board may retain legal counsel to advise the board in
11 the proper performance of its duties. The legal counsel shall
12 represent the authority in actions brought by or against the
13 authority.

14 (5) The board may employ other personnel considered necessary
15 by the board.

16 Sec. 9. The employees of an authority shall be eligible to
17 participate in municipal retirement and insurance programs of the
18 municipality as if they were civil service employees except that
19 the employees of an authority are not civil service employees.

20 Sec. 10. (1) The board may do any of the following:

21 (a) Prepare an analysis of water resource improvement and
22 access to inland lakes issues taking place in the development area.

23 (b) Study and analyze the need for water resource improvements
24 and access to inland lakes upon the development area.

25 (c) Plan and propose the construction, renovation, repair,
26 remodeling, rehabilitation, restoration, preservation, or
27 reconstruction of a public facility that may be necessary or

1 appropriate to the execution of a plan that, in the opinion of the
2 board, aids in water resource improvement or access to inland lakes
3 in the development area. The board is encouraged to develop a plan
4 that conserves the natural features, reduces impervious surfaces,
5 and uses landscaping and natural features to reflect the
6 predevelopment site.

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

12 (e) Develop long-range plans for water resource improvement
13 and access to inland lakes within the district.

14 (f) Implement any plan of development for water resource
15 improvement and access to inland lakes in the development area
16 necessary to achieve the purposes of this act in accordance with
17 the powers of the authority granted by this act.

18 (g) Make and enter into contracts necessary or incidental to
19 the exercise of its powers and the performance of its duties.

20 (h) Acquire by purchase or otherwise, on terms and conditions
21 and in a manner the authority considers proper or own, convey, or
22 otherwise dispose of, or lease as lessor or lessee, land and other
23 property, real or personal, or rights or interests in the property,
24 that the authority determines is reasonably necessary to achieve
25 the purposes of this act, and to grant or acquire licenses,
26 easements, and options.

27 (i) Improve land and construct, reconstruct, rehabilitate,

1 restore and preserve, equip, clear, improve, maintain, and repair
2 any public facility, building, and any necessary or desirable
3 appurtenances to those buildings and operate a water resource
4 improvement, as determined by the authority to be reasonably
5 necessary to achieve the purposes of this act, within the
6 development area for the use, in whole or in part, of any public or
7 private person or corporation, or a combination thereof.

8 (j) Fix, charge, and collect fees, rents, and charges for the
9 use of any facility, building, or property under its control or any
10 part of the facility, building, or property, and pledge the fees,
11 rents, and charges for the payment of revenue bonds issued by the
12 authority.

13 (k) Lease, in whole or in part, any facility, building, or
14 property under its control.

15 (l) Accept grants and donations of property, labor, or other
16 things of value from a public or private source.

17 (m) Acquire and construct public facilities.

18 (2) The board shall prepare a water resource management plan
19 in consultation with the department of environmental quality, the
20 department of natural resources, or any other entity with expertise
21 in water quality management and invasive species management.

22 Sec. 11. The authority is an instrumentality of a political
23 subdivision for purposes of 1972 PA 227, MCL 213.321 to 213.332.

24 Sec. 12. (1) The activities of the authority shall be financed
25 from 1 or more of the following sources:

26 (a) Donations to the authority for the performance of its
27 functions.

1 (b) Money borrowed and to be repaid as authorized by sections
2 13 and 14.

3 (c) Revenues from any property, building, or facility owned,
4 leased, licensed, or operated by the authority or under its
5 control, subject to the limitations imposed upon the authority by
6 trusts or other agreements.

7 (d) Proceeds of a tax increment financing plan established
8 under sections 15 to 17.

9 (e) Proceeds from a special assessment district created as
10 provided by law.

11 (f) Money obtained from other sources approved by the
12 governing body of the municipality or otherwise authorized by law
13 for use by the authority or the municipality to finance a
14 development program.

15 (2) Money received by the authority and not covered under
16 subsection (1) shall immediately be deposited to the credit of the
17 authority, subject to disbursement under this act. Except as
18 provided in this act, the municipality shall not obligate itself,
19 and shall not be obligated, to pay any sums from public funds,
20 other than money received by the municipality under this section,
21 for or on account of the activities of the authority.

