

SENATE BILL NO. 1230

September 15, 1998, Introduced by Senators SCHWARZ and
A. SMITH and referred to the Committee on Economic
Development, International Trade and Regulatory Affairs.

A bill to amend 1986 PA 281, entitled
"The local development financing act,"
by amending sections 2, 7, 12, and 14 (MCL 125.2152, 125.2157,
125.2162, and 125.2164), section 2 as amended by 1998 PA 92, sec-
tions 7 and 12 as amended by 1993 PA 333, and section 14 as
amended by 1996 PA 270.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. As used in this act:

2 (a) "Advance" means a transfer of funds made by a municipal-
3 ity to an authority or to another person on behalf of the author-
4 ity in anticipation of repayment by the authority. Evidence of
5 the intent to repay an advance may include, but is not limited
6 to, an executed agreement to repay, provisions contained in a tax
7 increment financing plan approved prior to the advance, or a
8 resolution of the authority or the municipality.

1 (b) "Assessed value" means 1 of the following:

2 (i) For valuations made before January 1, 1995, the state
3 equalized valuation as determined under the general property tax
4 act, 1893 PA 206, MCL 211.1 to 211.157.

5 (ii) For valuations made after December 31, 1994, the tax-
6 able value as determined under section 27a of the general prop-
7 erty tax act, 1893 PA 206, MCL 211.27a.

8 (c) "Authority" means a local development finance authority
9 created pursuant to this act.

10 (d) "Authority district" means an area or areas within which
11 an authority exercises its powers.

12 (e) "Board" means the governing body of an authority.

13 (f) "Captured assessed value" means the amount in any 1 year
14 by which the current assessed value, as equalized, of the eligi-
15 ble property identified in the tax increment financing plan,
16 including the current assessed value of property for which spe-
17 cific local taxes are paid in lieu of property taxes as deter-
18 mined pursuant to subdivision (w), exceeds the initial assessed
19 value. The state tax commission shall prescribe the method for
20 calculating captured assessed value.

21 (g) "Certified industrial park" means an area of land desig-
22 nated by the Michigan jobs commission as meeting all of the fol-
23 lowing requirements:

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

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

26 (iii) It has a site plan or plat approved by the city,
27 village, or township in which the land is located.

1 (iv) The developer of the land agrees to comply with other
2 requirements, not inconsistent with subparagraphs (i) to (iii),
3 imposed upon property classified as a certified industrial park
4 by the Michigan jobs commission under the certified industrial
5 park program. Compliance with these other requirements is not a
6 prerequisite to meeting the requirement of this subparagraph.

7 (h) "Chief executive officer" means the mayor or city man-
8 ager of a city, the president of a village, or, for other local
9 units of government or school districts, the person charged by
10 law with the supervision of the functions of the local unit of
11 government or school district.

12 (i) "Development plan" means that information and those
13 requirements for a development set forth in section 15.

14 (j) "Development program" means the implementation of a
15 development plan.

16 (k) "Eligible advance" means an advance made before
17 August 19, 1993.

18 (l) "Eligible obligation" means an obligation issued or
19 incurred by an authority or by a municipality on behalf of an
20 authority before August 19, 1993 and its subsequent refunding by
21 a qualified refunding obligation. Eligible obligation includes
22 an authority's written agreement entered into before August 19,
23 1993 to pay an obligation issued after August 18, 1993 and before
24 December 31, 1996 by another entity on behalf of the authority.

25 (m) "Eligible property" means land improvements, buildings,
26 structures, and other real property, and machinery, equipment,
27 furniture, and fixtures, or any part or accessory thereof whether

1 completed or in the process of construction comprising an
2 integrated whole, located within an authority district, of which
3 the primary purpose and use is 1 of the following:

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

6 (ii) Agricultural processing.

7 (iii) A high technology activity that has as its primary
8 purpose research, product development, engineering, laboratory
9 testing, or development of industrial technology. This subpara-
10 graph applies only to eligible property for which a tax increment
11 financing plan or development plan is adopted and bonds are
12 issued under this act before January 1, 1993.

