

# SENATE BILL No. 1026

June 8, 2016, Introduced by Senator HORN and referred to the Committee on Economic Development and International Investment.

A bill to provide for the establishment of certain tax increment finance authorities; to prescribe the powers and duties of the authorities; to correct and prevent deterioration in residential, commercial, and industrial areas and certain other areas; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans and development areas; to promote residential and economic growth; to create certain boards; to prescribe the powers and duties of certain boards; to authorize the issuance of bonds and other evidences of indebtedness; to levy certain taxes; to authorize the use of tax increment financing; to prescribe powers and duties of certain state officials; to provide for rule promulgation; to provide for enforcement of this act; and

to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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PART 1

Sec. 101. This act shall be known and may be cited as the "recodified tax increment financing act".

Sec. 102. (1) The repeal of a statute or section of law by this act does not relinquish any penalty, forfeiture, or liability, whether criminal or civil in nature, and that statute or section of law shall be treated as still remaining in force as necessary for the purpose of instituting or sustaining any proper action or prosecution for the enforcement of the penalty, forfeiture, or liability.

(2) A bond, note, or any other obligation issued by or on behalf of an authority under a statute or section of law repealed by this act shall continue in effect under its original terms under the corresponding part of this act.

(3) A contractual right, duty, or obligation relating to an authority under a statute or section of law repealed by this act shall continue and remain with the authority under the corresponding part of this act.

(4) A development plan or a tax increment financing plan developed by an authority under a statute or section of law repealed by this act shall remain in effect with the authority under the corresponding part of this act.

Sec. 103. Members of a board of an authority created under a statute or section of law repealed by this act with the same or similar name and functions shall continue in office for the

1 duration of the terms of office for which they were appointed.  
2 Members shall be appointed under this act only as terms of the  
3 former members expire or vacancies occur. Members of the board of  
4 an authority created under a statute or section of law repealed by  
5 this act may be appointed to the new board to succeed themselves  
6 subject to any limits for the total period of service set forth in  
7 this act.

8 PART 2

9 Sec. 201. As used in this part:

10 (a) "Advance" means a transfer of funds made by a municipality  
11 to an authority or to another person on behalf of the authority in  
12 anticipation of repayment by the authority. Evidence of the intent  
13 to repay an advance may include, but is not limited to, an executed  
14 agreement to repay, provisions contained in a tax increment  
15 financing plan approved prior to the advance, or a resolution of  
16 the authority or the municipality.

17 (b) "Assessed value" means 1 of the following:

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

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

24 (c) "Authority" means a downtown development authority created  
25 pursuant to this part.

26 (d) "Board" means the governing body of an authority.

27 (e) "Business district" means an area in the downtown of a

1 municipality zoned and used principally for business.

2 (f) "Captured assessed value" means the amount in any 1 year  
3 by which the current assessed value of the project area, including  
4 the assessed value of property for which specific local taxes are  
5 paid in lieu of property taxes as determined in subdivision (aa),  
6 exceeds the initial assessed value. The state tax commission shall  
7 prescribe the method for calculating captured assessed value.

8 (g) "Catalyst development project" means a project that is  
9 located in a municipality with a population greater than 600,000,  
10 is designated by the authority as a catalyst development project,  
11 and is expected to result in at least \$300,000,000.00 of capital  
12 investment. There shall be no more than 1 catalyst development  
13 project designated within each authority.

14 (h) "Chief executive officer" means the mayor or city manager  
15 of a city, the president or village manager of a village, or the  
16 supervisor of a township or, if designated by the township board  
17 for purposes of this part, the township superintendent or township  
18 manager of a township.

19 (i) "Development area" means that area to which a development  
20 plan is applicable.

21 (j) "Development plan" means that information and those  
22 requirements for a development plan set forth in section 217.

23 (k) "Development program" means the implementation of the  
24 development plan.

25 (l) "Downtown district" means that part of an area in a  
26 business district that is specifically designated by ordinance of  
27 the governing body of the municipality pursuant to this part. A

1 downtown district may include 1 or more separate and distinct  
2 geographic areas in a business district as determined by the  
3 municipality if the municipality enters into an agreement with a  
4 qualified township under section 203(7) or if the municipality is a  
5 city that surrounds another city and that other city lies between  
6 the 2 separate and distinct geographic areas. If the downtown  
7 district contains more than 1 separate and distinct geographic area  
8 in the downtown district, the separate and distinct geographic  
9 areas shall be considered 1 downtown district.

10 (m) "Eligible advance" means an advance made before August 19,  
11 1993.

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

19 (o) "Fire alarm system" means a system designed to detect and  
20 annunciate the presence of fire, or by-products of fire. Fire alarm  
21 system includes smoke detectors.

22 (p) "Fiscal year" means the fiscal year of the authority.

23 (q) "Governing body of a municipality" means the elected body  
24 of a municipality having legislative powers.

25 (r) "Initial assessed value" means the assessed value, as  
26 equalized, of all the taxable property within the boundaries of the  
27 development area at the time the ordinance establishing the tax

1 increment financing plan is approved, as shown by the most recent  
2 assessment roll of the municipality for which equalization has been  
3 completed at the time the resolution is adopted. Property exempt  
4 from taxation at the time of the determination of the initial  
5 assessed value shall be included as zero. For the purpose of  
6 determining initial assessed value, property for which a specific  
7 local tax is paid in lieu of a property tax shall not be considered  
8 to be property that is exempt from taxation. The initial assessed  
9 value of property for which a specific local tax was paid in lieu  
10 of a property tax shall be determined as provided in subdivision  
11 (aa). In the case of a municipality having a population of less  
12 than 35,000 that established an authority prior to 1985, created a  
13 district or districts, and approved a development plan or tax  
14 increment financing plan or amendments to a plan, and which plan or  
15 tax increment financing plan or amendments to a plan, and which  
16 plan expired by its terms December 31, 1991, the initial assessed  
17 value for the purpose of any plan or plan amendment adopted as an  
18 extension of the expired plan shall be determined as if the plan  
19 had not expired December 31, 1991. For a development area  
20 designated before 1997 in which a renaissance zone has subsequently  
21 been designated pursuant to the Michigan renaissance zone act, 1996  
22 PA 376, MCL 125.2681 to 125.2696, the initial assessed value of the  
23 development area otherwise determined under this subdivision shall  
24 be reduced by the amount by which the current assessed value of the  
25 development area was reduced in 1997 due to the exemption of  
26 property under section 7ff of the general property tax act, 1893 PA  
27 206, MCL 211.7ff, but in no case shall the initial assessed value

1 be less than zero.

2 (s) "Municipality" means a city, village, or township.

3 (t) "Obligation" means a written promise to pay, whether  
4 evidenced by a contract, agreement, lease, sublease, bond, or note,  
5 or a requirement to pay imposed by law. An obligation does not  
6 include a payment required solely because of default upon an  
7 obligation, employee salaries, or consideration paid for the use of  
8 municipal offices. An obligation does not include those bonds that  
9 have been economically defeased by refunding bonds issued under  
10 this part. Obligation includes, but is not limited to, the  
11 following:

12 (i) A requirement to pay proceeds derived from ad valorem  
13 property taxes or taxes levied in lieu of ad valorem property  
14 taxes.

15 (ii) A management contract or a contract for professional  
16 services.

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

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

23 (v) A letter of credit, paying agent, transfer agent, bond  
24 registrar, or trustee fee associated with a contract, agreement,  
25 bond, or note.

26 (u) "On behalf of an authority", in relation to an eligible  
27 advance made by a municipality, or an eligible obligation or other

1 protected obligation issued or incurred by a municipality, means in  
2 anticipation that an authority would transfer tax increment  
3 revenues or reimburse the municipality from tax increment revenues  
4 in an amount sufficient to fully make payment required by the  
5 eligible advance made by the municipality, or eligible obligation  
6 or other protected obligation issued or incurred by the  
7 municipality, if the anticipation of the transfer or receipt of tax  
8 increment revenues from the authority is pursuant to or evidenced  
9 by 1 or more of the following:

10 (i) A reimbursement agreement between the municipality and an  
11 authority it established.

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

14 (iii) A resolution of the authority agreeing to make payments  
15 to the incorporating unit.

16 (iv) Provisions in a tax increment financing plan describing  
17 the project for which the obligation was incurred.

18 (v) "Operations" means office maintenance, including salaries  
19 and expenses of employees, office supplies, consultation fees,  
20 design costs, and other expenses incurred in the daily management  
21 of the authority and planning of its activities.

22 (w) "Other protected obligation" means:

23 (i) A qualified refunding obligation issued to refund an  
24 obligation described in subparagraph (ii), (iii), or (iv), an  
25 obligation that is not a qualified refunding obligation that is  
26 issued to refund an eligible obligation, or a qualified refunding  
27 obligation issued to refund an obligation described in this

1 subparagraph.

2 (ii) An obligation issued or incurred by an authority or by a  
3 municipality on behalf of an authority after August 19, 1993, but  
4 before December 31, 1994, to finance a project described in a tax  
5 increment finance plan approved by the municipality in accordance  
6 with this part before December 31, 1993, for which a contract for  
7 final design is entered into by or on behalf of the municipality or  
8 authority before March 1, 1994 or for which a written agreement  
9 with a developer, titled preferred development agreement, was  
10 entered into by or on behalf of the municipality or authority in  
11 July 1993.

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

19 (iv) An obligation incurred by the authority evidenced by or  
20 to finance a contract to purchase real property within a  
21 development area or a contract to develop that property within the  
22 development area, or both, if all of the following requirements are  
23 met:

24 (A) The authority purchased the real property in 1993.

25 (B) Before June 30, 1995, the authority enters a contract for  
26 the development of the real property located within the development  
27 area.

1 (C) In 1993, the authority or municipality on behalf of the  
2 authority received approval for a grant from both of the following:

3 (I) The department of natural resources for site reclamation  
4 of the real property.

5 (II) The department of consumer and industry services for  
6 development of the real property.

7 (v) An ongoing management or professional services contract  
8 with the governing body of a county which was entered into before  
9 March 1, 1994 and which was preceded by a series of limited term  
10 management or professional services contracts with the governing  
11 body of the county, the last of which was entered into before  
12 August 19, 1993.

13 (vi) A loan from a municipality to an authority if the loan  
14 was approved by the legislative body of the municipality on April  
15 18, 1994.

16 (vii) Funds expended to match a grant received by a  
17 municipality on behalf of an authority for sidewalk improvements  
18 from the Michigan department of transportation if the legislative  
19 body of the municipality approved the grant application on April 5,  
20 1993 and the grant was received by the municipality in June 1993.

21 (viii) For taxes captured in 1994, an obligation described in  
22 this subparagraph issued or incurred to finance a project. An  
23 obligation is considered issued or incurred to finance a project  
24 described in this subparagraph only if all of the following are  
25 met:

26 (A) The obligation requires raising capital for the project or  
27 paying for the project, whether or not a borrowing is involved.

1 (B) The obligation was part of a development plan and the tax  
2 increment financing plan was approved by a municipality on May 6,  
3 1991.

4 (C) The obligation is in the form of a written memorandum of  
5 understanding between a municipality and a public utility dated  
6 October 27, 1994.

7 (D) The authority or municipality captured school taxes during  
8 1994.

9 (ix) An obligation incurred after July 31, 2012 by an  
10 authority, municipality, or other governmental unit to pay for  
11 costs associated with a catalyst development project.

12 (x) "Public facility" means a street, plaza, pedestrian mall,  
13 and any improvements to a street, plaza, or pedestrian mall  
14 including street furniture and beautification, park, parking  
15 facility, recreational facility, right-of-way, structure, waterway,  
16 bridge, lake, pond, canal, utility line or pipe, building, and  
17 access routes to any of the foregoing, designed and dedicated to  
18 use by the public generally, or used by a public agency. Public  
19 facility includes an improvement to a facility used by the public  
20 or a public facility as those terms are defined in section 1 of  
21 1966 PA 1, MCL 125.1351, which improvement is made to comply with  
22 the barrier free design requirements of the state construction code  
23 promulgated under the Stille-DeRossett-Hale single state  
24 construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.  
25 Public facility also includes the acquisition, construction,  
26 improvement, and operation of a building owned or leased by the  
27 authority to be used as a retail business incubator.

1 (y) "Qualified refunding obligation" means an obligation  
2 issued or incurred by an authority or by a municipality on behalf  
3 of an authority to refund an obligation if 1 or more of the  
4 following apply:

5 (i) The obligation is issued to refund a qualified refunding  
6 obligation issued in November 1997 and any subsequent refundings of  
7 that obligation issued before January 1, 2010 or the obligation is  
8 issued to refund a qualified refunding obligation issued on May 15,  
9 1997 and any subsequent refundings of that obligation issued before  
10 January 1, 2010 in an authority in which 1 parcel or group of  
11 parcels under common ownership represents 50% or more of the  
12 taxable value captured within the tax increment finance district  
13 and that will ultimately provide for at least a 40% reduction in  
14 the taxable value of the property as part of a negotiated  
15 settlement as a result of an appeal filed with the state tax  
16 tribunal. Qualified refunding obligations issued under this  
17 subparagraph are not subject to the requirements of section 611 of  
18 the revised municipal finance act, 2001 PA 34, MCL 141.2611, if  
19 issued before January 1, 2010. The duration of the development  
20 program described in the tax increment financing plan relating to  
21 the qualified refunding obligations issued under this subparagraph  
22 is hereby extended to 1 year after the final date of maturity of  
23 the qualified refunding obligations.

24 (ii) The refunding obligation meets both of the following:

25 (A) The net present value of the principal and interest to be  
26 paid on the refunding obligation, including the cost of issuance,  
27 will be less than the net present value of the principal and

1 interest to be paid on the obligation being refunded, as calculated  
2 using a method approved by the department of treasury.

3 (B) The net present value of the sum of the tax increment  
4 revenues described in subdivision (cc) (ii) and the distributions  
5 under section 213b to repay the refunding obligation will not be  
6 greater than the net present value of the sum of the tax increment  
7 revenues described in subdivision (cc) (ii) and the distributions  
8 under section 213b to repay the obligation being refunded, as  
9 calculated using a method approved by the department of treasury.

10 (iii) The obligation is issued to refund an other protected  
11 obligation issued as a capital appreciation bond delivered to the  
12 Michigan municipal bond authority on December 21, 1994 and any  
13 subsequent refundings of that obligation issued before January 1,  
14 2012. Qualified refunding obligations issued under this  
15 subparagraph are not subject to the requirements of section 305(2),  
16 (3), (5), and (6), section 501, section 503, or section 611 of the  
17 revised municipal finance act, 2001 PA 34, MCL 141.2305, 141.2501,  
18 141.2503, and 141.2611, if issued before January 1, 2012. The  
19 duration of the development program described in the tax increment  
20 financing plan relating to the qualified refunding obligations  
21 issued under this subparagraph is extended to 1 year after the  
22 final date of maturity of the qualified refunding obligations. The  
23 obligation may be payable through the year 2025 at an interest rate  
24 not exceeding the maximum rate permitted by law, notwithstanding  
25 the bond maturity dates contained in the notice of intent to issue  
26 bonds published by the municipality. An obligation issued under  
27 this subparagraph is a qualified refunding obligation only to the

1 extent that revenues described in subdivision (cc) (ii) and  
2 distributions under section 213b to repay the qualified refunding  
3 obligation do not exceed \$750,000.00.

4 (iv) The obligation is issued to refund a qualified refunding  
5 obligation issued on February 13, 2008, and any subsequent  
6 refundings of that obligation, issued before December 31, 2018.  
7 Qualified refunding obligations issued under this subparagraph are  
8 not subject to the requirements of section 305(2), (3), (5), and  
9 (6), 501, 503, or 611 of the revised municipal finance act, 2001 PA  
10 34, MCL 141.2305, 141.2501, 141.2503, and 141.2611. The duration of  
11 the development program described in the tax increment financing  
12 plan relating to the qualified refunding obligations issued under  
13 this subparagraph is extended to 1 year after the final date of  
14 maturity of the qualified refunding obligations. Revenues described  
15 in subdivision (cc) (ii) and distributions made under section 213b  
16 in excess of the amount needed for current year debt service on an  
17 obligation issued under this subparagraph may be paid to the  
18 authority to the extent necessary to pay future years' debt service  
19 on the obligation as determined by the board.

20 (z) "Qualified township" means a township that meets all of  
21 the following requirements:

22 (i) Was not eligible to create an authority prior to January  
23 3, 2005.

24 (ii) Adjoins a municipality that previously created an  
25 authority.

26 (iii) Along with the adjoining municipality that previously  
27 created an authority, is a member of the same joint planning

1 commission under the joint municipal planning act, 2003 PA 226, MCL  
2 125.131 to 125.143.

3 (aa) "Specific local tax" means a tax levied under 1974 PA  
4 198, MCL 207.551 to 207.572, the commercial redevelopment act, 1978  
5 PA 255, MCL 207.651 to 207.668, the technology park development  
6 act, 1984 PA 385, MCL 207.701 to 207.718, section 5 of the state  
7 essential services assessment act, 2014 PA 92, MCL 211.1055,  
8 section 5 of the alternative state essential services assessment  
9 act, 2014 PA 93, MCL 211.1075, and 1953 PA 189, MCL 211.181 to  
10 211.182. The initial assessed value or current assessed value of  
11 property subject to a specific local tax shall be the quotient of  
12 the specific local tax paid divided by the ad valorem millage rate.  
13 However, after 1993, the state tax commission shall prescribe the  
14 method for calculating the initial assessed value and current  
15 assessed value of property for which a specific local tax was paid  
16 in lieu of a property tax.

17 (bb) "State fiscal year" means the annual period commencing  
18 October 1 of each year.

19 (cc) "Tax increment revenues" means the amount of ad valorem  
20 property taxes and specific local taxes attributable to the  
21 application of the levy of all taxing jurisdictions upon the  
22 captured assessed value of real and personal property in the  
23 development area, subject to the following requirements:

24 (i) Tax increment revenues include ad valorem property taxes  
25 and specific local taxes attributable to the application of the  
26 levy of all taxing jurisdictions other than the state pursuant to  
27 the state education tax act, 1993 PA 331, MCL 211.901 to 211.906,

1 and local or intermediate school districts upon the captured  
2 assessed value of real and personal property in the development  
3 area for any purpose authorized by this part.

4 (ii) Tax increment revenues include ad valorem property taxes  
5 and specific local taxes attributable to the application of the  
6 levy of the state pursuant to the state education tax act, 1993 PA  
7 331, MCL 211.901 to 211.906, and local or intermediate school  
8 districts upon the captured assessed value of real and personal  
9 property in the development area in an amount equal to the amount  
10 necessary, without regard to subparagraph (i), to repay eligible  
11 advances, eligible obligations, and other protected obligations.

12 (iii) Tax increment revenues do not include any of the  
13 following:

14 (A) Ad valorem property taxes attributable either to a portion  
15 of the captured assessed value shared with taxing jurisdictions  
16 within the jurisdictional area of the authority or to a portion of  
17 value of property that may be excluded from captured assessed value  
18 or specific local taxes attributable to such ad valorem property  
19 taxes.

20 (B) Ad valorem property taxes excluded by the tax increment  
21 financing plan of the authority from the determination of the  
22 amount of tax increment revenues to be transmitted to the authority  
23 or specific local taxes attributable to such ad valorem property  
24 taxes.

25 (C) Ad valorem property taxes exempted from capture under  
26 section 203(3) or specific local taxes attributable to such ad  
27 valorem property taxes.

1 (D) Ad valorem property taxes levied under 1 or more of the  
2 following or specific local taxes attributable to those ad valorem  
3 property taxes:

4 (I) The zoological authorities act, 2008 PA 49, MCL 123.1161  
5 to 123.1183.

6 (II) The art institute authorities act, 2010 PA 296, MCL  
7 123.1201 to 123.1229.

8 (iv) The amount of tax increment revenues authorized to be  
9 included under subparagraph (ii) or (v), and required to be  
10 transmitted to the authority under section 214(1), from ad valorem  
11 property taxes and specific local taxes attributable to the  
12 application of the levy of the state education tax act, 1993 PA  
13 331, MCL 211.901 to 211.906, a local school district or an  
14 intermediate school district upon the captured assessed value of  
15 real and personal property in a development area shall be  
16 determined separately for the levy by the state, each school  
17 district, and each intermediate school district as the product of  
18 sub-subparagraphs (A) and (B):

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

26 (B) The maximum amount of ad valorem property taxes and  
27 specific local taxes considered tax increment revenues under

1 subparagraph (ii) or (v).

2 (v) Tax increment revenues include ad valorem property taxes  
3 and specific local taxes, in an annual amount and for each year  
4 approved by the state treasurer, attributable to the levy by this  
5 state under the state education tax act, 1993 PA 331, MCL 211.901  
6 to 211.906, and by local or intermediate school districts, upon the  
7 captured assessed value of real and personal property in the  
8 development area of an authority established in a city with a  
9 population of 600,000 or more to pay for, or reimburse an advance  
10 for, not more than \$8,000,000.00 for the demolition of buildings or  
11 structures on public or privately owned property within a  
12 development area that commences in 2005, or to pay the annual  
13 principal of or interest on an obligation, the terms of which are  
14 approved by the state treasurer, issued by an authority, or by a  
15 city on behalf of an authority, to pay not more than \$8,000,000.00  
16 of the costs to demolish buildings or structures on public or  
17 privately owned property within a development area that commences  
18 in 2005.

19 (vi) Tax increment revenues include ad valorem property taxes  
20 and specific local taxes attributable to the levy by this state  
21 under the state education tax act, 1993 PA 331, MCL 211.201 to  
22 211.906, and by local or intermediate school districts which were  
23 levied on or after July 1, 2010, upon the captured assessed value  
24 of real and personal property in the development area of an  
25 authority established in a city with a population of 600,000 or  
26 more to pay for, or reimburse an advance for, costs associated with  
27 the land acquisition, preliminary site work, and construction of a

1 catalyst development project.

2 Sec. 201a. The legislature finds all of the following:

3 (a) That there exists in this state conditions of property  
4 value deterioration detrimental to the state economy and the  
5 economic growth of the state and its local units of government.

6 (b) That government programs are desirable and necessary to  
7 eliminate the causes of property value deterioration thereby  
8 benefiting the economic growth of the state.

9 (c) That it is appropriate to finance these government  
10 programs by means available to the state and local units of  
11 government in the state, including tax increment financing.

12 (d) That tax increment financing is a government financing  
13 program that contributes to economic growth and development by  
14 dedicating a portion of the increase in the tax base resulting from  
15 economic growth and development to facilities, structures, or  
16 improvements within a development area thereby facilitating  
17 economic growth and development.

18 (e) That it is necessary for the legislature to exercise its  
19 power to legislate tax increment financing as authorized in this  
20 part and in the exercise of this power to mandate the transfer of  
21 tax increment revenues by city, village, township, school district,  
22 and county treasurers to authorities created under this part in  
23 order to effectuate the legislative government programs to  
24 eliminate property value deterioration and to promote economic  
25 growth.

26 (f) That halting property value deterioration and promoting  
27 economic growth in the state are essential governmental functions

1 and constitute essential public purposes.

2 (g) That economic development strengthens the tax base upon  
3 which local units of government rely and that government programs  
4 to eliminate property value deterioration benefit local units of  
5 government and are for the use of the local units of government.

6 (h) That the provisions of this part are enacted to provide a  
7 means for local units of government to eliminate property value  
8 deterioration and to promote economic growth in the communities  
9 served by those local units of government.

10 Sec. 202. (1) Except as otherwise provided in this subsection,  
11 a municipality may establish 1 authority. If, before November 1,  
12 1985, a municipality establishes more than 1 authority, those  
13 authorities may continue to exist as separate authorities. Under  
14 the conditions described in section 203a, a municipality may have  
15 more than 1 authority within that municipality's boundaries. A  
16 parcel of property shall not be included in more than 1 authority  
17 created by this part.

18 (2) An authority shall be a public body corporate which may  
19 sue and be sued in any court of this state. An authority possesses  
20 all the powers necessary to carry out the purpose of its  
21 incorporation. The enumeration of a power in this part shall not be  
22 construed as a limitation upon the general powers of an authority.

23 Sec. 203. (1) When the governing body of a municipality  
24 determines that it is necessary for the best interests of the  
25 public to halt property value deterioration and increase property  
26 tax valuation where possible in its business district, to eliminate  
27 the causes of that deterioration, and to promote economic growth,

1 the governing body may, by resolution, declare its intention to  
2 create and provide for the operation of an authority.

3 (2) In the resolution of intent, the governing body shall set  
4 a date for the holding of a public hearing on the adoption of a  
5 proposed ordinance creating the authority and designating the  
6 boundaries of the downtown district. Notice of the public hearing  
7 shall be published twice in a newspaper of general circulation in  
8 the municipality, not less than 20 or more than 40 days before the  
9 date of the hearing. Not less than 20 days before the hearing, the  
10 governing body proposing to create the authority shall also mail  
11 notice of the hearing to the property taxpayers of record in the  
12 proposed district and for a public hearing to be held after  
13 February 15, 1994 to the governing body of each taxing jurisdiction  
14 levying taxes that would be subject to capture if the authority is  
15 established and a tax increment financing plan is approved.  
16 Beginning June 1, 2005, the notice of hearing within the time frame  
17 described in this subsection shall be mailed by certified mail to  
18 the governing body of each taxing jurisdiction levying taxes that  
19 would be subject to capture if the authority is established and a  
20 tax increment financing plan is approved. Failure of a property  
21 taxpayer to receive the notice shall not invalidate these  
22 proceedings. Notice of the hearing shall be posted in at least 20  
23 conspicuous and public places in the proposed downtown district not  
24 less than 20 days before the hearing. The notice shall state the  
25 date, time, and place of the hearing, and shall describe the  
26 boundaries of the proposed downtown district. A citizen, taxpayer,  
27 or property owner of the municipality or an official from a taxing

1 jurisdiction with millage that would be subject to capture has the  
2 right to be heard in regard to the establishment of the authority  
3 and the boundaries of the proposed downtown district. The governing  
4 body of the municipality shall not incorporate land into the  
5 downtown district not included in the description contained in the  
6 notice of public hearing, but it may eliminate described lands from  
7 the downtown district in the final determination of the boundaries.

8 (3) Not more than 60 days after a public hearing held after  
9 February 15, 1994, the governing body of a taxing jurisdiction  
10 levying ad valorem property taxes that would otherwise be subject  
11 to capture may exempt its taxes from capture by adopting a  
12 resolution to that effect and filing a copy with the clerk of the  
13 municipality proposing to create the authority. The resolution  
14 takes effect when filed with that clerk and remains effective until  
15 a copy of a resolution rescinding that resolution is filed with  
16 that clerk.

