

HOUSE BILL No. 5265

September 25, 2007, Introduced by Reps. Wenke and Nofs and referred to the Committee on Commerce.

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 2005 PA 115.

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 eliminate

1 the causes of that deterioration, and to promote economic growth,
2 the governing body may, by resolution, declare its intention to
3 create and provide for the operation of an authority.

4 (2) In the resolution of intent, the governing body shall set
5 a date for the holding of a public hearing on the adoption of a
6 proposed ordinance creating the authority and designating the
7 boundaries of the downtown district. Notice of the public hearing
8 shall be published twice in a newspaper of general circulation in
9 the municipality, not less than 20 or more than 40 days before the
10 date of the hearing. Not less than 20 days before the hearing, the
11 governing body proposing to create the authority shall also mail
12 notice of the hearing to the property taxpayers of record in the
13 proposed district and for a public hearing to be held after
14 February 15, 1994 to the governing body of each taxing jurisdiction
15 levying taxes that would be subject to capture if the authority is
16 established and a tax increment financing plan is approved.

17 Beginning June 1, 2005, the notice of hearing within the time frame
18 described in this subsection shall be mailed by certified mail to
19 the governing body of each taxing jurisdiction levying taxes that
20 would be subject to capture if the authority is established and a
21 tax increment financing plan is approved. Failure of a property
22 taxpayer to receive the notice shall not invalidate these
23 proceedings. Notice of the hearing shall be posted in at least 20
24 conspicuous and public places in the proposed downtown district not
25 less than 20 days before the hearing. The notice shall state the
26 date, time, and place of the hearing, and shall describe the
27 boundaries of the proposed downtown district. A citizen, taxpayer,

1 or property owner of the municipality or an official from a taxing
2 jurisdiction with millage that would be subject to capture has the
3 right to be heard in regard to the establishment of the authority
4 and the boundaries of the proposed downtown district. The governing
5 body of the municipality shall not incorporate land into the
6 downtown district not included in the description contained in the
7 notice of public hearing, but it may eliminate described lands from
8 the downtown district in the final 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. **BEGINNING IN 2007**
15 **AND EVERY 5 YEARS AFTER 2007, THE GOVERNING BODY OF A TAXING**
16 **JURISDICTION LEVYING AD VALOREM PROPERTY TAXES THAT WOULD OTHERWISE**
17 **BE SUBJECT TO CAPTURE MAY EXEMPT ITS TAXES FROM CAPTURE BY ADOPTING**
18 **A RESOLUTION TO THAT EFFECT AND FILING A COPY WITH THE CLERK OF THE**
19 **MUNICIPALITY THAT CREATED THE AUTHORITY. HOWEVER, THE GOVERNING**
20 **BODY OF A TAXING JURISDICTION SHALL NOT EXEMPT ITS TAXES UNDER THE**
21 **PREVIOUS SENTENCE IF THAT EXEMPTION WOULD IMPAIR BONDS ISSUED BY**
22 **THE AUTHORITY UNDER THIS ACT.** The resolution takes effect when
23 filed with that clerk and remains effective until a copy of a
24 resolution rescinding that resolution is filed with that clerk.

25 (4) Not less than 60 days after the public hearing, if the
26 governing body of the municipality intends to proceed with the
27 establishment of the authority, it shall adopt, by majority vote of

1 its members, an ordinance establishing the authority and
2 designating the boundaries of the downtown district within which
3 the authority shall exercise its powers. The adoption of the
4 ordinance is subject to any applicable statutory or charter
5 provisions in respect to the approval or disapproval by the chief
6 executive or other officer of the municipality and the adoption of
7 an ordinance over his or her veto. This ordinance shall be filed
8 with the secretary of state promptly after its adoption and shall
9 be published at least once in a newspaper of general circulation in
10 the municipality.

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

15 (6) A municipality that has created an authority may enter
16 into an agreement with an adjoining municipality that has created
17 an authority to jointly operate and administer those authorities
18 under an interlocal agreement under the urban cooperation act of
19 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

20 (7) A municipality that has created an authority may enter
21 into an agreement with a qualified township to operate its
22 authority in a downtown district in the qualified township under an
23 interlocal agreement under the urban cooperation act of 1967, 1967
24 (Ex Sess) PA 7, MCL 124.501 to 124.512. The interlocal agreement
25 between the municipality and the qualified township shall provide
26 for, but is not limited to, all of the following:

27 (a) Size and makeup of the board.

- 1 (b) Determination and modification of downtown district,
2 business district, and development area.
- 3 (c) Modification of development area and development plan.
- 4 (d) Issuance and repayment of obligations.
- 5 (e) Capture of taxes.
- 6 (f) Notice, hearing, and exemption of taxes from capture
7 provisions described in this section.