

HOUSE BILL No. 5853

September 8, 2016, Introduced by Reps. Price, Chatfield, Somerville, Theis and Maturen and referred to the Committee on Local Government.

A bill to amend 1986 PA 281, entitled "The local development financing act," by amending sections 2, 7, 13, and 21 (MCL 125.2152, 125.2157, 125.2163, and 125.2171), section 2 as amended by 2013 PA 62 and sections 7 and 13 as amended by 1993 PA 333.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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.

1 (b) "Alternative energy technology" means equipment, component
2 parts, materials, electronic devices, testing equipment, and
3 related systems that are specifically designed, specifically
4 fabricated, and used primarily for 1 or more of the following:

5 (i) The storage, generation, reformation, or distribution of
6 clean fuels integrated within an alternative energy system or
7 alternative energy vehicle, not including an anaerobic digester
8 energy system or a hydroelectric energy system, for use within the
9 alternative energy system or alternative energy vehicle.

10 (ii) The process of generating and putting into a usable form
11 the energy generated by an alternative energy system. Alternative
12 energy technology does not include those component parts of an
13 alternative energy system that are required regardless of the
14 energy source.

15 (iii) Research and development of an alternative energy
16 vehicle.

17 (iv) Research, development, and manufacturing of an
18 alternative energy system.

19 (v) Research, development, and manufacturing of an anaerobic
20 digester energy system.

21 (vi) Research, development, and manufacturing of a
22 hydroelectric energy system.

23 (c) "Alternative energy technology business" means a business
24 engaged in the research, development, or manufacturing of
25 alternative energy technology or a business located in an authority
26 district that includes a military installation that was operated by
27 the United States ~~department of defense~~ **DEPARTMENT OF DEFENSE** and

1 closed after 1980.

2 (d) "Assessed value" means 1 of the following:

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

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

9 (e) "Authority" means a local development finance authority
10 created pursuant to this act.

11 (f) "Authority district" means an area or areas within which
12 an authority exercises its powers.

13 (g) "Board" means the governing body of an authority.

14 (h) "Business development area" means an area designated as a
15 certified industrial park under this act prior to June 29, 2000, or
16 an area designated in the tax increment financing plan that meets
17 all of the following requirements:

18 (i) The area is zoned to allow its use for eligible property.

19 (ii) The area has a site plan or plat approved by the city,
20 village, or township in which the area is located.

21 (i) "Business incubator" means real and personal property that
22 meets all of the following requirements:

23 (i) Is located in a certified technology park or a certified
24 alternative energy park.

25 (ii) Is subject to an agreement under section 12a or 12c.

26 (iii) Is developed for the primary purpose of attracting 1 or
27 more owners or tenants who will engage in activities that would

1 each separately qualify the property as eligible property under
2 subdivision (s) (iii).

3 (j) "Captured assessed value" means the amount in any 1 year
4 by which the current assessed value of the eligible property
5 identified in the tax increment financing plan or, for a certified
6 technology park, a certified alternative energy park, or a next
7 Michigan development area, the real and personal property included
8 in the tax increment financing plan, including the current assessed
9 value of property for which specific local taxes are paid in lieu
10 of property taxes as determined pursuant to subdivision (hh),
11 exceeds the initial assessed value. The state tax commission shall
12 prescribe the method for calculating captured assessed value.
13 Except as otherwise provided in this act, tax abated property in a
14 renaissance zone as defined under section 3 of the Michigan
15 renaissance zone act, 1996 PA 376, MCL 125.2683, shall be excluded
16 from the calculation of captured assessed value to the extent that
17 the property is exempt from ad valorem property taxes or specific
18 local taxes.

19 (k) "Certified alternative energy park" means that portion of
20 an authority district designated by a written agreement entered
21 into pursuant to section 12c between the authority, the
22 municipality or municipalities, and the Michigan economic
23 development corporation.

24 (l) "Certified business park" means a business development
25 area that has been designated by the Michigan economic development
26 corporation as meeting criteria established by the Michigan
27 economic development corporation. The criteria shall establish

1 standards for business development areas including, but not limited
2 to, use, types of building materials, landscaping, setbacks,
3 parking, storage areas, and management.

4 (m) "Certified technology park" means that portion of the
5 authority district designated by a written agreement entered into
6 pursuant to section 12a between the authority, the municipality,
7 and the Michigan economic development corporation.

8 (n) "Chief executive officer" means the mayor or city manager
9 of a city, the president of a village, or, for other local units of
10 government or school districts, the person charged by law with the
11 supervision of the functions of the local unit of government or
12 school district.

13 (o) "Development plan" means that information and those
14 requirements for a development set forth in section 15.

15 (p) "Development program" means the implementation of a
16 development plan.