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 facility is fueled
18 primarily by biomass or wood waste. This act does not affect a
19 person's rights or liabilities under law with respect to ground-
20 water contamination described in this subparagraph. This sub-
21 paragraph applies only if all of the following requirements are
22 met:

23 (A) Tax increment revenues captured from the eligible prop-
24 erty will be used to finance, or will be pledged for debt service
25 on tax increment bonds used to finance, a public facility in or
26 near the authority district designed to reduce, eliminate, or

1 prevent the spread of identified soil and groundwater
2 contamination, pursuant to law.

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

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

15 (n) "Fiscal year" means the fiscal year of the authority.

16 (o) "Governing body" means the elected body having legisla-
17 tive powers of a municipality creating an authority under this
18 act.

19 (p) "Initial assessed value" means the assessed value, as
20 equalized, of the eligible property identified in the tax incre-
21 ment financing plan at the time the resolution establishing the
22 tax increment financing plan is approved as shown by the most
23 recent assessment roll for which equalization has been completed
24 at the time the resolution is adopted. Property exempt from tax-
25 ation at the time of the determination of the initial assessed
26 value shall be included as zero. Property for which a specific
27 local tax is paid in lieu of property tax shall not be considered

1 exempt from taxation. The initial assessed value of property for
2 which a specific local tax was paid in lieu of property tax shall
3 be determined as provided in subdivision (w).

4 (q) "Municipality" means a city, village, or urban
5 township.

6 (r) "Obligation" means a written promise to pay, whether
7 evidenced by a contract, agreement, lease, sublease, bond, or
8 note, or a requirement to pay imposed by law. An obligation does
9 not include a payment required solely because of default upon an
10 obligation, employee salaries, or consideration paid for the use
11 of municipal offices. An obligation does not include those bonds
12 that have been economically defeased by refunding bonds issued
13 under this act. Obligation includes, but is not limited to, the
14 following:

15 (i) A requirement to pay proceeds derived from ad valorem
16 property taxes or taxes levied in lieu of ad valorem property
17 taxes.

18 (ii) A management contract or a contract for professional
19 services.

20 (iii) A payment required on a contract, agreement, bond, or
21 note if the requirement to make or assume the payment arose
22 before August 19, 1993.

23 (iv) A requirement to pay or reimburse a person for the cost
24 of insurance for, or to maintain, property subject to a lease,
25 land contract, purchase agreement, or other agreement.

1 (v) A letter of credit, paying agent, transfer agent, bond
2 registrar, or trustee fee associated with a contract, agreement,
3 bond, or note.

4 (s) "On behalf of an authority", in relation to an eligible
5 advance made by a municipality or an eligible obligation or other
6 protected obligation issued or incurred by a municipality, means
7 in anticipation that an authority would transfer tax increment
8 revenues or reimburse the municipality from tax increment reve-
9 nues in an amount sufficient to fully make payment required by
10 the eligible advance made by a municipality, or eligible obliga-
11 tion or other protected obligation issued or incurred by the
12 municipality, if the anticipation of the transfer or receipt of
13 tax increment revenues from the authority is pursuant to or evi-
14 denced by 1 or more of the following:

15 (i) A reimbursement agreement between the municipality and
16 an authority it established.

17 (ii) A requirement imposed by law that the authority trans-
18 fer tax increment revenues to the municipality.

19 (iii) A resolution of the authority agreeing to make pay-
20 ments to the incorporating unit.

21 (iv) Provisions in a tax increment financing plan describing
22 the project for which the obligation was incurred.

23 (t) "Other protected obligation" means:

24 (i) A qualified refunding obligation issued to refund an
25 obligation described in subparagraph (ii) or (iii), an obligation
26 that is not a qualified refunding obligation that is issued to
27 refund an eligible obligation, or a qualified refunding

1 obligation issued to refund an obligation described in this
2 subparagraph.

3 (ii) An obligation issued or incurred by an authority or by
4 a municipality on behalf of an authority after August 19, 1993,
5 but before December 31, 1994, to finance a project described in a
6 tax increment finance plan approved by the municipality in
7 accordance with this act before August 19, 1993, for which a con-
8 tract for final design is entered into by the municipality or
9 authority before March 1, 1994.

10 (iii) An obligation incurred by an authority or municipality
11 after August 19, 1993, to reimburse a party to a development
12 agreement entered into by a municipality or authority before
13 August 19, 1993, for a project described in a tax increment
14 financing plan approved in accordance with this act before
15 August 19, 1993, and undertaken and installed by that party in
16 accordance with the development agreement.

