

**HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 821**

A bill to create a metropolitan authority; to prescribe the powers, duties, and jurisdictions of the metropolitan authority; to prescribe the powers and duties of certain state officials; to levy, collect, and distribute a tax; and to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 1. This act shall be known and may be cited as the "local  
2 community stabilization authority act".

3       Sec. 3. (1) The legislature finds and declares all of the  
4 following:

5       (a) That there exists in this state a continuing need to  
6 strengthen and revitalize the economy of this state and to organize  
7 the activities of local government in metropolitan areas in a  
8 manner that reduces governmental barriers to economic growth,

1 facilitates economic development, helps small businesses grow,  
2 preserves communities and strengthens neighborhoods, prevents or  
3 reduces unemployment, and creates jobs.

4 (b) That under section 27 of article VII of the state  
5 constitution of 1963, the legislature may establish in metropolitan  
6 areas additional forms of government or authorities with power,  
7 duties, and jurisdictions as the legislature shall provide.

8 (c) That it is necessary and appropriate for the promotion of  
9 the health, safety, and welfare of the people of this state to  
10 enable the formation of metropolitan governments designed to  
11 perform multipurpose functions.

12 (d) That the formation of a metropolitan government under this  
13 act and the powers conferred by this act constitute a necessary  
14 program and serve a necessary public purpose.

15 (2) The purpose of this act is to do all of the following:

16 (a) Establish an authority to perform multipurpose functions  
17 in the metropolitan areas of this state.

18 (b) Promote the public health, safety, welfare, convenience,  
19 and prosperity of this state and its metropolitan areas.

20 (c) Modernize the tax system to help small businesses grow and  
21 create jobs in this state.

22 (d) Dedicate revenue for local purposes, including, but not  
23 limited to, police safety, fire protection, and ambulance emergency  
24 services.

25 Sec. 5. As used in this act:

26 (a) "Acquisition cost" means that term as defined in section 3  
27 of the state essential services assessment act multiplied by the

1 following percentages:

2 (i) For eligible personal property reported to the department  
3 and described in section 5(2)(a) of the state essential services  
4 assessment act, 100%.

5 (ii) For eligible personal property reported to the department  
6 and described in section 5(2)(b) of the state essential services  
7 assessment act, 52.1%.

8 (iii) For eligible personal property reported to the department  
9 and described in section 5(2)(c) of the state essential services  
10 assessment act, 37.5%.

11 (b) "Ambulance services" means patient transport services,  
12 nontransport prehospital life support services, and advanced life  
13 support, paramedic, and medical first-responder services.

14 (c) "Authority" means the local community stabilization  
15 authority, a metropolitan authority established under section 7.

16 (d) "Captured value" means 1 or more of the following:

17 (i) For a tax increment finance authority under the brownfield  
18 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,  
19 captured taxable value as determined in sections 2 and 7 of the  
20 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2652  
21 and 125.2657.

22 (ii) For a tax increment finance authority under 1975 PA 197,  
23 MCL 125.1651 to 125.1681, captured assessed value as defined in  
24 section 1 of 1975 PA 197, MCL 125.1651.

25 (iii) For a tax increment finance authority under the tax  
26 increment finance authority act, 1980 PA 450, MCL 125.1801 to  
27 125.1830, captured assessed value as defined in section 1 of the

1 tax increment finance authority act, 1980 PA 450, MCL 125.1801.

2 (iv) For a tax increment finance authority under the local  
3 development financing act, 1986 PA 281, MCL 125.2151 to 125.2174,  
4 captured assessed value as defined in section 2 of the local  
5 development financing act, 1986 PA 281, MCL 125.2152.

6 (v) For a tax increment finance authority under the historic  
7 neighborhood tax increment finance authority act, 2004 PA 530, MCL  
8 125.2841 to 125.2866, captured assessed value as defined in section  
9 2 of the historic neighborhood tax increment finance authority act,  
10 2004 PA 530, MCL 125.2842.

11 (vi) For a tax increment finance authority under the corridor  
12 improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899,  
13 captured assessed value as defined in section 2 of the corridor  
14 improvement authority act, 2005 PA 280, MCL 125.2872.

15 (vii) For a tax increment finance authority under the  
16 neighborhood improvement authority act, 2007 PA 61, MCL 125.2911 to  
17 125.2932, captured assessed value as defined in section 2 of the  
18 neighborhood improvement authority act, 2007 PA 61, MCL 125.2912.

19 (viii) For a tax increment finance authority under the water  
20 resource improvement tax increment finance authority act, 2008 PA  
21 94, MCL 125.1771 to 125.1793, captured assessed value as defined in  
22 section 2 of the water resource improvement tax increment finance  
23 authority act, 2008 PA 94, MCL 125.1772.

24 (ix) For a tax increment finance authority under the private  
25 investment infrastructure funding act, 2010 PA 250, MCL 125.1871 to  
26 125.1883, captured assessed value as defined in section 2 of the  
27 private investment infrastructure funding act, 2010 PA 250, MCL

1 125.1872.

2 (x) For a tax increment finance authority under the nonprofit  
3 street railway act, 1867 PA 35, MCL 472.1 to 472.27, captured  
4 assessed value as defined in section 23 of the nonprofit street  
5 railway act, 1867 PA 35, MCL 472.23.

6 (e) "Commercial personal property" means, except as otherwise  
7 provided in subparagraph (iii), all of the following:

8 (i) Personal property classified as commercial personal  
9 property under section 34c of the general property tax act, 1893 PA  
10 206, MCL 211.34c.

11 (ii) Personal property subject to the industrial facilities tax  
12 under section 14(1) or (4) of 1974 PA 198, MCL 207.564, that is  
13 sited on land classified as commercial real property under section  
14 34c of the general property tax act, 1893 PA 206, MCL 211.34c.

15 (iii) Commercial personal property does not include personal  
16 property that after 2012 was classified in the municipality where  
17 it is currently located as real property or utility personal  
18 property.

19 (f) "Council" means the council established for the authority  
20 under section 9.

21 (g) "Debt loss" means, for a municipality that is not a local  
22 school district, intermediate school district, or tax increment  
23 finance authority, the amount of ad valorem property taxes and any  
24 specific tax levied for the payment of principal and interest of  
25 obligations incurred before January 1, 2013 pledging the unlimited  
26 or limited taxing power of the municipality that are lost as a  
27 result of the exemption of industrial personal property and

1 commercial personal property under sections 9m, 9n, and 9o of the  
2 general property tax act, 1893 PA 206, MCL 211.9m, 211.9n, and  
3 211.9o.

4 (h) "Department" means the department of treasury.

5 (i) "Eligible personal property" means personal property  
6 described in section 3(e)(i), (iii), and (iv) of the state essential  
7 services assessment act.