17 (4) Not less than 60 days after the public hearing, if the  
18 governing body of the municipality intends to proceed with the  
19 establishment of the authority, it shall adopt, by majority vote of  
20 its members, an ordinance establishing the authority and  
21 designating the boundaries of the downtown district within which  
22 the authority shall exercise its powers. The adoption of the  
23 ordinance is subject to any applicable statutory or charter  
24 provisions in respect to the approval or disapproval by the chief  
25 executive or other officer of the municipality and the adoption of  
26 an ordinance over his or her veto. This ordinance shall be filed  
27 with the secretary of state promptly after its adoption and shall

1 be published at least once in a newspaper of general circulation in  
2 the municipality.

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

7 (6) A municipality that has created an authority may enter  
8 into an agreement with an adjoining municipality that has created  
9 an authority to jointly operate and administer those authorities  
10 under an interlocal agreement under the urban cooperation act of  
11 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

12 (7) A municipality that has created an authority may enter  
13 into an agreement with a qualified township to operate its  
14 authority in a downtown district in the qualified township under an  
15 interlocal agreement under the urban cooperation act of 1967, 1967  
16 (Ex Sess) PA 7, MCL 124.501 to 124.512. The interlocal agreement  
17 between the municipality and the qualified township shall provide  
18 for, but is not limited to, all of the following:

19 (a) Size and makeup of the board.

20 (b) Determination and modification of downtown district,  
21 business district, and development area.

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

23 (d) Issuance and repayment of obligations.

24 (e) Capture of taxes.

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

27 Sec. 203a. If a downtown district is part of an area annexed

1 to or consolidated with another municipality, the authority  
2 managing that district shall become an authority of the annexing or  
3 consolidated municipality. Obligations of that authority incurred  
4 under a development or tax increment plan, agreements related to a  
5 development or tax increment plan, and bonds issued under this part  
6 shall remain in effect following the annexation or consolidation.

7       Sec. 203b. (1) An ordinance enacted by a municipality that has  
8 a population of less than 50,000 establishing an authority,  
9 creating a district, or approving a development plan or tax  
10 increment financing plan, or an amendment to an authority,  
11 district, or plan, and all actions taken under that ordinance,  
12 including the issuance of bonds, are ratified and validated  
13 notwithstanding that notice for the public hearing on the  
14 establishment of the authority, creation of the district, or  
15 approval of the development plan or tax increment financing plan,  
16 or on the amendment, was not published, posted, or mailed at least  
17 20 days before the hearing, if the notice was published or posted  
18 at least 15 days before the hearing or the authority was  
19 established in 1984 by a village that filed the ordinance with the  
20 secretary of state not later than March, 1986. This section applies  
21 only to an ordinance adopted by a municipality before February 1,  
22 1991, and shall include any bonds or amounts to be used by the  
23 authority to pay the principal of and interest on bonds that have  
24 been issued or that are to be issued by the authority, the  
25 incorporating municipality, or a county on behalf of the  
26 incorporating municipality. An authority for which an ordinance or  
27 amendment to the ordinance establishing the authority has been

1 published before February 1, 1991 is considered for purposes of  
2 section 203(4) to have promptly filed the ordinance or amendment to  
3 the ordinance with the secretary of state if the ordinance or  
4 amendment to the ordinance is filed with the secretary of state  
5 before October 1, 1991. As used in this section, "notice was  
6 published" means publication of the notice occurred at least once.

7 (2) A development plan and tax increment financing plan  
8 approved by a resolution adopted by the village council of a  
9 village having a population of less than 3,000 before June 15, 1988  
10 rather than by adoption of an ordinance is ratified and validated,  
11 if an amendment to the plans was adopted by the village council in  
12 compliance with sections 18 and 19.

13 (3) A development plan and tax increment financing plan  
14 approved by a resolution adopted by the village council of a  
15 village having a population of less than 7,000 before June 1, 1998  
16 rather than by adoption of an ordinance is ratified and validated  
17 if an amendment to the plans was adopted by the village council in  
18 compliance with sections 18 and 19.

19 Sec. 203c. The validity of the proceedings or findings  
20 establishing an authority, or of the procedure, adequacy of notice,  
21 or findings with respect to the approval of a development plan or  
22 tax increment financing plan is conclusive with respect to the  
23 capture of tax increment revenues for an other protected obligation  
24 that is a bond issued after October 1, 1994.

25 Sec. 203d. An ordinance enacted by a municipality that has a  
26 population of greater than 1,000 and less than 2,000 establishing  
27 an authority, creating a district, or approving a development plan

1 or tax increment financing plan, or an amendment to an authority,  
2 district, or plan, and all actions taken or to be taken under that  
3 ordinance, including the issuance of bonds, are ratified and  
4 validated notwithstanding that notice for the public hearing on the  
5 establishment of the authority, creation of the district, or  
6 approval of the development plan or tax increment financing plan,  
7 or on the amendment, was not published, posted, or mailed at least  
8 20 days before the hearing, provided that the notice was either  
9 published or posted at least 10 days before the hearing or that the  
10 authority was established in 1990 by a municipality that filed the  
11 ordinance with the secretary of state not later than July 1991.  
12 This section applies only to an ordinance or an amendment adopted  
13 by a municipality before January 1, 1999 and shall include any  
14 bonds or amounts to be used by the authority to pay the principal  
15 of and interest on bonds that have been issued or that are to be  
16 issued by the authority or the incorporating municipality. An  
17 authority for which an ordinance or amendment to the ordinance  
18 establishing the authority has been published before February 1,  
19 1991 is considered for purposes of section 203(3) to have promptly  
20 filed the ordinance or amendment to the ordinance with the  
21 secretary of state if the ordinance or amendment to the ordinance  
22 is filed with the secretary of state before December 31, 2002. The  
23 validity of the proceedings or findings establishing an authority  
24 described in this section, or of the procedure, adequacy of notice,  
25 or findings with respect to the approval of a development plan or  
26 tax increment financing plan for an authority described in this  
27 section is conclusive with respect to the capture of tax increment

1 revenues for a bond issued after June 1, 2002 and before June 1,  
2 2006. As used in this section, "notice was either published or  
3 posted" means either publication or posting of the notice occurred  
4 at least once.

5       Sec. 204. (1) Except as provided in subsections (7), (8), and  
6 (9), an authority shall be under the supervision and control of a  
7 board consisting of the chief executive officer of the municipality  
8 and not less than 8 or more than 12 members as determined by the  
9 governing body of the municipality. Members shall be appointed by  
10 the chief executive officer of the municipality, subject to  
11 approval by the governing body of the municipality. Not less than a  
12 majority of the members shall be persons having an interest in  
13 property located in the downtown district or officers, members,  
14 trustees, principals, or employees of a legal entity having an  
15 interest in property located in the downtown district. Not less  
16 than 1 of the members shall be a resident of the downtown district,  
17 if the downtown district has 100 or more persons residing within  
18 it. Of the members first appointed, an equal number of the members,  
19 as near as is practicable, shall be appointed for 1 year, 2 years,  
20 3 years, and 4 years. A member shall hold office until the member's  
21 successor is appointed. Thereafter, each member shall serve for a  
22 term of 4 years. An appointment to fill a vacancy shall be made by  
23 the chief executive officer of the municipality for the unexpired  
24 term only. Members of the board shall serve without compensation,  
25 but shall be reimbursed for actual and necessary expenses. The  
26 chairperson of the board shall be elected by the board. The rules  
27 of procedure or the bylaws of the authority may provide that a

1 person be appointed to the board in his or her capacity as a public  
2 official, whether appointed or elected. The rules of procedure or  
3 bylaws may also provide that the public official's term shall  
4 expire upon expiration of his or her service as a public official.  
5 In addition, the public official's membership on the board expires  
6 on his or her resignation from office as a public official.

7 (2) Before assuming the duties of office, a member shall  
8 qualify by taking and subscribing to the constitutional oath of  
9 office.

10 (3) The business which the board may perform shall be  
11 conducted at a public meeting of the board held in compliance with  
12 the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. Public  
13 notice of the time, date, and place of the meeting shall be given  
14 in the manner required by the open meetings act, 1976 PA 267, MCL  
15 15.261 to 15.275. The board shall adopt rules consistent with the  
16 open meetings act, 1976 PA 267, MCL 15.261 to 15.275, governing its  
17 procedure and the holding of regular meetings, subject to the  
18 approval of the governing body. Special meetings may be held if  
19 called in the manner provided in the rules of the board.

20 (4) Pursuant to notice and after having been given an  
21 opportunity to be heard, a member of the board may be removed for  
22 cause by the governing body. Removal of a member is subject to  
23 review by the circuit court.

24 (5) All expense items of the authority shall be publicized  
25 monthly and the financial records shall always be open to the  
26 public.

27 (6) In addition to the items and records prescribed in

1 subsection (5), a writing prepared, owned, used, in the possession  
2 of, or retained by the board in the performance of an official  
3 function shall be made available to the public in compliance with  
4 the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

5 (7) By resolution of its governing body, a municipality having  
6 more than 1 authority may establish a single board to govern all  
7 authorities in the municipality. The governing body may designate  
8 the board of an existing authority as the board for all authorities  
9 or may establish by resolution a new board in the same manner as  
10 provided in subsection (1). A member of a board governing more than  
11 1 authority may be a resident of or have an interest in property in  
12 any of the downtown districts controlled by the board in order to  
13 meet the requirements of this section.

14 (8) By ordinance, the governing body of a municipality that  
15 has a population of less than 5,000 may have the municipality's  
16 planning commission created pursuant to former 1931 PA 285 or the  
17 Michigan planning enabling act, 2008 PA 33, MCL 125.3801 to  
18 125.3885, serve as the board provided for in subsection (1).

19 (9) If a municipality enters into an agreement with a  
20 qualified township under section 203(7), the membership of the  
21 board may be modified by the interlocal agreement described in  
22 section 203(7).

23 Sec. 205. (1) The board may employ and fix the compensation of  
24 a director, subject to the approval of the governing body of the  
25 municipality. The director shall serve at the pleasure of the  
26 board. A member of the board is not eligible to hold the position  
27 of director. Before entering upon the duties of his or her office,

1 the director shall take and subscribe to the constitutional oath,  
2 and furnish bond, by posting a bond in the penal sum determined in  
3 the ordinance establishing the authority payable to the authority  
4 for use and benefit of the authority, approved by the board, and  
5 filed with the municipal clerk. The premium on the bond shall be  
6 deemed an operating expense of the authority, payable from funds  
7 available to the authority for expenses of operation. The director  
8 shall be the chief executive officer of the authority. Subject to  
9 the approval of the board, the director shall supervise, and be  
10 responsible for, the preparation of plans and the performance of  
11 the functions of the authority in the manner authorized by this  
12 part. The director shall attend the meetings of the board, and  
13 shall render to the board and to the governing body of the  
14 municipality a regular report covering the activities and financial  
15 condition of the authority. If the director is absent or disabled,  
16 the board may designate a qualified person as acting director to  
17 perform the duties of the office. Before entering upon the duties  
18 of his or her office, the acting director shall take and subscribe  
19 to the oath, and furnish bond, as required of the director. The  
20 director shall furnish the board with information or reports  
21 governing the operation of the authority as the board requires.

22 (2) The board may employ and fix the compensation of a  
23 treasurer, who shall keep the financial records of the authority  
24 and who, together with the director, shall approve all vouchers for  
25 the expenditure of funds of the authority. The treasurer shall  
26 perform such other duties as may be delegated to him or her by the  
27 board and shall furnish bond in an amount as prescribed by the

1 board.

2 (3) The board may employ and fix the compensation of a  
3 secretary, who shall maintain custody of the official seal and of  
4 records, books, documents, or other papers not required to be  
5 maintained by the treasurer. The secretary shall attend meetings of  
6 the board and keep a record of its proceedings, and shall perform  
7 such other duties delegated by the board.

8 (4) The board may retain legal counsel to advise the board in  
9 the proper performance of its duties. The legal counsel shall  
10 represent the authority in actions brought by or against the  
11 authority.

12 (5) The board may employ other personnel deemed necessary by  
13 the board.

14 Sec. 206. The employees of an authority shall be eligible to  
15 participate in municipal retirement and insurance programs of the  
16 municipality as if they were civil service employees except that  
17 the employees of an authority are not civil service employees.

18 Sec. 207. (1) The board may:

19 (a) Prepare an analysis of economic changes taking place in  
20 the downtown district.

21 (b) Study and analyze the impact of metropolitan growth upon  
22 the downtown district.

23 (c) Plan and propose the construction, renovation, repair,  
24 remodeling, rehabilitation, restoration, preservation, or  
25 reconstruction of a public facility, an existing building, or a  
26 multiple-family dwelling unit which may be necessary or appropriate  
27 to the execution of a plan which, in the opinion of the board, aids

1 in the economic growth of the downtown district.

2 (d) Plan, propose, and implement an improvement to a public  
3 facility within the development area to comply with the barrier  
4 free design requirements of the state construction code promulgated  
5 under the Stille-DeRossett-Hale single state construction code act,  
6 1972 PA 230, MCL 125.1501 to 125.1531.

7 (e) Develop long-range plans, in cooperation with the agency  
8 which is chiefly responsible for planning in the municipality,  
9 designed to halt the deterioration of property values in the  
10 downtown district and to promote the economic growth of the  
11 downtown district, and take such steps as may be necessary to  
12 persuade property owners to implement the plans to the fullest  
13 extent possible.

14 (f) Implement any plan of development in the downtown district  
15 necessary to achieve the purposes of this part, in accordance with  
16 the powers of the authority as granted by this part.

17 (g) Make and enter into contracts necessary or incidental to  
18 the exercise of its powers and the performance of its duties.

19 (h) Acquire by purchase or otherwise, on terms and conditions  
20 and in a manner the authority considers proper or own, convey, or  
21 otherwise dispose of, or lease as lessor or lessee, land and other  
22 property, real or personal, or rights or interests in property,  
23 which the authority determines is reasonably necessary to achieve  
24 the purposes of this part, and to grant or acquire licenses,  
25 easements, and options with respect to that property.

26 (i) Improve land and construct, reconstruct, rehabilitate,  
27 restore and preserve, equip, improve, maintain, repair, and operate

1 any building, including multiple-family dwellings, and any  
2 necessary or desirable appurtenances to that property, within the  
3 downtown district for the use, in whole or in part, of any public  
4 or private person or corporation, or a combination of them.

5 (j) Fix, charge, and collect fees, rents, and charges for the  
6 use of any building or property under its control or any part  
7 thereof, or facility therein, and pledge the fees, rents, and  
8 charges for the payment of revenue bonds issued by the authority.

9 (k) Lease any building or property under its control, or any  
10 part of a building or property.

11 (l) Accept grants and donations of property, labor, or other  
12 things of value from a public or private source.

13 (m) Acquire and construct public facilities.

14 (n) Create, operate, and fund marketing initiatives that  
15 benefit only retail and general marketing of the downtown district.

16 (o) Contract for broadband service and wireless technology  
17 service in the downtown district.

18 (p) Operate and perform all duties and exercise all  
19 responsibilities described in this section in a qualified township  
20 if the qualified township has entered into an agreement with the  
21 municipality under section 203(7).

22 (q) Create, operate, and fund a loan program to fund  
23 improvements for existing buildings located in a downtown district  
24 to make them marketable for sale or lease. The board may make loans  
25 with interest at a market rate or may make loans with interest at a  
26 below market rate, as determined by the board.

27 (r) Create, operate, and fund retail business incubators in

1 the downtown district.

2 (2) If it is the express determination of the board to create,  
3 operate, or fund a retail business incubator in the downtown  
4 district, the board shall give preference to tenants who will  
5 provide goods or services that are not available or that are  
6 underserved in the downtown area. If the board creates, operates,  
7 or funds retail business incubators in the downtown district, the  
8 board and each tenant who leases space in a retail business  
9 incubator shall enter into a written contract that includes, but is  
10 not limited to, all of the following:

11 (a) The lease or rental rate that may be below the fair market  
12 rate as determined by the board.

13 (b) The requirement that a tenant may lease space in the  
14 retail business incubator for a period not to exceed 18 months.

15 (c) The terms of a joint operating plan with 1 or more other  
16 businesses located in the downtown district.

17 (d) A copy of the business plan of the tenant that contains  
18 measurable goals and objectives.

19 (e) The requirement that the tenant participate in basic  
20 management classes, business seminars, or other business education  
21 programs offered by the authority, the local chamber of commerce,  
22 local community colleges, or institutions of higher education, as  
23 determined by the board.

24 Sec. 208. If a board created under this part serves as the  
25 planning commission under the Michigan planning enabling act, 2008  
26 PA 33, MCL 125.3801 to 125.3885, the board shall include planning  
27 commission business in its agenda.

1           Sec. 209. The authority shall be deemed an instrumentality of  
2 a political subdivision for purposes of 1972 PA 227, MCL 213.321 to  
3 213.332.

4           Sec. 210. A municipality may take private property under 1911  
5 PA 149, MCL 213.21 to 213.25, for the purpose of transfer to the  
6 authority, and may transfer the property to the authority for use  
7 in an approved development, on terms and conditions it deems  
8 appropriate, and the taking, transfer, and use shall be considered  
9 necessary for public purposes and for the benefit of the public.

10           Sec. 211. (1) The activities of the authority shall be  
11 financed from 1 or more of the following sources:

12           (a) Donations to the authority for the performance of its  
13 functions.

14           (b) Proceeds of a tax imposed pursuant to section 212.

15           (c) Money borrowed and to be repaid as authorized by sections  
16 213 and 213a.

17           (d) Revenues from any property, building, or facility owned,  
18 leased, licensed, or operated by the authority or under its  
19 control, subject to the limitations imposed upon the authority by  
20 trusts or other agreements.

21           (e) Proceeds of a tax increment financing plan, established  
22 under sections 214 to 216.

23           (f) Proceeds from a special assessment district created as  
24 provided by law.

25           (g) Money obtained from other sources approved by the  
26 governing body of the municipality or otherwise authorized by law  
27 for use by the authority or the municipality to finance a

1 development program.

2 (h) Money obtained pursuant to section 213b.

3 (i) Revenue transferred pursuant to section 11a of chapter 2  
4 of the city income tax act, 1964 PA 284, MCL 141.611a.

5 (j) Revenue transferred pursuant to section 11b of chapter 2  
6 of the city income tax act, 1964 PA 284, MCL 141.611b.

7 (2) Money received by the authority and not covered under  
8 subsection (1) shall immediately be deposited to the credit of the  
9 authority, subject to disbursement pursuant to this part. Except as  
10 provided in this part, the municipality shall not obligate itself,  
11 nor shall it ever be obligated to pay any sums from public funds,  
12 other than money received by the municipality pursuant to this  
13 section, for or on account of the activities of the authority.

14 Sec. 212. (1) An authority with the approval of the municipal  
15 governing body may levy an ad valorem tax on the real and tangible  
16 personal property not exempt by law and as finally equalized in the  
17 downtown district. The tax shall not be more than 1 mill if the  
18 downtown district is in a municipality having a population of  
19 1,000,000 or more, or not more than 2 mills if the downtown  
20 district is in a municipality having a population of less than  
21 1,000,000. The tax shall be collected by the municipality creating  
22 the authority levying the tax. The municipality shall collect the  
23 tax at the same time and in the same manner as it collects its  
24 other ad valorem taxes. The tax shall be paid to the treasurer of  
25 the authority and credited to the general fund of the authority for  
26 purposes of the authority.

27 (2) The municipality may at the request of the authority

1 borrow money and issue its notes under the revised municipal  
2 finance act, 2001 PA 34, MCL 141.2101 to 141.2821, in anticipation  
3 of collection of the ad valorem tax authorized in this section.

4       Sec. 213. The authority may borrow money and issue its  
5 negotiable revenue bonds under the revenue bond act of 1933, 1933  
6 PA 94, MCL 141.101 to 141.140. Revenue bonds issued by the  
7 authority shall not except as hereinafter provided be deemed a debt  
8 of the municipality or the state. The municipality by majority vote  
9 of the members of its governing body may pledge its full faith and  
10 credit to support the authority's revenue bonds.

11       Sec. 213a. (1) The authority may with approval of the local  
12 governing body borrow money and issue its revenue bonds or notes to  
13 finance all or part of the costs of acquiring or constructing  
14 property in connection with the implementation of a development  
15 plan in the downtown district or to refund or refund in advance  
16 bonds or notes issued pursuant to this section. The costs which may  
17 be financed by the issuance of revenue bonds or notes may include  
18 the cost of purchasing, acquiring, constructing, improving,  
19 enlarging, extending, or repairing property in connection with the  
20 implementation of a development plan in the downtown district; any  
21 engineering, architectural, legal, accounting, or financial  
22 expenses; the costs necessary or incidental to the borrowing of  
23 money; interest on the bonds or notes during the period of  
24 construction; a reserve for payment of principal and interest on  
25 the bonds or notes; and a reserve for operation and maintenance  
26 until sufficient revenues have developed. The authority may secure  
27 the bonds and notes by mortgage, assignment, or pledge of the

1 property and any money, revenues, or income received in connection  
2 therewith.

3 (2) A pledge made by the authority shall be valid and binding  
4 from the time the pledge is made. The money or property pledged by  
5 the authority immediately shall be subject to the lien of the  
6 pledge without a physical delivery, filing, or further act. The  
7 lien of such a pledge shall be valid and binding as against parties  
8 having claims of any kind in tort, contract, or otherwise, against  
9 the authority, irrespective of whether the parties have notice of  
10 the lien. Neither the resolution, the trust agreement, nor any  
11 other instrument by which a pledge is created need be filed or  
12 recorded.

13 (3) Bonds or notes issued pursuant to this section shall be  
14 exempt from all taxation in this state except inheritance and  
15 transfer taxes, and the interest on the bonds or notes shall be  
16 exempt from all taxation in this state, notwithstanding that the  
17 interest may be subject to federal income tax.

18 (4) The municipality shall not be liable on bonds or notes of  
19 the authority issued pursuant to this section and the bonds or  
20 notes shall not be a debt of the municipality. The bonds or notes  
21 shall contain on their face a statement to that effect.

22 (5) The bonds and notes of the authority may be invested in by  
23 all public officers, state agencies and political subdivisions,  
24 insurance companies, banks, savings and loan associations,  
25 investment companies, and fiduciaries and trustees, and may be  
26 deposited with and received by all public officers and the agencies  
27 and political subdivisions of this state for any purpose for which

1 the deposit of bonds is authorized.

2       Sec. 213b. (1) If the amount of tax increment revenues lost as  
3 a result of the reduction of taxes levied by local school districts  
4 for school operating purposes required by the millage limitations  
5 under section 1211 of the school code of 1976, 1976 PA 451, MCL  
6 380.1211, reduced by the amount of tax increment revenues received  
7 from the capture of taxes levied under or attributable to the state  
8 education tax act, 1993 PA 331, MCL 211.901 to 211.906, will cause  
9 the tax increment revenues received in a fiscal year by an  
10 authority under section 215 to be insufficient to repay an eligible  
11 advance or to pay an eligible obligation, the legislature shall  
12 appropriate and distribute to the authority the amount described in  
13 subsection (5).

14       (2) Not less than 30 days before the first day of a fiscal  
15 year, an authority eligible to retain tax increment revenues from  
16 taxes levied by a local or intermediate school district or this  
17 state or to receive a distribution under this section for that  
18 fiscal year shall file a claim with the department of treasury. The  
19 claim shall include the following information:

20       (a) The property tax millage rates levied in 1993 by local  
21 school districts within the jurisdictional area of the authority  
22 for school operating purposes.

23       (b) The property tax millage rates expected to be levied by  
24 local school districts within the jurisdictional area of the  
25 authority for school operating purposes for that fiscal year.

26       (c) The tax increment revenues estimated to be received by the  
27 authority for that fiscal year based upon actual property tax

1 levies of all taxing jurisdictions within the jurisdictional area  
2 of the authority.

3 (d) The tax increment revenues the authority estimates it  
4 would have received for that fiscal year if property taxes were  
5 levied by local school districts within the jurisdictional area of  
6 the authority for school operating purposes at the millage rates  
7 described in subdivision (a) and if no property taxes were levied  
8 by this state under the state education tax act, 1993 PA 331, MCL  
9 211.901 to 211.906.

10 (e) A list and documentation of eligible obligations and  
11 eligible advances and the payments due on each of those eligible  
12 obligations or eligible advances in that fiscal year, and the total  
13 amount of all the payments due on those eligible obligations and  
14 eligible advances in that fiscal year.

15 (f) The amount of money, other than tax increment revenues,  
16 estimated to be received in that fiscal year by the authority that  
17 is primarily pledged to, and to be used for, the payment of an  
18 eligible obligation or the repayment of an eligible advance. That  
19 amount shall not include excess tax increment revenues of the  
20 authority that are permitted by law to be retained by the authority  
21 for purposes that further the development program. However, that  
22 amount shall include money to be obtained from sources authorized  
23 by law, which law is enacted on or after December 1, 1993, for use  
24 by the municipality or authority to finance a development project.

25 (g) The amount of a distribution received pursuant to this  
26 part for a fiscal year in excess of or less than the distribution  
27 that would have been required if calculated upon actual tax

1 increment revenues received for that fiscal year.

2 (h) A list and documentation of other protected obligations  
3 and the payments due on each of those other protected obligations  
4 in that fiscal year, and the total amount of all the payments due  
5 on those other protected obligations in that fiscal year.

6 (3) For the fiscal year that commences after September 30,  
7 1993 and before October 1, 1994, an authority may make a claim with  
8 all information required by subsection (2) at any time after March  
9 15, 1994.

10 (4) After review and verification of claims submitted pursuant  
11 to this section, amounts appropriated by the state in compliance  
12 with this part shall be distributed as 2 equal payments on March 1  
13 and September 1 after receipt of a claim. An authority shall  
14 allocate a distribution it receives for an eligible obligation  
15 issued on behalf of a municipality to the municipality.

16 (5) Subject to subsections (6) and (7), the aggregate amount  
17 to be appropriated and distributed pursuant to this section to an  
18 authority shall be the sum of the amounts determined pursuant to  
19 subdivisions (a) and (b) minus the amount determined pursuant to  
20 subdivision (c), as follows:

21 (a) The amount by which the tax increment revenues the  
22 authority would have received for the fiscal year, excluding taxes  
23 exempt under section 7ff of the general property tax act, 1893 PA  
24 206, MCL 211.7ff, if property taxes were levied by local school  
25 districts for school operating purposes at the millage rates  
26 described in subsection (2)(a) and if no property taxes were levied  
27 under the state education tax act, 1993 PA 331, MCL 211.901 to

1 211.906, exceed the tax increment revenues the authority actually  
2 received for the fiscal year.

3 (b) A shortfall required to be reported pursuant to subsection  
4 (2)(g) that had not previously increased a distribution.

5 (c) An excess amount required to be reported pursuant to  
6 subsection (2)(g) that had not previously decreased a distribution.

