



HOUSE BILL No. 4286

February 17, 1993, Introduced by Reps. Sikkema, Dobb, O'Neill, Gubow, Pitoniak, Nye, Jondahl, Munsell, Keith, Dalman, Bobier, Oxender, Gilmer, Martin, Bender, Weeks, Horton, Byrum, Emerson, Middleton, Agee, DeMars, Hoffman, 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 13 of Act No. 281 of the Public Acts of 1986, entitled

"The local development financing act,"

being section 125.2163 of the Michigan Compiled Laws; and to add section 11a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 13 of Act No. 281 of the Public Acts of
2 1986, being section 125.2163 of the Michigan Compiled Laws, is
3 amended and section 11a is added to read as follows:

4 SEC. 11A. THE LEGISLATURE SHALL PROVIDE THAT BONDS OR NOTES
5 ISSUED UNDER THIS ACT BEFORE FEBRUARY 1, 1993 OR ISSUED UNDER
6 THIS ACT AFTER JANUARY 31, 1993 PURSUANT TO AN AUTHORIZING RESO-
7 LUTION ADOPTED BEFORE FEBRUARY 1, 1993 OR THAT CONTRACTS ENTERED
8 INTO BEFORE FEBRUARY 1, 1993 BY THE AUTHORITY UNDER THIS ACT ARE

1 NOT IMPAIRED BY A REDUCTION IN SCHOOL OPERATING TAXES RESULTING
2 FROM THE IMPOSITION OF THE LIMITATION ON THE RATE OF SCHOOL OPER-
3 ATING TAXES UNDER SECTION 1211 OF THE SCHOOL CODE OF 1976, ACT
4 NO. 451 OF THE PUBLIC ACTS OF 1976, BEING SECTION 380.1211 OF THE
5 MICHIGAN COMPILED LAWS.

6 Sec. 13. (1) The amount of tax increment that shall be
7 transmitted to the authority by the city, village, township,
8 school district, and county treasurers shall be that portion of
9 the tax levy of all taxing jurisdictions paid each year on the
10 captured assessed value of each eligible property included in a
11 tax increment financing plan excluding TAXES LEVIED PURSUANT TO
12 THE EDUCATION FINANCE AUTHORITY ACT AND millage specifically
13 levied for the payment of principal and interest of obligations
14 approved by electors or obligations pledging the unlimited taxing
15 power of the local governmental unit. For purposes of this sec-
16 tion, that portion of a specific local tax which is attributable
17 to the captured assessed value of an eligible property included
18 in a tax increment financing plan shall be included as a part of
19 the tax increment to be transmitted to the authority and shall be
20 calculated using the ad valorem millage rate excluding millage
21 specifically voted and levied for the payment of principal and
22 interest of obligations issued or secured by the taxing body.

23 (2) The authority shall expend the tax increments received
24 for the development program only in accordance with the tax
25 increment financing plan. Tax increment revenues in excess of
26 the estimated tax increment revenues or of the actual costs of
27 the plan to be paid by the tax increment revenues may be retained

1 by the authority only for purposes, that by resolution of the
2 board, are determined to further the development program in
3 accordance with the tax increment financing plan. The excess
4 revenue not so used shall revert proportionately to the respec-
5 tive taxing jurisdictions. These revenues shall not be used to
6 circumvent existing property tax laws or a local charter which
7 provides a maximum authorized rate for the levy of property
8 taxes. The governing body may abolish the tax increment financ-
9 ing plan if it finds that the purposes for which the plan was
10 established are accomplished. However, the tax increment financ-
11 ing plan may not be abolished until the principal of and interest
12 on bonds issued pursuant to section 14 have been paid or funds
13 sufficient to make that payment have been segregated and placed
14 in an irrevocable trust for the benefit of the holders of the
15 bonds.

16 (3) The authority shall submit annually to the governing
17 body and the state tax commission a financial report on the
18 status of the tax increment financing plan. The report shall
19 include the following:

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

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

22 (c) The amount and purpose of expenditures of tax increment
23 revenues.

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

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

1 (f) The captured assessed value of the eligible property
2 retained by the authority.

3 (g) The number of jobs created as a result of the implemen-
4 tation of the tax increment financing plan.

5 (h) Any additional information the governing body or the
6 state commission considers necessary.

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

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

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

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

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

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

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

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

24 (h) Senate Bill No. _____ or House Bill No. 4285 (request
25 no. 02199'93).

26 (i) Senate Bill No. _____ or House Bill No. 4284 (request
27 no. 02200'93).

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