17 (q) "Eligible advance" means an advance made before August 19,
18 1993.

19 (r) "Eligible obligation" means an obligation issued or
20 incurred by an authority or by a municipality on behalf of an
21 authority before August 19, 1993 and its subsequent refunding by a
22 qualified refunding obligation. Eligible obligation includes an
23 authority's written agreement entered into before August 19, 1993
24 to pay an obligation issued after August 18, 1993 and before
25 December 31, 1996 by another entity on behalf of the authority.

26 (s) "Eligible property" means land improvements, buildings,
27 structures, and other real property, and machinery, equipment,

1 furniture, and fixtures, or any part or accessory thereof whether
2 completed or in the process of construction comprising an
3 integrated whole, located within an authority district, of which
4 the primary purpose and use is or will be 1 of the following:

5 (i) The manufacture of goods or materials or the processing of
6 goods or materials by physical or chemical change.

7 (ii) Agricultural processing.

8 (iii) A high technology activity.

9 (iv) The production of energy by the processing of goods or
10 materials by physical or chemical change by a small power
11 production facility as defined by the federal energy regulatory
12 commission pursuant to the public utility regulatory policies act
13 of 1978, Public Law 95-617, which facility is fueled primarily by
14 biomass or wood waste. This act does not affect a person's rights
15 or liabilities under law with respect to groundwater contamination
16 described in this subparagraph. This subparagraph applies only if
17 all of the following requirements are met:

18 (A) Tax increment revenues captured from the eligible property
19 will be used to finance, or will be pledged for debt service on tax
20 increment bonds used to finance, a public facility in or near the
21 authority district designed to reduce, eliminate, or prevent the
22 spread of identified soil and groundwater contamination, pursuant
23 to law.

24 (B) The board of the authority exercising powers within the
25 authority district where the eligible property is located adopted
26 an initial tax increment financing plan between January 1, 1991 and
27 May 1, 1991.

1 (C) The municipality that created the authority establishes a
2 special assessment district whereby not less than 50% of the
3 operating expenses of the public facility described in this
4 subparagraph will be paid for by special assessments. Not less than
5 50% of the amount specially assessed against all parcels in the
6 special assessment district shall be assessed against parcels owned
7 by parties potentially responsible for the identified groundwater
8 contamination pursuant to law.

9 (v) A business incubator.

10 (vi) An alternative energy technology business.

11 (vii) A transit-oriented facility.

12 (viii) A transit-oriented development.

13 (ix) An eligible next Michigan business, as that term is
14 defined in section 3 of the Michigan economic growth authority act,
15 1995 PA 24, MCL 207.803, and other businesses within a next
16 Michigan development area, but only to the extent designated as
17 eligible property within a development plan approved by a next
18 Michigan development corporation.

19 (t) "Fiscal year" means the fiscal year of the authority.

20 (u) "Governing body" means, except as otherwise provided in
21 this subdivision, the elected body having legislative powers of a
22 municipality creating an authority under this act. For a next
23 Michigan development corporation, governing body means the
24 executive committee of the next Michigan development corporation,
25 unless otherwise provided in the interlocal agreement or articles
26 of incorporation creating the next Michigan development corporation
27 or the governing body of an eligible urban entity or its designee

1 as provided in the next Michigan development act, 2010 PA 275, MCL
2 125.2951 to 125.2959.

3 (v) "High-technology activity" means that term as defined in
4 section 3 of the Michigan economic growth authority act, 1995 PA
5 24, MCL 207.803.

6 (w) "Initial assessed value" means the assessed value of the
7 eligible property identified in the tax increment financing plan
8 or, for a certified technology park, a certified alternative energy
9 park, or a next Michigan development area, the assessed value of
10 any real and personal property included in the tax increment
11 financing plan, at the time the resolution establishing the tax
12 increment financing plan is approved as shown by the most recent
13 assessment roll for which equalization has been completed at the
14 time the resolution is adopted or, for property that becomes
15 eligible property in other than a certified technology park or a
16 certified alternative energy park after the date the plan is
17 approved, at the time the property becomes eligible property.
18 Property exempt from taxation at the time of the determination of
19 the initial assessed value shall be included as zero. Property for
20 which a specific local tax is paid in lieu of property tax shall
21 not be considered exempt from taxation. The initial assessed value
22 of property for which a specific local tax was paid in lieu of
23 property tax shall be determined as provided in subdivision (hh).

24 (x) "Michigan economic development corporation" means the
25 public body corporate created under section 28 of article VII of
26 the state constitution of 1963 and the urban cooperation act of
27 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by a contractual

1 interlocal agreement effective April 5, 1999 between local
2 participating economic development corporations formed under the
3 economic development corporations act, 1974 PA 338, MCL 125.1601 to
4 125.1636, and the Michigan strategic fund. If the Michigan economic
5 development corporation is unable for any reason to perform its
6 duties under this act, those duties may be exercised by the
7 Michigan strategic fund.