7 (6) The amount distributed under subsection (5) shall not  
8 exceed the difference between the amount described in subsection  
9 (2)(e) and the sum of the amounts described in subsection (2)(c)  
10 and (f).

11 (7) If, based upon the tax increment financing plan in effect  
12 on August 19, 1993, the payment due on eligible obligations or  
13 eligible advances anticipates the use of excess prior year tax  
14 increment revenues permitted by law to be retained by the  
15 authority, and if the sum of the amounts described in subsection  
16 (2)(c) and (f) plus the amount to be distributed under subsections  
17 (5) and (6) is less than the amount described in subsection (2)(e),  
18 the amount to be distributed under subsections (5) and (6) shall be  
19 increased by the amount of the shortfall. However, the amount  
20 authorized to be distributed pursuant to this section shall not  
21 exceed that portion of the cumulative difference, for each  
22 preceding fiscal year, between the amount that could have been  
23 distributed pursuant to subsection (5) and the amount actually  
24 distributed pursuant to subsections (5) and (6) and this  
25 subsection.

26 (8) A distribution under this section replacing tax increment  
27 revenues pledged by an authority or a municipality is subject to

1 the lien of the pledge, whether or not there has been physical  
2 delivery of the distribution.

3 (9) Obligations for which distributions are made pursuant to  
4 this section are not a debt or liability of this state; do not  
5 create or constitute an indebtedness, liability, or obligation of  
6 this state; and are not and do not constitute a pledge of the faith  
7 and credit of this state.

8 (10) Not later than July 1 of each year, the authority shall  
9 certify to the local tax collecting treasurer the amount of the  
10 distribution required under subsection (5), calculated without  
11 regard to the receipt of tax increment revenues attributable to  
12 local or intermediate school district taxes or attributable to  
13 taxes levied under the state education tax act, 1993 PA 331, MCL  
14 211.901 to 211.906.

15 (11) Calculations of distributions under this section and  
16 claims reports required to be made under subsection (2) shall be  
17 made on the basis of each development area of the authority.

18 (12) The state tax commission may provide that the  
19 reimbursement calculations under this section and the calculation  
20 of allowable capture of school taxes shall be made for each  
21 calendar year's tax increment revenues using a 12-month debt  
22 payment period used by the authority and approved by the state tax  
23 commission.

24 Sec. 213c. (1) If the amount of tax increment revenues lost as  
25 a result of the personal property tax exemptions provided by  
26 section 1211(4) of the revised school code, 1976 PA 451, MCL  
27 380.1211, section 3 of the state education tax act, 1993 PA 331,

1 MCL 211.903, section 14(4) of 1974 PA 198, MCL 207.564, and section  
2 9k of the general property tax act, 1893 PA 206, MCL 211.9k, will  
3 reduce the allowable school tax capture received in a fiscal year,  
4 then, notwithstanding any other provision of this part, the  
5 authority, with approval of the department of treasury under  
6 subsection (3), may request the local tax collecting treasurer to  
7 retain and pay to the authority taxes levied under the state  
8 education tax act, 1993 PA 331, MCL 211.901 to 211.906, to be used  
9 for the following:

10 (a) To repay an eligible advance.

11 (b) To repay an eligible obligation.

12 (c) To repay an other protected obligation.

13 (2) Not later than June 15, 2008, not later than September 30,  
14 2009, and not later than June 1 of each subsequent year, except for  
15 2011, not later than June 15, an authority eligible under  
16 subsection (1) to have taxes levied under the state education tax  
17 act, 1993 PA 331, MCL 211.901 to 211.906, retained and paid to the  
18 authority under this section, shall apply for approval with the  
19 department of treasury. The application for approval shall include  
20 the following information:

21 (a) The property tax millage rates expected to be levied by  
22 local school districts within the jurisdictional area of the  
23 authority for school operating purposes for that fiscal year.

24 (b) The tax increment revenues estimated to be received by the  
25 authority for that fiscal year based upon actual property tax  
26 levies of all taxing jurisdictions within the jurisdictional area  
27 of the authority.

1 (c) The tax increment revenues the authority estimates it  
2 would have received for that fiscal year if the personal property  
3 tax exemptions described in subsection (1) were not in effect.

4 (d) A list of eligible obligations, eligible advances, and  
5 other protected obligations, the payments due on each of those in  
6 that fiscal year, and the total amount of all the payments due on  
7 all of those in that fiscal year.

8 (e) The amount of money, other than tax increment revenues,  
9 estimated to be received in that fiscal year by the authority that  
10 is primarily pledged to, and to be used for, the payment of an  
11 eligible obligation, the repayment of an eligible advance, or the  
12 payment of an other protected obligation. That amount shall not  
13 include excess tax increment revenues of the authority that are  
14 permitted by law to be retained by the authority for purposes that  
15 further the development program. However, that amount shall include  
16 money to be obtained from sources authorized by law, which law is  
17 enacted on or after December 1, 1993, for use by the municipality  
18 or authority to finance a development plan.

19 (f) The amount of a distribution received pursuant to this  
20 part for a fiscal year in excess of or less than the distribution  
21 that would have been required if calculated upon actual tax  
22 increment revenues received for that fiscal year.

23 (3) Not later than August 15, 2008; for 2009, not later than  
24 February 3, 2010; for 2011 only, not later than 30 days after the  
25 effective date of the amendatory act that amended this sentence;  
26 and not later than August 15 for 2010, 2012, and each subsequent  
27 year, based on the calculations under subsection (5), the

1 department of treasury shall approve, modify, or deny the  
2 application for approval to have taxes levied under the state  
3 education tax act, 1993 PA 331, MCL 211.901 to 211.906, retained  
4 and paid to the authority under this section. If the application  
5 for approval contains the information required under subsection  
6 (2)(a) through (f) and appears to be in substantial compliance with  
7 the provisions of this section, then the department of treasury  
8 shall approve the application. If the application is denied by the  
9 department of treasury, then the department of treasury shall  
10 provide the opportunity for a representative of the authority to  
11 discuss the denial within 21 days after the denial occurs and shall  
12 sustain or modify its decision within 30 days after receiving  
13 information from the authority. If the application for approval is  
14 approved or modified by the department of treasury, the local tax  
15 collecting treasurer shall retain and pay to the authority the  
16 amount described in subsection (5) as approved by the department.  
17 If the department of treasury denies the authority's application  
18 for approval, the local tax collecting treasurer shall not retain  
19 or pay to the authority the taxes levied under the state education  
20 tax act, 1993 PA 331, MCL 211.901 to 211.906. An approval by the  
21 department does not prohibit a subsequent audit of taxes retained  
22 in accordance with the procedures currently authorized by law.

23 (4) Each year the legislature shall appropriate and distribute  
24 an amount sufficient to pay each authority the following:

25 (a) If the amount to be retained and paid under subsection (3)  
26 is less than the amount calculated under subsection (5), the  
27 difference between those amounts.

1 (b) If the application for approval is denied by the  
2 department of treasury, an amount verified by the department equal  
3 to the amount calculated under subsection (5).

4 (5) Subject to subsection (6), the aggregate amount under this  
5 section shall be the sum of the amounts determined under  
6 subdivisions (a) and (b) minus the amount determined under  
7 subdivision (c), as follows:

8 (a) The amount by which the tax increment revenues the  
9 authority would have received and retained for the fiscal year,  
10 excluding taxes exempt under section 7ff of the general property  
11 tax act, 1893 PA 206, MCL 211.7ff, if the personal property tax  
12 exemptions described in subsection (1) were not in effect, exceed  
13 the tax increment revenues the authority actually received for the  
14 fiscal year.

15 (b) A shortfall required to be reported under subsection  
16 (2)(f) that had not previously increased a distribution.

17 (c) An excess amount required to be reported under subsection  
18 (2)(f) that had not previously decreased a distribution.

19 (6) A distribution or taxes retained under this section  
20 replacing tax increment revenues pledged by an authority or a  
21 municipality are subject to any lien of the pledge described in  
22 subsection (1), whether or not there has been physical delivery of  
23 the distribution.

24 (7) Obligations for which distributions are made under this  
25 section are not a debt or liability of this state; do not create or  
26 constitute an indebtedness, liability, or obligation of this state;  
27 and are not and do not constitute a pledge of the faith and credit

1 of this state.

2 (8) Not later than September 15 of each year, the authority  
3 shall provide a copy of the application for approval approved by  
4 the department of treasury to the local tax collecting treasurer  
5 and provide the amount of the taxes retained and paid to the  
6 authority under subsection (5).

7 (9) Calculations of amounts retained and paid and  
8 appropriations to be distributed under this section shall be made  
9 on the basis of each development area of the authority.

10 (10) The state tax commission may provide that the  
11 reimbursement calculations under this section and the calculation  
12 of allowable capture of school taxes shall be made for each  
13 calendar year's tax increment revenues using a 12-month debt  
14 payment period used by the authority and approved by the state tax  
15 commission.

16 (11) It is the intent of the legislature that, to the extent  
17 that the total amount of taxes levied under the state education tax  
18 act, 1993 PA 331, MCL 211.901 to 211.906, that are allowed to be  
19 retained under this section and section 411b, section 15a of the  
20 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2665a,  
21 and section 312b, exceeds the difference of the total school aid  
22 fund revenue for the tax year minus the estimated amount of revenue  
23 the school aid fund would have received for the tax year had the  
24 tax exemptions described in subsection (1) and the earmark created  
25 by section 515 of the Michigan business tax act, 2007 PA 36, MCL  
26 208.1515, not taken effect, the general fund shall reimburse the  
27 school aid fund the difference.

1           Sec. 214. (1) When the authority determines that it is  
2 necessary for the achievement of the purposes of this part, the  
3 authority shall prepare and submit a tax increment financing plan  
4 to the governing body of the municipality. The plan shall include a  
5 development plan as provided in section 217, a detailed explanation  
6 of the tax increment procedure, the maximum amount of bonded  
7 indebtedness to be incurred, and the duration of the program, and  
8 shall be in compliance with section 215. The plan shall contain a  
9 statement of the estimated impact of tax increment financing on the  
10 assessed values of all taxing jurisdictions in which the  
11 development area is located. The plan may provide for the use of  
12 part or all of the captured assessed value, but the portion  
13 intended to be used by the authority shall be clearly stated in the  
14 tax increment financing plan. The authority or municipality may  
15 exclude from captured assessed value growth in property value  
16 resulting solely from inflation. The plan shall set forth the  
17 method for excluding growth in property value resulting solely from  
18 inflation.

19           (2) The percentage of taxes levied for school operating  
20 purposes that is captured and used by the tax increment financing  
21 plan shall not be greater than the plan's percentage capture and  
22 use of taxes levied by a municipality or county for operating  
23 purposes. For purposes of the previous sentence, taxes levied by a  
24 county for operating purposes include only millage allocated for  
25 county or charter county purposes under the property tax limitation  
26 act, 1933 PA 62, MCL 211.201 to 211.217a. For purposes of this  
27 subsection, tax increment revenues used to pay bonds issued by a

1 municipality under section 216(1) shall be considered to be used by  
2 the tax increment financing plan rather than shared with the  
3 municipality. The limitation of this subsection does not apply to  
4 the portion of the captured assessed value shared pursuant to an  
5 agreement entered into before 1989 with a county or with a city in  
6 which an enterprise zone is approved under section 13 of the  
7 enterprise zone act, 1985 PA 224, MCL 125.2113.

8 (3) Approval of the tax increment financing plan shall be  
9 pursuant to the notice, hearing, and disclosure provisions of  
10 section 218. If the development plan is part of the tax increment  
11 financing plan, only 1 hearing and approval procedure is required  
12 for the 2 plans together.

13 (4) Before the public hearing on the tax increment financing  
14 plan, the governing body shall provide a reasonable opportunity to  
15 the taxing jurisdictions levying taxes subject to capture to meet  
16 with the governing body. The authority shall fully inform the  
17 taxing jurisdictions of the fiscal and economic implications of the  
18 proposed development area. The taxing jurisdictions may present  
19 their recommendations at the public hearing on the tax increment  
20 financing plan. The authority may enter into agreements with the  
21 taxing jurisdictions and the governing body of the municipality in  
22 which the development area is located to share a portion of the  
23 captured assessed value of the district.

24 (5) A tax increment financing plan may be modified if the  
25 modification is approved by the governing body upon notice and  
26 after public hearings and agreements as are required for approval  
27 of the original plan.

1           (6) Under a tax increment financing plan that includes a  
2 catalyst development project, an authority may pledge available tax  
3 increment revenues of the authority as security for any bonds  
4 issued to develop and construct a catalyst development project.

5           Sec. 215. (1) The municipal and county treasurers shall  
6 transmit to the authority tax increment revenues.

7           (2) The authority shall expend the tax increment revenues  
8 received for the development program only pursuant to the tax  
9 increment financing plan. Surplus funds shall revert  
10 proportionately to the respective taxing bodies. These revenues  
11 shall not be used to circumvent existing property tax limitations.  
12 The governing body of the municipality may abolish the tax  
13 increment financing plan when it finds that the purposes for which  
14 it was established are accomplished. However, the tax increment  
15 financing plan shall not be abolished, allowed to expire, or  
16 otherwise terminate until the principal of, and interest on, bonds  
17 issued pursuant to section 216 have been paid or funds sufficient  
18 to make the payment have been segregated.

19           Sec. 216. (1) The municipality may by resolution of its  
20 governing body authorize, issue, and sell general obligation bonds  
21 subject to the limitations set forth in this subsection to finance  
22 the development program of the tax increment financing plan and  
23 shall pledge its full faith and credit for the payment of the  
24 bonds. The municipality may pledge as additional security for the  
25 bonds any money received by the authority or the municipality  
26 pursuant to section 211. The bonds are subject to the revised  
27 municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. Before

1 the municipality may authorize the borrowing, the authority shall  
2 submit an estimate of the anticipated tax increment revenues and  
3 other revenue available under section 211 to be available for  
4 payment of principal and interest on the bonds, to the governing  
5 body of the municipality. This estimate shall be approved by the  
6 governing body of the municipality by resolution adopted by  
7 majority vote of the members of the governing body in the  
8 resolution authorizing the bonds. If the governing body of the  
9 municipality adopts the resolution authorizing the bonds, the  
10 estimate of the anticipated tax increment revenues and other  
11 revenue available under section 211 to be available for payment of  
12 principal and interest on the bonds shall be conclusive for  
13 purposes of this section. The bonds issued under this subsection  
14 shall be considered a single series for the purposes of the revised  
15 municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2801.

16 (2) By resolution of its governing body, the authority may  
17 authorize, issue, and sell tax increment bonds subject to the  
18 limitations set forth in this subsection to finance the development  
19 program of the tax increment financing plan. The tax increment  
20 bonds issued by the authority under this subsection shall pledge  
21 solely the tax increment revenues of a development area in which  
22 the project is located or a development area from which tax  
23 increment revenues may be used for this project, or both. In  
24 addition or in the alternative, the bonds issued by the authority  
25 pursuant to this subsection may be secured by any other revenues  
26 identified in section 211 as sources of financing for activities of  
27 the authority that the authority shall specifically pledge in the

1 resolution. However, the full faith and credit of the municipality  
2 shall not be pledged to secure bonds issued pursuant to this  
3 subsection. The bond issue may include a sum sufficient to pay  
4 interest on the tax increment bonds until full development of tax  
5 increment revenues from the project and also a sum to provide a  
6 reasonable reserve for payment of principal and interest on the  
7 bonds. The resolution authorizing the bonds shall create a lien on  
8 the tax increment revenues and other revenues pledged by the  
9 resolution that shall be a statutory lien and shall be a first lien  
10 subject only to liens previously created. The resolution may  
11 provide the terms upon which additional bonds may be issued of  
12 equal standing and parity of lien as to the tax increment revenues  
13 and other revenues pledged under the resolution. Bonds issued under  
14 this subsection that pledge revenue received under section 211 for  
15 repayment of the bonds are subject to the revised municipal finance  
16 act, 2001 PA 34, MCL 141.2101 to 141.2821.

17 (3) Notwithstanding any other provision of this part, if the  
18 state treasurer determines that an authority or municipality can  
19 issue a qualified refunding obligation and the authority or  
20 municipality does not make a good faith effort to issue the  
21 qualified refunding obligation as determined by the state  
22 treasurer, the state treasurer may reduce the amount claimed by the  
23 authority or municipality under section 213b by an amount equal to  
24 the net present value saving that would have been realized had the  
25 authority or municipality refunded the obligation or the state  
26 treasurer may require a reduction in the capture of tax increment  
27 revenues from taxes levied by a local or intermediate school

1 district or this state by an amount equal to the net present value  
2 savings that would have been realized had the authority or  
3 municipality refunded the obligation. This subsection does not  
4 authorize the state treasurer to require the authority or  
5 municipality to pledge security greater than the security pledged  
6 for the obligation being refunded.

7       Sec. 217. (1) When a board decides to finance a project in the  
8 downtown district by the use of revenue bonds as authorized in  
9 section 213 or tax increment financing as authorized in sections  
10 214, 215, and 216, it shall prepare a development plan.

11       (2) The development plan shall contain all of the following:

12       (a) The designation of boundaries of the development area in  
13 relation to highways, streets, streams, or otherwise.

14       (b) The location and extent of existing streets and other  
15 public facilities within the development area, shall designate the  
16 location, character, and extent of the categories of public and  
17 private land uses then existing and proposed for the development  
18 area, including residential, recreational, commercial, industrial,  
19 educational, and other uses, and shall include a legal description  
20 of the development area.

21       (c) A description of existing improvements in the development  
22 area to be demolished, repaired, or altered, a description of any  
23 repairs and alterations, and an estimate of the time required for  
24 completion.

25       (d) The location, extent, character, and estimated cost of the  
26 improvements including rehabilitation contemplated for the  
27 development area and an estimate of the time required for

1 completion.

2 (e) A statement of the construction or stages of construction  
3 planned, and the estimated time of completion of each stage.

4 (f) A description of any parts of the development area to be  
5 left as open space and the use contemplated for the space.

6 (g) A description of any portions of the development area that  
7 the authority desires to sell, donate, exchange, or lease to or  
8 from the municipality and the proposed terms.

9 (h) A description of desired zoning changes and changes in  
10 streets, street levels, intersections, or utilities.

11 (i) An estimate of the cost of the development, a statement of  
12 the proposed method of financing the development, and the ability  
13 of the authority to arrange the financing.

14 (j) Designation of the person or persons, natural or  
15 corporate, to whom all or a portion of the development is to be  
16 leased, sold, or conveyed in any manner and for whose benefit the  
17 project is being undertaken if that information is available to the  
18 authority.

19 (k) The procedures for bidding for the leasing, purchasing, or  
20 conveying in any manner of all or a portion of the development upon  
21 its completion, if there is no express or implied agreement between  
22 the authority and persons, natural or corporate, that all or a  
23 portion of the development will be leased, sold, or conveyed in any  
24 manner to those persons.

25 (l) Estimates of the number of persons residing in the  
26 development area and the number of families and individuals to be  
27 displaced. If occupied residences are designated for acquisition

1 and clearance by the authority, a development plan shall include a  
2 survey of the families and individuals to be displaced, including  
3 their income and racial composition, a statistical description of  
4 the housing supply in the community, including the number of  
5 private and public units in existence or under construction, the  
6 condition of those units in existence, the number of owner-occupied  
7 and renter-occupied units, the annual rate of turnover of the  
8 various types of housing and the range of rents and sale prices, an  
9 estimate of the total demand for housing in the community, and the  
10 estimated capacity of private and public housing available to  
11 displaced families and individuals.

12 (m) A plan for establishing priority for the relocation of  
13 persons displaced by the development in any new housing in the  
14 development area.

15 (n) Provision for the costs of relocating persons displaced by  
16 the development and financial assistance and reimbursement of  
17 expenses, including litigation expenses and expenses incident to  
18 the transfer of title, in accordance with the standards and  
19 provisions of the federal uniform relocation assistance and real  
20 property acquisition policies act of 1970, Public Law 91-646, 42  
21 USC 4601.

22 (o) A plan for compliance with 1972 PA 227, MCL 213.321 to  
23 213.332.

24 (p) Other material that the authority, local public agency, or  
25 governing body considers pertinent.

26 Sec. 218. (1) The governing body, before adoption of an  
27 ordinance approving or amending a development plan or approving or

1 amending a tax increment financing plan, shall hold a public  
2 hearing on the development plan. Notice of the time and place of  
3 the hearing shall be given by publication twice in a newspaper of  
4 general circulation designated by the municipality, the first of  
5 which shall be not less than 20 days before the date set for the  
6 hearing. Notice of the hearing shall be posted in at least 20  
7 conspicuous and public places in the downtown district not less  
8 than 20 days before the hearing. Notice shall also be mailed to all  
9 property taxpayers of record in the downtown district not less than  
10 20 days before the hearing. Beginning June 1, 2005, the notice of  
11 hearing within the time frame described in this subsection shall be  
12 mailed by certified mail to the governing body of each taxing  
13 jurisdiction levying taxes that would be subject to capture if the  
14 development plan or the tax increment financing plan is approved or  
15 amended.

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

1 reference to the development plan. The hearing shall provide the  
2 fullest opportunity for expression of opinion, for argument on the  
3 merits, and for introduction of documentary evidence pertinent to  
4 the development plan. The governing body shall make and preserve a  
5 record of the public hearing, including all data presented thereat.

6       Sec. 219. (1) The governing body after a public hearing on the  
7 development plan or the tax increment financing plan, or both, with  
8 notice of the hearing given in accordance with section 218, shall  
9 determine whether the development plan or tax increment financing  
10 plan constitutes a public purpose. If it determines that the  
11 development plan or tax increment financing plan constitutes a  
12 public purpose, it shall then approve or reject the plan, or  
13 approve it with modification, by ordinance based on the following  
14 considerations:

15       (a) The findings and recommendations of a development area  
16 citizens council, if a development area citizens council was  
17 formed.

18       (b) The plan meets the requirements set forth in section  
19 217(2).

20       (c) The proposed method of financing the development is  
21 feasible and the authority has the ability to arrange the  
22 financing.

23       (d) The development is reasonable and necessary to carry out  
24 the purposes of this part.

25       (e) The land included within the development area to be  
26 acquired is reasonably necessary to carry out the purposes of the  
27 plan and of this part in an efficient and economically satisfactory

1 manner.

2 (f) The development plan is in reasonable accord with the  
3 master plan of the municipality.

4 (g) Public services, such as fire and police protection and  
5 utilities, are or will be adequate to service the project area.

6 (h) Changes in zoning, streets, street levels, intersections,  
7 and utilities are reasonably necessary for the project and for the  
8 municipality.

9 (2) Amendments to an approved development plan or tax  
10 increment plan must be submitted by the authority to the governing  
11 body for approval or rejection.

12 (3) Proposed amendments made to an approved development plan  
13 to incorporate a catalyst development project plan shall be  
14 submitted by the authority to the Michigan strategic fund for  
15 approval or rejection of that part of the plan relating to the  
16 catalyst development project. Amendments not approved or rejected  
17 under this subsection by the Michigan strategic fund within 45 days  
18 of submission for approval shall be considered approved.

19 Sec. 220. A person to be relocated under this part shall be  
20 given not less than 90 days' written notice to vacate unless  
21 modified by court order for good cause.

22 Sec. 221. (1) If a proposed development area has residing  
23 within it 100 or more residents, a development area citizens  
24 council shall be established at least 90 days before the public  
25 hearing on the development or tax increment financing plan. The  
26 development area citizens council shall be established by the  
27 governing body and shall consist of not less than 9 members. The

1 members of the development area citizens council shall be residents  
2 of the development area and shall be appointed by the governing  
3 body. A member of a development area citizens council shall be at  
4 least 18 years of age.

5 (2) A development area citizens council shall be  
6 representative of the development area.

7 Sec. 222. A development area citizens council established  
8 pursuant to this part shall act an advisory body to the authority  
9 and the governing body in the adoption of the development or tax  
10 increment financing plans.

11 Sec. 223. Periodically a representative of the authority  
12 responsible for preparation of a development or tax increment  
13 financing plan within the development area shall consult with and  
14 advise the development area citizens council regarding the aspects  
15 of a development plan, including the development of new housing for  
16 relocation purposes located either inside or outside of the  
17 development area. The consultation shall begin before any final  
18 decisions by the authority and the governing body regarding a  
19 development or tax increment financing plan. The consultation shall  
20 continue throughout the preparation and implementation of the  
21 development or tax increment financing plan.

22 Sec. 224. (1) Meetings of the development area citizens  
23 council shall be open to the public. Notice of the time and place  
24 of the meetings shall be given by publication in a newspaper of  
25 general circulation not less than 5 days before the dates set for  
26 meetings of the development area citizens council. A person present  
27 at those meetings shall have reasonable opportunity to be heard.

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

4           (3) A development area citizens council may request of and  
5 receive from the authority information and technical assistance  
6 relevant to the preparation of the development plan for the  
7 development area.

8           (4) Failure of a development area citizens council to organize  
9 or to consult with and be advised by the authority, or failure to  
10 advise the governing body, as provided in this part, shall not  
11 preclude the adoption of a development plan by a municipality if  
12 the municipality complies with the other provisions of this part.

13           Sec. 225. In a development area where a citizens district  
14 council established according to 1945 PA 344, MCL 125.71 to 125.84,  
15 already exists the governing body may designate it as the  
16 development area citizens council authorized by this part.

17           Sec. 226. Within 20 days after the public hearing on a  
18 development or tax increment financing plan, the development area  
19 citizens council shall notify the governing body, in writing, of  
20 its findings and recommendations concerning a proposed development  
21 plan.

22           Sec. 227. A development area citizens council may not be  
23 required and, if formed, may be dissolved in any of the following  
24 situations:

25           (a) On petition of not less than 20% of the adult resident  
26 population of the development area by the last federal decennial or  
27 municipal census, a governing body, after public hearing with

1 notice thereof given in accordance with section 218 and by a 2/3  
2 vote, may adopt an ordinance for the development area to eliminate  
3 the necessity of a development area citizens council.

4 (b) When there are less than 18 residents, real property  
5 owners, or representatives of establishments located in the  
6 development area eligible to serve on the development area citizens  
7 council.

8 (c) Upon termination of the authority by ordinance of the  
9 governing body.

10 Sec. 228. (1) The director of the authority shall prepare and  
11 submit for the approval of the board a budget for the operation of  
12 the authority for the ensuing fiscal year. The budget shall be  
13 prepared in the manner and contain the information required of  
14 municipal departments. Before the budget may be adopted by the  
15 board, it shall be approved by the governing body of the  
16 municipality. Funds of the municipality shall not be included in  
17 the budget of the authority except those funds authorized in this  
18 part or by the governing body of the municipality.

