

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1081

A bill to amend 1986 PA 281, entitled
"The local development financing act,"
by amending section 2 (MCL 125.2152), as amended by 2009 PA 162.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. As used in this act:

2 (a) "Advance" means a transfer of funds made by a municipality
3 to an authority or to another person on behalf of the authority in
4 anticipation of repayment by the authority. Evidence of the intent
5 to repay an advance may include, but is not limited to, an executed
6 agreement to repay, provisions contained in a tax increment
7 financing plan approved prior to the advance, or a resolution of
8 the authority or the municipality.

9 (b) "Alternative energy technology" means equipment, component

1 parts, materials, electronic devices, testing equipment, and
2 related systems that are specifically designed, specifically
3 fabricated, and used primarily for 1 or more of the following:

4 (i) The storage, generation, reformation, or distribution of
5 clean fuels integrated within an alternative energy system or
6 alternative energy vehicle, not including an anaerobic digester
7 energy system or a hydroelectric energy system, for use within the
8 alternative energy system or alternative energy vehicle.

9 (ii) The process of generating and putting into a usable form
10 the energy generated by an alternative energy system. Alternative
11 energy technology does not include those component parts of an
12 alternative energy system that are required regardless of the
13 energy source.

14 (iii) Research and development of an alternative energy vehicle.

15 (iv) Research, development, and manufacturing of an alternative
16 energy system.

17 (v) Research, development, and manufacturing of an anaerobic
18 digester energy system.

19 (vi) Research, development, and manufacturing of a
20 hydroelectric energy system.

21 (c) "Alternative energy technology business" means a business
22 engaged in the research, development, or manufacturing of
23 alternative energy technology.

24 (d) "Assessed value" means 1 of the following:

25 (i) For valuations made before January 1, 1995, the state
26 equalized valuation as determined under the general property tax
27 act, 1893 PA 206, MCL 211.1 to 211.155.

1 (ii) For valuations made after December 31, 1994, the taxable
2 value as determined under section 27a of the general property tax
3 act, 1893 PA 206, MCL 211.27a.

4 (e) "Authority" means a local development finance authority
5 created pursuant to this act.

6 (f) "Authority district" means an area or areas within which
7 an authority exercises its powers.

8 (g) "Board" means the governing body of an authority.

9 (h) "Business development area" means an area designated as a
10 certified industrial park under this act prior to ~~the effective~~
11 ~~date of the amendatory act that added this subdivision~~ **JUNE 29,**
12 **2000**, or an area designated in the tax increment financing plan
13 that meets all of the following requirements:

14 (i) The area is zoned to allow its use for eligible property.

15 (ii) The area has a site plan or plat approved by the city,
16 village, or township in which the area is located.

17 (i) "Business incubator" means real and personal property that
18 meets all of the following requirements:

19 (i) Is located in a certified technology park or a certified
20 alternative energy park.

21 (ii) Is subject to an agreement under section 12a or 12c.

22 (iii) Is developed for the primary purpose of attracting 1 or
23 more owners or tenants who will engage in activities that would
24 each separately qualify the property as eligible property under
25 subdivision (s)(iii).

26 (j) "Captured assessed value" means the amount in any 1 year
27 by which the current assessed value of the eligible property

1 identified in the tax increment financing plan or, for a certified
2 technology park **OR A NEXT MICHIGAN DEVELOPMENT AREA**, the real and
3 personal property included in the tax increment financing plan,
4 including the current assessed value of property for which specific
5 local taxes are paid in lieu of property taxes as determined
6 pursuant to subdivision ~~(ff)~~ **(HH)**, exceeds the initial assessed
7 value. The state tax commission shall prescribe the method for
8 calculating captured assessed value. **EXCEPT AS OTHERWISE PROVIDED**
9 **IN THIS ACT, TAX ABATED PROPERTY IN A RENAISSANCE ZONE AS DEFINED**
10 **UNDER SECTION 3 OF THE MICHIGAN RENAISSANCE ZONE ACT, 1996 PA 376,**
11 **MCL 125.2683, SHALL BE EXCLUDED FROM THE CALCULATION OF CAPTURED**
12 **ASSESSED VALUE TO THE EXTENT THAT THE PROPERTY IS EXEMPT FROM AD**
13 **VALOREM PROPERTY TAXES OR SPECIFIC LOCAL TAXES.**

14 (k) "Certified alternative energy park" means that portion of
15 an authority district designated by a written agreement entered
16 into pursuant to section 12c between the authority, the
17 municipality or municipalities, and the Michigan economic
18 development corporation.