8 (j) "Essential services" means all of the following:

9 (i) Ambulance services.

10 (ii) Fire services.

11 (iii) Police services.

12 (iv) Jail operations.

13 (v) The funding of pensions for personnel providing services  
14 described in subparagraphs (i) to (iv).

15 (k) "Fire services" means services in the prevention and  
16 suppression of fire, homeland security response, hazardous  
17 materials response, rescue, fire marshal, and medical first-  
18 responder services.

19 (l) "Fiscal year" means either an annual period that begins on  
20 October 1 and ends on September 30 or the fiscal year for the  
21 authority established by the council.

22 (m) "Increased captured value" means the anticipated increase  
23 in captured value for all industrial personal property and  
24 commercial personal property in a tax increment finance authority  
25 that would have occurred as a result of either the addition of  
26 personal property as part of a specific project or the expiration  
27 of an exemption under section 7k, 7ff, or 9f of the general

1 property tax act, 1893 PA 206, MCL 211.7k, 211.7ff, and 211.9f,  
2 after 2013 if the exemptions under section 9m, 9n, or 9o of the  
3 general property tax act, 1893 PA 206, MCL 211.9m, 211.9n, and  
4 211.9o, were not in effect. In order for an anticipated increase in  
5 captured value to qualify as increased captured value, the tax  
6 increment financing plan must have demonstrated before 2013 that  
7 the tax increment finance authority was relying on this anticipated  
8 increase in captured value to pay 1 or more qualified obligations  
9 by specifically projecting the anticipated increase in captured  
10 value that would be used to pay the qualified obligations and the  
11 plan must meet all of the following:

12 (i) The tax increment financing plan was fully approved by the  
13 governing body of the applicable local government not later than  
14 December 31, 2012. This does not prevent subsequent amendment to  
15 the tax increment financing plan, provided the amendment does not  
16 change the amount of any obligation under the plan, the scope of  
17 the project or projects described in the plan, or the time needed  
18 to repay any obligation.

19 (ii) If the tax increment financing plan is part of a  
20 brownfield plan under the brownfield redevelopment financing act,  
21 1996 PA 381, MCL 125.2651 to 125.2672, any needed work plans were  
22 also approved by the appropriate state agencies not later than  
23 December 31, 2012. This does not prevent subsequent amendment to a  
24 work plan, provided the amendment does not change the amount of any  
25 obligation under the plan, the scope of the project or projects  
26 described in the plan, or the time needed to repay any obligation.

27 (iii) The tax increment financing plan identifies a particular

1 site owner and site occupant that is engaged in industrial  
2 processing or direct integrated support, as defined in section 9m  
3 of the general property tax act, 1893 PA 206, MCL 211.9m. This does  
4 not preclude a change in the site owner or occupant, provided that  
5 change in the site owner or occupant did not result from a  
6 financial difficulty encountered during the construction and  
7 installation of the project and provided change in the site owner  
8 or occupant will not result in any change in the project.

9 (iv) The tax increment financing plan identifies a particular  
10 project on a specific parcel and that project includes the addition  
11 of particular personal property that is eligible manufacturing  
12 personal property, as defined in section 9m of the general property  
13 tax act, 1893 PA 206, MCL 211.9m, that is also identified in the  
14 tax increment financing plan.

15 (v) The personal property that is eligible manufacturing  
16 personal property, as defined in section 9m of the general property  
17 tax act, 1893 PA 206, MCL 211.9m, and is identified in the tax  
18 increment financing plan comprises not less than 20% of the true  
19 cash value of the improvements to be made as part of the specific  
20 project identified in the tax increment financing plan. The  
21 requirement under this subparagraph does not apply to the addition  
22 of personal property as a result of the expiration of an exemption  
23 under section 7k, 7ff, or 9f of the general property tax act, 1893  
24 PA 206, MCL 211.7k, 211.7ff, and 211.9f.

25 (vi) Before December 31, 2012, the specific project identified  
26 in the tax increment financing plan had obtained all necessary  
27 local zoning approvals, including any necessary rezoning, special



1 land use, and site plan approvals for that project.

2 (vii) Before December 31, 2012, orders had been placed and  
3 significant investments made in the personal property that is  
4 eligible manufacturing personal property, as defined in section 9m  
5 of the general property tax act, 1893 PA 206, MCL 211.9m, to be  
6 located on the site.

7 (n) "Increased value from expired tax exemptions" means the  
8 increase in taxable value subject to tax of industrial personal  
9 property and commercial personal property placed in service before  
10 2013 that would have occurred after 2013 if the exemptions under  
11 section 9m or 9n of the general property tax act, 1893 PA 206, MCL  
12 211.9m and 211.9n, were not in effect as a result of the expiration  
13 of an exemption under section 7k, 7ff, or 9f of the general  
14 property tax act, 1893 PA 206, MCL 211.7k, 211.7ff, and 211.9f,  
15 that had been in effect in 2013, assuming an exemption under  
16 section 7k of the general property tax act, 1893 PA 206, MCL  
17 211.7k, was not extended under section 11a of 1974 PA 198, MCL  
18 207.561a, and an exemption under section 9f of the general property  
19 tax act, 1893 PA 206, MCL 211.9f, was not extended under section  
20 9f(8) of the general property tax act, 1893 PA 206, MCL 211.9f.

21 (o) "Industrial personal property" means, except as otherwise  
22 provided in subparagraph (iii), all of the following:

23 (i) Personal property classified as industrial personal  
24 property under section 34c of the general property tax act, 1893 PA  
25 206, MCL 211.34c.

26 (ii) Personal property subject to the industrial facilities tax  
27 under section 14(1) or (4) of 1974 PA 198, MCL 207.564, that is

1   sited on land classified as industrial real property under section  
2   34c of the general property tax act, 1893 PA 206, MCL 211.34c.

3       (iii) Industrial personal property does not include personal  
4   property that after 2012 was classified in the municipality where  
5   it is currently located as real property or utility personal  
6   property.

7       (p) "Jail operations" means all of the following:

8       (i) The operation of a jail, holding cell, holding center, or  
9   lockup as those terms are defined in section 62 of the corrections  
10   code of 1953, 1953 PA 232, MCL 791.262.

11       (ii) The operation of a juvenile detention facility by a county  
12   juvenile agency as authorized under section 7 of the county  
13   juvenile agency act, 1998 PA 518, MCL 45.627.

14       (q) "Local community stabilization share" means that portion  
15   of the use tax levied by the authority and authorized under the use  
16   tax act, 1937 PA 94, MCL 205.91 to 205.111.

17       (r) "Municipality" includes, but is not limited to, the  
18   following:

19       (i) Counties.