17 (iv) An ongoing management or professional services contract
18 with the governing body of a county ~~which~~ THAT was entered into
19 before March 1, 1994 and ~~which~~ THAT was preceded by a series of
20 limited term management or professional services contracts with
21 the governing body of the county, the last of which was entered
22 into before August 19, 1993.

23 (u) "Public facility" means 1 or more of the following:

24 (i) A street, road, bridge, sewer, sewage treatment facili-
25 ty, facility designed to reduce, eliminate, or prevent the spread
26 of identified soil or groundwater contamination, drainage system,
27 waterway, waterline, water storage facility, rail line, utility

1 line or pipeline, or other similar or related structure or
2 improvement, together with necessary easements for the structure
3 or improvement, owned or used by a public agency or functionally
4 connected to similar or supporting facilities owned or used by a
5 public agency, or designed and dedicated to use by, for the bene-
6 fit of, or for the protection of the health, welfare, or safety
7 of the public generally, whether or not used by a single business
8 entity, provided that any road, street, or bridge shall be con-
9 tinuously open to public access and that other facilities OR
10 IMPROVEMENTS shall be located in public easements or
11 rights-of-way and sized to accommodate reasonably foreseeable
12 development of eligible property in adjoining areas.

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

20 (iii) An improvement to a facility used by the public or a
21 public facility as those terms are defined in section 1 of 1966
22 PA 1, MCL 125.1351, which improvement is made to comply with the
23 barrier free design requirements of the state construction code
24 promulgated under the state construction code act of 1972, 1972
25 PA 230, MCL 125.1501 to 125.1531.

26 (iv) LAND, SITE PREPARATION, AND OTHER SITE IMPROVEMENTS TO
27 LAND, ACQUIRED FOR THE PURPOSE OF USE AS ELIGIBLE PROPERTY UNDER

1 A DEVELOPMENT AGREEMENT ENTERED INTO BY THE AUTHORITY OR THE
2 MUNICIPALITY UNDER SECTION 7(F).

3 (v) "Qualified refunding obligation" means an obligation
4 issued or incurred by an authority or by a municipality on behalf
5 of an authority to refund an obligation if the refunding obliga-
6 tion meets both of the following:

7 (i) The net present value of the principal and interest to
8 be paid on the refunding obligation, including the cost of issu-
9 ance, will be less than the net present value of the principal
10 and interest to be paid on the obligation being refunded, as cal-
11 culated using a method approved by the department of treasury.

12 (ii) The net present value of the sum of the tax increment
13 revenues described in subdivision (y)(ii) and the distributions
14 under section 11a to repay the refunding obligation will not be
15 greater than the net present value of the sum of the tax incre-
16 ment revenues described in subdivision (y)(ii) and the distribu-
17 tions under section 11a to repay the obligation being refunded,
18 as calculated using a method approved by the department of
19 treasury.

20 (w) "Specific local taxes" means a tax levied under 1974 PA
21 198, MCL 207.551 to 207.572, the commercial redevelopment act,
22 1978 PA 255, MCL 207.651 to 207.668, the enterprise zone act,
23 1985 PA 224, MCL 125.2101 to 125.2123, 1953 PA 189, MCL 211.181
24 to 211.182, and the technology park development act, 1984 PA 385,
25 MCL 207.701 to 207.718. The initial assessed value or current
26 assessed value of property subject to a specific local tax is the
27 quotient of the specific local tax paid divided by the ad valorem

1 millage rate. However, after 1993, the state tax commission
2 shall prescribe the method for calculating the initial assessed
3 value and current assessed value of property for which a specific
4 local tax was paid in lieu of a property tax.

5 (x) "State fiscal year" means the annual period commencing
6 October 1 of each year.

7 (y) "Tax increment revenues" means the amount of ad valorem
8 property taxes and specific local taxes attributable to the
9 application of the levy of all taxing jurisdictions upon the cap-
10 tured assessed value of real and personal property in the devel-
11 opment area, subject to the following requirements:

12 (i) Tax increment revenues include ad valorem property taxes
13 and specific local taxes attributable to the application of the
14 levy of all taxing jurisdictions other than the state pursuant to
15 the state education tax act, 1993 PA 331, MCL 211.901 to 211.906,
16 and local or intermediate school districts upon the captured
17 assessed value of real and personal property in the development
18 area for any purpose authorized by this act.

