



SENATE BILL No. 311

February 2, 1993, Introduced by Senator SCHWARZ and referred to the Committee on Finance.

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. 287 of the Public Acts of 1992, 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. 287 of the Public Acts of 1992, 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 applies only to eligible property for which a tax increment
10 financing plan or development plan is adopted and bonds are
11 issued under this act before January 1, 1993.

12 (iv) A HIGH TECHNOLOGY SERVICE ACTIVITY THAT HAS AS ITS
13 PRINCIPAL FUNCTION THE PROVIDING OF SERVICES INCLUDING COMPUTER,
14 INFORMATION TRANSFER, INFORMATION PROCESSING, COMMUNICATION, DIS-
15 TRIBUTION, PROCESSING, AND ADMINISTRATIVE SERVICES. THIS SUB-
16 PARAGRAPH APPLIES ONLY TO ELIGIBLE PROPERTY FOR WHICH A TAX
17 INCREMENT FINANCING PLAN OR DEVELOPMENT PLAN IS ADOPTED BEFORE
18 JANUARY 1, 1994.

19 (v) ~~(iv)~~ The production of energy by the processing of
20 goods or materials by physical or chemical change by a small
21 power production facility as defined by the federal energy regu-
22 latory commission pursuant to the public utility regulatory poli-
23 cies act of 1978, Public Law 95-617, 92 Stat. 3117, ~~which~~ THAT
24 is fueled primarily by biomass or wood waste. This act does not
25 affect a person's rights or liabilities under law with respect to
26 groundwater contamination described in this subparagraph. This

1 subparagraph applies only if all of the following requirements
2 are met:

3 (A) Tax increment revenues captured from the eligible prop-
4 erty will be used to finance, or will be pledged for debt service
5 on tax increment bonds used to finance, a public facility in or
6 near the authority district designed to reduce, eliminate, or
7 prevent the spread of identified soil and groundwater contamina-
8 tion, pursuant to law.

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

13 (C) The municipality that created the authority establishes
14 a special assessment district whereby not less than 50% of the
15 operating expenses of the public facility described in this sub-
16 paragraph will be paid for by special assessments. Not less than
17 50% of the amount specially assessed against all parcels in the
18 special assessment district shall be assessed against parcels
19 owned by parties potentially responsible for the identified
20 groundwater contamination pursuant to law.

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

24 (j) "Municipality" means a city, village, or urban
25 township.

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

1 (i) A street, road, bridge, sewer, sewage treatment
2 facility, facility designed to reduce, eliminate, or prevent the
3 spread of identified soil or groundwater contamination, drainage
4 system, waterway, waterline, water storage facility, rail line,
5 utility line or pipeline, or other similar or related structure
6 or improvement, together with necessary easements for the struc-
7 ture or improvement, owned or used by a public agency or func-
8 tionally connected to similar or supporting facilities owned or
9 used by a public agency, or designed and dedicated to use by, for
10 the benefit of, or for the protection of the health, welfare, or
11 safety of the public generally, whether or not used by a single
12 business entity, provided that any road, street, or bridge shall
13 be continuously open to public access and that other facilities
14 shall be located in public easements or rights-of-way and sized
15 to accommodate reasonably foreseeable development of eligible
16 property in adjoining areas.

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

24 (iii) An improvement to a facility used by the public or a
25 public facility as those terms are defined in section 1 of Act
26 No. 1 of the Public Acts of 1966, being section 125.1351 of the
27 Michigan Compiled Laws, which improvement is made to comply with

1 the barrier free design requirements of the state construction
2 code promulgated under the state construction code act of 1972,
3 Act No. 230 of the Public Acts of 1972, being sections 125.1501
4 to 125.1531 of the Michigan Compiled Laws.

5 (1) "Urban township" means a township that meets all of the
6 following requirements:

7 (i) Has a population of 20,000 or more, or has a population
8 of 10,000 or more but is located in a county with a population of
9 400,000 or more.

10 (ii) Adopted a master zoning plan before February 1, 1987.

11 (iii) Provides sewer, water, and other public services to
12 all or a part of the township.