

# HOUSE BILL No. 5460

January 29, 1992, Introduced by Reps. Berman, Dobb, Kosteva and Bandstra and referred to the Committee on Taxation.

A bill to amend section 2 of Act No. 281 of the Public Acts of 1986, entitled "The local development financing act," as amended by Act No. 101 of the Public Acts of 1991, being section 125.2152 of the Michigan Compiled Laws.

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

1 Section 1. Section 2 of Act No. 281 of the Public Acts of  
2 1986, as amended by Act No. 101 of the Public Acts of 1991, being  
3 section 125.2152 of the Michigan Compiled Laws, is amended to  
4 read as follows:

5 Sec. 2. As used in this act:

6 (a) "Authority" means a local development finance authority  
7 created pursuant to this act.

8 (b) "Authority district" means an area or areas within which  
9 an authority exercises its powers.

1 (c) "Board" means the governing body of an authority.

2 (d) "Certified industrial park" means an area of land desig-  
3 nated by the department of commerce as meeting all of the follow-  
4 ing requirements:

5 (i) It contains not less than 40 acres of land.

6 (ii) It is zoned exclusively for use for eligible property.

7 (iii) It has a site plan or plat approved by the city, vil-  
8 lage, or township in which the land is located.

9 (iv) The developer of the land agrees to comply with other  
10 requirements, not inconsistent with subparagraphs (i) to (iii),  
11 imposed upon property classified as a certified industrial park  
12 by the department of commerce under the certified industrial park  
13 program. Compliance with these other requirements is not a pre-  
14 requisite to meeting the requirement of this subparagraph.

15 (e) "Chief executive officer" means the mayor or city man-  
16 ager of a city, the president of a village, or, for other local  
17 units of government or school districts, the person charged by  
18 law with the supervision of the functions of the local unit of  
19 government or school district.

20 (f) "Development plan" means that information and those  
21 requirements for a development set forth in section 15.

22 (g) "Development program" means the implementation of a  
23 development plan.

24 (h) "Eligible property" means land improvements, buildings,  
25 structures, and other real property, and machinery, equipment,  
26 furniture, and fixtures, or any part or accessory thereof whether  
27 completed or in the process of construction comprising an

1 integrated whole, located within an authority district, of which  
2 the primary purpose and use is 1 of the following:

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

5 (ii) Agricultural processing.

6 (iii) A high technology activity that has as its primary  
7 purpose research, product development, engineering, laboratory  
8 testing, or development of industrial technology. This subpara-  
9 graph ~~does not apply after December 31, 1991~~ APPLIES ONLY TO  
10 ELIGIBLE PROPERTY FOR WHICH A TAX INCREMENT FINANCING PLAN OR  
11 DEVELOPMENT PLAN IS ADOPTED AND BONDS ARE ISSUED UNDER THIS ACT  
12 BEFORE JANUARY 1, 1992.

13 (iv) The production of energy by the processing of goods or  
14 materials by physical or chemical change by a small power produc-  
15 tion facility as defined by the federal energy regulatory commis-  
16 sion pursuant to the public utility regulatory policies act of  
17 1978, Public Law 95-617, 92 Stat. 3117, which is fueled primarily  
18 by biomass or wood waste. This act does not affect a person's  
19 rights or liabilities under law with respect to groundwater con-  
20 tamination described in this subparagraph. This subparagraph  
21 applies only if all of the following requirements are met:

22 (A) Tax increment revenues captured from the eligible prop-  
23 erty will be used to finance, or will be pledged for debt service  
24 on tax increment bonds used to finance, a public facility in or  
25 near the authority district designed to reduce, eliminate, or  
26 prevent the spread of identified soil and groundwater  
27 contamination, pursuant to law.

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

5 (C) The municipality that created the authority establishes  
6 a special assessment district whereby not less than 50% of the  
7 operating expenses of the public facility described in this sub-  
8 paragraph will be paid for by special assessments. Not less than  
9 50% of the amount specially assessed against all parcels in the  
10 special assessment district shall be assessed against parcels  
11 owned by parties potentially responsible for the identified  
12 groundwater contamination pursuant to law.

13 (i) "Governing body" means the elected body having legisla-  
14 tive powers of a municipality creating an authority under this  
15 act.

16 (j) "Municipality" means a city, village, or urban  
17 township.

18 (k) "Public facility" means 1 or more of the following:

19 (i) A street, road, bridge, sewer, sewage treatment facili-  
20 ty, facility designed to reduce, eliminate, or prevent the spread  
21 of identified soil or groundwater contamination, drainage system,  
22 waterway, waterline, water storage facility, rail line, utility  
23 line or pipeline, or other similar or related structure or  
24 improvement, together with necessary easements for the structure  
25 or improvement, owned or used by a public agency or functionally  
26 connected to similar or supporting facilities owned or used by a  
27 public agency, or designed and dedicated to use by, for the

1 benefit of, or for the protection of the health, welfare, or  
2 safety of the public generally, whether or not used by a single  
3 business entity, provided that any road, street, or bridge shall  
4 be continuously open to public access and that other facilities  
5 shall be located in public easements or rights-of-way and sized  
6 to accommodate reasonably foreseeable development of eligible  
7 property in adjoining areas.

8       (ii) The acquisition and disposal of real and personal prop-  
9 erty or an interest in that property, demolition of structures,  
10 site preparation, relocation costs, building rehabilitation, and  
11 all administrative costs related to a public facility, including,  
12 but not limited to, architect's, engineer's, legal, and account-  
13 ing fees as contained in the resolution establishing the  
14 district's development plan.

15       (iii) An improvement to a facility used by the public or a  
16 public facility as those terms are defined in section 1 of Act  
17 No. 1 of the Public Acts of 1966, being section 125.1351 of the  
18 Michigan Compiled Laws, which improvement is made to comply with  
19 the barrier free design requirements of the state construction  
20 code promulgated under the state construction code act of 1972,  
21 Act No. 230 of the Public Acts of 1972, being sections 125.1501  
22 to 125.1531 of the Michigan Compiled Laws.

23       (4) "Urban township" means a township that meets all of the  
24 following requirements:

25       (i) Has a population of 20,000 or more, or has a population  
26 of 10,000 or more but is located in a county with a population of  
27 400,000 or more.

- 1        *(ii)* Adopted a master zoning plan before February 1, 1987.
- 2        *(iii)* Provides sewer, water, and other public services to
- 3 all or a part of the township.