20       (ii) Cities.

21       (iii) Villages.

22       (iv) Townships.

23       (v) Authorities, excluding an authority created under this  
24   act.

25       (vi) Local school districts.

26       (vii) Intermediate school districts.

27       (viii) Community college districts.

1 (ix) Libraries.

2 (x) Other local and intergovernmental taxing units.

3 (s) "Personal property exemption loss" means 1 of the  
4 following:

5 (i) For a municipality that is not a local school district,  
6 intermediate school district, or tax increment finance authority,  
7 the 2013 taxable value of commercial personal property and  
8 industrial personal property minus the current year taxable value  
9 of commercial personal property and industrial personal property  
10 and minus the small taxpayer exemption loss.

11 (ii) For a municipality that is a local school district,  
12 intermediate school district, or tax increment finance authority,  
13 the 2013 taxable value of commercial personal property and  
14 industrial personal property minus the current year taxable value  
15 of commercial personal property and industrial personal property.

16 (t) "Police services" means law enforcement services for the  
17 prevention and detection of crime, the enforcement of laws and  
18 ordinances, homeland security response, and medical first-responder  
19 services.

20 (u) "Qualified loss" means the amounts calculated under  
21 section 14(1) and (3) that are not distributed to the municipality  
22 under section 17(3)(a).

23 (v) "Qualified obligation" means a written promise to pay by a  
24 tax increment finance authority, whether evidenced by a contract,  
25 agreement, lease, sublease, bond, resolution promising repayment of  
26 an advance, or note, or a requirement to pay imposed by law. A  
27 qualified obligation does not include a payment required solely

1 because of default upon an obligation, employee salary, or  
2 consideration paid for the use of municipal offices. A qualified  
3 obligation does not include bonds that have been economically  
4 defeased by refunding.

5 (w) "School debt loss" means the amount of revenue lost from  
6 ad valorem property taxes specifically levied for the payment of  
7 principal and interest of obligations approved by the electors  
8 before January 1, 2013 or obligations pledging the unlimited taxing  
9 power of a local school district or intermediate school district  
10 incurred before January 1, 2013, as a result of the exemption of  
11 industrial personal property and commercial personal property under  
12 sections 9m, 9n, and 9o of the general property tax act, 1893 PA  
13 206, MCL 211.9m, 211.9n, and 211.9o.

14 (x) "School operating loss not reimbursed by the school aid  
15 fund" means the amount of revenue lost from ad valorem property  
16 taxes levied under section 1211 of the revised school code, 1976 PA  
17 451, MCL 380.1211, as a result of the exemption of industrial  
18 personal property and commercial personal property under sections  
19 9m, 9n, and 9o of the general property tax act, 1893 PA 206, MCL  
20 211.9m, 211.9n, and 211.9o, for mills other than basic school  
21 operating mills, as that term is defined in section 2c of the use  
22 tax act, 1937 PA 94, MCL 205.92c.

23 (y) "Small taxpayer exemption loss" means the 2013 taxable  
24 value of commercial personal property and industrial personal  
25 property minus the 2014 taxable value of commercial personal  
26 property and industrial personal property.

27 (z) "Specific tax" means a tax levied under any of the

1 following:

2 (i) 1974 PA 198, MCL 207.551 to 207.572.

3 (ii) The commercial redevelopment act, 1978 PA 255, MCL 207.651  
4 to 207.668.

5 (iii) The commercial rehabilitation act, 2005 PA 210, MCL  
6 207.841 to 207.856.

7 (aa) "Tax increment finance authority" means an authority  
8 created under 1 or more of the following:

9 (i) 1975 PA 197, MCL 125.1651 to 125.1681.

10 (ii) The tax increment finance authority act, 1980 PA 450, MCL  
11 125.1801 to 125.1830.

12 (iii) The local development financing act, 1986 PA 281, MCL  
13 125.2151 to 125.2174.

14 (iv) The brownfield redevelopment financing act, 1996 PA 381,  
15 MCL 125.2651 to 125.2672.

16 (v) The historic neighborhood tax increment finance authority  
17 act, 2004 PA 530, MCL 125.2841 to 125.2866.

18 (vi) The corridor improvement authority act, 2005 PA 280, MCL  
19 125.2871 to 125.2899.

20 (vii) The neighborhood improvement authority act, 2007 PA 61,  
21 MCL 125.2911 to 125.2932.

22 (viii) The water resource improvement tax increment finance  
23 authority act, 2008 PA 94, MCL 125.1771 to 125.1793.

24 (ix) The private investment infrastructure funding act, 2010 PA  
25 250, MCL 125.1871 to 125.1883.

26 (x) The nonprofit street railway act, 1867 PA 35, MCL 472.1 to  
27 472.27.

1 (bb) "Tax increment small taxpayer loss" means the amount of  
2 revenue lost by a municipality that is a tax increment finance  
3 authority due to the exemption provided by section 9o of the  
4 general property tax act, 1893 PA 206, MCL 211.9o.

5 (cc) "Taxable value" means all of the following:

6 (i) Except as otherwise provided in subparagraph (ii), that  
7 value determined under section 27a of the general property tax act,  
8 1893 PA 206, MCL 211.27a.

9 (ii) For real or personal property subject to the industrial  
10 facilities tax under section 14(3) or (4) of 1974 PA 198, MCL  
11 207.564, 50% of that value determined under section 27a of the  
12 general property tax act, 1893 PA 206, MCL 211.27a.

13 (dd) "Total qualified loss" means the total amount of  
14 qualified losses of all municipalities, as determined by the  
15 department.

16 (ee) "Utility personal property" means that term as described  
17 in section 34c of the general property tax act, 1893 PA 206, MCL  
18 211.34c.

19 Sec. 7. (1) The local community stabilization authority is  
20 established as a metropolitan government for the metropolitan areas  
21 of this state under section 27 of article VII of the state  
22 constitution of 1963. The authority is a public body corporate and  
23 a special authority. The authority is not an agency or  
24 instrumentality of state government.

25 (2) The property of the authority is public property devoted  
26 to an essential public and governmental purpose. Any income of the  
27 authority is for a public and governmental purpose.

1           (3) Property of the authority and its income, activities, and  
2 operations are exempt from all taxes and special assessments of  
3 this state or a political subdivision of this state. Property of  
4 the authority is exempt from any ad valorem property taxes levied  
5 under the general property tax act, 1893 PA 206, MCL 211.1 to  
6 211.155, or other law of this state authorizing the taxation of  
7 real or personal property. The authority is an entity of government  
8 for purposes of section 4a(1)(a) of the general sales tax act, 1933  
9 PA 167, MCL 205.54a, and section 4(1)(h) of the use tax act, 1937  
10 PA 94, MCL 205.94.

