

# HOUSE BILL No. 4735

May 8, 2001, Introduced by Reps. Allen and Thomas and referred to the Committee on Commerce.

A bill to amend 1961 PA 120, entitled

"An act to authorize the development or redevelopment of principal shopping districts and business improvement districts; to permit the creation of certain boards; to provide for the operation of principal shopping districts and business improvement districts; and to authorize the collection of revenue and the bonding of certain cities for the development or redevelopment projects,"

by amending section 1 (MCL 125.981), as amended by 1999 PA 49.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

### CHAPTER 1

#### PRINCIPAL SHOPPING DISTRICT

Sec. 1. (1) As used in this ~~act~~ CHAPTER:

(a) "Business improvement district" means 1 or more portions of a city or combination of contiguous portions of 2 or more cities that are predominantly commercial or industrial in use.

(b) "District" means a business improvement district or a principal shopping district.

1 (c) "Highways" means public streets, highways, and alleys.

2 (d) "Principal shopping district" means a portion of a city  
3 designated by the governing body of the city that is predomi-  
4 nantly commercial and that contains at least 10 retail  
5 businesses.

6 (E) "THIS ACT" MEANS THIS CHAPTER.

7 (2) A city with a master plan for the physical development  
8 of the city that includes an urban design plan designating a  
9 principal shopping district or includes the development or rede-  
10 velopment of a principal shopping district, or 1 or more cities  
11 that establish a business improvement district by resolution, may  
12 do 1 or more of the following:

13 (a) Open, widen, extend, realign, pave, maintain, or other-  
14 wise improve highways and construct, reconstruct, maintain, or  
15 relocate pedestrian walkways.

16 (b) Prohibit or regulate vehicular traffic where necessary  
17 to carry out the purposes of the development or redevelopment  
18 project.

19 (c) Regulate or prohibit vehicular parking on highways.

20 (d) Acquire, own, maintain, demolish, develop, improve, or  
21 operate properties, off-street parking lots, or structures.

22 (e) Contract for the operation or maintenance by others of  
23 city off-street parking lots or structures, or appoint agents for  
24 the operation or maintenance.

25 (f) Construct, maintain, and operate malls with bus stops,  
26 information centers, and other buildings that will serve the  
27 public interest.

1 (g) Acquire by purchase, gift, or condemnation and own,  
2 maintain, or operate real or personal property necessary to  
3 implement this section.

4 (h) Promote economic activity in the district by undertak-  
5 ings including, but not limited to, conducting market research  
6 and public relations campaigns, developing, coordinating, and  
7 conducting retail and institutional promotions, and sponsoring  
8 special events and related activities. A business may prohibit  
9 the use of its name or logo in a public relations campaign, pro-  
10 motion, or special event or related activity for the district.

11 (i) Provide for or contract with other public or private  
12 entities for the administration, maintenance, security, and oper-  
13 ation of a district within the city.

14 (3) A city that provides for ongoing activities under sub-  
15 section (2)(h) or (i) shall also provide for the creation of a  
16 board for the management of those activities.

17 (4) One member of the board of the principal shopping dis-  
18 trict shall be from the adjacent residential area, 1 member shall  
19 be a representative of city government, and a majority of the  
20 members shall be nominees of individual businesses located within  
21 the principal shopping district. The board shall be appointed by  
22 the chief executive officer of the city with the concurrence of  
23 the legislative body of the city. However, if all of the follow-  
24 ing requirements are met, a business may appoint a member of the  
25 board of a principal shopping district, which member shall be  
26 counted toward the majority of members required to be nominees of  
27 businesses located within the principal shopping district:

1 (a) The business is located within the principal shopping  
2 district.

3 (b) The principal shopping district was designated by the  
4 governing body of a city after July 14, 1992.

5 (c) The business is located within a special assessment dis-  
6 trict established under section 5.

7 (d) The special assessment district is divided into special  
8 assessment rate zones reflecting varying levels of special  
9 benefits.

10 (e) The business is located in the special assessment rate  
11 zone with the highest special assessment rates.

12 (f) The square footage of the business is greater than 5.0%  
13 of the total square footage of all businesses in that special  
14 assessment rate zone.

15 (5) If the boundaries of the principal shopping district are  
16 the same as those of a downtown district designated under 1975 PA  
17 197, MCL 125.1651 to 125.1681, the governing body may provide  
18 that the members of the board of the downtown development author-  
19 ity, which manages the downtown district, shall compose the board  
20 of the principal shopping district, in which case subsection (4)  
21 does not apply.

22 (6) The members of the board of a business improvement dis-  
23 trict shall be determined by the city as provided in this  
24 subsection. The board of a business improvement district shall  
25 consist of all of the following:

26 (a) One representative of the city appointed by the chief  
27 executive officer of the city with the concurrence of the

1 legislative body of the city in which the business improvement  
2 district is located. If the business improvement district is  
3 located in more than 1 city, then 1 representative from each city  
4 in which the business improvement district is located shall serve  
5 on the board as provided in this subdivision.

6 (b) Other members of the board shall be nominees of the  
7 businesses and property owners located within the business  
8 improvement district. If a class of business or property owners,  
9 as identified in the resolution described in subsection (8), is  
10 projected to pay more than 50% of the special assessment levied  
11 that benefits property in a business improvement district for the  
12 benefit of the business improvement district, the majority of the  
13 members of the board of the business improvement district shall  
14 be nominees of the business or property owners in that class.

15 (7) A city may create 1 or more business improvement  
16 districts.

17 (8) If 1 or more cities establish a business improvement  
18 district by resolution under subsection (2), the resolution shall  
19 identify all of the following:

20 (a) The geographic boundaries of the business improvement  
21 district.

22 (b) The number of board members in that business improvement  
23 district.

24 (c) The different classes of property owners in the business  
25 improvement district.

26 (d) The class of business or property owners, if any, who  
27 are projected to pay more than 50% of the special assessment

1 levied that benefits property in that business improvement  
2 district.