19 (2) The governing body of the municipality may assess a  
20 reasonable pro rata share of the funds for the cost of handling and  
21 auditing the funds against the funds of the authority, other than  
22 those committed, which cost shall be paid annually by the board  
23 pursuant to an appropriate item in its budget.

24 Sec. 228a. Beginning January 1, 2010, the authority shall be  
25 exempt from all taxation on its earnings or property. Instruments  
26 of conveyance from an authority are exempt from transfer taxes  
27 under 1966 PA 134, MCL 207.501 to 207.513, and the state real

1 estate transfer tax act, 1993 PA 330, MCL 207.521 to 207.537.

2       Sec. 229. (1) A public facility, building, or structure that  
3 is determined by the municipality to have significant historical  
4 interests shall be preserved in a manner as considered necessary by  
5 the municipality in accordance with laws relative to the  
6 preservation of historical sites. The preservation of facilities,  
7 buildings, or structures determined to be historic sites by a  
8 municipality shall include, at a minimum, equipping the historic  
9 site with a fire alarm system.

10       (2) An authority shall refer all proposed changes to the  
11 exterior of sites listed on the state register of historic sites  
12 and the national register of historic places to the applicable  
13 historic district commission created under the local historic  
14 districts act, 1970 PA 169, MCL 399.201 to 399.215, or the Michigan  
15 state housing development authority for review.

16       Sec. 230. (1) An authority that has completed the purposes for  
17 which it was organized shall be dissolved by ordinance of the  
18 governing body. The property and assets of the authority remaining  
19 after the satisfaction of the obligations of the authority belong  
20 to the municipality.

21       (2) An authority established under this part before December  
22 31, 1988, that is dissolved by ordinance of the governing body  
23 before September 30, 1990 and that is reinstated by ordinance of  
24 the governing body after notice and public hearing as provided in  
25 section 203(2) shall not be invalidated pursuant to a claim that,  
26 based upon the standards set forth in section 203(1), a governing  
27 body improperly determined that the necessary conditions existed

1 for the reinstatement of an authority under this part if at the  
2 time the governing body established the authority the governing  
3 body determined or could have determined that the necessary  
4 conditions existed for the establishment of an authority under this  
5 part or could have determined that establishment of an authority  
6 under this part would serve to promote economic growth and  
7 notwithstanding that the boundaries of the downtown district are  
8 altered at the time of reinstatement of the authority.

9 (3) In the resolution of intent, the municipality shall set a  
10 date for the holding of a public hearing on the adoption of a  
11 proposed ordinance reinstating the authority. The procedure for  
12 publishing the notice of hearing, holding the hearing, and adopting  
13 the ordinance reinstating the authority shall be as provided in  
14 section 203(2), (4), and (5).

15 (4) The validity of the proceedings, findings, and  
16 determinations reinstating an authority shall be conclusive unless  
17 contested in a court of competent jurisdiction within 60 days after  
18 the last of the following occurs:

19 (a) Publication of the ordinance reinstating the authority as  
20 adopted.

21 (b) Filing of the ordinance reinstating the authority with the  
22 secretary of state.

23 (c) May 27, 1993.

24 PART 3

25 Sec. 301. As used in this part:

26 (a) "Advance" means a transfer of funds made by a municipality  
27 to an authority or to another person on behalf of the authority.

1 Evidence of the intent to repay an advance is required and may  
2 include, but is not limited to, an executed agreement to repay,  
3 provisions contained in a tax increment financing plan approved  
4 before the advance or before August 14, 1993, or a resolution of  
5 the authority or the municipality.

6 (b) "Assessed value" means 1 of the following:

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

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

13 (c) "Authority" means a tax increment finance authority  
14 created under this part.

15 (d) "Authority district" means that area within which an  
16 authority exercises its powers and within which 1 or more  
17 development areas may exist.

18 (e) "Board" means the governing body of an authority.

19 (f) "Captured assessed value" means the amount in any 1 year  
20 by which the current assessed value of the development area,  
21 including the assessed value of property for which specific local  
22 taxes are paid in lieu of property taxes as determined in  
23 subdivision (w), exceeds the initial assessed value. The state tax  
24 commission shall prescribe the method for calculating captured  
25 assessed value.

26 (g) "Chief executive officer" means the mayor or city manager  
27 of a city, the president of a village, or the supervisor of a

1 township.

2 (h) "Development area" means that area to which a development  
3 plan is applicable.

4 (i) "Development area citizens council" or "council" means  
5 that advisory body established pursuant to section 20.

6 (j) "Development plan" means that information and those  
7 requirements for a development set forth in section 16.

8 (k) "Development program" means the implementation of the  
9 development plan.

10 (l) "Eligible advance" means an advance made before August 19,  
11 1993.

12 (m) "Eligible obligation" means an obligation issued or  
13 incurred by an authority or by a municipality on behalf of an  
14 authority before August 19, 1993 and its subsequent refunding by a  
15 qualified refunding obligation. Eligible obligation includes an  
16 authority's written agreement entered into before August 19, 1993  
17 to pay an obligation issued after August 18, 1993 and before  
18 December 31, 1996 by another entity on behalf of the authority.  
19 Eligible obligation also includes an ongoing management contract or  
20 contract for professional services or development services that was  
21 entered into by the authority or a municipality on behalf of the  
22 authority in 1991, and related similar written agreements executed  
23 before 1984, if the 1991 agreement both provides for automatic  
24 annual renewal and incorporates by reference the prior related  
25 agreements; however, receipt by an authority of tax increment  
26 revenues authorized under subdivision (aa) (ii) in order to pay  
27 costs arising under those contracts shall be limited to:

1 (i) For taxes levied before July 1, 2005, the amount permitted  
2 to be received by an authority for an eligible obligation as  
3 provided in this part.

4 (ii) For taxes levied after June 30, 2005 and before July 1,  
5 2006, \$3,000,000.00.

6 (iii) For taxes levied after June 30, 2006 and before July 1,  
7 2007, \$3,000,000.00.

8 (iv) For taxes levied after June 30, 2007 and before July 1,  
9 2008, \$3,000,000.00.

10 (v) For taxes levied after June 30, 2008 and before July 1,  
11 2009, \$3,000,000.00.

12 (vi) For taxes levied after June 30, 2009 and before July 1,  
13 2010, \$3,000,000.00.

14 (vii) For taxes levied after June 30, 2010 and before July 1,  
15 2011, \$2,650,000.00.

16 (viii) For taxes levied after June 30, 2011 and before July 1,  
17 2012, \$2,400,000.00.

18 (ix) For taxes levied after June 30, 2012 and before July 1,  
19 2013, \$2,125,000.00.

20 (x) For taxes levied after June 30, 2013 and before July 1,  
21 2014, \$1,500,000.00.

22 (xi) For taxes levied after June 30, 2014 and before July 1,  
23 2015, \$1,150,000.00.

24 (xii) For taxes levied after June 30, 2015, \$0.00.

25 (n) "Fiscal year" means the fiscal year of the authority.

26 (o) "Governing body" means the elected body of a municipality  
27 having legislative powers.

1           (p) "Initial assessed value" means the assessed value, as  
2 equalized, of all the taxable property within the boundaries of the  
3 development area at the time the resolution establishing the tax  
4 increment financing plan is approved as shown by the most recent  
5 assessment roll of the municipality for which equalization has been  
6 completed at the time the resolution is adopted. Property exempt  
7 from taxation at the time of the determination of the initial  
8 assessed value shall be included as zero. For the purpose of  
9 determining initial assessed value, property for which a specific  
10 local tax is paid in lieu of a property tax shall not be considered  
11 property that is exempt from taxation. The initial assessed value  
12 of property for which a specific tax was paid in lieu of a property  
13 tax shall be determined as provided in subdivision (w).

14           (q) "Municipality" means a city.

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

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

27           (ii) A management contract or a contract for professional

1 services.

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

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

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

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

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

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

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

1           (iv) Provisions in a tax increment financing plan describing  
2 the project for which the obligation was incurred.

3           (t) "Other protected obligation" means:

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

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

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

23           (iv) An obligation issued or incurred by an authority or by a  
24 municipality on behalf of an authority to implement a project  
25 described in a tax increment finance plan approved by the  
26 municipality in accordance with this part before August 19, 1993,  
27 that is located on land owned by a public university on the date

1 the tax increment financing plan is approved, and for which a  
2 contract for final design is entered into before December 31, 1993.

3 (v) An ongoing management or professional services contract  
4 with the governing body of a county which was entered into before  
5 March 1, 1994 and which was preceded by a series of limited term  
6 management or professional services contracts with the governing  
7 body of the county, the last of which was entered into before  
8 August 19, 1993.

9 (vi) An obligation issued or incurred by a municipality under  
10 a contract executed on December 19, 1994 as subsequently amended  
11 between the municipality and the authority to implement a project  
12 described in a tax increment finance plan approved by the  
13 municipality under this part before August 19, 1993 for which a  
14 contract for final design was entered into by the municipality  
15 before March 1, 1994 provided that final payment by the  
16 municipality is made on or before December 31, 2001.

17 (vii) An obligation issued or incurred by an authority or by a  
18 municipality on behalf of an authority that meets all of the  
19 following qualifications:

20 (A) The obligation is issued or incurred to finance a project  
21 described in a tax increment financing plan approved before August  
22 19, 1993 by a municipality in accordance with this part.

23 (B) The obligation qualifies as an other protected obligation  
24 under subparagraph (ii) and was issued or incurred by the authority  
25 before December 31, 1994 for the purpose of financing the project.

26 (C) A portion of the obligation issued or incurred by the  
27 authority before December 31, 1994 for the purpose of financing the

1 project was retired prior to December 31, 1996.

2 (D) The obligation does not exceed the dollar amount of the  
3 portion of the obligation retired prior to December 31, 1996.

4 (viii) An obligation incurred by an authority that meets both  
5 of the following qualifications:

6 (A) The obligation is a contract of lease originally executed  
7 on December 20, 1994 between the municipality and the authority to  
8 partially implement the authority's development plan and tax  
9 increment financing plan.

10 (B) The obligation qualifies as an obligation under  
11 subparagraph (ii). The obligation described in this subparagraph  
12 may be amended to extend cash rental payments for a period not to  
13 exceed 30 years through the year 2039. The duration of the  
14 development plan and tax increment financing plan described in this  
15 subparagraph is extended to 1 year after the final date that the  
16 extended cash rental payments are due.

17 (u) "Public facility" means 1 or more of the following:

18 (i) A street, plaza, or pedestrian mall, and any improvements  
19 to a street, plaza, boulevard, alley, or pedestrian mall, including  
20 street furniture and beautification, park, parking facility,  
21 recreation facility, playground, school, library, public  
22 institution or administration building, right of way, structure,  
23 waterway, bridge, lake, pond, canal, utility line or pipeline,  
24 transit-oriented development, transit-oriented facility, and other  
25 similar facilities and necessary easements of these facilities  
26 designed and dedicated to use by the public generally or used by a  
27 public agency. As used in this subparagraph, public institution or

1 administration building includes, but is not limited to, a police  
2 station, fire station, court building, or other public safety  
3 facility.

4 (ii) The acquisition and disposal of real and personal  
5 property or interests in real and personal property, demolition of  
6 structures, site preparation, relocation costs, building  
7 rehabilitation, and all associated administrative costs, including,  
8 but not limited to, architect's, engineer's, legal, and accounting  
9 fees as contained in the resolution establishing the district's  
10 development plan.

11 (iii) An improvement to a facility used by the public or a  
12 public facility as those terms are defined in section 1 of 1966 PA  
13 1, MCL 125.1351, which improvement is made to comply with the  
14 barrier free design requirements of the state construction code  
15 promulgated under the Stille-DeRossett-Hale single state  
16 construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.

17 (v) "Qualified refunding obligation" means an obligation  
18 issued or incurred by an authority or by a municipality on behalf  
19 of an authority to refund an obligation if 1 of the following  
20 applies:

21 (i) The refunding obligation meets both of the following:

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

27 (B) The net present value of the sum of the tax increment

1 revenues described in subdivision (aa) (ii) and the distributions  
2 under section 12a to repay the refunding obligation will not be  
3 greater than the net present value of the sum of the tax increment  
4 revenues described in subdivision (aa) (ii) and the distributions  
5 under section 312a to repay the obligation being refunded, as  
6 calculated using a method approved by the department of treasury.

7 (ii) The refunding obligation is a tax increment refunding  
8 bond issued to refund a refunding bond that is an other protected  
9 obligation issued as a capital appreciation bond delivered to the  
10 Michigan municipal bond authority on December 21, 1994, or bonds  
11 issued to refund that bond, and the authority, by resolution of its  
12 board, authorized issuance of the refunding obligation before  
13 December 31, 2019 with a final maturity not later than 2039. The  
14 municipality by majority vote of the members of its governing body  
15 may pledge its full faith and credit for the payment of the  
16 principal of and interest on the refunding obligation. A refunding  
17 obligation issued under this subparagraph is not subject to the  
18 requirements of section 305(2), (3), (5), or (6), 501, 503, or 611  
19 of the revised municipal finance act, 2001 PA 34, MCL 141.2305,  
20 141.2501, 141.2503, and 141.2611. The duration of the development  
21 plan and the tax increment financing plan relating to the refunding  
22 obligations described in this subparagraph is extended to 1 year  
23 after the final date of maturity of the refunding obligation.

24 (w) "Specific local tax" means a tax levied under 1974 PA 198,  
25 MCL 207.551 to 207.572, the commercial redevelopment act, 1978 PA  
26 255, MCL 207.651 to 207.668, the technology park development act,  
27 1984 PA 385, MCL 207.701 to 207.718, section 5 of the state

1 essential services assessment act, 2014 PA 92, MCL 211.1055,  
2 section 5 of the alternative state essential services assessment  
3 act, 2014 PA 93, MCL 211.1075, and 1953 PA 189, MCL 211.181 to  
4 211.182. The initial assessed value or current assessed value of  
5 property subject to a specific local tax shall be the quotient of  
6 the specific local tax paid divided by the ad valorem millage rate.  
7 However, after 1993, the state tax commission shall prescribe the  
8 method for calculating the initial assessed value and current  
9 assessed value of property for which a specific local tax was paid  
10 in lieu of a property tax.

11 (x) "State fiscal year" means the annual period commencing  
12 October 1 of each year.

13 (y) "Tax increment district" or "district" means that area to  
14 which the tax increment finance plan pertains.

15 (z) "Tax increment financing plan" means that information and  
16 those requirements set forth in sections 313 to 315.

17 (aa) "Tax increment revenues" means the amount of ad valorem  
18 property taxes and specific local taxes attributable to the  
19 application of the levy of all taxing jurisdictions upon the  
20 captured assessed value of real and personal property in the  
21 development area, subject to the following requirements:

22 (i) Tax increment revenues include ad valorem property taxes  
23 and specific local taxes attributable to the application of the  
24 levy of all taxing jurisdictions other than the state pursuant to  
25 the state education tax act, 1993 PA 331, MCL 211.901 to 211.906,  
26 and local or intermediate school districts upon the captured  
27 assessed value of real and personal property in the development

1 area for any purpose authorized by this part.

2 (ii) Tax increment revenues include ad valorem property taxes  
3 and specific local taxes attributable to the application of the  
4 levy of the state pursuant to the state education tax act, 1993 PA  
5 331, MCL 211.901 to 211.906, and local or intermediate school  
6 districts upon the captured assessed value of real and personal  
7 property in the development area in an amount equal to the amount  
8 necessary, without regard to subparagraph (i), to repay eligible  
9 advances, eligible obligations, and other protected obligations.

10 (iii) Tax increment revenues do not include any of the  
11 following:

12 (A) Ad valorem property taxes attributable either to a portion  
13 of the captured assessed value shared with taxing jurisdictions  
14 within the jurisdictional area of the authority or to a portion of  
15 value of property that may be excluded from captured assessed value  
16 or specific local taxes attributable to such ad valorem property  
17 taxes.

18 (B) Ad valorem property taxes excluded by the tax increment  
19 financing plan of the authority from the determination of the  
20 amount of tax increment revenues to be transmitted to the authority  
21 or specific local taxes attributable to such ad valorem property  
22 taxes.

23 (C) Ad valorem property taxes levied under 1 or more of the  
24 following or specific local taxes attributable to those ad valorem  
25 property taxes:

26 (I) The zoological authorities act, 2008 PA 49, MCL 123.1161  
27 to 123.1183.

1 (II) The art institute authorities act, 2010 PA 296, MCL  
2 123.1201 to 123.1229.

3 (iv) The amount of tax increment revenues authorized to be  
4 included under subparagraph (ii), and required to be transmitted to  
5 the authority under section 314(1), from ad valorem property taxes  
6 and specific local taxes attributable to the application of the  
7 levy of the state education tax act, 1993 PA 331, MCL 211.901 to  
8 211.906, a local school district or an intermediate school district  
9 upon the captured assessed value of real and personal property in a  
10 development area shall be determined separately for the levy by the  
11 state, each school district, and each intermediate school district  
12 as the product of sub-subparagraphs (A) and (B):

13 (A) The percentage which the total ad valorem taxes and  
14 specific local taxes available for distribution by law to the  
15 state, local school district, or intermediate school district,  
16 respectively, bear to the aggregate amount of ad valorem millage  
17 taxes and specific taxes available for distribution by law to the  
18 state, each local school district, and each intermediate school  
19 district.

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

23 (bb) "Transit-oriented development" means infrastructure  
24 improvements that are located within 1/2 mile of a transit station  
25 or transit-oriented facility that promotes transit ridership or  
26 passenger rail use as determined by the board and approved by the  
27 municipality in which it is located.

1           (cc) "Transit-oriented facility" means a facility that houses  
2 a transit station in a manner that promotes transit ridership or  
3 passenger rail use.

4           Sec. 301a. This part shall be known and may be cited as "the  
5 tax increment finance authority part".

6           Sec. 302. (1) A municipality may establish not more than 1  
7 authority. An authority shall exercise its powers in all  
8 development areas designated pursuant to this part.

9           (2) The authority shall be a public body corporate which may  
10 sue and be sued in any court of this state. The authority possesses  
11 all the powers necessary to carry out the purpose of its  
12 incorporation. The enumeration of a power in this part shall not be  
13 construed as a limitation upon the general powers of the authority.  
14 The powers granted in this part to an authority may be exercised  
15 notwithstanding that bonds are not issued by the authority.

16           Sec. 303. (1) If the governing body of a municipality  
17 determines that it is in the best interests of the public to halt a  
18 decline in property values, increase property tax valuation,  
19 eliminate the causes of the decline in property values, and to  
20 promote growth in an area in the municipality, the governing body  
21 of that municipality may declare by resolution its intention to  
22 create and provide for the operation of an authority.

23           (2) In the resolution of intent, the governing body shall set  
24 a date for the holding of a public hearing on the adoption of a  
25 proposed resolution creating the authority and designating the  
26 boundaries of the authority district. Notice of the public hearing  
27 shall be published twice in a newspaper of general circulation in

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

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

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

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

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

13 (a) Publication of the resolution as adopted.

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

15 Sec. 304. (1) The authority shall be under the supervision and  
16 control of a board chosen by the governing body which may by  
17 majority vote designate any 1 of the following to constitute the  
18 board:

19 (a) The board of directors of the economic development  
20 corporation of the municipality established pursuant to the  
21 economic development corporations act, 1974 PA 338, MCL 125.1601 to  
22 125.1636.

23 (b) The trustees of the board of a downtown development  
24 authority established pursuant to part 2.

25 (c) The trustees of the board of an urban redevelopment  
26 corporation established pursuant to the urban redevelopment  
27 corporations law, 1941 PA 250, MCL 125.901 to 125.922.

1 (d) The members of the commission established pursuant to 1945  
2 PA 344, MCL 125.71 to 125.84.

3 (e) In a municipality that has a population of less than  
4 5,000, the planning commission of the municipality established  
5 pursuant to Michigan planning enabling act, 2008 PA 33, MCL  
6 125.3801 to 125.3885.

7 (f) Not less than 7 nor more than 13 persons appointed by the  
8 chief executive officer of the municipality subject to the approval  
9 of the governing body. Of the members appointed, an equal number,  
10 as near as practicable, shall be appointed for 1 year, 2 years, 3  
11 years, and 4 years. A member shall hold office until the member's  
12 successor is appointed. Thereafter, each member shall serve for a  
13 term of 4 years. An appointment to fill a vacancy shall be made by  
14 the chief executive officer of the municipality for the unexpired  
15 term only. Members of the board shall serve without compensation,  
16 but shall be reimbursed for actual and necessary expenses.

17 (2) The chairperson of the board shall be elected by the  
18 board.

19 (3) Before assuming the duties of office, a member shall  
20 qualify by taking and subscribing to the constitutional oath of  
21 office.

22 (4) The board shall adopt rules governing its procedure and  
23 the holding of regular meetings, subject to the approval of the  
24 governing body. Special meetings may be held when called in the  
25 manner provided in the rules of the board. Meetings of the board  
26 shall be open to the public, in accordance with the open meetings  
27 act, 1976 PA 267, MCL 15.261 to 15.275.

1           (5) Pursuant to notice and an opportunity to be heard, a  
2 member of the board appointed pursuant to subsection (1)(f) may be  
3 removed before the expiration of his or her term for cause by the  
4 governing body. Removal of a member is subject to the review by the  
5 circuit court.

6           (6) All expense items of the authority shall be publicized  
7 annually and the financial records shall be open to the public  
8 pursuant to the freedom of information act, 1976 PA 442, MCL 15.231  
9 to 15.246.

10           Sec. 305. (1) The board may employ and fix the compensation of  
11 a director, subject to the approval of the governing body. The  
12 director shall serve at the pleasure of the board. A member of the  
13 board is not eligible to hold the position of director. Before  
14 entering upon the duties of the office, the director shall take and  
15 subscribe to the constitutional oath and furnish bond by posting a  
16 bond in the penal sum determined in the resolution establishing the  
17 authority, payable to the authority for use and benefit of the  
18 authority, approved by the board, and filed with the clerk of the  
19 municipality. The premium on the bond shall be considered an  
20 operating expense of the authority, payable from funds available to  
21 the authority for expenses of operation. The director shall be the  
22 chief executive officer of the authority. Subject to the approval of  
23 the board, the director shall supervise and be responsible for the  
24 preparation of plans and the performance of the functions of the  
25 authority in the manner authorized by this part. The director shall  
26 attend the meetings of the board and shall render to the board and  
27 to the governing body a regular report covering the activities and

1 financial condition of the authority. If the director is absent or  
2 disabled, the board may designate a qualified person as acting  
3 director to perform the duties of the office. Before entering upon  
4 the duties of the office, the acting director shall take and  
5 subscribe to the constitutional oath and furnish bond as required  
6 of the director. The director shall furnish the board with  
7 information or reports governing the operation of the authority as  
8 the board requires.

9 (2) The board may appoint or employ and fix the compensation  
10 of a treasurer who shall keep the financial records of the  
11 authority, and who, together with the director, if a director is  
12 appointed, shall approve all vouchers for the expenditure of funds  
13 of the authority. The treasurer shall perform such other duties as  
14 may be delegated by the board and shall furnish bond in an amount  
15 as prescribed by the board.

16 (3) The board may appoint or employ and fix the compensation  
17 of a secretary, who shall maintain custody of the official seal and  
18 of records, books, documents, or other papers not required to be  
19 maintained by the treasurer. The secretary shall attend meetings of  
20 the board and keep a record of its proceedings and shall perform  
21 such other duties as may be delegated by the board.

22 (4) The board may retain legal counsel to advise the board in  
23 the proper performance of its duties. The legal counsel shall  
24 represent the authority in actions brought by or against the  
25 authority.

26 (5) The board may employ other personnel considered necessary  
27 by the board.

1           (6) The employees of an authority may be eligible to  
2 participate in municipal retirement and insurance programs of the  
3 municipality as if they were civil service employees on the same  
4 basis as civil service employees.

5           Sec. 307. The board may:

6           (a) Prepare an analysis of economic changes taking place in  
7 the municipality and its environs as those changes relate to urban  
8 deterioration in the development areas.

9           (b) Study and analyze the impact of growth upon development  
10 areas.

11           (c) Plan and propose the construction, renovation, repair,  
12 remodeling, rehabilitation, restoration, preservation, or  
13 reconstruction of a public facility, an existing building, or a  
14 multiple family dwelling unit which may be necessary or appropriate  
15 to the execution of a plan which, in the opinion of the board, aids  
16 in the revitalization and growth of the development area.

17           (d) Plan, propose, and implement an improvement to a public  
18 facility within the development area to comply with the barrier  
19 free design requirements of the state construction code promulgated  
20 under the Stille-Derossett-Hale single state construction code act,  
21 1972 PA 230, MCL 125.1501 to 125.1531.

22           (e) Develop long-range plans, in cooperation with the agency  
23 which is chiefly responsible for planning in the municipality,  
24 designed to halt the decline of property values and to promote the  
25 growth of the development area, and take such steps as may be  
26 necessary to implement the plans to the fullest extent possible.

27           (f) Implement any plan of development in a development area

1 necessary to achieve the purposes of this part, in accordance with  
2 the powers of the authority as granted by this part.

3 (g) Make and enter into contracts necessary or incidental to  
4 the exercise of its powers and the performance of its duties.

5 (h) Acquire by purchase or otherwise, on terms and conditions  
6 and in a manner the authority considers proper, own, convey,  
7 demolish, relocate, rehabilitate, or otherwise dispose of, or lease  
8 as lessor or lessee, land and other property, real or personal, or  
9 rights or interests therein, which the authority determines is  
10 reasonably necessary to achieve the purposes of this part, and to  
11 grant or acquire licenses, easements, and options with respect  
12 thereto.

13 (i) Improve land, prepare sites for buildings, including the  
14 demolition of existing structures and construct, reconstruct,  
15 rehabilitate, restore, and preserve, equip, improve, maintain,  
16 repair, and operate any building, including any type of housing,  
17 and any necessary or desirable appurtenances thereto, within the  
18 development area for the use, in whole or in part, of any public or  
19 private person or corporation, or a combination thereof.

20 (j) Fix, charge, and collect fees, rents, and charges for the  
21 use of any building or property or any part of a building or  
22 property under its control, or a facility in the building or on the  
23 property, and pledge the fees, rents, and charges for the payment  
24 of revenue bonds issued by the authority.

25 (k) Lease any building or property or part of a building or  
26 property under its control.

27 (l) Accept grants and donations of property, labor, or other

1 things of value from a public or private source.

2 (m) Acquire and construct public facilities.

3 (n) Incur costs in connection with the performance of its  
4 authorized functions, including but not limited to, administrative  
5 costs, and architects, engineers, legal, and accounting fees.

6 Sec. 308. If a board created under this part serves as the  
7 planning commission under the Michigan planning enabling act, 2008  
8 PA 33, MCL 125.3801 to 125.3885, the board shall include planning  
9 commission business in its agenda.