11           (4) The validity of the creation of the authority is presumed  
12 unless held invalid by the court of appeals in an original action  
13 filed in the court of appeals not later than 60 days after the  
14 establishment of the authority under this section. The court of  
15 appeals has original jurisdiction to hear an action under this  
16 subsection. The court shall hear the action in an expedited manner.

17           Sec. 9. (1) The authority council is established as the  
18 governing body of the authority. The powers, duties, functions, and  
19 responsibilities of the authority are vested in the council. The  
20 council shall consist of 5 residents of this state appointed by the  
21 governor. Not less than 3 members of the council shall be residents  
22 of separate metropolitan areas within this state. An officer or  
23 employee of this state may not serve as a member of the council.

24           (2) Of the members of the council initially appointed by the  
25 governor, 1 member shall be appointed for an initial term of 5  
26 years, 1 member shall be appointed for an initial term of 4 years,  
27 1 member shall be appointed for an initial term of 3 years, 1

1 member shall be appointed for an initial term of 2 years, and 1  
2 member shall be appointed for an initial term of 1 year. After the  
3 initial appointments, a member of the council shall be appointed  
4 for a term of 6 years. If a vacancy on the council occurs other  
5 than by expiration of a term, the vacancy shall be filled in the  
6 same manner as the original appointment for the balance of the  
7 unexpired term. A member of the council may continue to serve until  
8 a successor is appointed and qualified. The governor shall  
9 designate a member of the council to serve as its chairperson at  
10 the pleasure of the governor.

11 (3) An individual appointed as a member of the council shall  
12 take the oath of office as provided under section 1 of article XI  
13 of the state constitution of 1963.

14 (4) A member of the council shall serve without compensation  
15 but may be reimbursed by the authority for necessary travel and  
16 expenses to the extent not prohibited by law and consistent with a  
17 reimbursement policy adopted by the council.

18 (5) A member of the council shall discharge the duties of his  
19 or her position in a nonpartisan manner, in good faith, and with  
20 the degree of diligence, care, and skill that an ordinarily prudent  
21 person would exercise under similar circumstances in a like  
22 position. In discharging his or her duties, a member of the  
23 council, when acting in good faith, may rely upon any of the  
24 following:

25 (a) The opinion of legal counsel for the authority.

26 (b) The report of an independent appraiser selected by the  
27 council.



1 (c) Financial statements of the authority represented to the  
2 member of the council to be correct by the officer of the authority  
3 having charge of its books of account or stated in a written report  
4 by an auditor or a certified public accountant, or a firm of  
5 certified accountants, to reflect the financial condition of the  
6 authority.

7 (6) Within not more than 30 days following appointment of the  
8 initial members of the council, the council shall hold its first  
9 meeting at a date and time determined by the chairperson of the  
10 council. The council shall elect from among the members of the  
11 council an individual to serve as vice-chairperson of the council  
12 and secretary of the council and may elect other officers as the  
13 council considers necessary. All officers under this subsection  
14 shall be elected annually by the council.

15 (7) The council shall conduct its business at a public meeting  
16 held in compliance with the open meetings act, 1976 PA 267, MCL  
17 15.261 to 15.275. Public notice of the time, date, and place of the  
18 meeting shall be given in the manner required by the open meetings  
19 act, 1976 PA 267, MCL 15.261 to 15.275. The council shall adopt  
20 bylaws consistent with the open meetings act, 1976 PA 267, MCL  
21 15.261 to 15.275, governing its procedures and the holding of  
22 meetings. After organization, the council shall adopt a schedule of  
23 regular meetings and adopt a regular meeting date, place, and time.  
24 A special meeting of the council may be called by the chairperson  
25 of the council or as provided in bylaws adopted by the council.  
26 Notice of a special meeting shall be given in the manner required  
27 by the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

1       (8) The council shall keep a written or printed record of each  
2 meeting, which record and any other document or record prepared,  
3 owned, used, in the possession of, or retained by the authority in  
4 the performance of an official function shall be made available to  
5 the public in compliance with the freedom of information act, 1976  
6 PA 442, MCL 15.231 to 15.246.

7       (9) The council shall provide for a system of accounts for the  
8 authority to conform to a uniform system required by law and for  
9 the auditing of the accounts of the authority. The council shall  
10 obtain an annual audit of the authority by an independent certified  
11 public accountant and report on the audit and auditing procedures  
12 in the manner provided by sections 6 to 13 of the uniform budgeting  
13 and accounting act, 1968 PA 2, MCL 141.426 to 141.433. The audit  
14 also shall be in accordance with generally accepted government  
15 auditing standards.

16       (10) Before the beginning of each fiscal year, the council  
17 shall prepare a budget for the authority containing an itemized  
18 statement of the estimated expenses and revenue of the authority  
19 from all sources for the next fiscal year. Before final adoption of  
20 the budget, the council shall hold a public hearing as required by  
21 1963 (2nd Ex Sess) PA 43, MCL 141.411 to 141.415, and the open  
22 meetings act, 1976 PA 267, MCL 15.261 to 15.275. The council shall  
23 adopt a budget for the fiscal year in compliance with the uniform  
24 budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.

25       (11) The council shall adopt a procurement policy consistent  
26 with the requirements of state law relating to procurement. The  
27 procurement policy shall address all of the following:

1 (a) The purchase of, the contracting for, and the providing of  
2 supplies, materials, services, insurance, utilities, third-party  
3 financing, equipment, printing, and all other items as needed by  
4 the authority to efficiently and effectively meet the needs of the  
5 authority using competitive procurement methods to secure the best  
6 value for the authority.

7 (b) That the council shall make all discretionary decisions  
8 concerning the solicitation, award, amendment, cancellation, and  
9 appeal of authority contracts.

10 (c) Control, supervision, management, and oversight of each  
11 contract to which the authority is a party.

12 (d) Monitoring of contracts to assure the contract is being  
13 performed in compliance with the terms of the contract and  
14 applicable law.

15 (12) Members of the council are public servants subject to  
16 1968 PA 317, MCL 15.321 to 15.330, and are subject to any other  
17 applicable law with respect to conflicts of interest. The council  
18 shall establish policies and procedures requiring periodic  
19 disclosure of relationships which may give rise to conflicts of  
20 interest. The council shall require that a member of the council  
21 with a direct interest in any matter before the authority disclose  
22 the member's interest before the council takes any action with  
23 respect to the matter. The council shall establish an ethics manual  
24 for the authority governing authority business and the conduct of  
25 authority officers and employees. The authority shall establish  
26 policies that are no less stringent than those provided for public  
27 officers and employees by 1973 PA 196, MCL 15.341 to 15.348, and

1 coordinate efforts for the authority to preclude the opportunity  
2 for and the occurrence of transactions by the authority that would  
3 create a conflict of interest involving officers or employees of  
4 the authority. At a minimum, the policies shall include compliance  
5 by each officer or employee who regularly exercises significant  
6 discretion over the award and management of authority procurements  
7 with policies governing all of the following:

8 (a) Immediate disclosure of the existence and nature of any  
9 financial interest that could reasonably be expected to create a  
10 conflict of interest.

