



# HOUSE BILL No. 4285

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

A bill to amend section 14 of Act No. 450 of the Public Acts of 1980, entitled as amended

"The tax increment finance authority act,"

as amended by Act No. 420 of the Public Acts of 1988, being section 125.1814 of the Michigan Compiled Laws; and to add section 12a.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 14 of Act No. 450 of the Public Acts of  
2 1980, as amended by Act No. 420 of the Public Acts of 1988, being  
3 section 125.1814 of the Michigan Compiled Laws, is amended and  
4 section 12a is added to read as follows:

5 SEC. 12A. THE LEGISLATURE SHALL PROVIDE THAT BONDS OR NOTES  
6 ISSUED UNDER THIS ACT BEFORE FEBRUARY 1, 1993 OR ISSUED UNDER  
7 THIS ACT AFTER JANUARY 31, 1993 PURSUANT TO AN AUTHORIZING

1 RESOLUTION ADOPTED BEFORE FEBRUARY 1, 1993 OR THAT CONTRACTS  
2 ENTERED INTO BEFORE FEBRUARY 1, 1993 BY THE AUTHORITY UNDER THIS  
3 ACT ARE NOT IMPAIRED BY A REDUCTION IN SCHOOL OPERATING TAXES  
4 RESULTING FROM THE IMPOSITION OF THE LIMITATION ON THE RATE OF  
5 SCHOOL OPERATING TAXES UNDER SECTION 1211 OF THE SCHOOL CODE OF  
6 1976, ACT NO. 451 OF THE PUBLIC ACTS OF 1976, BEING  
7 SECTION 380.1211 OF THE MICHIGAN COMPILED LAWS.

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

18       (2) The authority shall expend the tax increments received  
19 for the development program only in accordance with the tax  
20 increment financing plan. Surplus funds may be retained by the  
21 authority for the payment of the principal of and interest on  
22 outstanding tax increment bonds or for other purposes that, by  
23 resolution of the board, are determined to further the develop-  
24 ment program. Any surplus funds not so used shall revert propor-  
25 tionately to the respective taxing bodies. These revenues shall  
26 not be used to circumvent existing property tax laws or a local  
27 charter that provides a maximum authorized rate for levy of

1 property taxes. The governing body may abolish the tax increment  
 2 financing plan when it finds that the purposes for which the plan  
 3 was established are accomplished. However, the tax increment  
 4 finance plan shall not be abolished until the principal of and  
 5 interest on bonds issued pursuant to section 15 have been paid or  
 6 funds sufficient to make such payment have been segregated.

7 (3) The authority shall submit annually to the governing  
 8 body and the state tax commission a financial report on the  
 9 status of the tax increment financing plan. The report shall  
 10 include the following:

11 (a) The amount and source of tax increments received.

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

13 (c) The amount and purpose of expenditures of tax increment  
 14 revenues.

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

17 (e) The initial assessed value of the development area.

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

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

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

24 (a) Senate Bill No. \_\_\_\_\_ or House Bill No. 4277 (request  
 25 no. 02189'93).

26 (b) Senate Bill No. \_\_\_\_\_ or House Bill No. 4280 (request  
 27 no. 02189'93 a).

1 (c) Senate Bill No. \_\_\_\_\_ or House Bill No. 4279 (request  
2 no. 02192'93).

3 (d) Senate Bill No. \_\_\_\_\_ or House Bill No. 4282 (request  
4 no. 02193'93).

5 (e) Senate Bill No. \_\_\_\_\_ or House Bill No. 4278 (request  
6 no. 02194'93).

7 (f) Senate Bill No. \_\_\_\_\_ or House Bill No. 4281 (request  
8 no. 02196'93).

9 (g) Senate Bill No. \_\_\_\_\_ or House Bill No. 4283 (request  
10 no. 02197'93 \*).

11 (h) Senate Bill No. \_\_\_\_\_ or House Bill No. 4286 (request  
12 no. 02198'93).

13 (i) Senate Bill No. \_\_\_\_\_ or House Bill No. 4284 (request  
14 no. 02200'93).

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