

SENATE BILL No. 26

January 24, 2007, Introduced by Senator STAMAS and referred to the Committee on Appropriations.

A bill to provide for the establishment of local tourism improvement tax increment finance authorities; to prescribe the powers and duties of the authorities; to promote economic development and job creation; 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 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

1 "tourism improvement tax increment finance authority act".

2 Sec. 2. As used in this act:

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

10 (b) "Assessed value" means the taxable value as determined
11 under section 27a of the general property tax act, 1893 PA 206, MCL
12 211.27a.

13 (c) "Authority" means a tourism improvement tax increment
14 finance authority created under this act.

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

16 (e) "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 section
20 3(d), exceeds the initial assessed value. The state tax commission
21 shall prescribe the method for calculating captured assessed value.

22 (f) "Chief executive officer" means the mayor of a city 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 19.

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 resolution 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) "Municipality" means a township with a population of more
20 than 6,000 and less than 7,000 located within a county having a
21 population of more than 14,000 and less than 15,000.

22 Sec. 3. As used in this act:

23 (a) "Operations" means office maintenance, including salaries
24 and expenses of employees, office supplies, consultation fees,
25 design costs, and other expenses incurred in the daily management
26 of the authority and planning of its activities.

27 (b) "Parcel" means an identifiable unit of land that is

1 treated as separate for valuation or zoning purposes.

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

14 (d) "Specific local tax" means a tax levied under 1974 PA 198,
15 MCL 207.551 to 207.572, the commercial redevelopment act, 1978 PA
16 255, MCL 207.651 to 207.668, the technology park development act,
17 1984 PA 385, MCL 207.701 to 207.718, 1953 PA 189, MCL 211.181 to
18 211.182, the obsolete property rehabilitation act, 2000 PA 146, MCL
19 125.2781 to 125.2797, the neighborhood enterprise zone act, 1992 PA
20 147, MCL 207.771 to 207.786, or the tax reverted clean title act,
21 2003 PA 260, MCL 211.1021 to 211.1026. The initial assessed value
22 or current assessed value of property subject to a specific local
23 tax shall be the quotient of the specific local tax paid divided by
24 the ad valorem millage rate. The state tax commission shall
25 prescribe the method for calculating the initial assessed value and
26 current assessed value of property for which a specific local tax
27 was paid in lieu of a property tax.

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

3 (f) "Tax increment revenues" means the amount of ad valorem
4 property taxes and specific local taxes attributable to the
5 application of the levy of all taxing jurisdictions upon the
6 captured assessed value of real and personal property in the
7 development area. Tax increment revenues do not include ad valorem
8 property taxes specifically levied for the payment of principal and
9 interest of obligations approved by the electors or obligations
10 pledging the unlimited taxing power of the local governmental unit
11 or specific taxes attributable to those ad valorem property taxes.

12 (g) "Tourism improvement district" or "district" means that
13 portion of a municipality that houses a permanent facility
14 consisting of amusement rides and other entertainment attractions
15 as well as hotel and convention facilities assembled for the
16 purpose of entertaining large groups of people. The district shall
17 not include development of a casino regulated under the Michigan
18 gaming control and revenue act, the initiated law of 1996, MCL
19 432.201 to 432.226, a casino regulated under the Indian gaming
20 regulatory act, Public Law 100-497, 102 Stat. 2467, or any other
21 gaming enterprise.

22 Sec. 4. (1) Except as otherwise provided in this subsection, a
23 municipality may establish 1 authority under this act.

24 (2) An authority is a public body corporate that may sue and
25 be sued in any court of this state. An authority possesses all the
26 powers necessary to carry out its purpose. The enumeration of a
27 power in this act shall not be construed as a limitation upon the

1 general powers of an authority.

2 Sec. 5. (1) If the governing body of a municipality determines
3 that it is necessary for the best interests of the public to
4 promote economic development and job creation in a tourism
5 improvement district, the governing body may, by resolution,
6 declare its intention to create and provide for the operation of an
7 authority within the boundaries of a tourism improvement district.

