



HOUSE BILL No. 4284

February 17, 1993, Introduced by Reps. Pitoniak, Dalman, Bobier, Gubow, Nye, Jondahl, Munsell, O'Neill, Oxender, Sikkema, Keith, Dobb, Gilmer, Weeks, Martin, Bender, Horton, Byrum, Emerson, Middleton, DeMars, Hoffman, Agee, Profit, Scott, Alley, Brown, Baade, Yokich, Stille, Hollister, Owen, Dolan, Wetters, Leland, DeLange, Harder, Walberg, Shepich, Curtis, Gernaat and Gire and referred to the Committee on Taxation.

A bill to amend section 15 of Act No. 197 of the Public Acts of 1975, entitled as amended

"An act to provide for the establishment of a downtown development authority; to prescribe its powers and duties; to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans in the districts; to promote the economic growth of the districts; to create a board; to prescribe its powers and duties; to authorize the levy and collection of taxes; to authorize the issuance of bonds and other evidences of indebtedness; to authorize the use of tax increment financing; and to prescribe the powers and duties of certain state officials,"

as amended by Act No. 279 of the Public Acts of 1992, being section 125.1665 of the Michigan Compiled Laws; and to add section 13b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 15 of Act No. 197 of the Public Acts of
2 1975, as amended by Act No. 279 of the Public Acts of 1992, being

1 section 125.1665 of the Michigan Compiled Laws, is amended and
2 section 13b is added to read as follows:

3 SEC. 13B. THE LEGISLATURE SHALL PROVIDE THAT BONDS OR NOTES
4 ISSUED UNDER THIS ACT BEFORE FEBRUARY 1, 1993 OR ISSUED UNDER
5 THIS ACT AFTER JANUARY 31, 1993 PURSUANT TO AN AUTHORIZING RESO-
6 LUTION ADOPTED BEFORE FEBRUARY 1, 1993 OR THAT CONTRACTS ENTERED
7 INTO BEFORE FEBRUARY 1, 1993 BY THE AUTHORITY UNDER THIS ACT ARE
8 NOT IMPAIRED BY A REDUCTION IN SCHOOL OPERATING TAXES RESULTING
9 FROM THE IMPOSITION OF THE LIMITATION ON THE RATE OF SCHOOL OPER-
10 ATING TAXES UNDER SECTION 1211 OF THE SCHOOL CODE OF 1976, ACT
11 NO. 451 OF THE PUBLIC ACTS OF 1976, BEING SECTION 380.1211 OF THE
12 MICHIGAN COMPILED LAWS.

13 Sec. 15. (1) The amount of tax increment to be transmitted
14 to the authority by the municipal and county treasurers shall be
15 that portion of the tax levy of all taxing bodies paid each year
16 on real and personal property in a development area on the cap-
17 tured assessed value. For the purpose of this section, that por-
18 tion of a specific local tax that is attributable to the captured
19 assessed value of the facility shall be included as a part of the
20 tax increment to be transmitted to the authority. THE TAX INCRE-
21 MENT TRANSMITTED TO THE AUTHORITY SHALL NOT INCLUDE TAXES LEVIED
22 PURSUANT TO THE EDUCATION FINANCE AUTHORITY ACT.

23 (2) The authority shall expend the tax increments received
24 for the development program only pursuant to the tax increment
25 financing plan. Surplus funds shall revert proportionately to
26 the respective taxing bodies. These revenues shall not be used
27 to circumvent existing property tax limitations. The governing

1 body of the municipality may abolish the tax increment financing
2 plan when it finds that the purposes for which it was established
3 are accomplished. However, the tax increment financing plan
4 shall not be abolished until the principal of, and interest on,
5 bonds issued pursuant to section 16 have been paid or funds suf-
6 ficient to make the payment have been segregated.

7 (3) Annually the authority shall submit to the governing
8 body of the municipality and the state tax commission a report on
9 the status of the tax increment financing account. The report
10 shall be published in a newspaper of general circulation in the
11 municipality and shall include the following:

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

13 (b) The amount and purpose of expenditures from the
14 account.

15 (c) The amount of principal and interest on any outstanding
16 bonded indebtedness.

17 (d) The initial assessed value of the project area.

18 (e) The captured assessed value retained by the authority.

19 (f) The tax increments received.

20 (g) Any additional information the governing body or the
21 state tax commission considers necessary.

22 Section 2. This amendatory act shall not take effect unless
23 all of the following bills of the 87th Legislature are enacted
24 into law:

25 (a) Senate Bill No. _____ or House Bill No. 4277 (request
26 no. 02189'93).

1 (b) Senate Bill No. _____ or House Bill No. 4280 (request
2 no. 02189'93a)

3 (c) Senate Bill No. _____ or House Bill No. 4279 (request
4 no. 02192'93).

5 (d) Senate Bill No. _____ or House Bill No. 4282 (request
6 no. 02193'93).

7 (e) Senate Bill No. _____ or House Bill No. 4278 (request
8 no. 02194'93).

9 (f) Senate Bill No. _____ or House Bill No. 4281 (request
10 no. 02196'93).

11 (g) Senate Bill No. _____ or House Bill No. 4283 (request
12 no. 02197'93*).

13 (h) Senate Bill No. _____ or House Bill No. 4286 (request
14 no. 02198'93).

15 (i) Senate Bill No. _____ or House Bill No. 4285 (request
16 no. 02199'93).

17 Section 3. This amendatory act shall not take effect unless
18 Senate Joint Resolution _____ or House Joint Resolution G
19 (request no. 02190'93*) of the 87th Legislature is submitted to
20 the qualified electors of the state for approval as provided in
21 section 1 of article XII of the state constitution of 1963.