8 (y) "Michigan strategic fund" means the Michigan strategic
9 fund as described in the Michigan strategic fund act, 1984 PA 270,
10 MCL 125.2001 to 125.2094.

11 (z) "Municipality" means a city, village, or urban township.
12 However, for purposes of creating and operating a certified
13 alternative energy park or a certified technology park,
14 municipality includes townships that are not urban townships.

15 (aa) "Next Michigan development area" means a portion of an
16 authority district designated by a next Michigan development
17 corporation under section 12e to which a development plan is
18 applicable.

19 (bb) "Next Michigan development corporation" means that term
20 as defined in section 3 of the next Michigan development act, 2010
21 PA 275, MCL 125.2953.

22 (cc) "Obligation" means a written promise to pay, whether
23 evidenced by a contract, agreement, lease, sublease, bond, or note,
24 or a requirement to pay imposed by law. An obligation does not
25 include a payment required solely because of default upon an
26 obligation, employee salaries, or consideration paid for the use of
27 municipal offices. An obligation does not include those bonds that

1 have been economically defeased by refunding bonds issued under
2 this act. Obligation includes, but is not limited to, the
3 following:

4 (i) A requirement to pay proceeds derived from ad valorem
5 property taxes or taxes levied in lieu of ad valorem property
6 taxes.

7 (ii) A management contract or a contract for professional
8 services.

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

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

15 (v) A letter of credit, paying agent, transfer agent, bond
16 registrar, or trustee fee associated with a contract, agreement,
17 bond, or note.

18 (dd) "On behalf of an authority", in relation to an eligible
19 advance made by a municipality or an eligible obligation or other
20 protected obligation issued or incurred by a municipality, means in
21 anticipation that an authority would transfer tax increment
22 revenues or reimburse the municipality from tax increment revenues
23 in an amount sufficient to fully make payment required by the
24 eligible advance made by a municipality, or eligible obligation or
25 other protected obligation issued or incurred by the municipality,
26 if the anticipation of the transfer or receipt of tax increment
27 revenues from the authority is pursuant to or evidenced by 1 or

1 more of the following:

2 (i) A reimbursement agreement between the municipality and an
3 authority it established.

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

6 (iii) A resolution of the authority agreeing to make payments
7 to the incorporating unit.

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

10 (ee) "Other protected obligation" means:

11 (i) A qualified refunding obligation issued to refund an
12 obligation described in subparagraph (ii) or (iii), an obligation
13 that is not a qualified refunding obligation that is issued to
14 refund an eligible obligation, or a qualified refunding obligation
15 issued to refund an obligation described in this subparagraph.

16 (ii) An obligation issued or incurred by an authority or by a
17 municipality on behalf of an authority after August 19, 1993, but
18 before December 31, 1994, to finance a project described in a tax
19 increment finance plan approved by the municipality in accordance
20 with this act before August 19, 1993, for which a contract for
21 final design is entered into by the municipality or authority
22 before March 1, 1994.

23 (iii) An obligation incurred by an authority or municipality
24 after August 19, 1993, to reimburse a party to a development
25 agreement entered into by a municipality or authority before August
26 19, 1993, for a project described in a tax increment financing plan
27 approved in accordance with this act before August 19, 1993, and

1 undertaken and installed by that party in accordance with the
2 development agreement.

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

9 (ff) "Public facility" means 1 or more of the following:

10 (i) A street, road, bridge, storm water or sanitary sewer,
11 sewage treatment facility, facility designed to reduce, eliminate,
12 or prevent the spread of identified soil or groundwater
13 contamination, drainage system, retention basin, pretreatment
14 facility, waterway, waterline, water storage facility, rail line,
15 electric, gas, telephone or other communications, or any other type
16 of utility line or pipeline, transit-oriented facility, transit-
17 oriented development, or other similar or related structure or
18 improvement, together with necessary easements for the structure or
19 improvement. Except for rail lines, utility lines, or pipelines,
20 the structures or improvements described in this subparagraph shall
21 be either owned or used by a public agency, functionally connected
22 to similar or supporting facilities owned or used by a public
23 agency, or designed and dedicated to use by, for the benefit of, or
24 for the protection of the health, welfare, or safety of the public
25 generally, whether or not used by a single business entity. Any
26 road, street, or bridge shall be continuously open to public
27 access. A public facility shall be located on public property or in

1 a public, utility, or transportation easement or right-of-way.