11 (b) Withdrawal by an officer or employee from participation in  
12 or discussion or evaluation of any recommendation or decision  
13 involving an authority procurement that would reasonably be  
14 expected to create a conflict of interest for that officer or  
15 employee.

16 (13) The governor may remove a member of the council from  
17 office for gross neglect of duty, corrupt conduct in office, or any  
18 other misfeasance or malfeasance in office.

19 Sec. 11. (1) The authority may exercise all of the following  
20 powers, duties, functions, and responsibilities:

21 (a) Powers, duties, functions, and responsibilities vested in  
22 the authority under the use tax act, 1937 PA 94, MCL 205.91 to  
23 205.111.

24 (b) Exercise the powers, duties, functions, and  
25 responsibilities vested in the authority or the metropolitan  
26 extension telecommunications rights-of-way oversight authority  
27 under this act or the metropolitan extension telecommunications

1 rights-of-way oversight act, 2002 PA 48, MCL 484.3101 to 484.3120,  
2 and other laws of this state. The authority may exercise the  
3 powers, duties, functions, and responsibilities under this  
4 subdivision through a director hired by the authority.

5 (2) When exercising the powers, duties, functions, and  
6 responsibilities vested in the authority under subsection (1), the  
7 authority may do 1 or more of the following:

8 (a) Establish and maintain an office.

9 (b) Adopt, amend, and repeal bylaws for the regulation of its  
10 affairs and the conduct of its business.

11 (c) Sue and be sued in its own name and plead and be  
12 impleaded.

13 (d) Solicit, receive, and accept gifts or grants from any  
14 public or private source.

15 (e) Employ personnel, contract for goods and services, and  
16 enter into agreements with other governmental entities.

17 (f) Establish 1 or more depositories for authority money and  
18 invest authority money under an investment policy consistent with  
19 this act and 1943 PA 20, MCL 129.91 to 129.97a.

20 (g) Acquire, hold, and dispose of interests in property.

21 (h) Incur indebtedness, but only in the manner and to the  
22 extent authorized by law.

23 (3) The powers, duties, functions, and responsibilities of the  
24 authority may be exercised throughout this state, including all the  
25 metropolitan areas of this state. The authority possesses the  
26 jurisdiction to exercise its functions on a statewide basis and may  
27 do other things and take other action necessary or convenient to

1 the exercise of the powers, duties, functions, and responsibilities  
2 of the authority under this section if they relate to the purposes  
3 and jurisdiction of the authority.

4 Sec. 12. (1) The authority has the exclusive power to levy the  
5 local community stabilization share under the use tax act, 1937 PA  
6 94, MCL 205.91 to 205.111. The authority is authorized to levy the  
7 local community stabilization share under the use tax act, 1937 PA  
8 94, MCL 205.91 to 205.111, and shall levy the local community  
9 stabilization share at the rate provide under section 3 of the use  
10 tax act, 1937 PA 94, MCL 205.93, but is not authorized to increase  
11 the rate of the local community stabilization share. The authority  
12 is not authorized to increase any other tax.

13 (2) The department shall administer under the use tax act,  
14 1937 PA 94, MCL 205.91 to 205.111, the receipt and collection of  
15 the local community stabilization share on behalf of the authority  
16 as an agent of the authority. The authority may enter into an  
17 agreement with the department relating to the receipt and  
18 collection of the local community stabilization share and the  
19 payment of the authority revenue generated by the local community  
20 stabilization share to the authority.

21 (3) Money generated by the local community stabilization share  
22 is money of the authority, not state funds, and shall not be  
23 credited to the state treasury as state funds.

24 Sec. 13. (1) Not later than June 5, 2014, the assessor for  
25 each city and township shall report to the county equalization  
26 director all of the following:

27 (a) The 2013 taxable value of commercial personal property and

1 industrial personal property for each municipality in the city or  
2 township.

3 (b) The 2014 taxable value of commercial personal property and  
4 industrial personal property for each municipality in the city or  
5 township.

6 (c) The small taxpayer exemption loss for each municipality in  
7 the city or township.

8 (2) Not later than June 20, 2014, the equalization director  
9 for each county shall report to the department the information  
10 described in subsection (1) for each municipality in the county.  
11 For each municipality levying a millage in more than 1 county, the  
12 county equalization director responsible for compiling the  
13 municipality's taxable value under section 34d of the general  
14 property tax act, 1893 PA 206, MCL 211.34d, shall compile the  
15 municipality's information described in subsection (1).

16 (3) Not later than June 5, 2016, and each June 5 thereafter,  
17 the assessor for each city and township shall report to the county  
18 equalization director the current year taxable value of commercial  
19 personal property and industrial personal property for each  
20 municipality in the city or township. Not later than June 20, 2016,  
21 and each June 20 thereafter, the equalization director for each  
22 county shall report to the department the current year taxable  
23 value of commercial personal property and industrial personal  
24 property for each municipality in the county. For each municipality  
25 levying a millage in more than 1 county, the county equalization  
26 director responsible for compiling the municipality's taxable value  
27 under section 34d of the general property tax act, 1893 PA 206, MCL

1 211.34d, shall compile the municipality's information described in  
2 this subsection.

3 (4) Not later than August 15, 2014, and each August 15  
4 thereafter, each municipality shall report to the department the  
5 millage rate levied or to be levied that year for a millage  
6 described in section 5(g) or (w) that is used to calculate an  
7 appropriation under section 17(1)(a) or a distribution under  
8 section 17(3)(a)(i). For 2014 and 2015, the rate of that millage  
9 shall be calculated using the sum of the municipality's taxable  
10 value and the municipality's small taxpayer exemption loss.  
11 Beginning in 2016 and each year thereafter, the rate of that  
12 millage shall be calculated using the sum of the municipality's  
13 taxable value and the municipality's personal property exemption  
14 loss. For 2014 and 2015, the department shall calculate each  
15 municipality's debt loss or school debt loss by multiplying the  
16 municipality's millage rate reported under this subsection by the  
17 municipality's small taxpayer exemption loss. Beginning in 2016 and  
18 each year thereafter, the department shall calculate each  
19 municipality's school debt loss by multiplying the municipality's  
20 millage rate reported under this subsection by the municipality's  
21 personal property exemption loss.