10 Sec. 309. The authority shall be considered an instrumentality  
11 of a political subdivision for purposes of 1972 PA 227, MCL 213.321  
12 to 213.332.

13 Sec. 310. A municipality may take private property under 1980  
14 PA 87, MCL 213.51 to 213.77 for the purpose of transfer to the  
15 authority, and may transfer the property to the authority for use  
16 as authorized in the development program, on terms and conditions  
17 it considers appropriate. The taking, transfer, and use shall be  
18 considered necessary for public purposes and for the benefit of the  
19 public.

20 Sec. 311. The activities of the authority shall be financed  
21 from 1 or more of the following sources:

22 (a) Contributions to the authority for the performance of its  
23 functions.

24 (b) Revenues from any property, building, or facility owned,  
25 leased, licensed, or operated by the authority or under its  
26 control, subject to the limitations imposed upon the authority by  
27 trusts or other agreements.

1 (c) Tax increment revenues received pursuant to a tax  
2 increment financing plan established under sections 313 to 315.

3 (d) Proceeds of tax increment bonds issued pursuant to section  
4 315.

5 (e) Proceeds of revenue bonds issued pursuant to section 312.

6 (f) Money obtained from any other sources approved by the  
7 governing body of the municipality or otherwise authorized by law  
8 for use by the authority or the municipality to finance a  
9 development program.

10 (g) Money obtained pursuant to section 312a.

11 Sec. 312. (1) The authority may borrow money and issue its  
12 negotiable revenue bonds pursuant to the revenue bond act of 1933,  
13 1933 PA 94, MCL 141.101 to 141.140. Revenue bonds issued by the  
14 authority shall not, except as hereinafter provided, be considered  
15 a debt of the municipality or of the state.

16 (2) The municipality by majority vote of the members of its  
17 governing body may pledge its full faith and credit limited tax to  
18 support the authority's revenue bonds.

19 Sec. 312a. (1) If the amount of tax increment revenues lost as  
20 a result of the reduction of taxes levied by local school districts  
21 for school operating purposes required by the millage limitations  
22 under section 1211 of the revised school code, 1976 PA 451, MCL  
23 380.1211, reduced by the amount of tax increment revenues received  
24 from the capture of taxes levied under or attributable to the state  
25 education tax act, 1993 PA 331, MCL 211.901 to 211.906, will cause  
26 the tax increment revenues received in a fiscal year by an  
27 authority under section 314 to be insufficient to repay an eligible

1 advance or to pay an eligible obligation, the legislature shall  
2 appropriate and distribute to the authority the amount described in  
3 subsection (5).

4 (2) Not less than 30 days before the first day of a fiscal  
5 year, an authority eligible to retain tax increment revenues from  
6 taxes levied by a local or intermediate school district or this  
7 state, or to receive a distribution under this section for that  
8 fiscal year shall file a claim with the department of treasury. The  
9 claim shall include the following information:

10 (a) The property tax millage rates levied in 1993 by local  
11 school districts within the jurisdictional area of the authority  
12 for school operating purposes.

13 (b) The property tax millage rates expected to be levied by  
14 local school districts within the jurisdictional area of the  
15 authority for school operating purposes for that fiscal year.

16 (c) The tax increment revenues estimated to be received by the  
17 authority for that fiscal year based upon actual property tax  
18 levies of all taxing jurisdictions within the jurisdictional area  
19 of the authority plus any tax increment revenues the authority  
20 would have received for the fiscal year from property that is  
21 exempt from taxation pursuant to the Michigan renaissance zone act,  
22 1996 PA 376, MCL 125.2681 to 125.2696, based on the property's  
23 taxable value at the time the zone is designated.

24 (d) The tax increment revenues the authority estimates it  
25 would have received for that fiscal year if property taxes were  
26 levied by local school districts within the jurisdictional area of  
27 the authority for school operating purposes at the millage rates

1 described in subdivision (a) and if no property taxes were levied  
2 by this state under the state education tax act, 1993 PA 331, MCL  
3 211.901 to 211.906.

4 (e) A list and documentation of eligible obligations and  
5 eligible advances and the payments due on each of those eligible  
6 obligations or eligible advances in that fiscal year, and the total  
7 amount of all the payments due on those eligible obligations and  
8 eligible advances in that fiscal year.

9 (f) The amount of money, other than tax increment revenues,  
10 estimated to be received in that fiscal year by the authority that  
11 is primarily pledged to, and to be used for, the payment of an  
12 eligible obligation or the repayment of an eligible advance. That  
13 amount shall not include excess tax increment revenues of the  
14 authority that are permitted by law to be retained by the authority  
15 for purposes that further the development program. However, that  
16 amount shall include money to be obtained from sources authorized  
17 by law, which law is enacted on or after December 1, 1993, for use  
18 by the municipality or authority to finance a development project.

19 (g) The amount of a distribution received pursuant to this  
20 part for a fiscal year in excess of or less than the distribution  
21 that would have been required if calculated upon actual tax  
22 increment revenues received for that fiscal year.

23 (h) A list and documentation of other protected obligations  
24 and the payments due on each of those other protected obligations  
25 in that fiscal year, and the total amount of all the payments due  
26 on those other protected obligations in that fiscal year.

27 (3) For the fiscal year that commences after September 30,

1 1993 and before October 1, 1994, an authority may make a claim with  
2 all information required by subsection (2) at any time after March  
3 15, 1994.

4 (4) After review and verification of claims submitted pursuant  
5 to this section, amounts appropriated by the state in compliance  
6 with this part shall be distributed as 2 equal payments on March 1  
7 and September 1 after receipt of a claim. An authority shall  
8 allocate a distribution it receives for an eligible obligation  
9 issued on behalf of a municipality to the municipality.

10 (5) Subject to subsections (6) and (7), the aggregate amount  
11 to be appropriated and distributed pursuant to this section to an  
12 authority shall be the sum of the amounts determined pursuant to  
13 subdivisions (a) and (b) minus the amount determined pursuant to  
14 subdivision (c), as follows:

15 (a) The amount by which the tax increment revenues the  
16 authority would have received for the fiscal year, if property  
17 taxes were levied by local school districts on property, including  
18 property that is exempt from taxation pursuant to the Michigan  
19 renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, based  
20 on the property's taxable value at the time the zone is designated,  
21 for school operating purposes at the millage rates described in  
22 subsection (2)(a) and if no property taxes were levied under the  
23 state education tax act, 1993 PA 331, MCL 211.901 to 211.906,  
24 exceed the sum of tax increment revenues the authority actually  
25 received for the fiscal year plus any tax increment revenues the  
26 authority would have received for the fiscal year from property  
27 that is exempt from taxation pursuant to the Michigan renaissance

1 zone act, 1996 PA 376, MCL 125.2681 to 125.2696, based on the  
2 property's taxable value at the time the zone is designated.

3 (b) A shortfall required to be reported pursuant to subsection  
4 (2)(g) that had not previously increased a distribution.

5 (c) An excess amount required to be reported pursuant to  
6 subsection (2)(g) that had not previously decreased a distribution.

7 (6) The amount distributed under subsection (5) shall not  
8 exceed the difference between the amount described in subsection  
9 (2)(e) and the sum of the amounts described in subsection (2)(c)  
10 and (f).

11 (7) If, based upon the tax increment financing plan in effect  
12 on August 19, 1993, the payment due on eligible obligations or  
13 eligible advances anticipates the use of excess prior year tax  
14 increment revenues permitted by law to be retained by the  
15 authority, and if the sum of the amounts described in subsection  
16 (2)(c) and (f) plus the amount to be distributed under subsections  
17 (5) and (6) is less than the amount described in subsection (2)(e),  
18 the amount to be distributed under subsections (5) and (6) shall be  
19 increased by the amount of the shortfall. However, the amount  
20 authorized to be distributed pursuant to this section shall not  
21 exceed that portion of the cumulative difference, for each  
22 preceding fiscal year, between the amount that could have been  
23 distributed pursuant to subsection (5) and the amount actually  
24 distributed pursuant to subsections (5) and (6) and this  
25 subsection.

26 (8) A distribution under this section replacing tax increment  
27 revenues pledged by an authority or a municipality is subject to

1 the lien of the pledge, whether or not there has been physical  
2 delivery of the distribution.

3 (9) Obligations for which distributions are made pursuant to  
4 this section are not a debt or liability of this state; do not  
5 create or constitute an indebtedness, liability, or obligation of  
6 this state; and are not and do not constitute a pledge of the faith  
7 and credit of this state.

8 (10) Not later than July 1 of each year, the authority shall  
9 certify to the local tax collecting treasurer the amount of the  
10 distribution required under subsection (5), calculated without  
11 regard to the receipt of tax increment revenues attributable to  
12 local or intermediate school district taxes or attributable to  
13 taxes levied under the state education tax act, 1993 PA 331, MCL  
14 211.901 to 211.906.

15 (11) Calculations of distributions under this section and  
16 claims reports required to be made under subsection (2) shall be  
17 made on the basis of each development area of the authority.

18 (12) The state tax commission may provide that the  
19 reimbursement calculations under this section and the calculation  
20 of allowable capture of school taxes shall be made for each  
21 calendar year's tax increment revenues using a 12-month debt  
22 payment period used by the authority and approved by the state tax  
23 commission.

24 Sec. 312b. (1) If the amount of tax increment revenues lost as  
25 a result of the personal property tax exemptions provided by  
26 section 1211(4) of the revised school code, 1976 PA 451, MCL  
27 380.1211, section 3 of the state education tax act, 1993 PA 331,

1 MCL 211.903, section 14(4) of 1974 PA 198, MCL 207.564, and section  
2 9k of the general property tax act, 1893 PA 206, MCL 211.9k, will  
3 reduce the allowable school tax capture received in a fiscal year,  
4 then, notwithstanding any other provision of this part, the  
5 authority, with approval of the department of treasury under  
6 subsection (3), may request the local tax collecting treasurer to  
7 retain and pay to the authority taxes levied within the  
8 municipality under the state education tax act, 1993 PA 331, MCL  
9 211.901 to 211.906, to be used for the following:

10 (a) To repay an eligible advance.

11 (b) To repay an eligible obligation.

12 (c) To repay an other protected obligation.

13 (2) Not later than June 15, 2008, not later than September 30,  
14 2009, and not later than June 1 of each subsequent year, an  
15 authority eligible under subsection (1) to have taxes levied under  
16 the state education tax act, 1993 PA 331, MCL 211.901 to 211.906,  
17 retained and paid to the authority under this section, shall apply  
18 for approval with the department of treasury. The application for  
19 approval shall include the following information:

20 (a) The property tax millage rates expected to be levied by  
21 local school districts within the jurisdictional area of the  
22 authority for school operating purposes for that fiscal year.

23 (b) The tax increment revenues estimated to be received by the  
24 authority for that fiscal year based upon actual property tax  
25 levies of all taxing jurisdictions within the jurisdictional area  
26 of the authority.

27 (c) The tax increment revenues the authority estimates it

1 would have received for that fiscal year if the personal property  
2 tax exemptions described in subsection (1) were not in effect.

3 (d) A list of eligible obligations, eligible advances, and  
4 other protected obligations, the payments due on each of those in  
5 that fiscal year, and the total amount of all the payments due on  
6 all of those in that fiscal year.

7 (e) The amount of money, other than tax increment revenues,  
8 estimated to be received in that fiscal year by the authority that  
9 is primarily pledged to, and to be used for, the payment of an  
10 eligible obligation, the repayment of an eligible advance, or the  
11 payment of an other protected obligation. That amount shall not  
12 include excess tax increment revenues of the authority that are  
13 permitted by law to be retained by the authority for purposes that  
14 further the development program. However, that amount shall include  
15 money to be obtained from sources authorized by law, which law is  
16 enacted on or after December 1, 1993, for use by the municipality  
17 or authority to finance a development plan.

18 (f) The amount of a distribution received pursuant to this  
19 part for a fiscal year in excess of or less than the distribution  
20 that would have been required if calculated upon actual tax  
21 increment revenues received for that fiscal year.

22 (3) Not later than August 15, 2008; for 2009 only, not later  
23 than 30 days after the effective date of the amendatory act that  
24 amended this sentence; and not later than August 15 of each  
25 subsequent year, based on the calculations under subsection (5),  
26 the department of treasury shall approve, modify, or deny the  
27 application for approval to have taxes levied under the state

1 education tax act, 1993 PA 331, MCL 211.901 to 211.906, retained  
2 and paid to the authority under this section. If the application  
3 for approval contains the information required under subsection  
4 (2)(a) through (f) and appears to be in substantial compliance with  
5 the provisions of this section, then the department of treasury  
6 shall approve the application. If the application is denied by the  
7 department of treasury, then the department of treasury shall  
8 provide the opportunity for a representative of the authority to  
9 discuss the denial within 21 days after the denial occurs and shall  
10 sustain or modify its decision within 30 days after receiving  
11 information from the authority. If the application for approval is  
12 approved or modified by the department of treasury, the local tax  
13 collecting treasurer shall retain and pay to the authority the  
14 amount described in subsection (5) as approved by the department.  
15 If the department of treasury denies the authority's application  
16 for approval, the local tax collecting treasurer shall not retain  
17 or pay to the authority the taxes levied under the state education  
18 tax act, 1993 PA 331, MCL 211.901 to 211.906. An approval by the  
19 department does not prohibit a subsequent audit of taxes retained  
20 in accordance with the procedures currently authorized by law.

21 (4) Each year, the legislature shall appropriate and  
22 distribute an amount sufficient to pay each authority the  
23 following:

24 (a) If the amount to be retained and paid under subsection (3)  
25 is less than the amount calculated under subsection (5), the  
26 difference between those amounts.

27 (b) If the application for approval is denied by the

1 department of treasury, an amount verified by the department equal  
2 to the amount calculated under subsection (5).

3 (5) Subject to subsection (6), the aggregate amount under this  
4 section shall be the sum of the amounts determined under  
5 subdivisions (a) and (b) minus the amount determined under  
6 subdivision (c), as follows:

7 (a) The amount by which the tax increment revenues the  
8 authority would have received and retained for the fiscal year,  
9 excluding taxes exempt under section 7ff of the general property  
10 tax act, 1893 PA 206, MCL 211.7ff, if the personal property tax  
11 exemptions described in subsection (1) were not in effect, exceed  
12 the tax increment revenues the authority actually received for the  
13 fiscal year.

14 (b) A shortfall required to be reported under subsection  
15 (2)(f) that had not previously increased a distribution.

16 (c) An excess amount required to be reported under subsection  
17 (2)(f) that had not previously decreased a distribution.

18 (6) A distribution or taxes retained under this section  
19 replacing tax increment revenues pledged by an authority or a  
20 municipality are subject to any lien of the pledge described in  
21 subsection (1), whether or not there has been physical delivery of  
22 the distribution.

23 (7) Obligations for which distributions are made under this  
24 section are not a debt or liability of this state; do not create or  
25 constitute an indebtedness, liability, or obligation of this state;  
26 and are not and do not constitute a pledge of the faith and credit  
27 of this state.

1           (8) Not later than September 15 of each year, the authority  
2 shall provide a copy of the application for approval approved by  
3 the department of treasury to the local tax collecting treasurer  
4 and provide the amount of the taxes retained and paid to the  
5 authority under subsection (5).

6           (9) Calculations of amounts retained and paid and  
7 appropriations to be distributed under this section shall be made  
8 on the basis of each development area of the authority.

9           (10) The state tax commission may provide that the  
10 reimbursement calculations under this section and the calculation  
11 of allowable capture of school taxes shall be made for each  
12 calendar year's tax increment revenues using a 12-month debt  
13 payment period used by the authority and approved by the state tax  
14 commission.

15           (11) It is the intent of the legislature that, to the extent  
16 that the total amount of taxes levied under the state education tax  
17 act, 1993 PA 331, MCL 211.901 to 211.906, that are allowed to be  
18 retained under this section and section 411b, section 15a of the  
19 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2665a,  
20 and section 213c, exceeds the difference of the total school aid  
21 fund revenue for the tax year minus the estimated amount of revenue  
22 the school aid fund would have received for the tax year had the  
23 tax exemptions described in subsection (1) and the earmark created  
24 by section 515 of the Michigan business tax act, 2007 PA 36, MCL  
25 208.1515, not taken effect, the general fund shall reimburse the  
26 school aid fund the difference.

27           Sec. 313. (1) When the authority determines that it is

1 necessary for the achievement of the purposes of this part, the  
2 authority shall prepare and submit a tax increment financing plan  
3 to the governing body. The plan shall be in compliance with section  
4 314 and shall include a development plan as provided in section  
5 316. The plan shall also contain the following:

6 (a) A statement of the reasons that the plan will result in  
7 the development of captured assessed value that could not otherwise  
8 be expected. The reasons may include, but are not limited to,  
9 activities of the municipality, authority, or others undertaken  
10 before formulation or adoption of the plan in reasonable  
11 anticipation that the objectives of the plan would be achieved by  
12 some means.

13 (b) An estimate of the captured assessed value for each year  
14 of the plan. The plan may provide for the use of part or all of the  
15 captured assessed value, but the portion intended to be used shall  
16 be clearly stated in the plan. The authority or municipality may  
17 exclude from captured assessed value growth in property value  
18 resulting solely from inflation. The plan shall set forth the  
19 method for excluding growth in property value resulting solely from  
20 inflation. The percentage of taxes levied for school operating  
21 purposes that is captured and used by the plan shall not be greater  
22 than the plan's percentage capture and use of taxes levied by a  
23 municipality or county for operating purposes. For purposes of the  
24 previous sentence, taxes levied by a county for operating purposes  
25 include only millage allocated for county or charter county  
26 purposes under the property tax limitation act, 1933 PA 62, MCL  
27 211.201 to 211.217a. This limitation does not apply to the portion

1 of the captured assessed value shared pursuant to an agreement  
2 entered into before 1989 with a county or with a city in which an  
3 enterprise zone is approved under section 13 of the enterprise zone  
4 act, 1985 PA 224, MCL 125.2113.

5 (c) The estimated tax increment revenues for each year of the  
6 plan.

7 (d) A detailed explanation of the tax increment procedure.

8 (e) The maximum amount of bonded indebtedness to be incurred.

9 (f) The amount of operating and planning expenditures of the  
10 authority and municipality, the amount of advances extended by or  
11 indebtedness incurred by the municipality, and the amount of  
12 advances by others to be repaid from tax increment revenues.

13 (g) The costs of the plan anticipated to be paid from tax  
14 increment revenues as received.

15 (h) The duration of the development plan and the tax increment  
16 plan.

17 (i) An estimate of the impact of tax increment financing on  
18 the revenues of all taxing jurisdictions in which the development  
19 area is located.

20 (2) Approval of the tax increment financing plan shall be in  
21 accordance with the notice, hearing, disclosure, and approval  
22 provisions of sections 317 and 318. When the development plan is  
23 part of the tax increment financing plan, only 1 hearing and  
24 approval procedure is required for the 2 plans together.

25 (3) Before the public hearing on the tax increment financing  
26 plan, the governing body shall provide a reasonable opportunity to  
27 the taxing jurisdictions in which the development is located to

1 express their views and recommendations regarding the tax increment  
2 financing plan. The authority shall fully inform the taxing  
3 jurisdictions about the fiscal and economic implications of the  
4 proposed tax increment financing plan. The taxing jurisdictions may  
5 present their recommendations at the public hearing on the tax  
6 increment financing plan. The authority may enter into agreements  
7 with the taxing jurisdictions and the governing body of the  
8 municipality in which the development area is located to share a  
9 portion of the captured assessed value of the district.

10       Sec. 314. (1) The municipal and county treasurers shall  
11 transmit to the authority tax increment revenues.

12       (2) The authority shall expend the tax increment revenues  
13 received for the development program only in accordance with the  
14 tax increment financing plan. Surplus funds may be retained by the  
15 authority for the payment of the principal of and interest on  
16 outstanding tax increment bonds or for other purposes that, by  
17 resolution of the board, are determined to further the development  
18 program. Any surplus funds not so used shall revert proportionately  
19 to the respective taxing bodies. These revenues shall not be used  
20 to circumvent existing property tax laws or a local charter that  
21 provides a maximum authorized rate for levy of property taxes. The  
22 governing body may abolish the tax increment financing plan when it  
23 finds that the purposes for which the plan was established are  
24 accomplished. However, the tax increment finance plan shall not be  
25 abolished, allowed to expire, or otherwise terminate until the  
26 principal of, and interest on, bonds issued pursuant to section 315  
27 have been paid or funds sufficient to make the payment have been

1 segregated.

2       Sec. 315. (1) By resolution of its board, the authority may  
3 authorize, issue, and sell its tax increment bonds, subject to the  
4 limitations set forth in this section, to finance a development  
5 program. The bonds are subject to the revised municipal finance  
6 act, 2001 PA 34, MCL 141.2101 to 141.2821. The bonds issued under  
7 this section shall be considered a single series for the purposes  
8 of the revised municipal finance act, 2001 PA 34, MCL 141.2101 to  
9 141.2821.

10       (2) The municipality by majority vote of the members of its  
11 governing body may pledge its full faith and credit for the payment  
12 of the principal of and interest on the authority's tax increment  
13 bonds. The municipality may pledge as additional security for the  
14 bonds any money received by the authority or the municipality  
15 pursuant to section 311.

16       (3) Notwithstanding any other provision of this part, if the  
17 state treasurer determines that an authority or municipality can  
18 issue a qualified refunding obligation and the authority or  
19 municipality does not make a good faith effort to issue the  
20 qualified refunding obligation as determined by the state  
21 treasurer, the state treasurer may reduce the amount claimed by the  
22 authority or municipality under section 312a by an amount equal to  
23 the net present value saving that would have been realized had the  
24 authority or municipality refunded the obligation or the state  
25 treasurer may require a reduction in the capture of tax increment  
26 revenues from taxes levied by a local or intermediate school  
27 district or this state by an amount equal to the net present value

1 savings that would have been realized had the authority or  
2 municipality refunded the obligation. This subsection does not  
3 authorize the state treasurer to require the authority or  
4 municipality to pledge security greater than the security pledged  
5 for the obligation being refunded.

6 Sec. 316. (1) When a board decides to finance a project in a  
7 development area pursuant to this part, it shall prepare a  
8 development plan.

9 (2) To the extent necessary to accomplish the proposed  
10 development program the development plan shall contain:

11 (a) The designation of boundaries of the development area in  
12 relation to the boundaries of the authority district and any other  
13 development areas within the authority district.

14 (b) The designation of boundaries of the development area in  
15 relation to highways, streets, or otherwise.

16 (c) The location and extent of existing streets and other  
17 public facilities within the development area and the location,  
18 character, and extent of the categories of public and private land  
19 uses then existing and proposed for the development area, including  
20 residential, recreational, commercial, industrial, educational, and  
21 other uses and shall include a legal description of the development  
22 area.

23 (d) A description of improvements to be made in the  
24 development area, a description of any repairs and alterations  
25 necessary to make those improvements, and an estimate of the time  
26 required for completion of the improvements.

27 (e) The location, extent, character, and estimated cost of the

1 improvements including rehabilitation contemplated for the  
2 development area and an estimate of the time required for  
3 completion.

4 (f) A statement of the construction or stages of construction  
5 planned, and the estimated time of completion of each stage.

6 (g) A description of any parts of the development area to be  
7 left as open space and the use contemplated for the space.

8 (h) A description of any portions of the development area  
9 which the authority desires to sell, donate, exchange, or lease to  
10 or from the municipality and the proposed terms.

11 (i) A description of desired zoning changes and changes in  
12 streets, street levels, intersections, and utilities.

13 (j) An estimate of the cost of the development, a statement of  
14 the proposed method of financing the development, and the ability  
15 of the authority to arrange the financing.

16 (k) Designation of the person or persons, natural or  
17 corporate, to whom all or a portion of the development is to be  
18 leased, sold, or conveyed and for whose benefit the project is  
19 being undertaken, if that information is available to the  
20 authority.

21 (l) The procedures for bidding for the leasing, purchasing, or  
22 conveying of all or a portion of the development upon its  
23 completion, if there is no express or implied agreement between the  
24 authority and persons, natural or corporate, that all or a portion  
25 of the development will be leased, sold, or conveyed to those  
26 persons.

27 (m) Estimates of the number of persons residing in the

1 development area and the number of families and individuals to be  
2 displaced. If occupied residences are designated for acquisition  
3 and clearance by the authority, a development plan shall include a  
4 survey of the families and individuals to be displaced, including  
5 their income and racial composition, a statistical description of  
6 the housing supply in the community, including the number of  
7 private and public units in existence or under construction, the  
8 condition of those in existence, the number of owner-occupied and  
9 renter-occupied units, the annual rate of turnover of the various  
10 types of housing and the range of rents and sale prices, an  
11 estimate of the total demand for housing in the community, and the  
12 estimated capacity of private and public housing available to  
13 displaced families and individuals.

14 (n) A plan for establishing priority for the relocation of  
15 persons displaced by the development in any new housing in the  
16 development area.

17 (o) Provision for the costs of relocating persons displaced by  
18 the development, and financial assistance and reimbursement of  
19 expenses, including litigation expenses and expenses incident to  
20 the transfer of title, in accordance with the standards and  
21 provisions of the federal uniform relocation assistance and real  
22 property acquisition policies act of 1970, 42 USC 4601 to 4655.

23 (p) A plan for compliance with 1972 PA 227, MCL 213.321 to  
24 213.332.

25 (q) Other material which the authority, local public agency,  
26 or governing body considers pertinent.

27 (3) It shall not be necessary for the board to prepare a

1 development plan pursuant to this section where a development plan  
2 that adequately provides for accomplishing the proposed development  
3 program has already been prepared by any of the organizations  
4 described in section 314(1)(a) to (d) and where the development  
5 plan has been approved by the board and governing body pursuant to  
6 sections 317 and 318.

7       Sec. 317. (1) The governing body, before adoption of a  
8 resolution approving or amending a development plan or approving or  
9 amending a tax increment financing plan, shall hold a public  
10 hearing on the development plan. Notice of the time and place of  
11 the hearing shall be given by publication twice in a newspaper of  
12 general circulation designated by the municipality, the first of  
13 which shall not be less than 20 days before the date set for the  
14 hearing. Notice shall also be mailed to all property taxpayers of  
15 record in the development area not less than 20 days before the  
16 hearing. Beginning June 1, 2005, the notice of hearing within the  
17 time frame described in this subsection shall be mailed by  
18 certified mail to the governing body of each taxing jurisdiction  
19 levying taxes that would be subject to capture if the development  
20 plan or the tax increment financing plan is approved or amended.

21       (2) Notice of the time and place of hearing on a development  
22 plan shall contain the following:

23       (a) A description of the proposed development area in relation  
24 to highways, streets, streams, or otherwise.