19 (ii) Tax increment revenues include ad valorem property
20 taxes and specific local taxes attributable to the application of
21 the levy of the state pursuant to the state education tax act,
22 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate
23 school districts upon the captured assessed value of real and
24 personal property in the development area in an amount equal to
25 the amount necessary, without regard to subparagraph (i), to
26 repay eligible advances, eligible obligations, and other
27 protected obligations.

1 (iii) Tax increment revenues do not include any of the
2 following:

3 (A) Ad valorem property taxes or specific local taxes
4 attributable either to a portion of the captured assessed value
5 shared with taxing jurisdictions within the jurisdictional area
6 of the authority or to a portion of value of property that may be
7 excluded from captured assessed value.

8 (B) Ad valorem property taxes and specific local taxes
9 attributable to ad valorem property taxes excluded by the tax
10 increment financing plan of the authority from the determination
11 of the amount of tax increment revenues to be transmitted to the
12 authority.

13 (C) Ad valorem property taxes exempted from capture under
14 section 4(3) or specific local taxes attributable to such ad
15 valorem property taxes.

16 (D) Ad valorem property taxes specifically levied for the
17 payment of principal and interest of obligations approved by the
18 electors or obligations pledging the unlimited taxing power of
19 the local governmental unit or specific local taxes attributable
20 to such ad valorem property taxes.

21 (iv) The amount of tax increment revenues authorized to be
22 included under subparagraph (ii), and required to be transmitted
23 to the authority under section 13(1), from ad valorem property
24 taxes and specific local taxes attributable to the application of
25 the levy of the state education tax act, 1993 PA 331, MCL 211.901
26 to 211.906, a local school district or an intermediate school
27 district upon the captured assessed value of real and personal

1 property in a development area shall be determined separately for
2 the levy by the state, each school district, and each intermedi-
3 ate school district as the product of sub-subparagraphs (A) and
4 (B):

5 (A) The percentage ~~which~~ THAT the total ad valorem taxes
6 and specific local taxes available for distribution by law to the
7 state, local school district, or intermediate school district,
8 respectively, bears to the aggregate amount of ad valorem millage
9 taxes and specific taxes available for distribution by law to the
10 state, each local school district, and each intermediate school
11 district.

12 (B) The maximum amount of ad valorem property taxes and spe-
13 cific local taxes considered tax increment revenues under sub-
14 paragraph (ii).

15 (z) "Urban township" means a township that meets 1 or more
16 of the following:

17 (i) Meets all of the following requirements:

18 (A) Has a population of 20,000 or more, or has a population
19 of 10,000 or more but is located in a county with a population of
20 400,000 or more.

21 (B) Adopted a master zoning plan before February 1, 1987.

22 (C) Provides sewer, water, and other public services to all
23 or a part of the township.

24 (ii) Meets all of the following requirements:

25 (A) Has a population of less than 20,000.

1 (B) Is located in a county with a population of 250,000 or
2 more but less than 400,000, and that county is located in a
3 metropolitan statistical area.

4 (C) Has within its boundaries a parcel of property under
5 common ownership that is 800 acres or larger and is capable of
6 being served by a railroad, and located within 3 miles of a
7 limited access highway.

8 (D) Establishes an authority before December 31, 1998.

9 (iii) Meets all of the following requirements:

10 (A) Has a population of less than 20,000.

11 (B) Has a state equalized value for all real and personal
12 property located in the township of more than \$200,000,000.00.

13 (C) Adopted a master zoning plan before February 1, 1987.

14 (D) Is a charter township under the charter township act,
15 1947 PA 359, MCL 42.1 to 42.34.

16 (E) Has within its boundaries a combination of parcels under
17 common ownership that is 800 acres or larger, is immediately
18 adjacent to a limited access highway, is capable of being served
19 by a railroad, and is immediately adjacent to an existing sewer
20 line.

21 (F) Establishes an authority before March 1, 1999.

22 Sec. 7. The board may:

23 (a) Study and analyze unemployment, underemployment, and
24 joblessness and the impact of growth upon the authority district
25 or districts.