22 (5) The department shall calculate and make available to each  
23 municipality by May 1 of each year that municipality's sum of the  
24 lowest rate of each individual millage levied in the period between  
25 2012 and the year immediately preceding the current year. For a  
26 municipality, other than a municipality described in section 14,  
27 the calculation shall exclude debt millage. For an individual



1 millage rate not levied in 1 of the years, the lowest millage rate  
2 is zero. A millage used to make the calculations under this act  
3 must be levied against both real property and personal property.

4 (6) Not later than June 5, 2016, and each June 5 thereafter,  
5 the assessor for each city and township shall report to the county  
6 equalization director the increased value from expired tax  
7 exemptions for each municipality that is subject to section 14(2)  
8 and that levies taxes in the city or township. Not later than June  
9 20, 2016, and each June 20 thereafter, the equalization director  
10 for each county shall report to the department the increased value  
11 from expired tax exemptions for each municipality that is subject  
12 to section 14(2) and that levies taxes in the city or township. For  
13 each municipality subject to section 14(2) that levies a millage in  
14 more than 1 county, the county equalization director responsible  
15 for compiling the municipality's taxable value under section 34d of  
16 the general property tax act, 1893 PA 206, MCL 211.34d, shall  
17 compile the municipality's information described in this  
18 subsection.

19 Sec. 14. (1) Not later than August 15, 2016, and each August  
20 15 thereafter, for each municipality that is not a local school  
21 district, intermediate school district, or tax increment finance  
22 authority, the department shall do all of the following:

23 (a) Calculate the municipality's personal property exemption  
24 loss.

25 (b) Multiply the municipality's personal property exemption  
26 loss by the millage rates calculated under section 13(5).

27 (c) Adjust the amount calculated under subdivision (b) by the

1 amount required to reflect the final order of a court or body of  
2 competent jurisdiction related to any prior year calculation under  
3 this subsection. An adjustment under this subdivision shall only be  
4 made for municipalities for which changes in prior year taxable  
5 values can be calculated from taxable values reported under section  
6 151(1) of the state school aid act of 1979, 1979 PA 94, MCL  
7 388.1751.

8 (d) Adjust the amount calculated under subdivision (b), as  
9 adjusted by subdivision (c), by the amount calculated under section  
10 16a(2) for captured taxes levied by the municipality not including  
11 taxes attributable to increased captured value.

12 (2) Not later than August 15, 2016, and each August 15  
13 thereafter, for each municipality that is a county, township,  
14 village, city, or authority that provides essential services, the  
15 department shall do all of the following:

16 (a) Add to the amount calculated under subsection (1)(a) any  
17 increased value from expired tax exemptions for the current year.

18 (b) Subtract from the amount calculated under subdivision (a)  
19 the amount calculated under section 16a(2)(b) for the municipality,  
20 not including any amount attributable to increased captured value.

21 (c) Multiply the result of the calculation in subdivision (b)  
22 by the millage rate calculated under section 13(5) for general  
23 operating millage.

24 (d) Multiply the result of the calculation in subdivision (c)  
25 by the percentage of the municipality's general operating millage  
26 used to fund the cost of essential services in the municipality's  
27 fiscal year ending in 2012. Each municipality's comprehensive

1 annual financial report for the municipality's fiscal year ending  
2 in 2014 must include a calculation of the municipality's percentage  
3 of general operating revenues used to fund essential services in  
4 the municipality's fiscal year ending in 2012.

5 (e) Add to the result of the calculation in subdivision (d) an  
6 amount calculated by multiplying the amount calculated under  
7 subsection (2)(b) by the millage rates calculated under section  
8 13(5) that are dedicated solely for the cost of essential services  
9 levied on industrial personal property and commercial personal  
10 property. A millage levied to fund a pension under the fire  
11 fighters and police officers retirement act, 1937 PA 345, MCL  
12 38.551 to 38.562, is dedicated solely for the cost of essential  
13 services.

14 (3) Not later than August 15, 2016, for each municipality that  
15 is a city, the department shall do all of the following:

16 (a) Calculate the municipality's small taxpayer exemption  
17 loss.

18 (b) Multiply the amount calculated under subdivision (a) by  
19 the millage rates calculated under section 13(5) for 2014.

20 (c) Multiply the amount calculated under subdivision (a) by  
21 the millage rates calculated under section 13(5) for 2015.

22 (d) Add the amounts calculated under subdivisions (b) and (c).

23 (e) Subtract from the amount calculated under subdivision (d)  
24 the sum of the municipality's debt loss for 2014 and 2015.

25 (f) Subtract from the amount calculated under subdivision (e)  
26 the amount of any tax increment small taxpayer loss for captured  
27 taxes levied by the municipality in 2014 and 2015.

1 (4) Not later than August 15, 2016, and each August 15  
2 thereafter, for each municipality that is not a local school  
3 district, intermediate school district, or tax increment finance  
4 authority, the department shall do all of the following:

5 (a) Calculate the municipality's small taxpayer exemption  
6 loss.

7 (b) Multiply the municipality's small taxpayer exemption loss  
8 by the millage rates calculated under section 13(5).

9 (c) Adjust the amount calculated under subdivision (b) by the  
10 amount required to reflect the final order of a court or body of  
11 competent jurisdiction related to any prior year calculation under  
12 this subsection. An adjustment under this subdivision shall only be  
13 made for municipalities for which changes in prior year taxable  
14 values can be calculated from taxable values reported under section  
15 151(1) of the state school aid act of 1979, 1979 PA 94, MCL  
16 388.1751.

17 (d) Adjust the amount calculated under subdivision (b), as  
18 adjusted by subdivision (c), by the amount calculated under section  
19 16a(2) for captured taxes levied by the municipality not including  
20 taxes attributable to increased captured value. The adjustment  
21 under this subdivision shall only be made to the extent that the  
22 adjustment made under subsection (1)(d) did not fully account for  
23 all captured taxes levied by the municipality not including taxes  
24 attributable to increased captured value.

25 Sec. 15. Not later than August 15, 2016, and each August 15  
26 thereafter, for each municipality that is a local school district,  
27 the department shall do all of the following:

1 (a) Calculate the municipality's personal property exemption  
2 loss.

3 (b) Multiply the result of the calculation in subdivision (a)  
4 by the sum of the lowest rate of each individual millage levied  
5 under section 1212 of the revised school code, 1976 PA 451, MCL  
6 380.1212, and section 2 of 1917 PA 156, MCL 123.52, levied by that  
7 municipality in the period between 2012 and the year immediately  
8 preceding the current year. For an individual millage rate not  
9 levied in 1 of the years, the lowest millage rate is zero.

