

# HOUSE BILL No. 5267

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

A bill to amend 1980 PA 450, entitled  
"The tax increment finance authority act,"  
by amending section 3 (MCL 125.1803), as amended by 2005 PA 14.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 3. (1) If the governing body of a municipality determines  
2       that it is in the best interests of the public to halt a decline in  
3       property values, increase property tax valuation, eliminate the  
4       causes of the decline in property values, and to promote growth in  
5       an area in the municipality, the governing body of that  
6       municipality may declare by resolution its intention to create and  
7       provide for the operation of an authority.

8       (2) In the resolution of intent, the governing body shall set  
9       a date for the holding of a public hearing on the adoption of a  
10      proposed resolution creating the authority and designating the  
11      boundaries of the authority district. Notice of the public hearing

1 shall be published twice in a newspaper of general circulation in  
2 the municipality, not less than 20 nor more than 40 days before the  
3 date of the hearing. Notice shall also be mailed to the property  
4 taxpayers of record in the proposed authority district not less  
5 than 20 days before the hearing. Beginning June 1, 2005, the notice  
6 of hearing within the time frame described in this subsection shall  
7 be mailed by certified mail to the governing body of each taxing  
8 jurisdiction levying taxes that would be subject to capture if the  
9 authority is established and a tax increment financing plan is  
10 approved. Failure to receive the notice shall not invalidate these  
11 proceedings. The notice shall state the date, time, and place of  
12 the hearing, and shall describe the boundaries of the proposed  
13 authority district. At that hearing, a citizen, taxpayer, or  
14 property owner of the municipality has the right to be heard in  
15 regard to the establishment of the authority and the boundaries of  
16 the proposed authority district. The governing body of the  
17 municipality shall not incorporate land into the authority district  
18 not included in the description contained in the notice of public  
19 hearing, but it may eliminate described lands from the authority  
20 district in the final determination of the boundaries.

21 (3) After the public hearing, if the governing body intends to  
22 proceed with the establishment of the authority, it shall adopt, by  
23 majority vote of its members, a resolution establishing the  
24 authority and designating the boundaries of the authority district  
25 within which the authority shall exercise its powers. The adoption  
26 of the resolution is subject to any applicable statutory or charter  
27 provisions with respect to the approval or disapproval by the chief

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

6 (4) The governing body may alter or amend the boundaries of  
7 the authority district to include or exclude lands from the  
8 authority district in accordance with the same requirements  
9 prescribed for adopting the resolution creating the authority.

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

14 (a) Publication of the resolution as adopted.

15 (b) Filing of the resolution with the secretary of state.

16 **(6) BEGINNING IN 2007 AND EVERY 5 YEARS AFTER 2007, THE**  
17 **GOVERNING BODY OF A TAXING JURISDICTION LEVYING AD VALOREM PROPERTY**  
18 **TAXES THAT WOULD OTHERWISE BE SUBJECT TO CAPTURE MAY EXEMPT ITS**  
19 **TAXES FROM CAPTURE BY ADOPTING A RESOLUTION TO THAT EFFECT AND**  
20 **FILING A COPY WITH THE CLERK OF THE MUNICIPALITY THAT CREATED THE**  
21 **AUTHORITY. HOWEVER, THE GOVERNING BODY OF A TAXING JURISDICTION**  
22 **SHALL NOT EXEMPT ITS TAXES UNDER THIS SUBSECTION IF THAT EXEMPTION**  
23 **WOULD IMPAIR BONDS ISSUED BY THE AUTHORITY UNDER THIS ACT. THE**  
24 **RESOLUTION TAKES EFFECT WHEN FILED WITH THAT CLERK AND REMAINS**  
25 **EFFECTIVE UNTIL A COPY OF A RESOLUTION RESCINDING THAT RESOLUTION**  
26 **IS FILED WITH THAT CLERK.**