22 Sec. 13. The authority may borrow money and issue its
23 negotiable revenue bonds under the revenue bond act of 1933, 1933
24 PA 94, MCL 141.101 to 141.140.

25 Sec. 14. (1) The authority may with approval of the local
26 governing body borrow money and issue its revenue bonds or notes to
27 finance all or part of the costs of water resource improvements in

1 connection with either of the following:

2 (a) The implementation of a development plan in the
3 development area.

4 (b) The refund, or refund in advance, of bonds or notes issued
5 under this section.

6 (2) Any of the following may be financed by the issuance of
7 revenue bonds or notes:

8 (a) The cost of purchasing, acquiring, constructing,
9 improving, enlarging, extending, or repairing property in
10 connection with the implementation of a development plan in the
11 development area.

12 (b) Any engineering, architectural, legal, accounting, or
13 financial expenses.

14 (c) The costs necessary or incidental to the borrowing of
15 money.

16 (d) Interest on the bonds or notes during the period of
17 construction.

18 (e) A reserve for payment of principal and interest on the
19 bonds or notes.

20 (f) A reserve for operation and maintenance until sufficient
21 revenues have developed.

22 (3) The authority may secure the bonds and notes by mortgage,
23 assignment, or pledge of the property and any money, revenues, or
24 income received in connection with the property.

25 (4) A pledge made by the authority is valid and binding from
26 the time the pledge is made. The money or property pledged by the
27 authority immediately is subject to the lien of the pledge without

1 a physical delivery, filing, or further act. The lien of a pledge
2 is valid and binding against parties having claims of any kind in
3 tort, contract, or otherwise, against the authority, whether or not
4 the parties have notice of the lien. Neither the resolution, the
5 trust agreement, nor any other instrument by which a pledge is
6 created must be filed or recorded to be enforceable.

7 (5) Bonds or notes issued under this section are exempt from
8 all taxation in this state, and the interest on the bonds or notes
9 is exempt from all taxation in this state, notwithstanding that the
10 interest may be subject to federal income tax.

11 (6) The municipality is not liable on bonds or notes of the
12 authority issued under this section, and the bonds or notes are not
13 a debt of the municipality. The bonds or notes shall contain on
14 their face a statement to that effect.

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

22 Sec. 15. (1) If the authority determines that it is necessary
23 for the achievement of the purposes of this act, the authority
24 shall prepare and submit a tax increment financing plan to the
25 governing body of the municipality. The plan shall include a
26 development plan as provided in section 18, a detailed explanation
27 of the tax increment procedure, the maximum amount of bonded

1 indebtedness to be incurred, and the duration of the program, and
2 shall be in compliance with section 16. The plan shall contain a
3 statement of the estimated impact of tax increment financing on the
4 assessed values of all taxing jurisdictions in which the
5 development area is located. The plan may provide for the use of
6 part or all of the captured assessed value, but the portion
7 intended to be used by the authority shall be clearly stated in the
8 tax increment financing plan. The authority or municipality may
9 exclude from captured assessed value growth in property value
10 resulting solely from inflation. The plan shall set forth the
11 method for excluding growth in property value resulting solely from
12 inflation.

13 (2) Approval of the tax increment financing plan shall comply
14 with the notice, hearing, and disclosure provisions of section 21.
15 If the development plan is part of the tax increment financing
16 plan, only 1 hearing and approval procedure is required for the 2
17 plans together.

18 (3) Before the public hearing on the tax increment financing
19 plan, the governing body shall provide a reasonable opportunity to
20 the taxing jurisdictions levying taxes subject to capture to meet
21 with the governing body. The authority shall fully inform the
22 taxing jurisdictions of the fiscal and economic implications of the
23 proposed development area. The taxing jurisdictions may present
24 their recommendations at the public hearing on the tax increment
25 financing plan. The authority may enter into agreements with the
26 taxing jurisdictions and the governing body of the municipality in
27 which the development area is located to share a portion of the

1 captured assessed value of the development area.

2 (4) A tax increment financing plan may be modified if the
3 modification is approved by the governing body upon notice and
4 after public hearings and agreements as are required for approval
5 of the original plan.