10 (c) Adjust the amount calculated under subdivision (b) by the  
11 amount required to reflect the final order of a court or body of  
12 competent jurisdiction related to any prior year calculation under  
13 this section.

14 (d) Subtract from the result of the calculation in subdivision  
15 (b), as adjusted by subdivision (c), the amount calculated under  
16 section 16a(2) for captured taxes levied by the municipality under  
17 section 1212 of the revised school code, 1976 PA 451, MCL 380.1212,  
18 and section 2 of 1917 PA 156, MCL 123.52, not including taxes  
19 attributable to increased captured value.

20 Sec. 16. Not later than August 15, 2016, and each August 15  
21 thereafter, for each municipality that is an intermediate school  
22 district, the department shall do all of the following:

23 (a) Calculate the municipality's personal property exemption  
24 loss.

25 (b) Multiply the result of the calculation in subdivision (a)  
26 by the millage rates calculated under section 13(5).

27 (c) Adjust the amount calculated under subdivision (b) by the

1 amount required to reflect the final order of a court or body of  
2 competent jurisdiction related to any prior year calculation under  
3 this section.

4 (d) Subtract from the result of the calculation in subdivision  
5 (b), as adjusted by subdivision (c), the amount calculated under  
6 section 16a(2) for captured taxes levied by that municipality not  
7 including taxes attributable to increased captured value.

8 Sec. 16a. (1) Not later than June 15, 2014 and June 15, 2015,  
9 each municipality that is a tax increment finance authority shall  
10 calculate and report to the department the municipality's tax  
11 increment small taxpayer loss for the current calendar year.

12 (2) Not later than June 15, 2016, and each June 15 thereafter,  
13 each municipality that is a tax increment finance authority shall  
14 do all of the following for each of its tax increment financing  
15 plans:

16 (a) Calculate the total captured value of all industrial  
17 personal property and commercial personal property in the  
18 municipality that is a tax increment finance authority in 2013 and  
19 add any increased captured value for the current year.

20 (b) From the amount calculated in subdivision (a), subtract  
21 the total captured value of all industrial personal property and  
22 commercial personal property in the municipality that is a tax  
23 increment finance authority in the current year. If the resulting  
24 amount, when added to the taxable value of all property within the  
25 tax increment finance authority in the current year, would result  
26 in a captured value for all property within the tax increment  
27 finance authority that is less than the resulting amount, then this

1 captured value shall be used instead of the resulting amount.

2 (c) Multiply the result of the calculation in subdivision (b)  
3 by the sum of the lowest rate of each individual millage levied in  
4 the period between 2012 and the year immediately preceding the  
5 current year, to the extent the millage is subject to capture by  
6 that tax increment finance authority. For an individual millage  
7 rate not levied in 1 of the years, the lowest millage rate is zero.  
8 A millage used to make the calculation under this subdivision must  
9 be eligible to be levied against both real property and personal  
10 property.

11 (d) Adjust the amount calculated under subdivision (c) by the  
12 amount required to reflect the final order of a court or body of  
13 competent jurisdiction related to any prior year calculation under  
14 this section.

15 (e) For an obligation refinanced after 2012, estimate for the  
16 term of the obligation:

17 (i) The cumulative school district operating tax and state  
18 education tax that would have been captured to repay the obligation  
19 had the obligation not been refinanced.

20 (ii) The cumulative amount calculated under subdivision (c), as  
21 adjusted by subdivision (d), for school district operating tax and  
22 state education tax for the obligation had it not been refinanced.

23 (f) Once the amount included in subdivision (c), as adjusted  
24 by subdivision (d), for the current and prior years for school  
25 operating tax and state education tax for the refinanced obligation  
26 equals the amount estimated in subdivision (e)(ii), subtract from  
27 the amount calculated under subdivision (c), as adjusted by

1 subdivision (d), the amount calculated under subdivision (c), as  
2 adjusted by subdivision (d), for school district operating tax and  
3 state education tax for the refinanced obligation.

4 (g) Once the amount of school district operating tax and state  
5 education tax captured for the current and prior years to pay the  
6 refinanced obligation equals the amount estimated under subdivision  
7 (e)(i), subtract from the amount calculated in subdivision (c), as  
8 adjusted by subdivision (d), the amount of school operating tax and  
9 state education tax captured to repay the refinanced obligation.

10 (3) Not later than June 15, 2016, and each June 15 thereafter,  
11 each municipality that is a tax increment finance authority shall  
12 report to the department the results of the calculations under  
13 subsection (2) for each tax increment financing plan.

14 Sec. 16b. (1) Each municipality that is a tax increment  
15 finance authority shall report to the department the calculation  
16 required under section 16a on a form and in a manner prescribed by  
17 the department.

18 (2) If a municipality that is a tax increment finance  
19 authority fails to make the calculation and report it to the  
20 department by the date provided in section 16a, the department may  
21 extend the calculation and reporting date upon good cause as  
22 determined by the department.

23 (3) The department shall exclude from the calculations under  
24 sections 14, 15, and 16 the taxable value of property exempt under  
25 section 7ff of the general property tax act, 1893 PA 206, MCL  
26 211.7ff, for millages subject to the exemption.

27 Sec. 17. (1) The legislature shall appropriate funds for all



1 of the following purposes:

2 (a) For fiscal year 2014-2015 and fiscal year 2015-2016, to  
3 the authority, an amount equal to all debt loss for municipalities  
4 that are not a local school district, intermediate school district,  
5 or tax increment finance authority, an amount equal to all school  
6 debt loss for municipalities that are a local school district or  
7 intermediate school district, and an amount equal to all tax  
8 increment small taxpayer loss for municipalities that are a tax  
9 increment finance authority.

10 (b) Beginning in fiscal year 2014-2015 and each fiscal year  
11 thereafter, an amount equal to the necessary expenses incurred by  
12 the authority and the department in implementing this act.

13 (2) In fiscal year 2014-2015 and fiscal year 2015-2016, the  
14 authority shall distribute to municipalities those funds  
15 appropriated under subsection (1)(a). However, in fiscal year 2014-  
16 2015, if the authority is not able to make the distribution under  
17 this subsection, the department shall make the distribution under  
18 this subsection on behalf of the authority.

19 (3) Beginning in fiscal year 2015-2016, the authority shall  
20 distribute local community stabilization share revenue as follows  
21 in the following order of priority:

22 (a) The authority shall distribute to each municipality an  
23 amount equal to all of the following:

24 (i) 100% of that municipality's school debt loss in the current  
25 year and 100% of its amount calculated under section 15.

26 (ii) 100% of that municipality's amount calculated under  
27 section 16.

1           (iii) 100% of that municipality's school operating loss not  
2 reimbursed by the school aid fund in the current year.