2 (ii) The acquisition and disposal of land that is proposed or
3 intended to be used in the development of eligible property or an
4 interest in that land, demolition of structures, site preparation,
5 and relocation costs.

6 (iii) All administrative and real and personal property
7 acquisition and disposal costs related to a public facility
8 described in subparagraphs (i) and (iv), including, but not limited
9 to, architect's, engineer's, legal, and accounting fees as
10 permitted by the district's development plan.

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

17 (v) All of the following costs approved by the Michigan
18 economic development corporation:

19 (A) Operational costs and the costs related to the
20 acquisition, improvement, preparation, demolition, disposal,
21 construction, reconstruction, remediation, rehabilitation,
22 restoration, preservation, maintenance, repair, furnishing, and
23 equipping of land and other assets that are or may become eligible
24 for depreciation under the internal revenue code of 1986 for a
25 business incubator located in a certified technology park or
26 certified alternative energy park.

27 (B) Costs related to the acquisition, improvement,

1 preparation, demolition, disposal, construction, reconstruction,
2 remediation, rehabilitation, restoration, preservation,
3 maintenance, repair, furnishing, and equipping of land and other
4 assets that, if privately owned, would be eligible for depreciation
5 under the internal revenue code of 1986 for laboratory facilities,
6 research and development facilities, conference facilities,
7 teleconference facilities, testing, training facilities, and
8 quality control facilities that are or that support eligible
9 property under subdivision (s) (iii), that are owned by a public
10 entity, and that are located within a certified technology park.

11 (C) Costs related to the acquisition, improvement,
12 preparation, demolition, disposal, construction, reconstruction,
13 remediation, rehabilitation, restoration, preservation,
14 maintenance, repair, furnishing, and equipping of land and other
15 assets that, if privately owned, would be eligible for depreciation
16 under the internal revenue code of 1986 for facilities that are or
17 that will support eligible property under subdivision (s) (vi), that
18 have been or will be owned by a public entity at the time such
19 costs are incurred, that are located within a certified alternative
20 energy park, and that have been or will be conveyed, by gift or
21 sale, by such public entity to an alternative energy technology
22 business.

23 (vi) Operating and planning costs included in a plan pursuant
24 to section 12(1) (f), including costs of marketing property within
25 the district and attracting development of eligible property within
26 the district.

27 (gg) "Qualified refunding obligation" means an obligation

1 issued or incurred by an authority or by a municipality on behalf
2 of an authority to refund an obligation if the refunding obligation
3 meets both of the following:

4 (i) The net present value of the principal and interest to be
5 paid on the refunding obligation, including the cost of issuance,
6 will be less than the net present value of the principal and
7 interest to be paid on the obligation being refunded, as calculated
8 using a method approved by the department of treasury.

9 (ii) The net present value of the sum of the tax increment
10 revenues described in subdivision (jj) (ii) and the distributions
11 under section 11a to repay the refunding obligation will not be
12 greater than the net present value of the sum of the tax increment
13 revenues described in subdivision (jj) (ii) and the distributions
14 under section 11a to repay the obligation being refunded, as
15 calculated using a method approved by the department of treasury.

16 (hh) "Specific local taxes" means a tax levied under 1974 PA
17 198, MCL 207.551 to 207.572, the obsolete property rehabilitation
18 act, 2000 PA 146, MCL 125.2781 to 125.2797, the commercial
19 redevelopment act, 1978 PA 255, MCL 207.651 to 207.668, the
20 enterprise zone act, 1985 PA 224, MCL 125.2101 to 125.2123, 1953 PA
21 189, MCL 211.181 to 211.182, **SECTION 5 OF THE STATE ESSENTIAL**
22 **SERVICES ASSESSMENT ACT, 2014 PA 92, MCL 211.1055, SECTION 5 OF THE**
23 **ALTERNATIVE STATE ESSENTIAL SERVICES ASSESSMENT ACT, 2014 PA 93,**
24 **MCL 211.1075,** and the technology park development act, 1984 PA 385,
25 MCL 207.701 to 207.718. The initial assessed value or current
26 assessed value of property subject to a specific local tax is the
27 quotient of the specific local tax paid divided by the ad valorem

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

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

7 (jj) "Tax increment revenues" means the amount of ad valorem
8 property taxes and specific local taxes attributable to the
9 application of the levy of all taxing jurisdictions upon the
10 captured assessed value of eligible property within the district
11 or, for purposes of a certified technology park, a next Michigan
12 development area, or a certified alternative energy park, real or
13 personal property that is located within the certified technology
14 park, a next Michigan development area, or a certified alternative
15 energy park and included within the tax increment financing plan,
16 subject to the following requirements:

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

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

1 districts upon the captured assessed value of real and personal
2 property in the development area in an amount equal to the amount
3 necessary, without regard to subparagraph (i), for the following
4 purposes:

5 (A) To repay eligible advances, eligible obligations, and
6 other protected obligations.

