

HOUSE BILL No. 5266

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

A bill to amend 1986 PA 281, entitled
"The local development financing act,"
by amending section 4 (MCL 125.2154), as amended by 2005 PA 15.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. (1) The governing body of a municipality may declare
2 by resolution adopted by a majority of its members elected and
3 serving its intention to create and provide for the operation of an
4 authority.

5 (2) In the resolution of intent, the governing body proposing
6 to create the authority shall set a date for holding a public
7 hearing on the adoption of a proposed resolution creating the
8 authority and designating the boundaries of the authority district
9 or districts. Notice of the public hearing shall be published twice
10 in a newspaper of general circulation in the municipality, not less

1 than 20 nor more than 40 days before the date of the hearing. Not
2 less than 20 days before the hearing, the governing body proposing
3 to create the authority shall also mail notice of the hearing to
4 the property taxpayers of record in a proposed authority district
5 and, for a public hearing to be held after February 15, 1994, to
6 the governing body of each taxing jurisdiction levying taxes that
7 would be subject to capture if the authority is established and a
8 tax increment financing plan is approved. Beginning June 1, 2005,
9 the notice of hearing within the time frame described in this
10 subsection shall be mailed by certified mail to the governing body
11 of each taxing jurisdiction levying taxes that would be subject to
12 capture if the authority is established and a tax increment
13 financing plan is approved. Failure of a property taxpayer to
14 receive the notice shall not invalidate these proceedings. The
15 notice shall state the date, time, and place of the hearing, and
16 shall describe the boundaries of the proposed authority district or
17 districts. At that hearing, a resident, taxpayer, or property owner
18 from a taxing jurisdiction in which the proposed district is
19 located or an official from a taxing jurisdiction with millage that
20 would be subject to capture has the right to be heard in regard to
21 the establishment of the authority and the boundaries of that
22 proposed authority district. The governing body of the municipality
23 in which a proposed district is to be located shall not incorporate
24 land into an authority district not included in the description
25 contained in the notice of public hearing, but it may eliminate
26 lands described in the notice of public hearing from an authority
27 district in the final determination of the boundaries.

1 (3) Not more than 60 days after a public hearing held after
2 February 15, 1994, the governing body of a taxing jurisdiction with
3 millage that would otherwise be subject to capture may exempt its
4 taxes from capture by adopting a resolution to that effect and
5 filing a copy with the clerk of the municipality proposing to
6 create the authority. However, a resolution by a governing body of
7 a taxing jurisdiction to exempt its taxes from capture is not
8 effective for the capture of taxes that are used for a certified
9 technology park. **BEGINNING IN 2007 AND EVERY 5 YEARS AFTER 2007,**
10 **THE GOVERNING BODY OF A TAXING JURISDICTION WITH MILLAGE THAT WOULD**
11 **OTHERWISE BE SUBJECT TO CAPTURE MAY, EXCEPT FOR TAXES USED FOR A**
12 **CERTIFIED TECHNOLOGY PARK, EXEMPT ITS TAXES FROM CAPTURE BY**
13 **ADOPTING A RESOLUTION TO THAT EFFECT AND FILING A COPY WITH THE**
14 **CLERK OF THE MUNICIPALITY THAT CREATED THE AUTHORITY. HOWEVER, THE**
15 **GOVERNING BODY OF A TAXING JURISDICTION SHALL NOT EXEMPT ITS TAXES**
16 **UNDER THE PREVIOUS SENTENCE IF THAT EXEMPTION WOULD IMPAIR BONDS**
17 **ISSUED BY THE AUTHORITY UNDER THIS ACT.** The resolution takes effect
18 when filed with that clerk and remains effective until a copy of a
19 resolution rescinding that resolution is filed with that clerk.

20 (4) Not less than 60 days after the public hearing, if the
21 governing body creating the authority intends to proceed with the
22 establishment of the authority, it shall adopt, by majority vote of
23 its members elected and serving, a resolution establishing the
24 authority and designating the boundaries of the authority district
25 or districts within which the authority shall exercise its powers.
26 The adoption of the resolution is subject to any applicable
27 statutory or charter provisions with respect to the approval or

1 disapproval of resolutions by the chief executive officer of the
2 municipality and the adoption of a resolution over his or her veto.
3 This resolution shall be filed with the secretary of state promptly
4 after its adoption and shall be published at least once in a
5 newspaper of general circulation in the municipality.

6 (5) The governing body may alter or amend the boundaries of an
7 authority district to include or exclude lands from that authority
8 district or create new authority districts pursuant to the same
9 requirements prescribed for adopting the resolution creating the
10 authority.

11 (6) The validity of the proceedings establishing an authority
12 shall be conclusive unless contested in a court of competent
13 jurisdiction within 60 days after the last of the following takes
14 place:

15 (a) Publication of the resolution creating the authority as
16 adopted.

17 (b) Filing of the resolution creating the authority with the
18 secretary of state.

19 (7) Except as otherwise provided by this subsection, if 2 or
20 more municipalities desire to establish an authority under section
21 3(2), each municipality in which the authority district will be
22 located shall comply with the procedures prescribed by this act.
23 The notice required by subsection (2) may be published jointly by
24 the municipalities establishing the authority. The resolutions
25 establishing the authority shall include, or shall approve an
26 agreement including, provisions governing the number of members on
27 the board, the method of appointment, the members to be represented

1 by governmental units or agencies, the terms of initial and
2 subsequent appointments to the board, the manner in which a member
3 of the board may be removed for cause before the expiration of his
4 or her term, the manner in which the authority may be dissolved,
5 and the disposition of assets upon dissolution. An authority
6 described in this subsection shall not be considered established
7 unless all of the following conditions are satisfied:

8 (a) A resolution is approved and filed with the secretary of
9 state by each municipality in which the authority district will be
10 located.

11 (b) The same boundaries have been approved for the authority
12 district by the governing body of each municipality in which the
13 authority district will be located.

14 (c) The governing body of the county in which a majority of
15 the authority district will be located has approved by resolution
16 the creation of the authority.