3           (iv) 100% of the amount calculated in section 14(2). However,  
4 the amount distributed to a municipality under this subparagraph  
5 shall not exceed the amount calculated in section 14(1)(d). All  
6 distributions under this subparagraph shall be used to fund  
7 essential services.

8           (v) For a municipality that is a tax increment finance  
9 authority, 100% of its amount calculated under section 16a(2).

10          (vi) 100% of that municipality's amount calculated under  
11 section 14(4).

12          (b) Beginning in fiscal year 2019-2020, after the  
13 distributions under subdivision (a), and subject to subparagraph  
14 (viii), the authority shall distribute 5% of the remaining balance of  
15 the local community stabilization share fund for the current fiscal  
16 year to each municipality that is not a local school district,  
17 intermediate school district, or tax increment finance authority in  
18 an amount determined as follows:

19           (i) Calculate the total acquisition cost of all eligible  
20 personal property in the municipality.

21           (ii) Multiply the result of the calculation in subparagraph (i)  
22 by the sum of the lowest rate of each individual millage levied by  
23 the municipality in the period between 2012 and the year  
24 immediately preceding the current year that is not used to  
25 calculate a distribution under subdivision (a). For an individual  
26 millage rate not levied in 1 of the years, the lowest millage rate  
27 is zero. A millage used to make the calculation under this

1   subparagraph must be eligible to be levied against both real  
2   property and personal property.

3       (iii) Divide the sum of the amounts calculated under  
4   subparagraph (ii) for all municipalities subject to the calculation  
5   by total qualified loss.

6       (iv) Multiply the result of the calculation in subparagraph (iii)  
7   by the amount calculated under section 16a(2) for captured taxes  
8   levied by the municipality not including taxes attributable to  
9   increased captured value.

10      (v) Subtract from the amount calculated under subparagraph (ii)  
11   the amount calculated under subparagraph (iv).

12      (vi) Divide the result of the calculation in subparagraph (v)  
13   by the sum of the calculation under subparagraph (v) for all  
14   municipalities.

15      (vii) Multiply the result of the calculation in subparagraph  
16   (vi) by the amount to be distributed under this subdivision.

17      (viii) For fiscal year 2020-2021, and each fiscal year  
18   thereafter, the percentage amount described in this subdivision  
19   shall be increased an additional 5% each year, not to exceed 100%.

20      (c) After the distributions in subdivisions (a) and (b), the  
21   authority shall distribute the remaining balance of that fiscal  
22   year's local community stabilization share fund to each  
23   municipality in an amount determined by multiplying the remaining  
24   balance by a fraction, the numerator of which is that  
25   municipality's qualified loss and the denominator of which is the  
26   total qualified loss.

27      (4) The authority shall make the payments required by

1 subsection (3) not later than on the following dates:

2 (a) For county allocated millage, September 20 of the year the  
3 millage is levied.

4 (b) For county extra-voted millage, township millage, and  
5 other millages levied 100% in December of a year, February 20 of  
6 the following year.

7 (c) For other millages, October 20 of the year the millage is  
8 levied.

9 (5) If the authority has insufficient funds to make the  
10 payments on the dates required in subsection (4), the department  
11 shall advance to the authority the amount necessary for the  
12 authority to make the required payments. The authority shall repay  
13 the advance to the department from the local community  
14 stabilization share.

15 Sec. 18. (1) Beginning in fiscal year 2015-2016, and each  
16 fiscal year thereafter, the department shall determine the amount  
17 of the distributions under this act.

18 (2) Each municipality shall submit to the department  
19 sufficient information for the department to make its calculations  
20 under this act, as determined by the department.

21 Sec. 19. (1) A local unit of government may issue bonds or  
22 other obligations in anticipation of the distribution of local  
23 community stabilization share revenue under section 17(3)(a)(iv).

24 (2) Bonds or other obligations issued under this section are  
25 subject to the revised municipal finance act, 2001 PA 34, MCL  
26 141.2101 to 141.2821.

27 (3) If authorized by a majority vote of the qualified electors

1 of the local unit of government, the local unit of  
2 government may, at the time of issuance, pledge the full faith and  
3 credit of the local unit of government for the payment of bonds or  
4 other obligations issued under this section.

5       Sec. 20. From the amount of local community stabilization  
6 share revenue distributed under section 17(3)(a)(iv), a municipality  
7 shall first replace the amount of ad valorem property taxes used  
8 for the payment of principal and interest of essential services  
9 obligations incurred before 2013 pledging the unlimited or limited  
10 taxing power of the municipality that are lost from the exemptions  
11 provided by sections 9m, 9n, and 9o of the general property tax  
12 act, 1893 PA 206, MCL 211.9m, 211.9n, and 211.9o. A municipality  
13 shall not receive distributions under section 17(3)(a)(iv) if it has  
14 increased a millage rate without voter approval in order to replace  
15 lost property taxes that would otherwise be reimbursed under  
16 section 17(3)(a)(iv) that were repaying essential service  
17 obligations incurred before 2013 pledging the unlimited or limited  
18 taxing power of the municipality and that were lost as a result of  
19 the exemptions provided by sections 9m, 9n, and 9o of the general  
20 property tax act, 1893 PA 206, MCL 211.9m, 211.9n, and 211.9o.

21       Sec. 21. From the amount received under section 17, a  
22 municipality shall first replace debt loss or school debt loss, as  
23 applicable. A municipality shall not receive a distribution under  
24 this act if it has increased its millage rate without voter  
25 approval to replace debt loss or school debt loss, as applicable,  
26 that otherwise would be reimbursed under this act.

27       Sec. 22. This act shall be construed to effectuate the

1 legislative intent and the purposes of this act as complete and  
2 independent authorization for the performance of each and every act  
3 and thing authorized in the act, and all powers granted in this act  
4 shall be broadly interpreted to effectuate the intent and purposes  
5 of this act and not as to limitation of powers.

6 Enacting section 1. The Michigan metropolitan areas  
7 metropolitan authority act, 2012 PA 407, MCL 123.1311 to 123.1330,  
8 is repealed.

9 Enacting section 2. This act does not take effect unless  
10 Senate Bill No. 822 of the 97th Legislature is approved by a  
11 majority of the qualified electors of this state voting on the  
12 question at an election to be held on the August regular election  
13 date in 2014.

14 Enacting section 3. If Senate Bill No. 822 of the 97th  
15 Legislature is not approved by the majority of the qualified  
16 electors of this state voting on the question at an election to be  
17 held on the August regular election in 2014, for fiscal year 2014-  
18 2015, the legislature shall appropriate an amount sufficient to  
19 make the appropriation described in section 17(1)(a) for fiscal  
20 year 2014-2015.