7 (B) To fund or to repay an advance or obligation issued by or
8 on behalf of an authority to fund the cost of public facilities
9 related to or for the benefit of eligible property located within a
10 certified technology park or a certified alternative energy park to
11 the extent the public facilities have been included in an agreement
12 under section 12a(3), 12b, or 12c(3), not to exceed 50%, as
13 determined by the state treasurer, of the amounts levied by the
14 state pursuant to the state education tax act, 1993 PA 331, MCL
15 211.901 to 211.906, and local and intermediate school districts for
16 a period, except as otherwise provided in this sub-subparagraph,
17 not to exceed 15 years, as determined by the state treasurer, if
18 the state treasurer determines that the capture under this sub-
19 subparagraph is necessary to reduce unemployment, promote economic
20 growth, and increase capital investment in the municipality.
21 However, upon approval of the state treasurer and the president of
22 the Michigan economic development corporation, a certified
23 technology park may capture under this sub-subparagraph for an
24 additional period of 5 years if the authority agrees to additional
25 reporting requirements and modifies its tax increment financing
26 plan to include regional collaboration as determined by the state
27 treasurer and the president of the Michigan economic development

1 corporation. In addition, upon approval of the state treasurer and
2 the president of the Michigan economic development corporation, if
3 a municipality that has created a certified technology park that
4 has entered into an agreement with another authority that does not
5 contain a certified technology park to designate a distinct
6 geographic area under section 12b, that authority that has created
7 the certified technology park and the associated distinct
8 geographic area may both capture under this sub-subparagraph for an
9 additional period of 15 years as determined by the state treasurer
10 and the president of the Michigan economic development corporation.

11 (C) To fund the cost of public facilities related to or for
12 the benefit of eligible property located within a next Michigan
13 development area to the extent that the public facilities have been
14 included in a development plan, not to exceed 50%, as determined by
15 the state treasurer, of the amounts levied by the state pursuant to
16 the state education tax act, 1993 PA 331, MCL 211.901 to 211.906,
17 and local and intermediate school districts for a period not to
18 exceed 15 years, as determined by the state treasurer, if the state
19 treasurer determines that the capture under this sub-subparagraph
20 is necessary to reduce unemployment, promote economic growth, and
21 increase capital investment in the authority district.

22 (iii) Tax increment revenues do not include any of the
23 following:

24 (A) Ad valorem property taxes or specific local taxes that are
25 excluded from and not made part of the tax increment financing
26 plan. Ad valorem personal property taxes or specific local taxes
27 associated with personal property may be excluded from and may not

1 be part of the tax increment financing plan.

2 (B) Ad valorem property taxes and specific local taxes
3 attributable to ad valorem property taxes excluded by the tax
4 increment financing plan of the authority from the determination of
5 the amount of tax increment revenues to be transmitted to the
6 authority.

7 (C) Ad valorem property taxes exempted from capture under
8 section 4(3) or specific local taxes attributable to such ad
9 valorem property taxes.

10 (D) Ad valorem property taxes specifically levied for the
11 payment of principal and interest of obligations approved by the
12 electors or obligations pledging the unlimited taxing power of the
13 local governmental unit or specific local taxes attributable to
14 such ad valorem property taxes.

15 (E) The amount of ad valorem property taxes or specific taxes
16 captured by a downtown development authority under 1975 PA 197, MCL
17 125.1651 to 125.1681, tax increment financing authority under the
18 tax increment finance authority act, 1980 PA 450, MCL 125.1801 to
19 125.1830, or brownfield redevelopment authority under the
20 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651
21 to 125.2672, if those taxes were captured by these other
22 authorities on the date that the initial assessed value of a parcel
23 of property was established under this act.

24 (F) Ad valorem property taxes levied under 1 or more of the
25 following or specific local taxes attributable to those ad valorem
26 property taxes:

27 (I) The zoological authorities act, 2008 PA 49, MCL 123.1161

1 to 123.1183.

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

4 (G) AD VALOREM PROPERTY TAXES OR SPECIFIC LOCAL TAXES LEVIED
5 FOR A MILLAGE APPROVED BY THE ELECTORS AFTER DECEMBER 31, 2016,
6 EXCEPT FOR 1 OR MORE OF THE FOLLOWING:

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

9 (II) A RENEWAL OF A MILLAGE THAT WAS AUTHORIZED ON OR BEFORE
10 DECEMBER 31, 2016.