1 (b) Plan and propose the construction, renovation, repair,
2 remodeling, rehabilitation, restoration, preservation, or
3 reconstruction of a public facility.

4 (c) Develop long-range plans, in cooperation with the agency
5 ~~which~~ THAT is chiefly responsible for planning in the munici-
6 pality, to promote the growth of the authority district or dis-
7 tricts, and take the steps that are necessary to implement the
8 plans to the fullest extent possible to create jobs, and promote
9 economic growth.

10 (d) Implement any plan of development necessary to achieve
11 the purposes of this act in accordance with the powers of the
12 authority as granted by this act.

13 (e) Make and enter into contracts necessary or incidental to
14 the exercise of the board's powers and the performance of its
15 duties.

16 (f) Acquire by purchase or otherwise, WITH TAX INCREMENT
17 REVENUES OR WITH OTHER REVENUES OBTAINED FROM ANY OTHER LEGAL
18 SOURCE, on terms and conditions and in a manner the authority
19 considers proper, own or lease as lessor or lessee, convey,
20 demolish, relocate, rehabilitate, or otherwise dispose of real or
21 personal property, or rights or interests in that property, which
22 the authority determines is reasonably necessary to achieve the
23 purposes of this act, AND IN EXCHANGE FOR MONEY OR OTHER CONSID-
24 ERATION DETERMINED BY THE AUTHORITY TO BE APPROPRIATE FOR THE
25 PURPOSE OF ENCOURAGING THE ECONOMIC GROWTH OF THE MUNICIPALITY AS
26 SET FORTH IN A DEVELOPMENT AGREEMENT ENTERED INTO BETWEEN THE

1 AUTHORITY AND A DEVELOPER, and to grant or acquire licenses,
2 easements, and options with respect to the property.

3 (g) Improve land, prepare sites for buildings, including the
4 demolition of existing structures, and construct, reconstruct,
5 rehabilitate, restore and preserve, equip, improve, maintain,
6 repair, or operate a building, and any necessary or desirable
7 appurtenances to a building, as provided in section 12(2) for the
8 use, in whole or in part, of a public or private person or corpo-
9 ration, or a combination ~~thereof~~ OF THESE.

10 (h) Fix, charge, and collect fees, rents, and charges for
11 the use of a building or property or a part of a building or
12 property under the board's control, or a facility in the building
13 or on the property, and pledge the fees, rents, and charges for
14 the payment of revenue bonds issued by the authority.

15 (i) Lease a building or property or part of a building or
16 property under the board's control.

17 (j) Accept grants and donations of property, labor, or other
18 things of value from a public or private source.

19 (k) Acquire and construct public facilities OR
20 IMPROVEMENTS.

21 (l) Incur costs in connection with the performance of the
22 board's authorized functions including, but not limited to,
23 administrative costs, and architects, engineers, legal, and
24 accounting fees.

25 (m) Plan, propose, and implement an improvement to a public
26 facility on eligible property to comply with the barrier free
27 design requirements of the state construction code promulgated

1 under the state construction code act of 1972, ~~Act No. 230 of~~
2 ~~the Public Acts of 1972, being sections 125.1501 to 125.1531 of~~
3 ~~the Michigan Compiled Laws~~ 1972 PA 230, MCL 125.1501 TO
4 125.1531.

5 Sec. 12. (1) If the board determines that it is necessary
6 for the achievement of the purposes of this act, the board shall
7 prepare and submit a tax increment financing plan to the govern-
8 ing body. The plan shall be in compliance with section 13 and
9 shall include a development plan as provided in section 15. The
10 plan shall also contain the following:

11 (a) A statement of the reasons that the plan will result in
12 the development of captured assessed value that could not other-
13 wise be expected. The reasons may include, but are not limited
14 to, activities of the municipality, authority, or others under-
15 taken before formulation or adoption of the plan in reasonable
16 anticipation that the objectives of the plan would be achieved by
17 some means.

18 (b) An estimate of the captured assessed value for each year
19 of the plan. The plan may provide for the use of part or all of
20 the captured assessed value, but the portion intended to be used
21 shall be clearly stated in the plan. The board or the municipal-
22 ity creating the authority may exclude from captured assessed
23 value a percentage of captured assessed value as specified in the
24 plan or growth in property value resulting solely from
25 inflation. If excluded, the plan shall set forth the method for
26 excluding growth in property value resulting solely from
27 inflation.