19 (l) "Certified business park" means a business development area
20 that has been designated by the Michigan economic development
21 corporation as meeting criteria established by the Michigan
22 economic development corporation. The criteria shall establish
23 standards for business development areas including, but not limited
24 to, use, types of building materials, landscaping, setbacks,
25 parking, storage areas, and management.

26 (m) "Certified technology park" means that portion of the
27 authority district designated by a written agreement entered into

1 pursuant to section 12a between the authority, the municipality,
2 and the Michigan economic development corporation.

3 (n) "Chief executive officer" means the mayor or city manager
4 of a city, the president of a village, or, for other local units of
5 government or school districts, the person charged by law with the
6 supervision of the functions of the local unit of government or
7 school district.

8 (o) "Development plan" means that information and those
9 requirements for a development set forth in section 15.

10 (p) "Development program" means the implementation of a
11 development plan.

12 (q) "Eligible advance" means an advance made before August 19,
13 1993.

14 (r) "Eligible obligation" means an obligation issued or
15 incurred by an authority or by a municipality on behalf of an
16 authority before August 19, 1993 and its subsequent refunding by a
17 qualified refunding obligation. Eligible obligation includes an
18 authority's written agreement entered into before August 19, 1993
19 to pay an obligation issued after August 18, 1993 and before
20 December 31, 1996 by another entity on behalf of the authority.

21 (s) "Eligible property" means land improvements, buildings,
22 structures, and other real property, and machinery, equipment,
23 furniture, and fixtures, or any part or accessory thereof whether
24 completed or in the process of construction comprising an
25 integrated whole, located within an authority district, of which
26 the primary purpose and use is or will be 1 of the following:

27 (i) The manufacture of goods or materials or the processing of

1 goods or materials by physical or chemical change.

2 (ii) Agricultural processing.

3 (iii) A high technology activity.

4 (iv) The production of energy by the processing of goods or
5 materials by physical or chemical change by a small power
6 production facility as defined by the federal energy regulatory
7 commission pursuant to the public utility regulatory policies act
8 of 1978, Public Law 95-617, which facility is fueled primarily by
9 biomass or wood waste. This act does not affect a person's rights
10 or liabilities under law with respect to groundwater contamination
11 described in this subparagraph. This subparagraph applies only if
12 all of the following requirements are met:

13 (A) Tax increment revenues captured from the eligible property
14 will be used to finance, or will be pledged for debt service on tax
15 increment bonds used to finance, a public facility in or near the
16 authority district designed to reduce, eliminate, or prevent the
17 spread of identified soil and groundwater contamination, pursuant
18 to law.

19 (B) The board of the authority exercising powers within the
20 authority district where the eligible property is located adopted
21 an initial tax increment financing plan between January 1, 1991 and
22 May 1, 1991.

23 (C) The municipality that created the authority establishes a
24 special assessment district whereby not less than 50% of the
25 operating expenses of the public facility described in this
26 subparagraph will be paid for by special assessments. Not less than
27 50% of the amount specially assessed against all parcels in the

1 special assessment district shall be assessed against parcels owned
2 by parties potentially responsible for the identified groundwater
3 contamination pursuant to law.

4 (v) A business incubator.

5 (vi) An alternative energy technology business.

6 (vii) **A TRANSIT-ORIENTED FACILITY.**

7 (viii) **A TRANSIT-ORIENTED DEVELOPMENT.**

8 (ix) **AN ELIGIBLE NEXT MICHIGAN BUSINESS, AS THAT TERM IS**
9 **DEFINED IN SECTION 3 OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY ACT,**
10 **1995 PA 24, MCL 207.803, AND OTHER BUSINESSES WITHIN A NEXT**
11 **MICHIGAN DEVELOPMENT AREA, BUT ONLY TO THE EXTENT DESIGNATED AS**
12 **ELIGIBLE PROPERTY WITHIN A DEVELOPMENT PLAN APPROVED BY A NEXT**
13 **MICHIGAN DEVELOPMENT CORPORATION.**

14 (t) "Fiscal year" means the fiscal year of the authority.