11 (iv) The amount of tax increment revenues authorized to be
12 included under subparagraph (ii), and required to be transmitted to
13 the authority under section 13(1), from ad valorem property taxes
14 and specific local taxes attributable to the application of the
15 levy of the state education tax act, 1993 PA 331, MCL 211.901 to
16 211.906, or a local school district or an intermediate school
17 district upon the captured assessed value of real and personal
18 property in a development area shall be determined separately for
19 the levy by the state, each school district, and each intermediate
20 school district as the product of sub-subparagraphs (A) and (B):

21 (A) The percentage that the total ad valorem taxes and
22 specific local taxes available for distribution by law to the
23 state, local school district, or intermediate school district,
24 respectively, bears to the aggregate amount of ad valorem millage
25 taxes and specific taxes available for distribution by law to the
26 state, each local school district, and each intermediate school
27 district.

1 (B) The maximum amount of ad valorem property taxes and
2 specific local taxes considered tax increment revenues under
3 subparagraph (ii).

4 (kk) "Transit-oriented development" means infrastructure
5 improvements that are located within 1/2 mile of a transit station
6 or transit-oriented facility that promotes transit ridership or
7 passenger rail use as determined by the board and approved by the
8 municipality in which it is located.

9 (ll) "Transit-oriented facility" means a facility that houses
10 a transit station in a manner that promotes transit ridership or
11 passenger rail use.

12 (mm) "Urban township" means a township that meets 1 or more of
13 the following:

14 (i) Meets all of the following requirements:

15 (A) Has a population of 20,000 or more, or has a population of
16 10,000 or more but is located in a county with a population of
17 400,000 or more.

18 (B) Adopted a master zoning plan before February 1, 1987.

19 (C) Provides sewer, water, and other public services to all or
20 a part of the township.

21 (ii) Meets all of the following requirements:

22 (A) Has a population of less than 20,000.

23 (B) Is located in a county with a population of 250,000 or
24 more but less than 400,000, and that county is located in a
25 metropolitan statistical area.

26 (C) Has within its boundaries a parcel of property under
27 common ownership that is 800 acres or larger and is capable of

1 being served by a railroad, and located within 3 miles of a limited
2 access highway.

3 (D) Establishes an authority before December 31, 1998.

4 (iii) Meets all of the following requirements:

5 (A) Has a population of less than 20,000.

6 (B) Has a state equalized valuation for all real and personal
7 property located in the township of more than \$200,000,000.00.

8 (C) Adopted a master zoning plan before February 1, 1987.

9 (D) Is a charter township under the charter township act, 1947
10 PA 359, MCL 42.1 to 42.34.

11 (E) Has within its boundaries a combination of parcels under
12 common ownership that is 800 acres or larger, is immediately
13 adjacent to a limited access highway, is capable of being served by
14 a railroad, and is immediately adjacent to an existing sewer line.

15 (F) Establishes an authority before March 1, 1999.

16 (iv) Meets all of the following requirements:

17 (A) Has a population of 13,000 or more.

18 (B) Is located in a county with a population of 150,000 or
19 more.

20 (C) Adopted a master zoning plan before February 1, 1987.

21 (v) Meets all of the following requirements:

22 (A) Is located in a county with a population of 1,000,000 or
23 more.

24 (B) Has a written agreement with an adjoining township to
25 develop 1 or more public facilities on contiguous property located
26 in both townships.

27 (C) Has a master plan in effect.

1 (vi) Meets all of the following requirements:

2 (A) Has a population of less than 10,000.

3 (B) Has a state equalized valuation for all real and personal
4 property located in the township of more than \$280,000,000.00.

5 (C) Adopted a master zoning plan before February 1, 1987.

6 (D) Has within its boundaries a combination of parcels under
7 common ownership that is 199 acres or larger, is located within 1
8 mile of a limited access highway, and is located within 1 mile of
9 an existing sewer line.

10 (E) Has rail service.

11 (F) Establishes an authority before May 7, 2009.

12 (vii) Has joined an authority under section 3(2) which is
13 seeking or has entered into an agreement for a certified technology
14 park.

15 (viii) Has established an authority which is seeking or has
16 entered into an agreement for a certified alternative energy park.

17 Sec. 7. **(1)** The board may:

18 (a) Study and analyze unemployment, underemployment, and
19 joblessness and the impact of growth upon the authority district or
20 districts.

21 (b) Plan and propose the construction, renovation, repair,
22 remodeling, rehabilitation, restoration, preservation, or
23 reconstruction of a public facility.

24 (c) Develop long-range plans, in cooperation with the agency
25 which is chiefly responsible for planning in the municipality, to
26 promote the growth of the authority district or districts, and take
27 the steps that are necessary to implement the plans to the fullest

1 extent possible to create jobs, and promote economic growth.

2 (d) Implement any plan of development necessary to achieve the
3 purposes of this act in accordance with the powers of the authority
4 as granted by this act.