1 (c) The estimated tax increment revenues for each year of
2 the plan.

3 (d) A detailed explanation of the tax increment procedure.

4 (e) The maximum amount of note or bonded indebtedness to be
5 incurred, if any.

6 (f) The amount of operating and planning expenditures of the
7 authority and municipality, the amount of advances extended by or
8 indebtedness incurred by the municipality, and the amount of
9 advances by others to be repaid from tax increment revenues.

10 (g) The costs of the plan anticipated to be paid from tax
11 increment revenues as received.

12 (h) The duration of the development plan and the tax incre-
13 ment plan.

14 (i) An estimate of the impact of tax increment financing on
15 the revenues of all taxing jurisdictions in which the eligible
16 property is located.

17 (j) A legal description of the eligible property to which
18 the tax increment financing plan applies.

19 (k) An estimate of the number of jobs to be created as a
20 result of implementation of the tax increment financing plan.

21 (2) A tax increment financing plan shall ~~only~~ provide for
22 the use of tax increment revenues ONLY for public facilities for
23 eligible property whose captured assessed value produces the tax
24 increment revenues or, to the extent the eligible property is
25 located within a certified industrial park, for other eligible
26 property located in the certified industrial park. Public
27 facilities for eligible property include the development or

1 improvement of access to and around, or within the eligible
2 property, of road facilities reasonably required by traffic flow
3 to be generated by the eligible property, and the development or
4 improvement of public facilities that are necessary to service
5 the eligible property, whether or not located on that eligible
6 property. If the eligible property identified in the tax incre-
7 ment financing plan is property to which section ~~2(1)(iv)~~
8 2(M)(iv) applies, the tax increment financing plan shall not pro-
9 vide for the use of tax increment revenues for public facilities
10 other than those described in the development plan as of April 1,
11 1991. Whether or not ~~so~~ provided FOR in the tax increment
12 financing plan, if the eligible property identified in the tax
13 increment financing plan is property to which section ~~2(1)(iv)~~
14 2(M)(iv) applies, then to the extent that captured tax increment
15 revenues are utilized for the costs of cleanup of identified soil
16 and groundwater contamination, the captured tax increment reve-
17 nues shall be first credited against the shares of responsibility
18 for the total costs of cleanup of uncollectible parties who are
19 responsible for the identified soil and groundwater contamination
20 pursuant to law, and then shall be credited on a pro rata basis
21 against the shares of responsibility for the total costs of
22 cleanup of other parties who are responsible for the identified
23 soil and groundwater contamination pursuant to law.

24 (3) The percentage of taxes levied for school operating pur-
25 poses that is captured and used by the tax increment financing
26 plan shall not be greater than the plan's percentage capture and
27 use of taxes levied by a municipality or county for operating

1 purposes. For purposes of the previous sentence, taxes levied by
2 a county for operating purposes include only millage allocated
3 for county or charter county purposes under the property tax lim-
4 itation act, ~~Act No. 62 of the Public Acts of 1933, being sec-~~
5 ~~tions 211.201 to 211.217a of the Michigan Compiled Laws 1933 PA~~
6 62, MCL 211.201 TO 211.217A.

7 (4) If the construction of eligible property has, or may
8 reasonably be expected to have, the effect of transferring
9 employment of 50 or more full-time jobs from 1 or more local gov-
10 ernmental units of this state to the municipality in which the
11 eligible property is located, that eligible property shall be
12 considered excluded from the authority district or districts
13 unless the legislative body of each local governmental unit from
14 which 50 or more full-time jobs are to be transferred consents,
15 by resolution, to the inclusion of that eligible property in the
16 authority district for purposes of the tax increment financing
17 plan.

18 (5) Approval of the tax increment financing plan shall be in
19 accordance with the notice, hearing, disclosure, and approval
20 provisions of sections 16 and 17. If the development plan is
21 part of the tax increment financing plan, only 1 hearing and
22 approval procedure is required for the 2 plans together.