15 (u) "Governing body" means, **EXCEPT AS OTHERWISE PROVIDED IN**
16 **THIS SUBDIVISION,** the elected body having legislative powers of a
17 municipality creating an authority under this act. **FOR A NEXT**
18 **MICHIGAN DEVELOPMENT CORPORATION, GOVERNING BODY MEANS THE**
19 **EXECUTIVE COMMITTEE OF THE NEXT MICHIGAN DEVELOPMENT CORPORATION,**
20 **UNLESS OTHERWISE PROVIDED IN THE INTERLOCAL AGREEMENT OR ARTICLES**
21 **OF INCORPORATION CREATING THE NEXT MICHIGAN DEVELOPMENT CORPORATION**
22 **OR THE GOVERNING BODY OF AN ELIGIBLE URBAN ENTITY OR ITS DESIGNEE**
23 **AS PROVIDED IN THE NEXT MICHIGAN DEVELOPMENT ACT.**

24 (v) "High-technology activity" means that term as defined in
25 section 3 of the Michigan economic growth authority act, 1995 PA
26 24, MCL 207.803.

27 (w) "Initial assessed value" means the assessed value of the

1 eligible property identified in the tax increment financing plan
2 or, for a certified technology park **OR A NEXT MICHIGAN DEVELOPMENT**
3 **AREA**, the assessed value of any real and personal property included
4 in the tax increment financing plan, at the time the resolution
5 establishing the tax increment financing plan is approved as shown
6 by the most recent assessment roll for which equalization has been
7 completed at the time the resolution is adopted or, for property
8 that becomes eligible property in other than a certified technology
9 park after the date the plan is approved, at the time the property
10 becomes eligible property. Property exempt from taxation at the
11 time of the determination of the initial assessed value shall be
12 included as zero. Property for which a specific local tax is paid
13 in lieu of property tax shall not be considered exempt from
14 taxation. The initial assessed value of property for which a
15 specific local tax was paid in lieu of property tax shall be
16 determined as provided in subdivision ~~(ff)~~-(HH).

17 (x) "Michigan economic development corporation" means the
18 public body corporate created under section 28 of article VII of
19 the state constitution of 1963 and the urban cooperation act of
20 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by a contractual
21 interlocal agreement effective April 5, 1999 between local
22 participating economic development corporations formed under the
23 economic development corporations act, 1974 PA 338, MCL 125.1601 to
24 125.1636, and the Michigan strategic fund. If the Michigan economic
25 development corporation is unable for any reason to perform its
26 duties under this act, those duties may be exercised by the
27 Michigan strategic fund.

1 (y) "Michigan strategic fund" means the Michigan strategic
2 fund as described in the Michigan strategic fund act, 1984 PA 270,
3 MCL 125.2001 to 125.2094.

4 (z) "Municipality" means a city, village, or urban township.
5 However, for purposes of creating and operating a certified
6 alternative energy park, municipality includes townships that are
7 not urban townships.

8 (AA) "NEXT MICHIGAN DEVELOPMENT AREA" MEANS A PORTION OF AN
9 AUTHORITY DISTRICT DESIGNATED BY A NEXT MICHIGAN DEVELOPMENT
10 CORPORATION UNDER SECTION 12C TO WHICH A DEVELOPMENT PLAN IS
11 APPLICABLE.

12 (BB) "NEXT MICHIGAN DEVELOPMENT CORPORATION" MEANS THAT TERM
13 AS DEFINED IN SECTION 3 OF THE NEXT MICHIGAN DEVELOPMENT ACT.

14 (CC) ~~(aa)~~ "Obligation" means a written promise to pay, whether
15 evidenced by a contract, agreement, lease, sublease, bond, or note,
16 or a requirement to pay imposed by law. An obligation does not
17 include a payment required solely because of default upon an
18 obligation, employee salaries, or consideration paid for the use of
19 municipal offices. An obligation does not include those bonds that
20 have been economically defeased by refunding bonds issued under
21 this act. Obligation includes, but is not limited to, the
22 following:

23 (i) A requirement to pay proceeds derived from ad valorem
24 property taxes or taxes levied in lieu of ad valorem property
25 taxes.

26 (ii) A management contract or a contract for professional
27 services.

1 (iii) A payment required on a contract, agreement, bond, or note
2 if the requirement to make or assume the payment arose before
3 August 19, 1993.