5 (e) Make and enter into contracts necessary or incidental to
6 the exercise of the board's powers and the performance of its
7 duties.

8 (f) Acquire by purchase or otherwise on terms and conditions
9 and in a manner the authority considers proper, own or lease as
10 lessor or lessee, convey, demolish, relocate, rehabilitate, or
11 otherwise dispose of real or personal property, or rights or
12 interests in that property, which the authority determines is
13 reasonably necessary to achieve the purposes of this act, and to
14 grant or acquire licenses, easements, and options with respect to
15 the property.

16 (g) Improve land, prepare sites for buildings, including the
17 demolition of existing structures, and construct, reconstruct,
18 rehabilitate, restore and preserve, equip, improve, maintain,
19 repair, or operate a building, and any necessary or desirable
20 appurtenances to a building, as provided in section 12(2) for the
21 use, in whole or in part, of a public or private person or
22 corporation, or a combination thereof.

23 (h) Fix, charge, and collect fees, rents, and charges for the
24 use of a building or property or a part of a building or property
25 under the board's control, or a facility in the building or on the
26 property, and pledge the fees, rents, and charges for the payment
27 of revenue bonds issued by the authority.

1 (i) Lease a building or property or part of a building or
2 property under the board's control.

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

5 (k) Acquire and construct public facilities.

6 (l) Incur costs in connection with the performance of the
7 board's authorized functions including, but not limited to,
8 administrative costs, and architects, engineers, legal, and
9 accounting fees.

10 (m) Plan, propose, and implement an improvement to a public
11 facility on eligible property to comply with the barrier free
12 design requirements of the state construction code promulgated
13 under the state construction code act of 1972, ~~Act No. 230 of the~~
14 ~~Public Acts of 1972, being sections 125.1501 to 125.1531 of the~~
15 ~~Michigan Compiled Laws.1972 PA 230, MCL 125.1501 TO 125.1531.~~

16 **(2) THE MUNICIPALITY CREATING THE AUTHORITY SHALL ENSURE THAT**
17 **A WEBSITE IS CREATED, OPERATED, AND REGULARLY MAINTAINED WITH ALL**
18 **AUTHORITY RECORDS AND DOCUMENTS, FOR THE IMMEDIATELY PRECEDING 5**
19 **FISCAL YEARS, INCLUDING ALL OF THE FOLLOWING:**

20 **(A) MINUTES OF ALL BOARD MEETINGS.**

21 **(B) ANNUAL BUDGET.**

22 **(C) ANNUAL AUDITS.**

23 **(D) CURRENTLY ADOPTED DEVELOPMENT PLAN.**

24 **(E) CURRENTLY ADOPTED TAX INCREMENT FINANCE PLAN.**

25 **(F) LIST OF ALL AUTHORITY SPONSORED AND MANAGED EVENTS.**

26 **(G) CURRENT AUTHORITY STAFF CONTACT INFORMATION.**

27 **(H) ALL PROMOTIONAL AND MARKETING MATERIALS.**

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

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

6 (3) SUBJECT TO SUBSECTION (4), THE REQUIREMENTS IN SUBSECTION
7 (1) ARE REQUIRED FOR RECORDS AND DOCUMENTS RELATED TO FISCAL YEARS
8 STARTING THE FISCAL YEAR OF THE DATE OF ENACTMENT OF THE AMENDATORY
9 ACT THAT ADDED THIS SUBSECTION.

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

14 (5) THE REQUIREMENTS OF THIS SECTION SHALL NOT TAKE EFFECT
15 UNTIL 60 DAYS AFTER THE END OF AN AUTHORITY'S CURRENT FISCAL YEAR
16 AS OF THE DATE OF ENACTMENT OF THE AMENDATORY ACT THAT ADDED THIS
17 SUBSECTION.

18 (6) EACH YEAR, THE BOARD SHALL HOLD NOT FEWER THAN 1
19 INFORMATIONAL MEETING. THE PURPOSE OF THE INFORMATIONAL MEETING
20 WILL BE TO HIGHLIGHT THE INFORMATION DESCRIBED IN SUBSECTION (2) (A)
21 TO (J). NOTICE OF AN INFORMATIONAL MEETING SHALL BE POSTED ON THE
22 MUNICIPALITY'S OR AUTHORITY'S WEBSITE NOT LESS THAN 20 DAYS BEFORE
23 THE DATE OF THE INFORMATIONAL MEETING. NOT LESS THAN 20 DAYS BEFORE
24 THE INFORMATIONAL MEETING, THE BOARD SHALL MAIL NOTICE OF THE
25 INFORMATIONAL MEETING TO THE GOVERNING BODY OF EACH TAXING
26 JURISDICTION LEVYING TAXES THAT ARE SUBJECT TO CAPTURE BY THE
27 AUTHORITY.