6 (5) Not more than 60 days after the public hearing, the
7 governing body in a taxing jurisdiction levying ad valorem property
8 taxes that would otherwise be subject to capture may exempt its
9 taxes from capture by adopting a resolution to that effect and
10 filing a copy with the clerk of the municipality proposing to
11 create the authority. In the event that the governing body levies a
12 separate millage for public library purposes, at the request of the
13 public library board, that separate millage shall be exempt from
14 the capture. The resolution shall take effect when filed with the
15 clerk and remains effective until a copy of a resolution rescinding
16 that resolution is filed with that clerk.

17 Sec. 16. (1) The municipal and county treasurers shall
18 transmit tax increment revenues to the authority.

19 (2) The authority shall expend the tax increment revenues
20 received for the development program only under the terms of the
21 tax increment financing plan. Unused funds shall revert
22 proportionately to the respective taxing bodies. Tax increment
23 revenues shall not be used to circumvent existing property tax
24 limitations. The governing body of the municipality may abolish the
25 tax increment financing plan if it finds that the purposes for
26 which it was established are accomplished. However, the tax
27 increment financing plan shall not be abolished until the principal

1 of, and interest on, bonds issued under section 17 have been paid
2 or funds sufficient to make the payment have been segregated.

3 (3) Annually the authority shall submit to the governing body
4 of the municipality and the state tax commission a report on the
5 status of the tax increment financing account. The report shall
6 include the following:

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

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

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

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

12 (e) The initial assessed value of the project area.

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

14 (g) The tax increment revenues received.

15 (h) The number of public facilities developed.

16 (i) The number of water resource improvements made.

17 (j) A brief description of each water resource improvement
18 made within the district.

19 (k) Any additional information the governing body considers
20 necessary.

21 Sec. 17. (1) By resolution of its governing body, the
22 authority may authorize, issue, and sell tax increment bonds
23 subject to the limitations set forth in this subsection to finance
24 the development program of the tax increment financing plan. The
25 tax increment bonds issued by the authority under this subsection
26 shall pledge solely the tax increment revenues of a development
27 area in which the project is located or a development area from

1 which tax increment revenues may be used for this project, or both.
2 In addition or in the alternative, the bonds issued by the
3 authority under this subsection may be secured by any other
4 revenues identified in section 12 as sources of financing for
5 activities of the authority that the authority shall specifically
6 pledge in the resolution. However, except as otherwise provided in
7 this section, the full faith and credit of the municipality shall
8 not be pledged to secure bonds issued under this subsection. The
9 bond issue may include a sum sufficient to pay interest on the tax
10 increment bonds until full development of tax increment revenues
11 from the project and also a sum to provide a reasonable reserve for
12 payment of principal and interest on the bonds. The resolution
13 authorizing the bonds shall create a lien on the tax increment
14 revenues and other revenues pledged by the resolution that shall be
15 a statutory lien and shall be a first lien subject only to liens
16 previously created. The resolution may provide the terms upon which
17 additional bonds may be issued of equal standing and parity of lien
18 as to the tax increment revenues and other revenues pledged under
19 the resolution. Bonds issued under this subsection that pledge
20 revenue received under section 15 for repayment of the bonds are
21 subject to the revised municipal finance act, 2001 PA 34, MCL
22 141.2101 to 141.2821.

23 (2) The municipality, by majority vote of the members of its
24 governing body, may make a limited tax pledge to support the
25 authority's tax increment bonds or notes or, if authorized by the
26 voters of the municipality, may pledge its unlimited tax full faith
27 and credit for the payment of the principal of and interest on the

1 authority's tax increment bonds or notes.

2 Sec. 18. (1) If a board decides to finance a project in a
3 development area by the use of revenue bonds as authorized in
4 section 13 or tax increment financing as authorized in sections 15,
5 16, and 17, it shall prepare a development plan.

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

7 (a) The designation of boundaries of the development area in
8 relation to highways, streets, streams, lakes, other bodies of
9 water, or otherwise.

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

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

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

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

27 (f) A description of any parts of the development area to be

1 left as open space and the use contemplated for the space.

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

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

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

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

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

21 (l) The requirement that amendments to an approved development
22 plan or tax increment plan must be submitted by the authority to
23 the governing body for approval or rejection.

