

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 1201

A bill to amend 1975 PA 197, entitled

"An act to provide for the establishment of a downtown development authority; to prescribe its powers and duties; to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans in the districts; to promote the economic growth of the districts; to create a board; to prescribe its powers and duties; to authorize the levy and collection of taxes; to authorize the issuance of bonds and other evidences of indebtedness; to authorize the use of tax increment financing; to reimburse downtown development authorities for certain losses of tax increment revenues; and to prescribe the powers and duties of certain state officials,"

by amending section 3 (MCL 125.1653), as amended by 1993 PA 323.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

- 1       Sec. 3. (1) When the governing body of a municipality
- 2 determines that it is necessary for the best interests of the
- 3 public to halt property value deterioration and increase property
- 4 tax valuation where possible in its business district, to
- 5 eliminate the causes of that deterioration, and to promote

1 economic growth, or to permit the development of a new commercial  
2 property with a total cash value after development of not less  
3 than \$100,000,000.00, which includes more than 2 detached  
4 buildings containing together not less than 500,000 square feet,  
5 the governing body may, by resolution, declare its intention to  
6 create and provide for the operation of an authority.

7 (2) In the resolution of intent, the governing body shall set  
8 a date for the holding of a public hearing on the adoption of a  
9 proposed ordinance creating the authority and designating the  
10 boundaries of the downtown district. Notice of the public  
11 hearing shall be published twice in a newspaper of general  
12 circulation in the municipality, not less than 20 or more than 40  
13 days before the date of the hearing. Not less than 20 days  
14 before the hearing, the governing body proposing to create the  
15 authority shall also mail notice of the hearing to the property  
16 taxpayers of record in the proposed district and for a public  
17 hearing to be held after February 15, 1994 to the governing body  
18 of each taxing jurisdiction levying taxes that would be subject  
19 to capture if the authority is established and a tax increment  
20 financing plan is approved. Failure of a property taxpayer to  
21 receive the notice shall not invalidate these proceedings.  
22 Notice of the hearing shall be posted in at least 20 conspicuous  
23 and public places in the proposed downtown district not less than  
24 20 days before the hearing. The notice shall state the date,  
25 time, and place of the hearing, and shall describe the boundaries  
26 of the proposed downtown district. A citizen, taxpayer, or  
27 property owner of the municipality or an official from a taxing

1 jurisdiction with millage that would be subject to capture has  
2 the right to be heard in regard to the establishment of the  
3 authority and the boundaries of the proposed downtown district.  
4 The governing body of the municipality shall not incorporate land  
5 into the downtown district not included in the description  
6 contained in the notice of public hearing, but it may eliminate  
7 described lands from the downtown district in the final  
8 determination of the boundaries.

9       (3) Not more than 60 days after a public hearing held after  
10 February 15, 1994, the governing body of a taxing jurisdiction  
11 levying ad valorem property taxes that would otherwise be subject  
12 to capture may exempt its taxes from capture by adopting a  
13 resolution to that effect and filing a copy with the clerk of the  
14 municipality proposing to create the authority. The resolution  
15 takes effect when filed with that clerk and remains effective  
16 until a copy of a resolution rescinding that resolution is filed  
17 with that clerk.

18       (4) Not less than 60 days after the public hearing, if the  
19 governing body of the municipality intends to proceed with the  
20 establishment of the authority, it shall adopt, by majority vote  
21 of its members, an ordinance establishing the authority and  
22 designating the boundaries of the downtown district within which  
23 the authority shall exercise its powers. The adoption of the  
24 ordinance is subject to any applicable statutory or charter  
25 provisions in respect to the approval or disapproval by the chief  
26 executive or other officer of the municipality and the adoption  
27 of an ordinance over his **or her** veto. This ordinance shall be

1 filed with the secretary of state promptly after its adoption and  
2 shall be published at least once in a newspaper of general  
3 circulation in the municipality.

4 (5) The governing body of the municipality may alter or amend  
5 the boundaries of the downtown district to include or exclude  
6 lands from the downtown district pursuant to the same  
7 requirements for adopting the ordinance creating the authority.

8 (6) A municipality that has created an authority may enter  
9 into an agreement with an adjoining municipality that has created  
10 an authority to jointly operate and administer those authorities  
11 under an interlocal agreement under the urban cooperation act of  
12 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.