8 (2) In the resolution of intent, the governing body shall set
9 a date for a public hearing on the adoption of a proposed
10 resolution creating the authority and designating the boundaries of
11 the development area. Notice of the public hearing shall be
12 published twice in a newspaper of general circulation in the
13 municipality, not less than 20 or more than 40 days before the date
14 of the hearing. Not less than 20 days before the hearing, the
15 governing body proposing to create the authority shall also mail
16 notice of the hearing to the property taxpayers of record in the
17 proposed development area and to the governing body of each taxing
18 jurisdiction levying taxes that would be subject to capture if the
19 authority is established and a tax increment financing plan is
20 approved. Failure of a property taxpayer to receive the notice does
21 not invalidate these proceedings. Notice of the hearing shall be
22 posted in at least 4 conspicuous and public places in the proposed
23 development area not less than 20 days before the hearing. The
24 notice shall state the date, time, and place of the hearing and
25 shall describe the boundaries of the proposed development area. A
26 citizen, taxpayer, or property owner of the municipality or an
27 official from a taxing jurisdiction with millage that would be

1 subject to capture has the right to be heard in regard to the
2 establishment of the authority and the boundaries of the proposed
3 development area. The governing body of the municipality shall not
4 incorporate land into the development area not included in the
5 description contained in the notice of public hearing, but it may
6 eliminate described lands from the development area in the final
7 determination of the boundaries.

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

21 (4) The governing body of the municipality may alter or amend
22 the boundaries of the development area to include or exclude lands
23 from the development area in the same manner as adopting the
24 resolution creating the authority.

25 Sec. 6. If a development area is part of an area annexed to or
26 consolidated with another municipality, the authority managing that
27 development area shall become an authority of the annexing or

1 consolidated municipality. Obligations of that authority incurred
2 under a development or tax increment plan, agreements related to a
3 development or tax increment plan, and bonds issued under this act
4 shall remain in effect following the annexation or consolidation.

5 Sec. 7. (1) An authority shall be under the supervision and
6 control of a board consisting of the chief executive officer of the
7 municipality or his or her designee and not less than 5 or more
8 than 9 members as determined by the governing body of the
9 municipality. Members shall be appointed by the chief executive
10 officer of the municipality, subject to approval by the governing
11 body of the municipality. Of the members first appointed, an equal
12 number of the members, as near as is practicable, shall be
13 appointed for 1 year, 2 years, 3 years, and 4 years. A member shall
14 hold office until the member's successor is appointed. After the
15 initial appointment, each member shall serve for a term of 4 years.
16 An appointment to fill a vacancy shall be made by the chief
17 executive officer of the municipality for the unexpired term only.
18 Members of the board shall serve without compensation, but shall be
19 reimbursed for actual and necessary expenses. The chairperson of
20 the board shall be elected by the board.

21 (2) Before assuming the duties of office, a member shall
22 qualify by taking and subscribing to the constitutional oath of
23 office.

24 (3) The proceedings and rules of the board are subject to the
25 open meetings act, 1976 PA 267, MCL 15.261 to 15.275. The board
26 shall adopt rules governing its procedure and the holding of
27 regular meetings, subject to the approval of the governing body.

1 Special meetings may be held if called in the manner provided in
2 the rules of the board.

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

6 (5) All expense items of the authority shall be publicized
7 annually, and the financial records shall always be open to the
8 public.

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

13 Sec. 8. (1) The board may employ and fix the compensation of a
14 director, subject to the approval of the governing body of the
15 municipality. The director shall serve at the pleasure of the
16 board. A member of the board is not eligible to hold the position
17 of director. Before beginning his or her duties, the director shall
18 take and subscribe to the constitutional oath, and furnish bond, by
19 posting a bond in the sum determined in the resolution establishing
20 the authority payable to the authority for use and benefit of the
21 authority, approved by the board, and filed with the municipal
22 clerk. The premium on the bond shall be considered an operating
23 expense of the authority, payable from funds available to the
24 authority for expenses of operation. The director shall be the
25 chief executive officer of the authority. Subject to the approval
26 of the board, the director shall supervise and be responsible for
27 the preparation of plans and the performance of the functions of

1 the authority in the manner authorized by this act. The director
2 shall attend the meetings of the board and shall provide to the
3 board and to the governing body of the municipality a regular
4 report covering the activities and financial condition of the
5 authority. If the director is absent or disabled, the board may
6 designate a qualified person as acting director to perform the
7 duties of the office. Before beginning his or her duties, the
8 acting director shall take and subscribe to the oath, and furnish
9 bond, as required of the director. The director shall furnish the
10 board with information or reports governing the operation of the
11 authority as the board requires.

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

16 (3) The board may employ other personnel considered necessary
17 by the board.

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

22 Sec. 10. The board may do any of the following:

23 (a) Prepare an analysis of unemployment, underemployment, and
24 joblessness and the impact of economic growth in the development
25 area.

26 (b) Plan and propose the construction, renovation, repair,
27 remodeling, rehabilitation, restoration, preservation, or

1 reconstruction of a public facility that may be necessary or
2 appropriate to the execution of a plan that, in the opinion of the
3 board, aids in economic development and job creation in the
4 development area. The board is encouraged to develop a plan that
5 conserves the natural features, reduces impervious surfaces, and
6 uses landscaping and natural features to reflect the predevelopment
7 site.