24 (m) The water resource improvements that will be made in the
25 development area.

26 (n) Other material that the authority, local public agency, or
27 governing body considers pertinent.

1 (o) Based on consultation with the affected state and federal
2 authorities, an identification of the permits the board believes
3 necessary to complete the proposed public facility and an
4 explanation of how the proposed public facility will meet the
5 requirements necessary for issuance of each permit.

6 Sec. 19. (1) The governing body, before adoption of an
7 ordinance approving a development plan or tax increment financing
8 plan, shall hold a public hearing on the development plan. Notice
9 of the time and place of the hearing shall be given by publication
10 twice in a newspaper of general circulation designated by the
11 municipality, the first of which shall be not less than 20 days
12 before the date set for the hearing. Notice of the hearing shall be
13 posted in at least 20 conspicuous and public places in the
14 development area not less than 20 days before the hearing. Notice
15 shall also be mailed to all property taxpayers of record in the
16 development area and to the governing body of each taxing
17 jurisdiction levying taxes that would be subject to capture if the
18 tax increment financing plan is approved not less than 20 days
19 before the hearing.

20 (2) Notice of the time and place of hearing on a development
21 plan shall contain all of the following:

22 (a) A description of the proposed development area in relation
23 to highways, streets, streams, or otherwise.

24 (b) A statement that maps, plats, and a description of the
25 development plan, including the method of relocating families and
26 individuals who may be displaced from the area, are available for
27 public inspection at a place designated in the notice.

1 (c) A statement that all aspects of the development plan will
2 be open for discussion at the public hearing.

3 (d) Other information that the governing body considers
4 appropriate.

5 (3) At the time set for the hearing, the governing body shall
6 provide an opportunity for interested persons to speak and shall
7 receive and consider communications in writing. The hearing shall
8 provide the fullest opportunity for expression of opinion, for
9 argument on the merits, and for consideration of documentary
10 evidence pertinent to the development plan. The governing body
11 shall make and preserve a record of the public hearing, including
12 all data presented at the hearing.

13 Sec. 20. The governing body after a public hearing on the
14 development plan or the tax increment financing plan, or both, with
15 notice given under section 19, shall determine whether the
16 development plan or tax increment financing plan constitutes a
17 public purpose. If it determines that the development plan or tax
18 increment financing plan constitutes a public purpose, it shall by
19 ordinance approve or reject the plan, or approve it with
20 modification, based on the following considerations:

21 (a) The findings and recommendations of a development area
22 citizens council, if a development area citizens council was
23 formed.

24 (b) The plan meets the requirements under section 18(2).

25 (c) The proposed method of financing the development is
26 feasible and the authority has the ability to arrange the
27 financing.

1 (d) The development is reasonable and necessary to carry out
2 the purposes of this act.

3 (e) The land included within the development area to be
4 acquired is reasonably necessary to carry out the purposes of the
5 plan and of this act in an efficient and economically satisfactory
6 manner.

7 (f) The development plan is in reasonable accord with the land
8 use plan of the municipality.

9 (g) Public services, such as fire and police protection and
10 utilities, are or will be adequate to service the project area.

11 (h) Changes in zoning, streets, street levels, intersections,
12 and utilities are reasonably necessary for the project and for the
13 municipality.

14 Sec. 21. (1) The director of the authority shall submit a
15 budget to the board for the operation of the authority for each
16 fiscal year before the beginning of the fiscal year. The budget
17 shall be prepared in the manner and contain the information
18 required of municipal departments. After review by the board, the
19 budget shall be submitted to the governing body. The governing body
20 must approve the budget before the board may adopt the budget.
21 Unless authorized by the governing body or this act, funds of the
22 municipality shall not be included in the budget of the authority.

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

1 Sec. 22. An authority that has completed the purposes for
2 which it was organized shall be dissolved by ordinance of the
3 governing body. The property and assets of the authority remaining
4 after the satisfaction of the obligations of the authority belong
5 to the municipality.

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

8 (2) The state tax commission may promulgate rules necessary
9 for the administration of this act under the administrative
10 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

11 Sec. 24. After December 31, 2011, a municipality shall not
12 create an authority or expand the boundaries of a development plan.