25       (b) A statement that maps, plats, and a description of the  
26 development plan, including the method of relocating families and  
27 individuals who may be displaced from the area, are available for

1 public inspection at a place designated in the notice, and that all  
2 aspects of the development plan will be open for discussion at the  
3 public hearing.

4 (c) Other information that the governing body considers  
5 appropriate.

6 (3) At the time set for hearing, the governing body shall  
7 provide an opportunity for interested persons to be heard and shall  
8 receive and consider communications in writing with reference  
9 thereto. The hearing shall provide the fullest opportunity for  
10 expression of opinion, for argument on the merits, and for  
11 introduction of documentary evidence pertinent to the development  
12 plan. The governing body shall make and preserve a record of the  
13 public hearing, including all data presented at that time.

14 Sec. 318. (1) The governing body, after a public hearing on  
15 the development plan or the tax increment financing plan, or both,  
16 with notice of the hearing given pursuant to section 317, shall  
17 determine whether the development plan or tax increment financing  
18 plan constitutes a public purpose. If the governing body determines  
19 that the development plan or tax increment financing plan  
20 constitutes a public purpose, the governing body shall then approve  
21 or reject the plan, or approve it with modification, by resolution  
22 based on the following considerations:

23 (a) The findings and recommendations of a development area  
24 citizens council, if a development area citizens council was  
25 formed.

26 (b) Whether the development plan meets the requirements set  
27 forth in section 316(2) and the tax increment financing plan meets

1 the requirements set forth in section 313(1).

2 (c) Whether the proposed method of financing the development  
3 is feasible and the authority has the ability to arrange the  
4 financing.

5 (d) Whether the development is reasonable and necessary to  
6 carry out the purposes of this part.

7 (e) Whether the amount of captured assessed value estimated to  
8 result from adoption of the plan is reasonable.

9 (f) Whether the land to be acquired within the development  
10 area is reasonably necessary to carry out the purposes of the plan  
11 and the purposes of this part.

12 (g) Whether the development plan is in reasonable accord with  
13 the approved master plan of the municipality, if an approved master  
14 plan exists.

15 (h) Whether public services, such as fire and police  
16 protection and utilities, are or will be adequate to service the  
17 development area.

18 (i) Whether changes in zoning, streets, street levels,  
19 intersections, and utilities are reasonably necessary for the  
20 project and for the municipality.

21 (2) Except as provided in this subsection, amendments to an  
22 approved development plan or tax increment plan must be submitted  
23 by the authority to the governing body for approval or rejection  
24 following the same notice and public hearing provisions that are  
25 necessary for approval or rejection of the original plan. Notice  
26 and hearing shall not be necessary for revisions in the estimates  
27 of captured assessed value and tax increment revenues.

1           (3) The procedure, adequacy of notice, and findings with  
2 respect to purpose and captured assessed value shall be conclusive  
3 unless contested in a court of competent jurisdiction within 60  
4 days after adoption of the resolution adopting the plan. A plan  
5 adopted before July 18, 1983 is validated and shall be conclusive  
6 unless contested in a court of competent jurisdiction within 60  
7 days after July 18, 1983. A plan in effect before July 18, 1983  
8 shall not be contested to the extent that tax increment revenues  
9 are necessary for the payment of principal and interest on  
10 outstanding bonds issued pursuant to the plan and payable from the  
11 tax increment revenues or to the extent the authority or  
12 municipality has incurred other obligations or made commitments  
13 dependent upon tax increment revenues.

14           Sec. 319. A person to be relocated under this part shall be  
15 given not less than 90 days' written notice to vacate unless  
16 modified by court order for good cause.

17           Sec. 320. (1) A development area citizens council shall be  
18 established if the proposed development area has 100 or more  
19 persons residing within it and a change in zoning or a taking of  
20 property by eminent domain is necessary to accomplish the proposed  
21 development program. The council shall act as an advisory body to  
22 the authority and the governing body in the adoption of the  
23 development plan or tax increment financing plan.

24           (2) If a development area citizens council is required, the  
25 council shall be appointed by the governing body, and shall consist  
26 of not less than 9 members. Each member shall be at least 18 years  
27 of age and reside in the development area. The council shall be

1 established at least 60 days before the public hearing on the  
2 development plan or the tax increment financing plan, or both.

3 (3) If a development area citizens council is required  
4 pursuant to subsection (1) and if the authority was established  
5 pursuant to section 304(1)(a), (b), (c), or (d), a council  
6 established in conjunction with any of those boards or commissions,  
7 may serve in an advisory capacity to the authority, if the  
8 authority determines it is representative of the development area.

9 Sec. 321. Periodically a representative of the authority  
10 responsible for preparation of a development or tax increment  
11 financing plan within the development area shall consult with and  
12 advise the development area citizens council regarding the aspects  
13 of a development plan, including the development of new housing for  
14 relocation purposes located either inside or outside of the  
15 development area. The consultation shall begin before any final  
16 decisions by the authority and the governing body regarding a  
17 development or tax increment financing plan. The consultation shall  
18 continue throughout the preparation and implementation of the  
19 development or tax increment financing plan.

20 Sec. 322. (1) Meetings of the council shall be open to the  
21 public. Notice of the time and place of the meetings shall be  
22 posted in at least 10 conspicuous places in the development area  
23 accessible to the public not less than 5 days before the dates set  
24 for meetings of the council. A person present at those meetings  
25 shall have reasonable opportunity to be heard.

26 (2) A record of the meetings of a council, including  
27 information and data presented, shall be maintained by the council.

1           (3) A council may request of and receive from the authority  
2 information and technical assistance relevant to the preparation of  
3 the development plan for the development area.

4           (4) Failure of a council to organize or to consult with and be  
5 advised by the authority, or failure to advise the governing body,  
6 as provided in this part, shall not preclude the adoption of a  
7 development plan by a municipality if the municipality complies  
8 with the other provisions of this part.

9           Sec. 323. Within 20 days after the public hearing on a  
10 development or tax increment financing plan, the council, if  
11 established, shall notify the governing body, in writing, of its  
12 findings and recommendations concerning a proposed development  
13 plan.

14           Sec. 324. A development area citizens council may not be  
15 required and, if formed, may be dissolved in any of the following  
16 situations:

17           (a) On petition of not less than 20% of the adult resident  
18 population of the development area by the last federal decennial or  
19 municipal census, a governing body, after public hearing with  
20 notice given in accordance with section 317 and by a 2/3 vote, may  
21 adopt a resolution eliminating the necessity of a council for the  
22 development area.

23           (b) If there are less than 18 residents located in the  
24 development area eligible to serve on the council.

25           (c) Upon termination of the authority by resolution of the  
26 governing body.

27           Sec. 325. (1) The director of the authority shall prepare and

1 submit for the approval of the board a budget for the operation of  
2 the authority for the ensuing fiscal year. The budget shall be  
3 prepared in the manner and contain the information required of  
4 municipal departments. Before the budget may be adopted by the  
5 board, it shall be approved by the governing body. Funds of the  
6 municipality shall not be included in the budget of the authority  
7 except those funds authorized in this part or by the governing  
8 body.

9 (2) The governing body may assess a reasonable pro rata share  
10 of the funds for the cost of handling and auditing the funds  
11 against the funds of the authority, other than those committed for  
12 designated purposes, which cost shall be paid annually by the board  
13 pursuant to an appropriate item in its budget.

14 Sec. 326. (1) A public facility, building, or structure which  
15 is determined by the municipality to have significant historical  
16 interests shall be preserved in a manner as considered necessary by  
17 the municipality in accordance with laws relative to the  
18 preservation of historical sites.

19 (2) An authority shall refer all proposed changes to the  
20 exterior of sites listed on the state register of historic sites  
21 and the national register of historic places to the applicable  
22 historic district commission created under the local historic  
23 districts act, 1970 PA 169, MCL 399.201 to 399.215, or the Michigan  
24 state housing development authority for review.

25 Sec. 327. An authority which has completed the purposes for  
26 which it was organized shall be dissolved by resolution of the  
27 governing body. The property and assets of the authority remaining

1 after the satisfaction of the obligations of the authority shall  
2 belong to the municipality.

3       Sec. 328. Notwithstanding the limitation provided by section  
4 302(1) on having more than 1 authority, if an authority district is  
5 part of an area annexed to or consolidated with another  
6 municipality, the authority managing that authority district shall  
7 become an authority of the annexing or consolidated municipality.  
8 All obligations of that authority incurred pursuant to development  
9 plans or tax increment plans, all agreements related to the plans,  
10 and bonds issued pursuant to this part shall remain in effect  
11 following the annexation or consolidation.

12       Sec. 329. (1) Beginning January 1, 1987, a new authority or  
13 authority district shall not be created and the boundaries of an  
14 authority district shall not be expanded to include additional  
15 land.

16       (2) A tax increment finance authority, authority district,  
17 development area, development plan, or tax increment financing plan  
18 established under this part before December 30, 1986 shall not be  
19 invalidated pursuant to a claim that based on the standards set  
20 forth in section 303(1), a governing body improperly determined  
21 that the necessary conditions existed for the establishment of a  
22 tax increment financing authority under this part, if, at the time  
23 the governing body established the authority, the governing body  
24 could have determined that establishment of an authority under this  
25 part would serve to create jobs or promote economic development  
26 growth.

27       (3) A development area created or expanded after December 29,

1 1986 shall be subject to the requirements of section 303(1).

2 PART 4

3 Sec. 401. (1) The legislature finds all of the following:

4 (a) That there exists in this state conditions of  
5 unemployment, underemployment, and joblessness detrimental to the  
6 state economy and the economic growth of the state economy.

7 (b) That government programs are desirable and necessary to  
8 eliminate the causes of unemployment, underemployment, and  
9 joblessness therefore benefiting the economic growth of the state.

10 (c) That it is appropriate to finance these government  
11 programs by means available to the state and local units of  
12 government, including tax increment financing.

13 (d) That tax increment financing is a government financing  
14 program which contributes to economic growth and development by  
15 dedicating a portion of the tax base resulting from the economic  
16 growth and development to certain public facilities and structures  
17 or improvements of the type designed and dedicated to public use  
18 and thereby facilitate certain projects which create economic  
19 growth and development.

20 (e) That it is necessary for the legislature to exercise the  
21 sovereign power to legislate tax increment financing as authorized  
22 in this part and in the exercise of this sovereign power to mandate  
23 the transfer of tax increment revenues by city, village, township,  
24 school district, and county treasurers to authorities created under  
25 this part in order to effectuate the legislated government programs  
26 to eliminate the conditions of unemployment, underemployment, and  
27 joblessness and to promote state economic growth.

1 (f) That the creation of jobs and the promotion of economic  
2 growth in the state are essential governmental functions and  
3 constitute essential public purposes.

4 (g) That the creation of jobs and the promotion of economic  
5 growth stabilize and strengthen the tax bases upon which local  
6 units of government rely and that government programs to eliminate  
7 causes of unemployment, underemployment, and joblessness benefit  
8 local units of government and are for the use of those local units  
9 of government.

10 (h) That the provisions of this part are enacted to provide a  
11 means for local units of government to eliminate the conditions of  
12 unemployment, underemployment, and joblessness and to promote  
13 economic growth in the communities served by these local units of  
14 government.

15 (2) This part shall be known and may be cited as "the local  
16 development financing part".

17 Sec. 402. As used in this part:

18 (a) "Advance" means a transfer of funds made by a municipality  
19 to an authority or to another person on behalf of the authority in  
20 anticipation of repayment by the authority. Evidence of the intent  
21 to repay an advance may include, but is not limited to, an executed  
22 agreement to repay, provisions contained in a tax increment  
23 financing plan approved prior to the advance, or a resolution of  
24 the authority or the municipality.

25 (b) "Alternative energy technology" means equipment, component  
26 parts, materials, electronic devices, testing equipment, and  
27 related systems that are specifically designed, specifically

1 fabricated, and used primarily for 1 or more of the following:

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

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

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

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

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

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

20 (c) "Alternative energy technology business" means a business  
21 engaged in the research, development, or manufacturing of  
22 alternative energy technology or a business located in an authority  
23 district that includes a military installation that was operated by  
24 the United States Department of Defense and closed after 1980.

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

26 (i) For valuations made before January 1, 1995, the state  
27 equalized valuation as determined under the general property tax

1 act, 1893 PA 206, MCL 211.1 to 211.155.

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

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

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

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

10 (h) "Business development area" means an area designated as a  
11 certified industrial park under this part prior to June 29, 2000,  
12 or an area designated in the tax increment financing plan that  
13 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 412a or 412c.

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, a certified alternative energy park, or a next  
3 Michigan development area, the real and personal property included  
4 in the tax increment financing plan, including the current assessed  
5 value of property for which specific local taxes are paid in lieu  
6 of property taxes as determined pursuant to subdivision (hh),  
7 exceeds the initial assessed value. The state tax commission shall  
8 prescribe the method for calculating captured assessed value.  
9 Except as otherwise provided in this act, tax abated property in a  
10 renaissance zone as defined under section 3 of the Michigan  
11 renaissance zone act, 1996 PA 376, MCL 125.2683, shall be excluded  
12 from the calculation of captured assessed value to the extent that  
13 the property is exempt from ad valorem property taxes or specific  
14 local taxes.

15 (k) "Certified alternative energy park" means that portion of  
16 an authority district designated by a written agreement entered  
17 into pursuant to section 412c between the authority, the  
18 municipality or municipalities, and the Michigan economic  
19 development corporation.

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

27 (m) "Certified technology park" means that portion of the

1 authority district designated by a written agreement entered into  
2 pursuant to section 412a between the authority, the municipality,  
3 and the Michigan economic development corporation.

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

9 (o) "Development plan" means that information and those  
10 requirements for a development set forth in section 415.

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

13 (q) "Eligible advance" means an advance made before August 19,  
14 1993.

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

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

1 (i) The manufacture of goods or materials or the processing of  
2 goods or materials by physical or chemical change.

3 (ii) Agricultural processing.

4 (iii) A high technology activity.

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

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

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

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

1 50% of the amount specially assessed against all parcels in the  
2 special assessment district shall be assessed against parcels owned  
3 by parties potentially responsible for the identified groundwater  
4 contamination pursuant to law.

5 (v) A business incubator.

6 (vi) An alternative energy technology business.

7 (vii) A transit-oriented facility.

8 (viii) A transit-oriented development.

9 (ix) An eligible next Michigan business, as that term is  
10 defined in section 3 of the Michigan economic growth authority act,  
11 1995 PA 24, MCL 207.803, and other businesses within a next  
12 Michigan development area, but only to the extent designated as  
13 eligible property within a development plan approved by a next  
14 Michigan development corporation.

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

16 (u) "Governing body" means, except as otherwise provided in  
17 this subdivision, the elected body having legislative powers of a  
18 municipality creating an authority under this act. For a next  
19 Michigan development corporation, governing body means the  
20 executive committee of the next Michigan development corporation,  
21 unless otherwise provided in the interlocal agreement or articles  
22 of incorporation creating the next Michigan development corporation  
23 or the governing body of an eligible urban entity or its designee  
24 as provided in the next Michigan development act, 2010 PA 275, MCL  
25 125.2951 to 125.2959.

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

1 24, MCL 207.803.

2 (w) "Initial assessed value" means the assessed value of the  
3 eligible property identified in the tax increment financing plan  
4 or, for a certified technology park, a certified alternative energy  
5 park, or a next Michigan development area, the assessed value of  
6 any real and personal property included in the tax increment  
7 financing plan, at the time the resolution establishing the tax  
8 increment financing plan is approved as shown by the most recent  
9 assessment roll for which equalization has been completed at the  
10 time the resolution is adopted or, for property that becomes  
11 eligible property in other than a certified technology park or a  
12 certified alternative energy park after the date the plan is  
13 approved, at the time the property becomes eligible property.  
14 Property exempt from taxation at the time of the determination of  
15 the initial assessed value shall be included as zero. Property for  
16 which a specific local tax is paid in lieu of property tax shall  
17 not be considered exempt from taxation. The initial assessed value  
18 of property for which a specific local tax was paid in lieu of  
19 property tax shall be determined as provided in subdivision (hh).

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

1 development corporation is unable for any reason to perform its  
2 duties under this act, those duties may be exercised by the  
3 Michigan strategic fund.

4 (y) "Michigan strategic fund" means the Michigan strategic  
5 fund as described in the Michigan strategic fund act, 1984 PA 270,  
6 MCL 125.2001 to 125.2094.

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

11 (aa) "Next Michigan development area" means a portion of an  
12 authority district designated by a next Michigan development  
13 corporation under section 412e to which a development plan is  
14 applicable.

15 (bb) "Next Michigan development corporation" means that term  
16 as defined in section 3 of the next Michigan development act, 2010  
17 PA 275, MCL 125.2953.

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

27 (i) A requirement to pay proceeds derived from ad valorem

1 property taxes or taxes levied in lieu of ad valorem property  
2 taxes.

3 (ii) A management contract or a contract for professional  
4 services.

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

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

11 (v) A letter of credit, paying agent, transfer agent, bond  
12 registrar, or trustee fee associated with a contract, agreement,  
13 bond, or note.

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

25 (i) A reimbursement agreement between the municipality and an  
26 authority it established.

27 (ii) A requirement imposed by law that the authority transfer

1 tax increment revenues to the municipality.

2 (iii) A resolution of the authority agreeing to make payments  
3 to the incorporating unit.

4 (iv) Provisions in a tax increment financing plan describing  
5 the project for which the obligation was incurred.

6 (ee) "Other protected obligation" means:

7 (i) A qualified refunding obligation issued to refund an  
8 obligation described in subparagraph (ii) or (iii), an obligation  
9 that is not a qualified refunding obligation that is issued to  
10 refund an eligible obligation, or a qualified refunding obligation  
11 issued to refund an obligation described in this subparagraph.

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

19 (iii) An obligation incurred by an authority or municipality  
20 after August 19, 1993, to reimburse a party to a development  
21 agreement entered into by a municipality or authority before August  
22 19, 1993, for a project described in a tax increment financing plan  
23 approved in accordance with this part before August 19, 1993, and  
24 undertaken and installed by that party in accordance with the  
25 development agreement.

26 (iv) An ongoing management or professional services contract  
27 with the governing body of a county that was entered into before

1 March 1, 1994 and that was preceded by a series of limited term  
2 management or professional services contracts with the governing  
3 body of the county, the last of which was entered into before  
4 August 19, 1993.

5 (ff) "Public facility" means 1 or more of the following:

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

25 (ii) The acquisition and disposal of land that is proposed or  
26 intended to be used in the development of eligible property or an  
27 interest in that land, demolition of structures, site preparation,

1 and relocation costs.

2 (iii) All administrative and real and personal property  
3 acquisition and disposal costs related to a public facility  
4 described in subparagraphs (i) and (iv), including, but not limited  
5 to, architect's, engineer's, legal, and accounting fees as  
6 permitted by the district's development plan.

7 (iv) An improvement to a facility used by the public or a  
8 public facility as those terms are defined in section 1 of 1966 PA  
9 1, MCL 125.1351, which improvement is made to comply with the  
10 barrier free design requirements of the state construction code  
11 promulgated under the Stille-DeRossett-Hale single state  
12 construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.

13 (v) All of the following costs approved by the Michigan  
14 economic development corporation:

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

23 (B) Costs related to the acquisition, improvement,  
24 preparation, demolition, disposal, construction, reconstruction,  
25 remediation, rehabilitation, restoration, preservation,  
26 maintenance, repair, furnishing, and equipping of land and other  
27 assets that, if privately owned, would be eligible for depreciation

1 under the internal revenue code of 1986 for laboratory facilities,  
2 research and development facilities, conference facilities,  
3 teleconference facilities, testing, training facilities, and  
4 quality control facilities that are or that support eligible  
5 property under subdivision (s) (iii), that are owned by a public  
6 entity, and that are located within a certified technology park.

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

19 (vi) Operating and planning costs included in a plan pursuant  
20 to section 412(1)(f), including costs of marketing property within  
21 the district and attracting development of eligible property within  
22 the district.

23 (gg) "Qualified refunding obligation" means an obligation  
24 issued or incurred by an authority or by a municipality on behalf  
25 of an authority to refund an obligation if the refunding obligation  
26 meets both of the following:

27 (i) The net present value of the principal and interest to be

1 paid on the refunding obligation, including the cost of issuance,  
2 will be less than the net present value of the principal and  
3 interest to be paid on the obligation being refunded, as calculated  
4 using a method approved by the department of treasury.

5 (ii) The net present value of the sum of the tax increment  
6 revenues described in subdivision (jj) (ii) and the distributions  
7 under section 411a to repay the refunding obligation will not be  
8 greater than the net present value of the sum of the tax increment  
9 revenues described in subdivision (jj) (ii) and the distributions  
10 under section 411a to repay the obligation being refunded, as  
11 calculated using a method approved by the department of treasury.

12 (hh) "Specific local taxes" means a tax levied under 1974 PA  
13 198, MCL 207.551 to 207.572, the obsolete property rehabilitation  
14 act, 2000 PA 146, MCL 125.2781 to 125.2797, the commercial  
15 redevelopment act, 1978 PA 255, MCL 207.651 to 207.668, the  
16 enterprise zone act, 1985 PA 224, MCL 125.2101 to 125.2123, 1953 PA  
17 189, MCL 211.181 to 211.182, section 5 of the state essential  
18 services assessment act, 2014 PA 92, MCL 211.1055, section 5 of the  
19 alternative state essential services assessment act, 2014 PA 93,  
20 MCL 211.1075, and the technology park development act, 1984 PA 385,  
21 MCL 207.701 to 207.718. The initial assessed value or current  
22 assessed value of property subject to a specific local tax is the  
23 quotient of the specific local tax paid divided by the ad valorem  
24 millage rate. However, after 1993, the state tax commission shall  
25 prescribe the method for calculating the initial assessed value and  
26 current assessed value of property for which a specific local tax  
27 was paid in lieu of a property tax.

1           (ii) "State fiscal year" means the annual period commencing  
2     October 1 of each year.

3           (jj) "Tax increment revenues" means the amount of ad valorem  
4     property taxes and specific local taxes attributable to the  
5     application of the levy of all taxing jurisdictions upon the  
6     captured assessed value of eligible property within the district  
7     or, for purposes of a certified technology park, a next Michigan  
8     development area, or a certified alternative energy park, real or  
9     personal property that is located within the certified technology  
10    park, a next Michigan development area, or a certified alternative  
11    energy park and included within the tax increment financing plan,  
12    subject to the following requirements:

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

20           (ii) Tax increment revenues include ad valorem property taxes  
21     and specific local taxes attributable to the application of the  
22     levy of the state pursuant to the state education tax act, 1993 PA  
23     331, MCL 211.901 to 211.906, and local or intermediate school  
24     districts upon the captured assessed value of real and personal  
25     property in the development area in an amount equal to the amount  
26     necessary, without regard to subparagraph (i), for the following  
27     purposes:

1 (A) To repay eligible advances, eligible obligations, and  
2 other protected obligations.

3 (B) To fund or to repay an advance or obligation issued by or  
4 on behalf of an authority to fund the cost of public facilities  
5 related to or for the benefit of eligible property located within a  
6 certified technology park or a certified alternative energy park to  
7 the extent the public facilities have been included in an agreement  
8 under section 412a(3), 412b, or 412c(3), not to exceed 50%, as  
9 determined by the state treasurer, of the amounts levied by the  
10 state pursuant to the state education tax act, 1993 PA 331, MCL  
11 211.901 to 211.906, and local and intermediate school districts for  
12 a period, except as otherwise provided in this sub-subparagraph,  
13 not to exceed 15 years, as determined by the state treasurer, if  
14 the state treasurer determines that the capture under this sub-  
15 subparagraph is necessary to reduce unemployment, promote economic  
16 growth, and increase capital investment in the municipality.  
17 However, upon approval of the state treasurer and the president of  
18 the Michigan economic development corporation, a certified  
19 technology park may capture under this sub-subparagraph for an  
20 additional period of 5 years if the authority agrees to additional  
21 reporting requirements and modifies its tax increment financing  
22 plan to include regional collaboration as determined by the state  
23 treasurer and the president of the Michigan economic development  
24 corporation. In addition, upon approval of the state treasurer and  
25 the president of the Michigan economic development corporation, if  
26 a municipality that has created a certified technology park that  
27 has entered into an agreement with another authority that does not

1 contain a certified technology park to designate a distinct  
2 geographic area under section 412b, that authority that has created  
3 the certified technology park and the associated distinct  
4 geographic area may both capture under this sub-subparagraph for an  
5 additional period of 15 years as determined by the state treasurer  
6 and the president of the Michigan economic development corporation.

7 (C) To fund the cost of public facilities related to or for  
8 the benefit of eligible property located within a next Michigan  
9 development area to the extent that the public facilities have been  
10 included in a development plan, not to exceed 50%, as determined by  
11 the state treasurer, of the amounts levied by the state pursuant to  
12 the state education tax act, 1993 PA 331, MCL 211.901 to 211.906,  
13 and local and intermediate school districts for a period not to  
14 exceed 15 years, as determined by the state treasurer, if the state  
15 treasurer determines that the capture under this sub-subparagraph  
16 is necessary to reduce unemployment, promote economic growth, and  
17 increase capital investment in the authority district.

18 (iii) Tax increment revenues do not include any of the  
19 following:

20 (A) Ad valorem property taxes or specific local taxes that are  
21 excluded from and not made part of the tax increment financing  
22 plan. Ad valorem personal property taxes or specific local taxes  
23 associated with personal property may be excluded from and may not  
24 be part of the tax increment financing plan.

25 (B) Ad valorem property taxes and specific local taxes  
26 attributable to ad valorem property taxes excluded by the tax  
27 increment financing plan of the authority from the determination of

1 the amount of tax increment revenues to be transmitted to the  
2 authority.

3 (C) Ad valorem property taxes exempted from capture under  
4 section 404(3) or specific local taxes attributable to such ad  
5 valorem property taxes.

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

11 (E) The amount of ad valorem property taxes or specific taxes  
12 captured by a downtown development authority under part 2, tax  
13 increment financing authority under part 3, or brownfield  
14 redevelopment authority under the brownfield redevelopment  
15 financing act, 1996 PA 381, MCL 125.2651 to 125.2672, if those  
16 taxes were captured by these other authorities on the date that the  
17 initial assessed value of a parcel of property was established  
18 under this part.

19 (F) Ad valorem property taxes levied under 1 or more of the  
20 following or specific local taxes attributable to those ad valorem  
21 property taxes:

22 (I) The zoological authorities act, 2008 PA 49, MCL 123.1161  
23 to 123.1183.

24 (II) The art institute authorities act, 2010 PA 296, MCL  
25 123.1201 to 123.1229.