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

13 (d) Implement any plan of development in the development area
14 necessary to achieve the purposes of this act in accordance with
15 the powers of the authority granted by this act.

16 (e) Make and enter into contracts necessary or incidental to
17 the exercise of its powers and the performance of its duties.

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

25 (g) Improve land and construct, reconstruct, rehabilitate,
26 restore and preserve, equip, clear, improve, maintain, and repair
27 any public facility, building, and any necessary or desirable

1 appurtenances to those buildings, as determined by the authority to
2 be reasonably necessary to achieve the purposes of this act, within
3 the development area for the use, in whole or in part, of any
4 public or private person or corporation, or a combination thereof.

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

10 (i) Lease, in whole or in part, any facility, building, or
11 property under its control.

12 (j) Accept grants and donations of property, labor, or other
13 things of value from a public or private source.

14 (k) Acquire and construct public facilities.

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

17 (a) Donations to the authority for the performance of its
18 functions.

19 (b) Money borrowed and to be repaid as authorized by sections
20 12 and 13.

21 (c) Revenues from any property, building, or facility owned,
22 leased, licensed, or operated by the authority or under its
23 control, subject to the limitations imposed upon the authority by
24 trusts or other agreements.

25 (d) Proceeds of a tax increment financing plan established
26 under sections 14 to 16.

27 (e) Money obtained from other sources approved by the

1 governing body of the municipality or otherwise authorized by law
2 for use by the authority or the municipality to finance a
3 development program.

4 (2) Money received by the authority and not covered under
5 subsection (1) shall immediately be deposited to the credit of the
6 authority, subject to disbursement under this act. Except as
7 provided in this act, the municipality shall not obligate itself,
8 and shall not be obligated, to pay any sums from public funds,
9 other than money received by the municipality under this section,
10 for or on account of the activities of the authority.

11 Sec. 12. The authority may borrow money and issue its
12 negotiable revenue bonds under the revenue bond act of 1933, 1933
13 PA 94, MCL 141.101 to 141.140.

14 Sec. 13. (1) The authority may with approval of the local
15 governing body borrow money and issue its revenue bonds or notes to
16 finance all or part of the costs of a public facility in connection
17 with either of the following:

18 (a) The implementation of a development plan in the
19 development area.

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

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

24 (a) The cost of purchasing, acquiring, constructing,
25 improving, enlarging, extending, or repairing property in
26 connection with the implementation of a development plan in the
27 development area.

1 (b) Any engineering, architectural, legal, accounting, or
2 financial expenses.

3 (c) The costs necessary or incidental to the borrowing of
4 money.

5 (d) Interest on the bonds or notes during the period of
6 construction.

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

9 (f) A reserve for operation and maintenance until sufficient
10 revenues have developed.

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

14 (4) A pledge made by the authority is valid and binding from
15 the time the pledge is made. The money or property pledged by the
16 authority immediately is subject to the lien of the pledge without
17 a physical delivery, filing, or further act. The lien of a pledge
18 is valid and binding against parties having claims of any kind in
19 tort, contract, or otherwise, against the authority, whether or not
20 the parties have notice of the lien. Neither the resolution, the
21 trust agreement, nor any other instrument by which a pledge is
22 created must be filed or recorded to be enforceable.

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

27 (6) The municipality is not liable on bonds or notes of the

1 authority issued under this section, and the bonds or notes are not
2 a debt of the municipality. The bonds or notes shall contain on
3 their face a statement to that effect.

4 (7) The bonds and notes of the authority may be invested in by
5 all public officers, state agencies and political subdivisions,
6 insurance companies, banks, savings and loan associations,
7 investment companies, and fiduciaries and trustees, and may be
8 deposited with and received by all public officers and the agencies
9 and political subdivisions of this state for any purpose for which
10 the deposit of bonds is authorized.

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

1 inflation.

2 (2) Approval of the tax increment financing plan shall comply
3 with the notice, hearing, and disclosure provisions of section 20.
4 If the development plan is part of the tax increment financing
5 plan, only 1 hearing and approval procedure is required for the 2
6 plans together.

7 (3) Before the public hearing on the tax increment financing
8 plan, the governing body shall provide a reasonable opportunity to
9 the taxing jurisdictions levying taxes subject to capture to meet
10 with the governing body. The authority shall fully inform the
11 taxing jurisdictions of the fiscal and economic implications of the
12 proposed development area. The taxing jurisdictions may present
13 their recommendations at the public hearing on the tax increment
14 financing plan.