23 (6) Before the public hearing on the tax increment financing
24 plan, the governing body shall provide a reasonable opportunity
25 to the taxing jurisdictions levying taxes subject to capture to
26 express their views and recommendations regarding the tax
27 increment financing plan. The authority shall fully inform the

1 taxing jurisdictions about the fiscal and economic implications
2 of the proposed tax increment financing plan. The taxing juris-
3 dictions may present their recommendations at the public hearing
4 on the tax increment financing plan. The authority may enter
5 into agreements with the taxing jurisdictions and the governing
6 body of the municipality in which the authority district is
7 located to share a portion of the captured assessed value of the
8 district. Upon adoption of the plan, the collection and trans-
9 mission of the amount of tax increment revenues, as specified in
10 this act, shall be binding on all taxing units levying ad valorem
11 property taxes or specific local taxes against property located
12 in the authority district.

13 Sec. 14. (1) By resolution of its board and subject to the
14 limitations set forth in this section, the authority may autho-
15 rize, issue, and sell its tax increment bonds to finance a devel-
16 opment program or to refund or refund in advance obligations
17 issued under this act. The bonds shall mature in 30 years or
18 less and are subject to the municipal finance act, ~~Act No. 202~~
19 ~~of the Public Acts of 1943, being sections 131.1 to 139.3 of the~~
20 ~~Michigan Compiled Laws~~ 1943 PA 202, MCL 131.1 TO 139.3. The
21 authority may pledge for debt service requirements the tax incre-
22 ment revenues to be received from an eligible property. The
23 bonds issued under this section shall be considered a single
24 series for the purposes of section 4 of chapter V of the munici-
25 pal finance act, ~~Act No. 202 of the Public Acts of 1943, being~~
26 ~~section 135.4 of the Michigan Compiled Laws~~ 1943 PA 202, MCL
27 135.4.

1 (2) The municipality by majority vote of the members of its
2 governing body may make a limited tax pledge to support the
3 authority's tax increment bonds or, if authorized by the voters
4 of the municipality, pledge its full faith and credit for the
5 payment of the principal of and interest on the authority's tax
6 increment bonds. The municipality may pledge as additional
7 security for the bonds any money received by the authority or the
8 municipality pursuant to section 10.

9 (3) Bonds and notes issued by the authority and the interest
10 on and income from those bonds and notes are exempt from taxation
11 by the state or a political subdivision of this state.

12 (4) Notwithstanding any other provision of this act, if the
13 state treasurer determines that an authority or municipality can
14 issue a qualified refunding obligation and the authority or
15 municipality does not make a good faith effort to issue the qual-
16 ified refunding obligation as determined by the state treasurer,
17 the state treasurer may reduce the amount claimed by the author-
18 ity or municipality under section 11a by an amount equal to the
19 net present value saving that would have been realized had the
20 authority or municipality refunded the obligation or the state
21 treasurer may require a reduction in the capture of tax increment
22 revenues from taxes levied by a local or intermediate school dis-
23 trict or this state by an amount equal to the net present value
24 savings that would have been realized had the authority or munic-
25 ipality refunded the obligation. This subsection does not autho-
26 rize the state treasurer to require the authority or municipality

1 to pledge security greater than the security pledged for the
2 obligation being refunded.

3 (5) THE MUNICIPALITY OR AUTHORITY MAY BORROW MONEY AND ISSUE
4 BONDS OR NOTES TO THIS STATE OR AN AGENCY OF THIS STATE OR TO THE
5 UNITED STATES OR TO AN AGENCY OF THE UNITED STATES FOR PURPOSES
6 OF ACQUIRING PUBLIC FACILITIES. THE MUNICIPALITY MAY PLEDGE ITS
7 LIMITED TAX FULL FAITH AND CREDIT TO REPAYMENT OF A BOND OR NOTE
8 DELIVERED TO THIS STATE OR TO AN AGENCY OF THIS STATE OR TO THE
9 UNITED STATES. BONDS OR NOTES DELIVERED UNDER THIS SUBSECTION
10 ARE NOT SUBJECT TO THE MUNICIPAL FINANCE ACT, 1943 PA 202, MCL
11 131.1 TO 139.3. THE POWER OF THE MUNICIPALITY OR AUTHORITY TO
12 ISSUE BONDS OR NOTES UNDER THIS SUBSECTION SHALL BE CUMULATIVE
13 AND SHALL NOT BE SUBJECT TO THE REQUIREMENTS OF ANY OTHER STATE
14 LAW GOVERNING THE ISSUANCE OF BONDS OR NOTES.