4 (iv) A requirement to pay or reimburse a person for the cost of
5 insurance for, or to maintain, property subject to a lease, land
6 contract, purchase agreement, or other agreement.

7 (v) A letter of credit, paying agent, transfer agent, bond
8 registrar, or trustee fee associated with a contract, agreement,
9 bond, or note.

10 (DD) ~~(bb)~~—"On behalf of an authority", in relation to an
11 eligible advance made by a municipality or an eligible obligation
12 or other protected obligation issued or incurred by a municipality,
13 means in anticipation that an authority would transfer tax
14 increment revenues or reimburse the municipality from tax increment
15 revenues in an amount sufficient to fully make payment required by
16 the eligible advance made by a municipality, or eligible obligation
17 or other protected obligation issued or incurred by the
18 municipality, if the anticipation of the transfer or receipt of tax
19 increment revenues from the authority is pursuant to or evidenced
20 by 1 or more of the following:

21 (i) A reimbursement agreement between the municipality and an
22 authority it established.

23 (ii) A requirement imposed by law that the authority transfer
24 tax increment revenues to the municipality.

25 (iii) A resolution of the authority agreeing to make payments to
26 the incorporating unit.

27 (iv) Provisions in a tax increment financing plan describing

1 the project for which the obligation was incurred.

2 (EE) ~~(ee)~~ "Other protected obligation" means:

3 (i) A qualified refunding obligation issued to refund an
4 obligation described in subparagraph (ii) or (iii), an obligation that
5 is not a qualified refunding obligation that is issued to refund an
6 eligible obligation, or a qualified refunding obligation issued to
7 refund an obligation described in this subparagraph.

8 (ii) An obligation issued or incurred by an authority or by a
9 municipality on behalf of an authority after August 19, 1993, but
10 before December 31, 1994, to finance a project described in a tax
11 increment finance plan approved by the municipality in accordance
12 with this act before August 19, 1993, for which a contract for
13 final design is entered into by the municipality or authority
14 before March 1, 1994.

15 (iii) An obligation incurred by an authority or municipality
16 after August 19, 1993, to reimburse a party to a development
17 agreement entered into by a municipality or authority before August
18 19, 1993, for a project described in a tax increment financing plan
19 approved in accordance with this act before August 19, 1993, and
20 undertaken and installed by that party in accordance with the
21 development agreement.

22 (iv) An ongoing management or professional services contract
23 with the governing body of a county that was entered into before
24 March 1, 1994 and that was preceded by a series of limited term
25 management or professional services contracts with the governing
26 body of the county, the last of which was entered into before
27 August 19, 1993.

1 **(FF)** ~~(dd)~~—"Public facility" means 1 or more of the following:

2 (i) A street, road, bridge, storm water or sanitary sewer,
3 sewage treatment facility, facility designed to reduce, eliminate,
4 or prevent the spread of identified soil or groundwater
5 contamination, drainage system, retention basin, pretreatment
6 facility, waterway, waterline, water storage facility, rail line,
7 electric, gas, telephone or other communications, or any other type
8 of utility line or pipeline, **TRANSIT-ORIENTED FACILITY, TRANSIT-**
9 **ORIENTED DEVELOPMENT**, or other similar or related structure or
10 improvement, together with necessary easements for the structure or
11 improvement. Except for rail lines, utility lines, or pipelines,
12 the structures or improvements described in this subparagraph shall
13 be either owned or used by a public agency, functionally connected
14 to similar or supporting facilities owned or used by a public
15 agency, or designed and dedicated to use by, for the benefit of, or
16 for the protection of the health, welfare, or safety of the public
17 generally, whether or not used by a single business entity. Any
18 road, street, or bridge shall be continuously open to public
19 access. A public facility shall be located on public property or in
20 a public, utility, or transportation easement or right-of-way.

21 (ii) The acquisition and disposal of land that is proposed or
22 intended to be used in the development of eligible property or an
23 interest in that land, demolition of structures, site preparation,
24 and relocation costs.

25 (iii) All administrative and real and personal property
26 acquisition and disposal costs related to a public facility
27 described in subparagraphs (i) and (iv), including, but not limited

1 to, architect's, engineer's, legal, and accounting fees as
2 permitted by the district's development plan.

3 (iv) An improvement to a facility used by the public or a
4 public facility as those terms are defined in section 1 of 1966 PA
5 1, MCL 125.1351, which improvement is made to comply with the
6 barrier free design requirements of the state construction code
7 promulgated under the Stille-DeRossett-Hale single state
8 construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.