26 (iv) The amount of tax increment revenues authorized to be  
27 included under subparagraph (ii), and required to be transmitted to

1 the authority under section 413(1), from ad valorem property taxes  
2 and specific local taxes attributable to the application of the  
3 levy of the state education tax act, 1993 PA 331, MCL 211.901 to  
4 211.906, or a local school district or an intermediate school  
5 district upon the captured assessed value of real and personal  
6 property in a development area shall be determined separately for  
7 the levy by the state, each school district, and each intermediate  
8 school district as the product of sub-subparagraphs (A) and (B):

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

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

19 (kk) "Transit-oriented development" means infrastructure  
20 improvements that are located within 1/2 mile of a transit station  
21 or transit-oriented facility that promotes transit ridership or  
22 passenger rail use as determined by the board and approved by the  
23 municipality in which it is located.

24 (ll) "Transit-oriented facility" means a facility that houses  
25 a transit station in a manner that promotes transit ridership or  
26 passenger rail use.

27 (mm) "Urban township" means a township that meets 1 or more of

1 the following:

2 (i) Meets all of the following requirements:

3 (A) Has a population of 20,000 or more, or has a population of  
4 10,000 or more but is located in a county with a population of  
5 400,000 or more.

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

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

9 (ii) Meets all of the following requirements:

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

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

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

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

19 (iii) Meets all of the following requirements:

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

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

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

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

26 (E) Has within its boundaries a combination of parcels under  
27 common ownership that is 800 acres or larger, is immediately

1 adjacent to a limited access highway, is capable of being served by  
2 a railroad, and is immediately adjacent to an existing sewer line.

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

4 (iv) Meets all of the following requirements:

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

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

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

9 (v) Meets all of the following requirements:

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

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

15 (C) Has a master plan in effect.

16 (vi) Meets all of the following requirements:

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

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

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

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

25 (E) Has rail service.

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

27 (vii) Has joined an authority under section 403(2) which is

1 seeking or has entered into an agreement for a certified technology  
2 park.

3 (viii) Has established an authority which is seeking or has  
4 entered into an agreement for a certified alternative energy park.

5 Sec. 403. (1) Except as otherwise provided by subsection (2),  
6 a municipality may establish not more than 1 authority under the  
7 provisions of this part. An authority established under this  
8 subsection shall exercise its powers in all authority districts.

9 (2) In addition to an authority established under subsection  
10 (1), a municipality may join with 1 or more other municipalities  
11 located within the same county to establish an authority under this  
12 part. An authority created under this subsection may only exercise  
13 its powers in a certified technology park designated in an  
14 agreement made under section 412a or 412b or in a certified  
15 alternative energy park designated in an agreement under section  
16 412c. A municipality shall not establish more than 1 authority  
17 under this subsection.

18 (3) A next Michigan development corporation may establish not  
19 more than 1 authority under the provisions of this part. An  
20 authority established under this subsection shall exercise its  
21 powers within its authority district and in all next Michigan  
22 development areas. The authority district in which the authority  
23 may exercise its powers shall include all or part of the territory  
24 of a next Michigan development corporation, as determined by the  
25 governing body of the next Michigan development corporation.

26 (4) The authority shall be a public body corporate which may  
27 sue and be sued in any court of this state. The authority possesses

1 all the powers necessary to carry out the purpose of its  
2 incorporation. The enumeration of a power in this part shall not be  
3 construed as a limitation upon the general powers of the authority.  
4 The powers granted in this part to an authority may be exercised  
5 notwithstanding that bonds are not issued by the authority.

6       Sec. 404. (1) The governing body of a municipality may declare  
7 by resolution adopted by a majority of its members elected and  
8 serving its intention to create and provide for the operation of an  
9 authority.

10       (2) In the resolution of intent, the governing body proposing  
11 to create the authority shall set a date for holding a public  
12 hearing on the adoption of a proposed resolution creating the  
13 authority and designating the boundaries of the authority district  
14 or districts. Notice of the public hearing shall be published twice  
15 in a newspaper of general circulation in the municipality, not less  
16 than 20 nor more than 40 days before the date of the hearing.  
17 Except as otherwise provided in subsection (8), not less than 20  
18 days before the hearing, the governing body proposing to create the  
19 authority shall also mail notice of the hearing to the property  
20 taxpayers of record in a proposed authority district and, for a  
21 public hearing to be held after February 15, 1994, to the governing  
22 body of each taxing jurisdiction levying taxes that would be  
23 subject to capture if the authority is established and a tax  
24 increment financing plan is approved. Beginning June 1, 2005, the  
25 notice of hearing within the time frame described in this  
26 subsection shall be mailed by certified mail to the governing body  
27 of each taxing jurisdiction levying taxes that would be subject to

1 capture if the authority is established and a tax increment  
2 financing plan is approved. Failure of a property taxpayer to  
3 receive the notice shall not invalidate these proceedings. The  
4 notice shall state the date, time, and place of the hearing, and  
5 shall describe the boundaries of the proposed authority district or  
6 districts. At that hearing, a resident, taxpayer, or property owner  
7 from a taxing jurisdiction in which the proposed district is  
8 located or an official from a taxing jurisdiction with millage that  
9 would be subject to capture has the right to be heard in regard to  
10 the establishment of the authority and the boundaries of that  
11 proposed authority district. The governing body of the municipality  
12 in which a proposed district is to be located shall not incorporate  
13 land into an authority district not included in the description  
14 contained in the notice of public hearing, but it may eliminate  
15 lands described in the notice of public hearing from an authority  
16 district in the final determination of the boundaries.

17 (3) Except as otherwise provided in subsection (8), not more  
18 than 60 days after a public hearing held after February 15, 1994,  
19 the governing body of a taxing jurisdiction with millage that would  
20 otherwise be subject to capture may exempt its taxes from capture  
21 by adopting a resolution to that effect and filing a copy with the  
22 clerk of the municipality proposing to create the authority.  
23 However, a resolution by a governing body of a taxing jurisdiction  
24 to exempt its taxes from capture is not effective for the capture  
25 of taxes that are used for a certified technology park or a  
26 certified alternative energy park. The resolution takes effect when  
27 filed with that clerk and remains effective until a copy of a

1 resolution rescinding that resolution is filed with that clerk.

2 (4) Except as otherwise provided in subsection (8), not less  
3 than 60 days after the public hearing or a shorter period as  
4 determined by the governing body for a certified technology park or  
5 a certified alternative energy park, if the governing body creating  
6 the authority intends to proceed with the establishment of the  
7 authority, it shall adopt, by majority vote of its members elected  
8 and serving, a resolution establishing the authority and  
9 designating the boundaries of the authority district or districts  
10 within which the authority shall exercise its powers. The adoption  
11 of the resolution is subject to any applicable statutory or charter  
12 provisions with respect to the approval or disapproval of  
13 resolutions by the chief executive officer of the municipality and  
14 the adoption of a resolution over his or her veto. This resolution  
15 shall be filed with the secretary of state promptly after its  
16 adoption and shall be published at least once in a newspaper of  
17 general circulation in the municipality.

18 (5) The governing body may alter or amend the boundaries of an  
19 authority district to include or exclude lands from that authority  
20 district or create new authority districts pursuant to the same  
21 requirements prescribed for adopting the resolution creating the  
22 authority.

23 (6) The validity of the proceedings establishing an authority  
24 shall be conclusive unless contested in a court of competent  
25 jurisdiction within 60 days after the last of the following takes  
26 place:

27 (a) Publication of the resolution creating the authority as

1 adopted.

2 (b) Filing of the resolution creating the authority with the  
3 secretary of state.

4 (7) Except as otherwise provided by this subsection, if 2 or  
5 more municipalities desire to establish an authority under section  
6 403(2), each municipality in which the authority district will be  
7 located shall comply with the procedures prescribed by this part.  
8 The notice required by subsection (2) may be published jointly by  
9 the municipalities establishing the authority. The resolutions  
10 establishing the authority shall include, or shall approve an  
11 agreement including, provisions governing the number of members on  
12 the board, the method of appointment, the members to be represented  
13 by governmental units or agencies, the terms of initial and  
14 subsequent appointments to the board, the manner in which a member  
15 of the board may be removed for cause before the expiration of his  
16 or her term, the manner in which the authority may be dissolved,  
17 and the disposition of assets upon dissolution. An authority  
18 described in this subsection shall not be considered established  
19 unless all of the following conditions are satisfied:

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

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

26 (c) The governing body of the county in which a majority of  
27 the authority district will be located has approved by resolution

1 the creation of the authority.

2 (8) For an authority created under section 403(3), except as  
3 otherwise provided by this subsection, the next Michigan  
4 development corporation shall comply with the procedures prescribed  
5 for a municipality by subsections (1) and (2) and this subsection.  
6 The provisions of subsections (3) and (4) shall not apply to an  
7 authority exercising its powers under section 403(3). The notice  
8 required by subsection (2) may be published by the next Michigan  
9 development corporation in a newspaper or newspapers of general  
10 circulation within the municipalities which are constituent members  
11 of the next Michigan development corporation, and notice shall not  
12 be required to be mailed to the property taxpayers of record in the  
13 proposed authority district. The governing body of the next  
14 Michigan development corporation shall be the governing body of the  
15 authority. A taxing jurisdiction levying ad valorem taxes within  
16 the authority district that would otherwise be subject to capture  
17 which is not a party to the intergovernmental agreement may exempt  
18 its taxes from capture by adopting a resolution to that effect and  
19 filing a copy not more than 60 days after the public hearing with  
20 the recording officer of the next Michigan development corporation.  
21 The next Michigan development corporation shall mail notice of the  
22 public hearing to the governing body of each taxing jurisdiction  
23 which is not a party to the intergovernmental agreement not less  
24 than 20 days before the hearing. Following the public hearing, the  
25 governing body of the next Michigan development corporation shall  
26 adopt a resolution designating the boundaries of the authority  
27 district within which the authority shall exercise its powers,

1 which may include any certified technology park within the proposed  
2 authority district in accordance with this subsection and may  
3 include property adjacent to or within 1,500 feet of a road  
4 classified as an arterial or collector according to the Federal  
5 Highway Administration manual "Highway Functional Classification -  
6 Concepts, Criteria and Procedures" or of another road in the  
7 discretion of the next Michigan development corporation, and  
8 property adjacent to that property within the territory of the next  
9 Michigan development corporation, as provided in the resolution.

10 The resolution shall be effective when adopted, shall be filed with  
11 the secretary of state and the president of the Michigan strategic  
12 fund promptly after its adoption, and shall be published at least  
13 once in a newspaper of general circulation in the territory of the  
14 next Michigan development corporation. If an authority district  
15 designated under this subsection or subsequently amended includes a  
16 certified technology park which is within the authority district of  
17 another authority and which is subject to an existing development  
18 plan or tax increment financing plan, then that certified  
19 technology park may be considered to be under the jurisdiction of  
20 the authority established under section 403(3) if so provided in a  
21 resolution of the authority established under section 403(3) and if  
22 approved by resolution of the governing body of the municipality  
23 which created the other authority, and by the president of the  
24 Michigan strategic fund. If so provided and approved, then the  
25 development plan and tax increment financing plan applicable to the  
26 certified technology park, including all assets and obligations  
27 under the plans, shall be considered assigned and transferred from

1 the other authority to the authority created under section 403(3),  
2 and the initial assessed value of the certified technology park  
3 prior to the transfer shall remain the initial assessed value of  
4 the certified technology park following the transfer. The transfer  
5 shall be effective as of the later of the effective date of the  
6 resolution of the authority established under section 403(3), the  
7 resolution approved by the governing body of the municipality which  
8 created the other authority, and the approval of the president of  
9 the Michigan strategic fund.

10       Sec. 405. (1) The authority shall be under the supervision and  
11 control of a board of 7 members appointed by the chief executive  
12 officer of the city, village, or urban township creating the  
13 authority subject to the approval of the governing body creating  
14 the authority. The board shall include 1 member appointed by the  
15 county board of commissioners of the county in which the authority  
16 is located. The board shall include 1 member representing a  
17 community or junior college in whose district the authority is  
18 located appointed by the chief executive officer of that community  
19 or junior college. The board shall also include 2 members appointed  
20 by the chief executive officer of each local governmental unit,  
21 other than the city, village, or urban township creating the  
22 authority, which levied 20% or more of the ad valorem property  
23 taxes levied against all property located in an authority district  
24 in the year before the year in which the authority district is  
25 established. However, those additional members shall only vote on  
26 matters relating to authority districts located within their  
27 respective local unit of government. Of the members first

1 appointed, an equal number, as near as possible, shall have terms  
2 designated by the governing body creating the authority of 1 year,  
3 2 years, 3 years, and 4 years. However, a member shall hold office  
4 until the member's successor is appointed. After the first  
5 appointment, each member shall serve for a term of 4 years. An  
6 appointment to fill a vacancy shall be made in the same manner as  
7 the original appointment. An appointment to fill an unexpired term  
8 shall be for the unexpired portion of the term only. Members of the  
9 board shall serve without compensation, but shall be reimbursed for  
10 actual and necessary expenses.

11 (2) The chairperson of the board shall be elected by the  
12 board.

13 (3) Before assuming the duties of office, a member shall  
14 qualify by taking and subscribing to the constitutional oath of  
15 office.

16 (4) The board shall adopt rules governing its procedure and  
17 the holding of regular meetings, subject to the approval of the  
18 governing body. Special meetings may be held when called in the  
19 manner provided in the rules of the board. Meetings of the board  
20 shall be open to the public, in accordance with the open meetings  
21 act, 1976 PA 267, MCL 15.261 to 15.275.

22 (5) Subject to notice and an opportunity to be heard, a member  
23 of the board may be removed before the expiration of his or her  
24 term for cause by the governing body. Removal of a member is  
25 subject to review by the circuit court.

26 (6) All expense items of the authority shall be publicized  
27 annually and the financial records shall be open to the public

1 pursuant to the freedom of information act, 1976 PA 442, MCL 15.231  
2 to 15.246.

3 (7) The provisions of subsections (1) and (5) of this section  
4 shall not apply to an authority exercising its powers under section  
5 403(3).

6 Sec. 406. (1) The board may employ and fix the compensation of  
7 a director, subject to the approval of the governing body creating  
8 the authority. The director shall serve at the pleasure of the  
9 board. A member of the board is not eligible to hold the position  
10 of director. Before entering upon the duties of the office, the  
11 director shall take and subscribe to the constitutional oath of  
12 office and shall furnish bond by posting a bond in the penal sum  
13 determined in the resolution establishing the authority. The bond  
14 shall be payable to the authority for the use and benefit of the  
15 authority, approved by the board, and filed with the clerk of the  
16 municipality. The premium on the bond shall be considered an  
17 operating expense of the authority, payable from funds available to  
18 the authority for expenses of operation. The director shall be the  
19 chief executive officer of the authority. Subject to the approval  
20 of the board, the director shall supervise and be responsible for  
21 the preparation of plans and the performance of the functions of  
22 the authority in the manner authorized by this act. The director  
23 shall attend the meetings of the board and shall render to the  
24 board and to the governing body a regular report covering the  
25 activities and financial condition of the authority. If the  
26 director is absent or disabled, the board may designate a qualified  
27 person as acting director to perform the duties of the office.

1 Before entering upon the duties of the office, the acting director  
2 shall take and subscribe to the constitutional oath of office and  
3 furnish bond as required of the director. The director shall  
4 furnish the board with information or reports governing the  
5 operation of the authority as the board requires.

6 (2) The board may appoint or employ and fix the compensation  
7 of a treasurer who shall keep the financial records of the  
8 authority and who, together with the director, if a director is  
9 appointed, shall approve all vouchers for the expenditure of funds  
10 of the authority. The treasurer shall perform other duties as may  
11 be delegated by the board and shall furnish bond in an amount as  
12 prescribed by the board.

13 (3) The board may appoint or employ and fix the compensation  
14 of a secretary who shall maintain custody of the official seal and  
15 of records, books, documents, or other papers not required to be  
16 maintained by the treasurer. The secretary shall attend meetings of  
17 the board and keep a record of its proceedings and shall perform  
18 other duties as may be delegated by the board.

19 (4) The board may retain legal counsel to advise the board in  
20 the proper performance of its duties. The legal counsel may  
21 represent the authority in actions brought by or against the  
22 authority.

23 (5) The board may employ other personnel considered necessary  
24 by the board.

25 (6) The employees of an authority may be eligible to  
26 participate in municipal retirement and insurance programs of the  
27 municipality as if they were civil service employees on the same

1 basis as civil service employees.

2 Sec. 407. The board may:

3 (a) Study and analyze unemployment, underemployment, and  
4 joblessness and the impact of growth upon the authority district or  
5 districts.

6 (b) Plan and propose the construction, renovation, repair,  
7 remodeling, rehabilitation, restoration, preservation, or  
8 reconstruction of a public facility.

9 (c) Develop long-range plans, in cooperation with the agency  
10 which is chiefly responsible for planning in the municipality, to  
11 promote the growth of the authority district or districts, and take  
12 the steps that are necessary to implement the plans to the fullest  
13 extent possible to create jobs, and promote economic growth.

14 (d) Implement any plan of development necessary to achieve the  
15 purposes of this part in accordance with the powers of the  
16 authority as granted by this part.

17 (e) Make and enter into contracts necessary or incidental to  
18 the exercise of the board's powers and the performance of its  
19 duties.

20 (f) Acquire by purchase or otherwise on terms and conditions  
21 and in a manner the authority considers proper, own or lease as  
22 lessor or lessee, convey, demolish, relocate, rehabilitate, or  
23 otherwise dispose of real or personal property, or rights or  
24 interests in that property, which the authority determines is  
25 reasonably necessary to achieve the purposes of this part, and to  
26 grant or acquire licenses, easements, and options with respect to  
27 the property.

1 (g) Improve land, prepare sites for buildings, including the  
2 demolition of existing structures, and construct, reconstruct,  
3 rehabilitate, restore and preserve, equip, improve, maintain,  
4 repair, or operate a building, and any necessary or desirable  
5 appurtenances to a building, as provided in section 412(2) for the  
6 use, in whole or in part, of a public or private person or  
7 corporation, or a combination thereof.

8 (h) Fix, charge, and collect fees, rents, and charges for the  
9 use of a building or property or a part of a building or property  
10 under the board's control, or a facility in the building or on the  
11 property, and pledge the fees, rents, and charges for the payment  
12 of revenue bonds issued by the authority.

13 (i) Lease a building or property or part of a building or  
14 property under the board's control.

15 (j) Accept grants and donations of property, labor, or other  
16 things of value from a public or private source.

17 (k) Acquire and construct public facilities.

18 (l) Incur costs in connection with the performance of the  
19 board's authorized functions including, but not limited to,  
20 administrative costs, and architects, engineers, legal, and  
21 accounting fees.

22 (m) Plan, propose, and implement an improvement to a public  
23 facility on eligible property to comply with the barrier free  
24 design requirements of the state construction code promulgated  
25 under the Stille-DeRossett-Hale single state constitution code act,  
26 1972 PA 230, MCL 125.1501 to 125.1531.

27 Sec. 408. The authority shall be considered an instrumentality

1 of a political subdivision for purposes of 1972 PA 227, MCL 213.321  
2 to 213.332.

3 Sec. 409. A municipality may take private property under the  
4 uniform condemnation procedures act, 1980 PA 87, MCL 213.51 to  
5 213.75, for the purpose of transfer to the authority, and may  
6 transfer the property to the authority for use as authorized in the  
7 development plan, on terms and conditions it considers appropriate.  
8 The taking, transfer, and use shall be considered necessary for  
9 public purposes and for the benefit of the public.

10 Sec. 410. The activities of the authority shall be financed  
11 from 1 or more of the following sources:

12 (a) Contributions to the authority for the performance of its  
13 functions.

14 (b) Revenues from any property, building, or facility owned,  
15 leased, licensed, or operated by the authority or under its  
16 control, subject to the limitations imposed upon the authority by  
17 trusts or other agreements.

18 (c) Tax increment revenues received pursuant to a tax  
19 increment financing plan established under sections 412 to 414.

20 (d) Proceeds of tax increment bonds issued pursuant to section  
21 414.

22 (e) Proceeds of revenue bonds issued pursuant to section 411.

23 (f) Money obtained from any other legal source approved by the  
24 governing body of the municipality or otherwise authorized by law  
25 for use by the authority or the municipality to finance a  
26 development program.

27 (g) Money obtained pursuant to section 411a.

1 (h) Loans from the Michigan strategic fund or the Michigan  
2 economic development corporation.

3 Sec. 411. (1) The authority may borrow money and issue its  
4 negotiable revenue bonds pursuant to the revenue bond act of 1933,  
5 1933 PA 94, MCL 141.101 to 141.135. Except as provided in  
6 subsection (2), revenue bonds issued by the authority shall not be  
7 considered a debt of the municipality or of the state.

8 (2) The municipality by a majority vote of the members of its  
9 governing body may make a limited tax pledge to support the  
10 authority's revenue bonds or, if authorized by the voters of the  
11 municipality, may pledge its full faith and credit to support the  
12 authority's revenue bonds.

13 Sec. 411a. (1) If the amount of tax increment revenues lost as  
14 a result of the reduction of taxes levied by local school districts  
15 for school operating purposes required by the millage limitations  
16 under section 1211 of the revised school code, 1976 PA 451, MCL  
17 380.1211, reduced by the amount of tax increment revenues received  
18 from the capture of taxes levied under or attributable to the state  
19 education tax act, 1993 PA 331, MCL 211.901 to 211.906, will cause  
20 the tax increment revenues received in a fiscal year by an  
21 authority under section 413 to be insufficient to repay an eligible  
22 advance or to pay an eligible obligation, the legislature shall  
23 appropriate and distribute to the authority the amount described in  
24 subsection (5).

25 (2) Not less than 30 days before the first day of a fiscal  
26 year, an authority eligible to retain tax increment revenues from  
27 taxes levied by a local or intermediate school district or this

1 state or to receive a distribution under this section for that  
2 fiscal year shall file a claim with the department of treasury. The  
3 claim shall include the following information:

4 (a) The property tax millage rates levied in 1993 by local  
5 school districts within the jurisdictional area of the authority  
6 for school operating purposes.

7 (b) The property tax millage rates expected to be levied by  
8 local school districts within the jurisdictional area of the  
9 authority for school operating purposes for that fiscal year.

10 (c) The tax increment revenues estimated to be received by the  
11 authority for that fiscal year based upon actual property tax  
12 levies of all taxing jurisdictions within the jurisdictional area  
13 of the authority plus any tax increment revenues the authority  
14 would have received for the fiscal year from property that is  
15 exempt from taxation pursuant to the Michigan renaissance zone act,  
16 1996 PA 376, MCL 125.2681 to 125.2696, based on the property's  
17 taxable value at the time the zone is designated.

18 (d) The tax increment revenues the authority estimates it  
19 would have received for that fiscal year if property taxes were  
20 levied by local school districts within the jurisdictional area of  
21 the authority for school operating purposes at the millage rates  
22 described in subdivision (a) and if no property taxes were levied  
23 by this state under the state education tax act, 1993 PA 331, MCL  
24 211.901 to 211.906.

25 (e) A list and documentation of eligible obligations and  
26 eligible advances and the payments due on each of those eligible  
27 obligations or eligible advances in that fiscal year, and the total

1 amount of all the payments due on those eligible obligations and  
2 eligible advances in that fiscal year.

3 (f) The amount of money, other than tax increment revenues,  
4 estimated to be received in that fiscal year by the authority that  
5 is primarily pledged to, and to be used for, the payment of an  
6 eligible obligation or the repayment of an eligible advance. That  
7 amount shall not include excess tax increment revenues of the  
8 authority that are permitted by law to be retained by the authority  
9 for purposes that further the development program. However, that  
10 amount shall include money to be obtained from sources authorized  
11 by law, which law is enacted on or after December 1, 1993, for use  
12 by the municipality or authority to finance a development project.

13 (g) The amount of a distribution received pursuant to this  
14 part for a fiscal year in excess of or less than the distribution  
15 that would have been required if calculated upon actual tax  
16 increment revenues received for that fiscal year.

17 (h) A list and documentation of other protected obligations  
18 and the payments due on each of those other protected obligations  
19 in that fiscal year, and the total amount of all the payments due  
20 on those other protected obligations in that fiscal year.

21 (3) For the fiscal year that commences after September 30,  
22 1993 and before October 1, 1994, an authority may make a claim with  
23 all information required by subsection (2) at any time after March  
24 15, 1994.

25 (4) After review and verification of claims submitted pursuant  
26 to this section, amounts appropriated by the state in compliance  
27 with this part shall be distributed as 2 equal payments on March 1

1 and September 1 after receipt of a claim. An authority shall  
2 allocate a distribution it receives for an eligible obligation  
3 issued on behalf of a municipality to the municipality.

4 (5) Subject to subsections (6) and (7), the aggregate amount  
5 to be appropriated and distributed pursuant to this section to an  
6 authority shall be the sum of the amounts determined pursuant to  
7 subdivisions (a) and (b) minus the amount determined pursuant to  
8 subdivision (c), as follows:

9 (a) The amount by which the tax increment revenues the  
10 authority would have received for the fiscal year, if property  
11 taxes were levied by local school districts on property, including  
12 property that is exempt from taxation pursuant to the Michigan  
13 renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, based  
14 on the property's taxable value at the time the zone is designated,  
15 for school operating purposes at the millage rates described in  
16 subsection (2)(a) and if no property taxes were levied under the  
17 state education tax act, 1993 PA 331, MCL 211.901 to 211.906,  
18 exceed the sum of tax increment revenues the authority actually  
19 received for the fiscal year plus any tax increment revenues the  
20 authority would have received for the fiscal year from property  
21 that is exempt from taxation pursuant to the Michigan renaissance  
22 zone act, 1996 PA 376, MCL 125.2681 to 125.2696, based on the  
23 property's taxable value at the time the zone is designated.

24 (b) A shortfall required to be reported pursuant to subsection  
25 (2)(g) that had not previously increased a distribution.

26 (c) An excess amount required to be reported pursuant to  
27 subsection (2)(g) that had not previously decreased a distribution.

1           (6) The amount distributed under subsection (5) shall not  
2 exceed the difference between the amount described in subsection  
3 (2)(e) and the sum of the amounts described in subsection (2)(c)  
4 and (f).

5           (7) If, based upon the tax increment financing plan in effect  
6 on August 19, 1993, the payment due on eligible obligations or  
7 eligible advances anticipates the use of excess prior year tax  
8 increment revenues permitted by law to be retained by the  
9 authority, and if the sum of the amounts described in subsection  
10 (2)(c) and (f) plus the amount to be distributed under subsections  
11 (5) and (6) is less than the amount described in subsection (2)(e),  
12 the amount to be distributed under subsections (5) and (6) shall be  
13 increased by the amount of the shortfall. However, the amount  
14 authorized to be distributed pursuant to this section shall not  
15 exceed that portion of the cumulative difference, for each  
16 preceding fiscal year, between the amount that could have been  
17 distributed pursuant to subsection (5) and the amount actually  
18 distributed pursuant to subsections (5) and (6) and this  
19 subsection.