1 Sec. 13. (1) The city, village, township, school district, and
2 county treasurers shall transmit to the authority tax increment
3 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. Tax increment revenues in excess of
7 the estimated tax increment revenues or of the actual costs of the
8 plan to be paid by the tax increment revenues may be retained by
9 the authority only for purposes, that by resolution of the board,
10 are determined to further the development program in accordance
11 with the tax increment financing plan. The excess tax increment
12 revenues not so used shall revert proportionately to the respective
13 taxing jurisdictions. These revenues shall not be used to
14 circumvent existing property tax laws or a local charter that
15 provides a maximum authorized rate for the levy of property taxes.
16 The governing body may abolish the tax increment financing plan if
17 it finds that the purposes for which the plan was established are
18 accomplished. However, the tax increment financing plan may not be
19 abolished, **BE ALLOWED TO EXPIRE, OR OTHERWISE TERMINATE** until the
20 principal of and interest on bonds issued pursuant to section 14
21 have been paid or funds sufficient to make that payment have been
22 segregated and placed in an irrevocable trust for the benefit of
23 the holders of the bonds.

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

1 REPORT SHALL BE PUBLISHED IN A NEWSPAPER OF GENERAL CIRCULATION IN
2 THE MUNICIPALITY OR ON A WEBSITE OF THE AUTHORITY OR THE
3 MUNICIPALITY. The report shall include the following:

4 (a) The amount and source of tax increment revenues received.

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

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

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

10 (e) The initial assessed value of the eligible property.

11 (f) The captured assessed value of the eligible property
12 retained by the authority.

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

15 (G) THE TOTAL NEW PUBLIC INVESTMENT BY THE AUTHORITY IN EACH
16 AUTHORITY DISTRICT.

17 (H) THE TOTALS RECEIVED BY THE AUTHORITY OR CONTRIBUTIONS MADE
18 BY SPONSORSHIPS, CASH, AND IN-KIND SERVICES FOR EVENTS, PROGRAMS,
19 AND PROJECTS WITHIN EACH AUTHORITY DISTRICT.

20 (I) THE AMOUNTS OF ANY FUNDS OTHER THAN TAX INCREMENTS
21 REVENUES USED BY THE AUTHORITY FOR ANY PROJECTS OR ACTIVITIES IN
22 THE AUTHORITY DISTRICT.

23 (J) THE CURRENT ASSESSED VALUE OF THE DEVELOPMENT AREA.

24 (K) THE CAPTURED ASSESSED VALUE RETAINED BY THE AUTHORITY FOR
25 EACH TAXING JURISDICTION.

26 (l) THE AMOUNT OF TAX INCREMENT REVENUES USED FOR THE
27 OPERATION OF THE AUTHORITY.

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

3 (4) TAX INCREMENT REVENUES SHALL BE EXPENDED WITHIN 5 YEARS OF
4 THEIR RECEIPT. HOWEVER, TAX INCREMENT REVENUES MAY BE ACCUMULATED
5 FOR A PERIOD LONGER THAN 5 YEARS, PROVIDED THE TAX INCREMENT
6 FINANCING PLAN SPECIFICALLY PROVIDES FOR ALL OF THE FOLLOWING:

7 (A) THE REASONS FOR ACCUMULATING THOSE FUNDS.

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

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

10 Sec. 21. (1) The state tax commission may institute
11 proceedings to compel enforcement of this act AND MAY SEND WRITTEN
12 NOTIFICATION TO AN AUTHORITY FAILING TO COMPLY WITH THIS ACT AND
13 THE GOVERNING BODY OF THE MUNICIPALITY THAT ESTABLISHED THE
14 AUTHORITY OF A VIOLATION OF ANY PROVISION OF THIS ACT.

15 (2) IF THE STATE TAX COMMISSION NOTIFIES AN AUTHORITY IN
16 WRITING THAT THE AUTHORITY FAILED TO COMPLY WITH ANY PROVISION OF
17 THIS ACT, THAT AUTHORITY SHALL NOT CAPTURE ANY TAX INCREMENT
18 REVENUES THAT ARE IN EXCESS OF AMOUNTS NECESSARY TO PAY BONDED
19 INDEBTEDNESS OR OTHER OBLIGATIONS FOR THE PERIOD OF NONCOMPLIANCE
20 AS DETERMINED BY THE STATE TAX COMMISSION. ANY EXCESS FUNDS
21 CAPTURED SHALL BE RETURNED TO THE TAXING JURISDICTION FROM WHICH
22 THEY WERE CAPTURED AS PROVIDED IN SECTION 13(2).