9 (v) All of the following costs approved by the Michigan
10 economic development corporation:

11 (A) Operational costs and the costs related to the
12 acquisition, improvement, preparation, demolition, disposal,
13 construction, reconstruction, remediation, rehabilitation,
14 restoration, preservation, maintenance, repair, furnishing, and
15 equipping of land and other assets that are or may become eligible
16 for depreciation under the internal revenue code of 1986 for a
17 business incubator located in a certified technology park or
18 certified alternative energy park.

19 (B) Costs related to the acquisition, improvement,
20 preparation, demolition, disposal, construction, reconstruction,
21 remediation, rehabilitation, restoration, preservation,
22 maintenance, repair, furnishing, and equipping of land and other
23 assets that, if privately owned, would be eligible for depreciation
24 under the internal revenue code of 1986 for laboratory facilities,
25 research and development facilities, conference facilities,
26 teleconference facilities, testing, training facilities, and
27 quality control facilities that are or that support eligible

1 property under subdivision (s) (iii), that are owned by a public
2 entity, and that are located within a certified technology park.

3 (C) Costs related to the acquisition, improvement,
4 preparation, demolition, disposal, construction, reconstruction,
5 remediation, rehabilitation, restoration, preservation,
6 maintenance, repair, furnishing, and equipping of land and other
7 assets that, if privately owned, would be eligible for depreciation
8 under the internal revenue code of 1986 for facilities that are or
9 that will support eligible property under subdivision (s) (vi), that
10 have been or will be owned by a public entity at the time such
11 costs are incurred, that are located within a certified alternative
12 energy park, and that have been or will be conveyed, by gift or
13 sale, by such public entity to an alternative energy technology
14 business.

15 (vi) Operating and planning costs included in a plan pursuant
16 to section 12(1) (f), including costs of marketing property within
17 the district and attracting development of eligible property within
18 the district.

19 (GG) ~~(ee)~~ "Qualified refunding obligation" means an obligation
20 issued or incurred by an authority or by a municipality on behalf
21 of an authority to refund an obligation if the refunding obligation
22 meets both of the following:

23 (i) The net present value of the principal and interest to be
24 paid on the refunding obligation, including the cost of issuance,
25 will be less than the net present value of the principal and
26 interest to be paid on the obligation being refunded, as calculated
27 using a method approved by the department of treasury.

1 (ii) The net present value of the sum of the tax increment
 2 revenues described in subdivision ~~(hh) (ii)~~ **(JJ) (ii)** and the
 3 distributions under section 11a to repay the refunding obligation
 4 will not be greater than the net present value of the sum of the
 5 tax increment revenues described in subdivision ~~(hh) (ii)~~ **(JJ) (ii)** and
 6 the distributions under section 11a to repay the obligation being
 7 refunded, as calculated using a method approved by the department
 8 of treasury.

9 **(HH)** ~~(ff)~~—"Specific local taxes" means a tax levied under 1974
 10 PA 198, MCL 207.551 to 207.572, the obsolete property
 11 rehabilitation act, 2000 PA 146, MCL 125.2781 to 125.2797, the
 12 commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668,
 13 the enterprise zone act, 1985 PA 224, MCL 125.2101 to 125.2123,
 14 1953 PA 189, MCL 211.181 to 211.182, and the technology park
 15 development act, 1984 PA 385, MCL 207.701 to 207.718. The initial
 16 assessed value or current assessed value of property subject to a
 17 specific local tax is the quotient of the specific local tax paid
 18 divided by the ad valorem millage rate. However, after 1993, the
 19 state tax commission shall prescribe the method for calculating the
 20 initial assessed value and current assessed value of property for
 21 which a specific local tax was paid in lieu of a property tax.

22 **(II)** ~~(gg)~~—"State fiscal year" means the annual period
 23 commencing October 1 of each year.

