

HOUSE BILL No. 6050

December 2, 2014, Introduced by Rep. Price and referred to the Committee on Local Government.

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 sections 3, 15, 18, and 24 (MCL 125.1653, 125.1665, 125.1668, and 125.1674), section 3 as amended by 2005 PA 115, section 15 as amended by 1993 PA 323, and section 18 as amended by 2005 PA 13.

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

1 public to halt property value deterioration and increase property
2 tax valuation where possible in its business district, to eliminate
3 the causes of that deterioration, and to promote economic growth,
4 the governing body may, by resolution, declare its intention to
5 create and provide for the operation of an authority.

6 (2) In the resolution of intent, the governing body shall set
7 a date for the holding of a public hearing on the adoption of a
8 proposed ordinance creating the authority and designating the
9 boundaries of the downtown district. ~~Notice~~**THROUGH DECEMBER 31,**
10 **2014, NOTICE** of the public hearing shall be published twice in a
11 newspaper of general circulation in the municipality, not less than
12 20 or more than 40 days before the date of the hearing. **BEGINNING**
13 **JANUARY 1, 2015, THE GOVERNING BODY SHALL PROVIDE TIER A PUBLIC**
14 **NOTICE AS PROVIDED IN THE LOCAL GOVERNMENT PUBLIC NOTICE ACT OF THE**
15 **PUBLIC HEARING NOT LESS THAN 20 OR MORE THAN 40 DAYS BEFORE THE**
16 **DATE OF THE HEARING.** Not less than 20 days before the hearing, the
17 governing body proposing to create the authority shall also mail
18 notice of the hearing to the property taxpayers of record in the
19 proposed district and for a public hearing to be held after
20 February 15, 1994 to the governing body of each taxing jurisdiction
21 levying taxes that would be subject to capture if the authority is
22 established and a tax increment financing plan is approved.

23 Beginning June 1, 2005, the notice of hearing within the time frame
24 described in this subsection shall be mailed by certified mail to
25 the governing body of each taxing jurisdiction levying taxes that
26 would be subject to capture if the authority is established and a
27 tax increment financing plan is approved. Failure of a property

1 taxpayer to receive the notice shall not invalidate these
2 proceedings. ~~Notice~~**THROUGH DECEMBER 31, 2014, NOTICE** of the
3 hearing shall be posted in at least 20 conspicuous and public
4 places in the proposed downtown district not less than 20 days
5 before the hearing. The notice shall state the date, time, and
6 place of the hearing, and shall describe the boundaries of the
7 proposed downtown district. A citizen, taxpayer, or property owner
8 of the municipality or an official from a taxing jurisdiction with
9 millage that would be subject to capture has the right to be heard
10 in regard to the establishment of the authority and the boundaries
11 of the proposed downtown district. The governing body of the
12 municipality shall not incorporate land into the downtown district
13 not included in the description contained in the notice of public
14 hearing, but it may eliminate described lands from the downtown
15 district in the final determination of the boundaries.

16 (3) Not more than 60 days after a public hearing held after
17 February 15, 1994, the governing body of a taxing jurisdiction
18 levying ad valorem property taxes that would otherwise be subject
19 to capture may exempt its taxes from capture by adopting a
20 resolution to that effect and filing a copy with the clerk of the
21 municipality proposing to create the authority. The resolution
22 takes effect when filed with that clerk and remains effective until
23 a copy of a resolution rescinding that resolution is filed with
24 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,
9 **THROUGH DECEMBER 31, 2014,** shall be published at least once in a
10 newspaper of general circulation in the municipality. **BEGINNING**
11 **JANUARY 1, 2015, THE GOVERNING BODY OF THE MUNICIPALITY SHALL**
12 **PROVIDE TIER A PUBLIC NOTICE AS PROVIDED IN THE LOCAL GOVERNMENT**
13 **PUBLIC NOTICE ACT OF THE ADOPTED ORDINANCE.**

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

18 (6) A municipality that has created an authority may enter
19 into an agreement with an adjoining municipality that has created
20 an authority to jointly operate and administer those authorities
21 under an interlocal agreement under the urban cooperation act of
22 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

23 (7) A municipality that has created an authority may enter
24 into an agreement with a qualified township to operate its
25 authority in a downtown district in the qualified township under an
26 interlocal agreement under the urban cooperation act of 1967, 1967
27 (Ex Sess) PA 7, MCL 124.501 to 124.512. The interlocal agreement

1 between the municipality and the qualified township shall provide
2 for, but is not limited to, all of the following:

3 (a) Size and makeup of the board.

4 (b) Determination and modification of downtown district,
5 business district, and development area.

6 (c) Modification of development area and development plan.

7 (d) Issuance and repayment of obligations.

8 (e) Capture of taxes.

9 (f) Notice, hearing, and exemption of taxes from capture
10 provisions described in this section.

11 Sec. 15. (1) The municipal and county treasurers shall
12 transmit to the authority tax increment revenues.

13 (2) The authority shall expend the tax increment revenues
14 received for the development program only pursuant to the tax
15 increment financing plan. Surplus funds shall revert
16 proportionately to the respective taxing bodies. These revenues
17 shall not be used to circumvent existing property tax limitations.
18 The governing body of the municipality may abolish the tax
19 increment financing plan when it finds that the purposes for which
20 it was established are accomplished. However, the tax increment
21 financing plan shall not be abolished until the principal of, and
22 interest on, bonds issued pursuant to section 16 have been paid or
23 funds sufficient to make the payment have been segregated.