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

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

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

1 which it was established are accomplished. However, the tax
2 increment financing plan shall not be abolished until the principal
3 of, and interest on, bonds issued under section 16 have been paid
4 or funds sufficient to make the payment have been segregated.

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

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

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

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

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

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

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

16 (g) The tax increment revenues received.

17 (h) The number of public facilities developed.

18 (i) Any additional information the governing body considers
19 necessary.

20 Sec. 16. (1) By resolution of its governing body, the
21 authority may authorize, issue, and sell tax increment bonds
22 subject to the limitations set forth in this subsection to finance
23 the development program of the tax increment financing plan. The
24 tax increment bonds issued by the authority under this subsection
25 shall pledge solely the tax increment revenues of a development
26 area in which the project is located or a development area from
27 which tax increment revenues may be used for this project, or both.

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

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

1 Sec. 17. (1) If a board decides to finance a project in a
2 development area by the use of revenue bonds as authorized in
3 section 12 or tax increment financing as authorized in sections 14,
4 15, and 16, it shall prepare a development plan.

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

6 (a) The designation of boundaries of the development area in
7 relation to highways, streets, bodies of water, or otherwise.

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

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

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

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

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

27 (g) A description of any portions of the development area that

1 the authority desires to sell, donate, exchange, or lease to or
2 from the municipality and the proposed terms.

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

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

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

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

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

22 (m) Other material that the authority, local public agency, or
23 governing body considers pertinent.

24 Sec. 18. (1) The governing body, before adoption of a
25 resolution approving a development plan or tax increment financing
26 plan, shall hold a public hearing on the development plan. Notice
27 of the time and place of the hearing shall be given by publication

1 twice in a newspaper of general circulation designated by the
2 municipality, the first of which shall be not less than 20 days
3 before the date set for the hearing. Notice of the hearing shall be
4 posted in at least 4 conspicuous and public places in the
5 development area not less than 20 days before the hearing. Notice
6 shall also be mailed to all property taxpayers of record in the
7 development area and to the governing body of each taxing
8 jurisdiction levying taxes that would be subject to capture if the
9 tax increment financing plan is approved not less than 20 days
10 before the hearing.

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

13 (a) A description of the proposed development area in relation
14 to highways, streets, bodies of water, or otherwise.

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

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

21 (d) Other information that the governing body considers
22 appropriate.

23 (3) At the time set for the hearing, the governing body shall
24 provide an opportunity for interested persons to speak and shall
25 receive and consider communications in writing. The hearing shall
26 provide the fullest opportunity for expression of opinion, for
27 argument on the merits, and for consideration of documentary

1 evidence pertinent to the development plan. The governing body
2 shall make and preserve a record of the public hearing, including
3 all data presented at the hearing.

4 Sec. 19. The governing body after a public hearing on the
5 development plan or the tax increment financing plan, or both, with
6 notice given under section 18, shall determine whether the
7 development plan or tax increment financing plan constitutes a
8 public purpose. If it determines that the development plan or tax
9 increment financing plan constitutes a public purpose, it shall by
10 resolution approve or reject the plan, or approve it with
11 modification, based on the following considerations:

12 (a) The plan meets the requirements under section 17(2).

13 (b) The proposed method of financing the development is
14 feasible and the authority has the ability to arrange the
15 financing.

16 (c) The development is reasonable and necessary to carry out
17 the purposes of this act.

18 (d) The land included within the development area to be
19 acquired is reasonably necessary to carry out the purposes of the
20 plan and of this act in an efficient and economically satisfactory
21 manner.

22 (e) The development plan is in reasonable accord with the land
23 use plan of the municipality.

24 (f) Public services, such as fire and police protection and
25 utilities, are or will be adequate to service the project area.

26 (g) Changes in zoning, streets, street levels, intersections,
27 and utilities are reasonably necessary for the project and for the

1 municipality.

2 Sec. 20. (1) The director of the authority shall submit a
3 budget to the board for the operation of the authority for each
4 fiscal year before the beginning of the fiscal year. The budget
5 shall be prepared in the manner and contain the information
6 required of municipal departments. After review by the board, the
7 budget shall be submitted to the governing body. The governing body
8 must approve the budget before the board may adopt the budget.
9 Unless authorized by the governing body or this act, funds of the
10 municipality shall not be included in the budget of the authority.

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

16 Sec. 21. An authority that has completed the purposes for
17 which it was organized shall be dissolved by resolution of the
18 governing body. The property and assets of the authority remaining
19 after the satisfaction of the obligations of the authority belong
20 to the municipality.

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

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