24 **(JJ)** ~~(hh)~~—"Tax increment revenues" means the amount of ad
 25 valorem property taxes and specific local taxes attributable to the
 26 application of the levy of all taxing jurisdictions upon the
 27 captured assessed value of eligible property within the district

1 or, for purposes of a certified technology park, **A NEXT MICHIGAN**
2 **DEVELOPMENT AREA**, or a certified alternative energy park, real or
3 personal property that is located within the certified technology
4 park, **A NEXT MICHIGAN DEVELOPMENT AREA, OR A CERTIFIED ALTERNATIVE**
5 **ENERGY PARK** and included within the tax increment financing plan,
6 subject to the following requirements:

7 (i) Tax increment revenues include ad valorem property taxes
8 and specific local taxes attributable to the application of the
9 levy of all taxing jurisdictions, other than the state pursuant to
10 the state education tax act, 1993 PA 331, MCL 211.901 to 211.906,
11 and local or intermediate school districts, upon the captured
12 assessed value of real and personal property in the development
13 area for any purpose authorized by this act.

14 (ii) Tax increment revenues include ad valorem property taxes
15 and specific local taxes attributable to the application of the
16 levy of the state pursuant to the state education tax act, 1993 PA
17 331, MCL 211.901 to 211.906, and local or intermediate school
18 districts upon the captured assessed value of real and personal
19 property in the development area in an amount equal to the amount
20 necessary, without regard to subparagraph (i), for the following
21 purposes:

22 (A) To repay eligible advances, eligible obligations, and
23 other protected obligations.

24 (B) To fund or to repay an advance or obligation issued by or
25 on behalf of an authority to fund the cost of public facilities
26 related to or for the benefit of eligible property located within a
27 certified technology park or a certified alternative energy park to

1 the extent the public facilities have been included in an agreement
2 under section 12a(3), not to exceed 50%, as determined by the state
3 treasurer, of the amounts levied by the state pursuant to the state
4 education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local
5 and intermediate school districts for a period not to exceed 15
6 years, as determined by the state treasurer, if the state treasurer
7 determines that the capture under this subparagraph is necessary to
8 reduce unemployment, promote economic growth, and increase capital
9 investment in the municipality.

10 (C) TO FUND THE COST OF PUBLIC FACILITIES RELATED TO OR FOR
11 THE BENEFIT OF ELIGIBLE PROPERTY LOCATED WITHIN A NEXT MICHIGAN
12 DEVELOPMENT AREA TO THE EXTENT THAT THE PUBLIC FACILITIES HAVE BEEN
13 INCLUDED IN A DEVELOPMENT PLAN, NOT TO EXCEED 50%, AS DETERMINED BY
14 THE STATE TREASURER, OF THE AMOUNTS LEVIED BY THE STATE PURSUANT TO
15 THE STATE EDUCATION TAX ACT, 1993 PA 331, MCL 211.901 TO 211.906,
16 AND LOCAL AND INTERMEDIATE SCHOOL DISTRICTS FOR A PERIOD NOT TO
17 EXCEED 15 YEARS, AS DETERMINED BY THE STATE TREASURER, IF THE STATE
18 TREASURER DETERMINES THAT THE CAPTURE UNDER THIS SUB-SUBPARAGRAPH
19 IS NECESSARY TO REDUCE UNEMPLOYMENT, PROMOTE ECONOMIC GROWTH, AND
20 INCREASE CAPITAL INVESTMENT IN THE AUTHORITY DISTRICT.

21 (iii) Tax increment revenues do not include any of the
22 following:

23 (A) Ad valorem property taxes or specific local taxes that are
24 excluded from and not made part of the tax increment financing
25 plan.

26 (B) Ad valorem property taxes and specific local taxes
27 attributable to ad valorem property taxes excluded by the tax

1 increment financing plan of the authority from the determination of
2 the amount of tax increment revenues to be transmitted to the
3 authority.

4 (C) Ad valorem property taxes exempted from capture under
5 section 4(3) or specific local taxes attributable to such ad
6 valorem property taxes.

7 (D) Ad valorem property taxes specifically levied for the
8 payment of principal and interest of obligations approved by the
9 electors or obligations pledging the unlimited taxing power of the
10 local governmental unit or specific local taxes attributable to
11 such ad valorem property taxes.

12 (E) The amount of ad valorem property taxes or specific taxes
13 captured by a downtown development authority under 1975 PA 197, MCL
14 125.1651 to 125.1681, tax increment financing authority under the
15 tax increment finance authority act, 1980 PA 450, MCL 125.1801 to
16 125.1830, or brownfield redevelopment authority under the
17 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651
18 to 125.2672, if those taxes were captured by these other
19 authorities on the date that the initial assessed value of a parcel
20 of property was established under this act.