24 (3) Annually the authority shall submit to the governing body
25 of the municipality and the state tax commission a report on the
26 status of the tax increment financing account. ~~The~~**THROUGH DECEMBER**
27 **31, 2014, THE** report shall be published in a newspaper of general

1 circulation in the municipality. ~~and BEGINNING JANUARY 1, 2015, THE~~
2 **GOVERNING BODY OF THE MUNICIPALITY SHALL PROVIDE TIER A PUBLIC**
3 **NOTICE AS PROVIDED IN THE LOCAL GOVERNMENT PUBLIC NOTICE ACT OF THE**
4 **REPORT. THE REPORT** shall include the following:

5 (a) The amount and source of revenue in the account.

6 (b) The amount in any bond reserve account.

7 (c) The amount and purpose of expenditures from the account.

8 (d) The amount of principal and interest on any outstanding
9 bonded indebtedness.

10 (e) The initial assessed value of the project area.

11 (f) The captured assessed value retained by the authority.

12 (g) The tax increment revenues received.

13 (h) The number of jobs created as a result of the
14 implementation of the tax increment financing plan.

15 (i) Any additional information the governing body or the state
16 tax commission considers necessary.

17 Sec. 18. (1) The governing body, before adoption of an
18 ordinance approving or amending a development plan or approving or
19 amending a tax increment financing plan, shall hold a public
20 hearing on the development plan. ~~Notice~~**THROUGH DECEMBER 31, 2014,**
21 **NOTICE** of the time and place of the hearing shall be given by
22 publication twice in a newspaper of general circulation designated
23 by the municipality, the first of which shall be not less than 20
24 days before the date set for the hearing. ~~Notice~~**BEGINNING JANUARY**
25 **1, 2015, THE GOVERNING BODY SHALL PROVIDE TIER A PUBLIC NOTICE AS**
26 **PROVIDED IN THE LOCAL GOVERNMENT PUBLIC NOTICE ACT OF THE TIME AND**
27 **PLACE OF THE HEARING, NOT LESS THAN 20 DAYS BEFORE THE DATE SET FOR**

1 **THE HEARING. THROUGH DECEMBER 31, 2014, NOTICE** of the hearing shall
2 be posted in at least 20 conspicuous and public places in the
3 downtown district not less than 20 days before the hearing. Notice
4 shall also be mailed to all property taxpayers of record in the
5 downtown district not less than 20 days before the hearing.

6 Beginning June 1, 2005, the notice of hearing within the time frame
7 described in this subsection shall be mailed by certified mail to
8 the governing body of each taxing jurisdiction levying taxes that
9 would be subject to capture if the development plan or the tax
10 increment financing plan is approved or amended.

11 (2) Notice of the time and place of hearing on a development
12 plan shall contain: a description of the proposed development area
13 in relation to highways, streets, streams, or otherwise; a
14 statement that maps, plats, and a description of the development
15 plan, including the method of relocating families and individuals
16 who may be displaced from the area, are available for public
17 inspection at a place designated in the notice, and that all
18 aspects of the development plan will be open for discussion at the
19 public hearing; and other information that the governing body
20 considers appropriate. At the time set for hearing, the governing
21 body shall provide an opportunity for interested persons to be
22 heard and shall receive and consider communications in writing with
23 reference to the development plan. The hearing shall provide the
24 fullest opportunity for expression of opinion, for argument on the
25 merits, and for introduction of documentary evidence pertinent to
26 the development plan. The governing body shall make and preserve a
27 record of the public hearing, including all data presented thereat.

1 Sec. 24. (1) Meetings of the development area citizens council
2 shall be open to the public. ~~Notice~~**—THROUGH DECEMBER 31, 2014,**
3 **NOTICE** of the time and place of the meetings shall be given by
4 publication in a newspaper of general circulation not less than 5
5 days before the dates set for meetings of the development area
6 citizens council. **BEGINNING JANUARY 1, 2015, THE DEPARTMENT AREA**
7 **CITIZENS COUNCIL SHALL PROVIDE TIER B PUBLIC NOTICE AS PROVIDED IN**
8 **THE LOCAL GOVERNMENT PUBLIC NOTICE ACT OF THE PUBLIC MEETING NOT**
9 **LESS THAN 5 DAYS BEFORE THE DATE OF THE MEETING.** A person present
10 at those meetings shall have reasonable opportunity to be heard.

11 (2) A record of the meetings of a development area citizens
12 council, including information and data presented, shall be
13 maintained by the council.

14 (3) A development area citizens council may request of and
15 receive from the authority information and technical assistance
16 relevant to the preparation of the development plan for the
17 development area.

18 (4) Failure of a development area citizens council to organize
19 or to consult with and be advised by the authority, or failure to
20 advise the governing body, as provided in this act, shall not
21 preclude the adoption of a development plan by a municipality if
22 the municipality complies with the other provisions of this act.

23 Enacting section 1. This amendatory act does not take effect
24 unless House Bill No. 5560 of the 97th Legislature is enacted into
25 law.