21 (iv) The amount of tax increment revenues authorized to be
22 included under subparagraph (ii), and required to be transmitted to
23 the authority under section 13(1), from ad valorem property taxes
24 and specific local taxes attributable to the application of the
25 levy of the state education tax act, 1993 PA 331, MCL 211.901 to
26 211.906, or a local school district or an intermediate school
27 district upon the captured assessed value of real and personal

property in a development area shall be determined separately for the levy by the state, each school district, and each intermediate school district as the product of sub-subparagraphs (A) and (B):

(A) The percentage that the total ad valorem taxes and specific local taxes available for distribution by law to the state, local school district, or intermediate school district, respectively, bears to the aggregate amount of ad valorem millage taxes and specific taxes available for distribution by law to the state, each local school district, and each intermediate school district.

(B) The maximum amount of ad valorem property taxes and specific local taxes considered tax increment revenues under subparagraph (ii).

(KK) "TRANSIT-ORIENTED DEVELOPMENT" MEANS INFRASTRUCTURE IMPROVEMENTS THAT ARE LOCATED WITHIN 1/2 MILE OF A TRANSIT STATION OR TRANSIT-ORIENTED FACILITY THAT PROMOTES TRANSIT RIDERSHIP OR PASSENGER RAIL USE AS DETERMINED BY THE BOARD AND APPROVED BY THE MUNICIPALITY IN WHICH IT IS LOCATED.

(ll) "TRANSIT-ORIENTED FACILITY" MEANS A FACILITY THAT HOUSES A TRANSIT STATION IN A MANNER THAT PROMOTES TRANSIT RIDERSHIP OR PASSENGER RAIL USE.

(MM) ~~(ii)~~ "Urban township" means a township that meets 1 or more of the following:

(i) Meets all of the following requirements:

(A) Has a population of 20,000 or more, or has a population of 10,000 or more but is located in a county with a population of 400,000 or more.

1 (B) Adopted a master zoning plan before February 1, 1987.

2 (C) Provides sewer, water, and other public services to all or
3 a part of the township.

4 (ii) Meets all of the following requirements:

5 (A) Has a population of less than 20,000.

6 (B) Is located in a county with a population of 250,000 or
7 more but less than 400,000, and that county is located in a
8 metropolitan statistical area.

9 (C) Has within its boundaries a parcel of property under
10 common ownership that is 800 acres or larger and is capable of
11 being served by a railroad, and located within 3 miles of a limited
12 access highway.

13 (D) Establishes an authority before December 31, 1998.

14 (iii) Meets all of the following requirements:

15 (A) Has a population of less than 20,000.

16 (B) Has a state equalized valuation for all real and personal
17 property located in the township of more than \$200,000,000.00.

18 (C) Adopted a master zoning plan before February 1, 1987.

19 (D) Is a charter township under the charter township act, 1947
20 PA 359, MCL 42.1 to 42.34.

21 (E) Has within its boundaries a combination of parcels under
22 common ownership that is 800 acres or larger, is immediately
23 adjacent to a limited access highway, is capable of being served by
24 a railroad, and is immediately adjacent to an existing sewer line.

25 (F) Establishes an authority before March 1, 1999.

26 (iv) Meets all of the following requirements:

27 (A) Has a population of 13,000 or more.

1 (B) Is located in a county with a population of 150,000 or
2 more.

3 (C) Adopted a master zoning plan before February 1, 1987.

4 (v) Meets all of the following requirements:

5 (A) Is located in a county with a population of 1,000,000 or
6 more.

7 (B) Has a written agreement with an adjoining township to
8 develop 1 or more public facilities on contiguous property located
9 in both townships.

10 (C) Has a master plan in effect.

11 (vi) Meets all of the following requirements:

12 (A) Has a population of less than 10,000.

13 (B) Has a state equalized valuation for all real and personal
14 property located in the township of more than \$280,000,000.00.

15 (C) Adopted a master zoning plan before February 1, 1987.

16 (D) Has within its boundaries a combination of parcels under
17 common ownership that is 199 acres or larger, is located within 1
18 mile of a limited access highway, and is located within 1 mile of
19 an existing sewer line.

20 (E) Has rail service.

21 (F) Establishes an authority before May 7, 2009.

22 (vii) Has joined an authority under section 3(2) which is
23 seeking or has entered into an agreement for a certified
24 alternative energy park.