20           (8) A distribution under this section replacing tax increment  
21 revenues pledged by an authority or a municipality is subject to  
22 the lien of the pledge, whether or not there has been physical  
23 delivery of the distribution.

24           (9) Obligations for which distributions are made pursuant to  
25 this section are not a debt or liability of this state; do not  
26 create or constitute an indebtedness, liability, or obligation of  
27 this state; and are not and do not constitute a pledge of the faith

1 and credit of this state.

2 (10) Not later than July 1 of each year, the authority shall  
3 certify to the local tax collecting treasurer the amount of the  
4 distribution required under subsection (5), calculated without  
5 regard to the receipt of tax increment revenues attributable to  
6 local or intermediate school district operating taxes or  
7 attributable to taxes levied under the state education tax act,  
8 1993 PA 331, MCL 211.901 to 211.906.

9 (11) Calculations of distributions under this section and  
10 claims reports required to be made under subsection (2) shall be  
11 made on the basis of each development area of the authority.

12 (12) The state tax commission may provide that the  
13 reimbursement calculations under this section and the calculation  
14 of allowable capture of school taxes shall be made for each  
15 calendar year's tax increment revenues using a 12-month debt  
16 payment period used by the authority and approved by the state tax  
17 commission.

18 Sec. 411b. (1) If the amount of tax increment revenues lost as  
19 a result of the personal property tax exemptions provided by  
20 section 1211(4) of the revised school code, 1976 PA 451, MCL  
21 380.1211, section 3 of the state education tax act, 1993 PA 331,  
22 MCL 211.903, section 14(4) of 1974 PA 198, MCL 207.564, and section  
23 9k of the general property tax act, 1893 PA 206, MCL 211.9k, will  
24 reduce the allowable school tax capture received in a fiscal year,  
25 then, notwithstanding any other provision of this part, the  
26 authority, with approval of the department of treasury under  
27 subsection (3), may request the local tax collecting treasurer to

1 retain and pay to the authority taxes levied under the state  
2 education tax act, 1993 PA 331, MCL 211.901 to 211.906, to be used  
3 for the following:

4 (a) To repay an eligible advance.

5 (b) To repay an eligible obligation.

6 (c) To repay an other protected obligation.

7 (d) To pay an advance or an obligation identified in a  
8 development plan, or an amendment to that plan for property located  
9 in a certified technology park approved by board of the authority  
10 not later than 90 days after July 19, 2010 if the plan contains all  
11 of the following and the plan for the capture of school taxes has  
12 been approved within 1 year after July 19, 2010:

13 (i) A detailed description of the project.

14 (ii) A statement of the estimated cost of the project.

15 (iii) The specific location of the project.

16 (iv) The name of any developer of the project.

17 (e) To pay an advance or an obligation identified in a  
18 development plan, or an amendment to that plan for property located  
19 in a certified alternative energy park approved by the board of the  
20 authority if the plan contains all of the following and the plan  
21 for the capture of school taxes has been approved not later than  
22 December 31, 2012:

23 (i) A detailed description of the project.

24 (ii) A statement of the estimated cost of the project.

25 (iii) The specific location of the project.

26 (iv) The name of any developer of the project.

27 (2) Not later than June 15, 2008, not later than September 30,

1 2009, and not later than June 1 of each subsequent year, an  
2 authority eligible under subsection (1) to have taxes levied under  
3 the state education tax act, 1993 PA 331, MCL 211.901 to 211.906,  
4 retained and paid to the authority under this section, shall apply  
5 for approval with the department of treasury. The application for  
6 approval shall include the following information:

7 (a) The property tax millage rates expected to be levied by  
8 local school districts within the jurisdictional area of the  
9 authority for school operating purposes for that fiscal year.

10 (b) The tax increment revenues estimated to be received by the  
11 authority for that fiscal year based upon actual property tax  
12 levies of all taxing jurisdictions within the jurisdictional area  
13 of the authority.

14 (c) The tax increment revenues the authority estimates it  
15 would have received for that fiscal year if the personal property  
16 tax exemptions described in subsection (1) were not in effect.

17 (d) A list of eligible obligations, eligible advances, other  
18 protected obligations, and advances and obligations described in  
19 subsection (1)(d) for expenditures authorized in a certified  
20 technology park or described in subsection (1)(e) for expenditures  
21 authorized in a certified alternative energy park; the payments due  
22 on each of those in that fiscal year; and the total amount of  
23 payments due on all of those in that fiscal year.

24 (e) The amount of money, other than tax increment revenues,  
25 estimated to be received in that fiscal year by the authority that  
26 is primarily pledged to, and to be used for, the payment of an  
27 eligible obligation, the repayment of an eligible advance, the

1 payment of another protected obligation, the payment of obligations  
2 or advances described in subsection (1)(d) for expenditures  
3 authorized in a certified technology park, or the payment of  
4 obligations or advances described in subsection (1)(e) for  
5 expenditures authorized in a certified alternative energy park.  
6 That amount shall not include excess tax increment revenues of the  
7 authority that are permitted by law to be retained by the authority  
8 for purposes that further the development program. However, that  
9 amount shall include money to be obtained from sources authorized  
10 by law, which law is enacted on or after December 1, 1993, for use  
11 by the municipality or authority to finance a development plan.

12 (f) The amount of a distribution received pursuant to this  
13 part for a fiscal year in excess of or less than the distribution  
14 that would have been required if calculated upon actual tax  
15 increment revenues received for that fiscal year.

16 (3) Not later than August 15, 2008; for 2009 only, not later  
17 than 30 days after August 1, 2012; and not later than August 15 of  
18 each subsequent year, based on the calculations under subsection  
19 (5), the department of treasury shall approve, modify, or deny the  
20 application for approval to have taxes levied under the state  
21 education tax act, 1993 PA 331, MCL 211.901 to 211.906, retained  
22 and paid to the authority under this section. If the application  
23 for approval contains the information required under subsection  
24 (2)(a) through (f) and appears to be in substantial compliance with  
25 the provisions of this section, then the department of treasury  
26 shall approve the application. If the application is denied by the  
27 department of treasury, then the department of treasury shall

1 provide the opportunity for a representative of the authority to  
2 discuss the denial within 21 days after the denial occurs and shall  
3 sustain or modify its decision within 30 days after receiving  
4 information from the authority. If the application for approval is  
5 approved or modified by the department of treasury, the local tax  
6 collecting treasurer shall retain and pay to the authority the  
7 amount described in subsection (5) as approved by the department.  
8 If the department of treasury denies the authority's application  
9 for approval, the local tax collecting treasurer shall not retain  
10 or pay to the authority the taxes levied under the state education  
11 tax act, 1993 PA 331, MCL 211.901 to 211.906. An approval by the  
12 department does not prohibit a subsequent audit of taxes retained  
13 in accordance with the procedures currently authorized by law.

14 (4) Each year, the legislature shall appropriate and  
15 distribute an amount sufficient to pay each authority the  
16 following:

17 (a) If the amount to be retained and paid under subsection (3)  
18 is less than the amount calculated under subsection (5), the  
19 difference between those amounts.

20 (b) If the application for approval is denied by the  
21 department of treasury, an amount verified by the department equal  
22 to the amount calculated under subsection (5).

23 (5) Subject to subsection (6), the aggregate amount under this  
24 section shall be the sum of the amounts determined under  
25 subdivisions (a) and (b) minus the amount determined under  
26 subdivision (c), as follows:

27 (a) The amount by which the tax increment revenues the

1 authority would have received and retained for the fiscal year,  
2 excluding taxes exempt under section 7ff of the general property  
3 tax act, 1893 PA 206, MCL 211.7ff, if the personal property tax  
4 exemptions described in subsection (1) were not in effect, exceed  
5 the tax increment revenues the authority actually received for the  
6 fiscal year.

7 (b) A shortfall required to be reported under subsection  
8 (2)(f) that had not previously increased a distribution.

9 (c) An excess amount required to be reported under subsection  
10 (2)(f) that had not previously decreased a distribution.

11 (6) A distribution or taxes retained under this section  
12 replacing tax increment revenues pledged by an authority or a  
13 municipality are subject to any lien of the pledge described in  
14 subsection (1), whether or not there has been physical delivery of  
15 the distribution.

16 (7) Obligations for which distributions are made under this  
17 section are not a debt or liability of this state; do not create or  
18 constitute an indebtedness, liability, or obligation of this state;  
19 and are not and do not constitute a pledge of the faith and credit  
20 of this state.

21 (8) Not later than September 15 of each year, the authority  
22 shall provide a copy of the application for approval approved by  
23 the department of treasury to the local tax collecting treasurer  
24 and provide the amount of the taxes retained and paid to the  
25 authority under subsection (5).

26 (9) Calculations of amounts retained and paid and  
27 appropriations to be distributed under this section shall be made

1 on the basis of each development area of the authority.

2 (10) The state tax commission may provide that the  
3 reimbursement calculations under this section and the calculation  
4 of allowable capture of school taxes shall be made for each  
5 calendar year's tax increment revenues using a 12-month debt  
6 payment period used by the authority and approved by the state tax  
7 commission.

8 (11) It is the intent of the legislature that, to the extent  
9 that the total amount of taxes levied under the state education tax  
10 act, 1993 PA 331, MCL 211.901 to 211.906, that are allowed to be  
11 retained under this section and section 15a of the brownfield  
12 redevelopment financing act, 1996 PA 381, MCL 125.2665a, section  
13 312b, and section 213c exceeds the difference of the total school  
14 aid fund revenue for the tax year minus the estimated amount of  
15 revenue the school aid fund would have received for the tax year  
16 had the tax exemptions described in subsection (1) and the earmark  
17 created by section 515 of the Michigan business tax act, 2007 PA  
18 36, MCL 208.1515, not taken effect, the general fund shall  
19 reimburse the school aid fund the difference.

20 Sec. 412. (1) If the board determines that it is necessary for  
21 the achievement of the purposes of this part, the board shall  
22 prepare and submit a tax increment financing plan to the governing  
23 body. The plan shall be in compliance with section 413 and shall  
24 include a development plan as provided in section 415. The plan  
25 shall also contain the following:

26 (a) A statement of the reasons that the plan will result in  
27 the development of captured assessed value that could not otherwise

1 be expected. The reasons may include, but are not limited to,  
2 activities of the municipality, authority, or others undertaken  
3 before formulation or adoption of the plan in reasonable  
4 anticipation that the objectives of the plan would be achieved by  
5 some means.

6 (b) An estimate of the captured assessed value for each year  
7 of the plan. The plan may provide for the use of part or all of the  
8 captured assessed value or, subject to subsection (3), of the tax  
9 increment revenues attributable to the levy of any taxing  
10 jurisdiction, but the portion intended to be used shall be clearly  
11 stated in the plan. The board or the municipality creating the  
12 authority may exclude from captured assessed value a percentage of  
13 captured assessed value as specified in the plan or growth in  
14 property value resulting solely from inflation. If excluded, the  
15 plan shall set forth the method for excluding growth in property  
16 value resulting solely from inflation.

17 (c) The estimated tax increment revenues for each year of the  
18 plan.

19 (d) A detailed explanation of the tax increment procedure.

20 (e) The maximum amount of note or bonded indebtedness to be  
21 incurred, if any.

22 (f) The amount of operating and planning expenditures of the  
23 authority and municipality, the amount of advances extended by or  
24 indebtedness incurred by the municipality, and the amount of  
25 advances by others to be repaid from tax increment revenues.

26 (g) The costs of the plan anticipated to be paid from tax  
27 increment revenues as received.

1 (h) The duration of the development plan and the tax increment  
2 plan.

3 (i) An estimate of the impact of tax increment financing on  
4 the revenues of all taxing jurisdictions in which the eligible  
5 property is or is anticipated to be located.

6 (j) A legal description of the eligible property to which the  
7 tax increment financing plan applies or shall apply upon  
8 qualification as eligible property.

9 (k) An estimate of the number of jobs to be created as a  
10 result of implementation of the tax increment financing plan.

11 (l) The proposed boundaries of a certified technology park to  
12 be created under an agreement proposed to be entered into pursuant  
13 to section 412a, or of a certified alternative energy park to be  
14 created under an agreement proposed to be entered into pursuant to  
15 section 412c, or of a next Michigan development area designated  
16 under section 412e, an identification of the real property within  
17 the certified technology park, the certified alternative energy  
18 park, or the next Michigan development area to be included in the  
19 tax increment financing plan for purposes of determining tax  
20 increment revenues, and whether personal property located in the  
21 certified technology park, the certified alternative energy park,  
22 or the next Michigan development area is exempt from determining  
23 tax increment revenues.

24 (2) Except as provided in subsection (7), a tax increment  
25 financing plan shall provide for the use of tax increment revenues  
26 for public facilities for eligible property whose captured assessed  
27 value produces the tax increment revenues or, to the extent the

1 eligible property is located within a business development area or  
2 a next Michigan development area, for other eligible property  
3 located in the business development area or the next Michigan  
4 development area. Public facilities for eligible property include  
5 the development or improvement of access to and around, or within  
6 the eligible property, of road facilities reasonably required by  
7 traffic flow to be generated by the eligible property, and the  
8 development or improvement of public facilities that are necessary  
9 to service the eligible property, whether or not located on that  
10 eligible property. If the eligible property identified in the tax  
11 increment financing plan is property to which section 402(p)(iv)  
12 applies, the tax increment financing plan shall not provide for the  
13 use of tax increment revenues for public facilities other than  
14 those described in the development plan as of April 1, 1991.  
15 Whether or not provided in the tax increment financing plan, if the  
16 eligible property identified in the tax increment financing plan is  
17 property to which section 402(s)(iv) applies, then to the extent  
18 that captured tax increment revenues are utilized for the costs of  
19 cleanup of identified soil and groundwater contamination, the  
20 captured tax increment revenues shall be first credited against the  
21 shares of responsibility for the total costs of cleanup of  
22 uncollectible parties who are responsible for the identified soil  
23 and groundwater contamination pursuant to law, and then shall be  
24 credited on a pro rata basis against the shares of responsibility  
25 for the total costs of cleanup of other parties who are responsible  
26 for the identified soil and groundwater contamination pursuant to  
27 law.

1           (3) The percentage of taxes levied for school operating  
2 purposes that is captured and used by the tax increment financing  
3 plan and the tax increment financing plans under part 2, part 3,  
4 and the brownfield redevelopment financing act, 1996 PA 381, MCL  
5 125.2651 to 125.2672, shall not be greater than the percentage  
6 capture and use of taxes levied by a municipality or county for  
7 operating purposes under the tax increment financing plan and tax  
8 increment financing plans under part 2, part 3, and the brownfield  
9 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672.  
10 For purposes of the previous sentence, taxes levied by a county for  
11 operating purposes include only millage allocated for county or  
12 charter county purposes under the property tax limitation act, 1933  
13 PA 62, MCL 211.201 to 211.217a.

14           (4) Except as otherwise provided by this subsection, approval  
15 of the tax increment financing plan shall be in accordance with the  
16 notice, hearing, disclosure, and approval provisions of sections  
17 416 and 417. If the development plan is part of the tax increment  
18 financing plan, only 1 hearing and approval procedure is required  
19 for the 2 plans together. For a plan submitted by an authority  
20 established by 2 or more municipalities under sections 403(2) and  
21 404(7) or by an authority established by a next Michigan  
22 development corporation under sections 403(3) and 404(8), the  
23 notice required by section 416 may be published jointly by the  
24 municipalities in which the authority district is located or by the  
25 next Michigan development corporation. For a plan submitted by an  
26 authority exercising its powers under sections 403(2) and 404(7),  
27 the plan shall not be considered approved unless each governing

1 body in which the authority district is located makes the  
2 determinations required by section 417 and approves the same plan,  
3 including the same modifications, if any, made to the plan by any  
4 other governing body. A plan submitted by an authority exercising  
5 its powers under sections 403(3) and 404(8) shall be approved if  
6 the governing body of the next Michigan development corporation  
7 makes the determinations required by section 417.

8 (5) Before the public hearing on the tax increment financing  
9 plan, the governing body shall provide a reasonable opportunity to  
10 the taxing jurisdictions levying taxes subject to capture to  
11 express their views and recommendations regarding the tax increment  
12 financing plan. The authority shall fully inform the taxing  
13 jurisdictions about the fiscal and economic implications of the  
14 proposed tax increment financing plan. The taxing jurisdictions may  
15 present their recommendations at the public hearing on the tax  
16 increment financing plan. The authority may enter into agreements  
17 with the taxing jurisdictions and the governing body of the  
18 municipality in which the authority district is located to share a  
19 portion of the captured assessed value of the district or to  
20 distribute tax increment revenues among taxing jurisdictions. Upon  
21 adoption of the plan, the collection and transmission of the amount  
22 of tax increment revenues, as specified in this act, shall be  
23 binding on all taxing units levying ad valorem property taxes or  
24 specific local taxes against property located in the authority  
25 district.

26 (6) Property qualified as a public facility under section  
27 402(ff)(ii) that is acquired by an authority may be sold, conveyed,

1 or otherwise disposed to any person, public or private, for fair  
2 market value or reasonable monetary consideration established by  
3 the authority with the concurrence of the Michigan economic  
4 development corporation and the municipality in which the eligible  
5 property is located based on a fair market value appraisal from a  
6 fee appraiser only if the property is sold for fair market value.  
7 Unless the property acquired by an authority was located within a  
8 certified business park, a certified technology park, a certified  
9 alternative energy park, or a next Michigan development area at the  
10 time of disposition, an authority shall remit all monetary proceeds  
11 received from the sale or disposition of property that qualified as  
12 a public facility under section 402(ff)(ii) and was purchased with  
13 tax increment revenues to the taxing jurisdictions. Proceeds  
14 distributed to taxing jurisdictions shall be remitted in proportion  
15 to the amount of tax increment revenues attributable to each taxing  
16 jurisdiction in the year the property was acquired. If the property  
17 was acquired in part with funds other than tax increment revenues,  
18 only that portion of the monetary proceeds received upon  
19 disposition that represent the proportion of the cost of  
20 acquisition paid with tax increment revenues is required to be  
21 remitted to taxing jurisdictions. If the property is located within  
22 a certified business park, a certified technology park, or a  
23 certified alternative energy park, or a next Michigan development  
24 area at the time of disposition, the monetary proceeds received  
25 from the sale or disposition of that property may be retained by  
26 the authority for any purpose necessary to further the development  
27 program for the certified business park, certified technology park,

1 certified alternative energy park, or next Michigan development  
2 area in accordance with the tax increment financing plan.

3 (7) The tax increment financing plan may provide for the use  
4 of tax increment revenues from a certified technology park for  
5 public facilities for any eligible property located in the  
6 certified technology park. The tax increment financing plan may  
7 provide for the use of tax increment revenues from a certified  
8 alternative energy park for public facilities for any eligible  
9 property located in the certified alternative energy park. The tax  
10 increment financing plan may provide for the use of tax increment  
11 revenues within or without the development area from which the tax  
12 increment revenues are derived, provided that the tax increment  
13 revenues shall be used for public facilities within a next Michigan  
14 development area within the municipality whose levy has contributed  
15 to the tax increment revenues except as otherwise provided in the  
16 interlocal agreement creating the next Michigan development  
17 corporation that established the authority.

18 (8) If title to property qualified as a public facility under  
19 section 402(ff)(ii) and acquired by an authority with tax increment  
20 revenues is sold, conveyed, or otherwise disposed of pursuant to  
21 subsection (6) for less than fair market value, the authority shall  
22 enter into an agreement relating to the use of the property with  
23 the person to whom the property is sold, conveyed, or disposed of,  
24 which agreement shall include a penalty provision addressing  
25 repayment to the authority if any interest in the property is sold,  
26 conveyed, or otherwise disposed of by the person within 12 years  
27 after the person received title to the property from the authority.

1 This subsection shall not require enforcement of a penalty  
2 provision for a conveyance incident to a merger, acquisition,  
3 reorganization, sale-lease back transaction, employee stock  
4 ownership plan, or other change in corporate or business form or  
5 structure.

6 (9) The penalty provision described in subsection (8) shall  
7 not be less than an amount equal to the difference between the fair  
8 market value of the property when originally sold, conveyed, or  
9 otherwise disposed of and the actual consideration paid by the  
10 person to whom the property was originally sold, conveyed, or  
11 otherwise disposed of.

12 Sec. 412a. (1) A municipality that has created an authority  
13 may apply to the Michigan economic development corporation for  
14 designation of all or a portion of the authority district as a  
15 certified technology park and to enter into an agreement governing  
16 the terms and conditions of the designation. The form of the  
17 application shall be in a form specified by the Michigan economic  
18 development corporation and shall include information the Michigan  
19 economic development corporation determines necessary to make the  
20 determinations required under this section.

21 (2) After receipt of an application, the Michigan economic  
22 development corporation may designate, pursuant to an agreement  
23 entered into under subsection (3), a certified technology park that  
24 is determined by the Michigan economic development corporation to  
25 satisfy 1 or more of the following criteria based on the  
26 application:

27 (a) A demonstration of significant support from an institution

1 of higher education, a private research-based institute, or a  
2 large, private corporate research and development center located  
3 within the proximity of the proposed certified technology park, as  
4 evidenced by, but not limited to, the following types of support:

5 (i) Grants of preferences for access to and commercialization  
6 of intellectual property.

7 (ii) Access to laboratory and other facilities owned by or  
8 under control of the institution of higher education or private  
9 research-based institute.

10 (iii) Donations of services.

11 (iv) Access to telecommunication facilities and other  
12 infrastructure.

13 (v) Financial commitments.

14 (vi) Access to faculty, staff, and students.

15 (vii) Opportunities for adjunct faculty and other types of  
16 staff arrangements or affiliations.

17 (b) A demonstration of a significant commitment on behalf of  
18 the institution of higher education, private research-based  
19 institute, or a large, private corporate research and development  
20 center to the commercialization of research produced at the  
21 certified technology park, as evidenced by the intellectual  
22 property and, if applicable, tenure policies that reward faculty  
23 and staff for commercialization and collaboration with private  
24 businesses.

25 (c) A demonstration that the proposed certified technology  
26 park will be developed to take advantage of the unique  
27 characteristics and specialties offered by the public and private

1 resources available in the area in which the proposed certified  
2 technology park will be located.

3 (d) The existence of or proposed development of a business  
4 incubator within the proposed certified technology park that  
5 exhibits the following types of resources and organization:

6 (i) Significant financial and other types of support from the  
7 public or private resources in the area in which the proposed  
8 certified technology park will be located.

9 (ii) A business plan exhibiting the economic utilization and  
10 availability of resources and a likelihood of successful  
11 development of technologies and research into viable business  
12 enterprises.

13 (iii) A commitment to the employment of a qualified full-time  
14 manager to supervise the development and operation of the business  
15 incubator.

16 (e) The existence of a business plan for the proposed  
17 certified technology park that identifies its objectives in a  
18 clearly focused and measurable fashion and that addresses the  
19 following matters:

20 (i) A commitment to new business formation.

21 (ii) The clustering of businesses, technology, and research.

22 (iii) The opportunity for and costs of development of  
23 properties under common ownership or control.

24 (iv) The availability of and method proposed for development  
25 of infrastructure and other improvements, including  
26 telecommunications technology, necessary for the development of the  
27 proposed certified technology park.

1 (v) Assumptions of costs and revenues related to the  
2 development of the proposed certified technology park.

3 (f) A demonstrable and satisfactory assurance that the  
4 proposed certified technology park can be developed to principally  
5 contain eligible property as defined by section 402(s) (iii) and  
6 (v).

7 (3) An authority and a municipality that incorporated the  
8 authority may enter into an agreement with the Michigan economic  
9 development corporation establishing the terms and conditions  
10 governing the certified technology park. Upon designation of the  
11 certified technology park pursuant to the terms of the agreement,  
12 the subsequent failure of any party to comply with the terms of the  
13 agreement shall not result in the termination or rescission of the  
14 designation of the area as a certified technology park. The  
15 agreement shall include, but is not limited to, the following  
16 provisions:

17 (a) A description of the area to be included within the  
18 certified technology park.

19 (b) Covenants and restrictions, if any, upon all or a portion  
20 of the properties contained within the certified technology park  
21 and terms of enforcement of any covenants or restrictions.

22 (c) The financial commitments of any party to the agreement  
23 and of any owner or developer of property within the certified  
24 technology park.

25 (d) The terms of any commitment required from an institution  
26 of higher education or private research-based institute for support  
27 of the operations and activities at eligible properties within the

1 certified technology park.

2 (e) The terms of enforcement of the agreement, which may  
3 include the definition of events of default, cure periods, legal  
4 and equitable remedies and rights, and penalties and damages,  
5 actual or liquidated, upon the occurrence of an event of default.

6 (f) The public facilities to be developed for the certified  
7 technology park.

8 (g) The costs approved for public facilities under section  
9 402(dd).

10 (4) If the Michigan economic development corporation has  
11 determined that a sale price or rental value at below market rate  
12 will assist in increasing employment or private investment in the  
13 certified technology park, the authority and municipality have  
14 authority to determine the sale price or rental value for public  
15 facilities owned or developed by the authority and municipality in  
16 the certified technology park at below market rate.

17 (5) If public facilities developed pursuant to an agreement  
18 entered into under this section are conveyed or leased at less than  
19 fair market value or at below market rates, the terms of the  
20 conveyance or lease shall include legal and equitable remedies and  
21 rights to assure the public facilities are used as eligible  
22 property. Legal and equitable remedies and rights may include  
23 penalties and actual or liquidated damages.

24 (6) Except as otherwise provided in this section, an agreement  
25 designating a certified technology park may not be made after  
26 December 31, 2002, but any agreement made on or before December 31,  
27 2002 may be amended after that date. However, the Michigan economic

1 development corporation may enter into an agreement with a  
2 municipality after December 31, 2002 and on or before December 31,  
3 2005 if that municipality has adopted a resolution of interest to  
4 create a certified technology park before December 31, 2002.

5 (7) The Michigan economic development corporation shall market  
6 the certified technology parks and the certified business parks.  
7 The Michigan economic development corporation and an authority may  
8 contract with each other or any third party for these marketing  
9 services.

10 (8) Except as otherwise provided in subsections (9), (10), and  
11 (11), the Michigan economic development corporation shall not  
12 designate more than 10 certified technology parks. For purposes of  
13 this subsection only, 2 certified technology parks located in a  
14 county that contains a city with a population of more than 750,000,  
15 shall be counted as 1 certified technology park. Not more than 7 of  
16 the certified technology parks designated under this section may  
17 not include a firm commitment from at least 1 business engaged in a  
18 high technology activity creating a significant number of jobs.

19 (9) The Michigan economic development corporation may  
20 designate an additional 5 certified technology parks after November  
21 1, 2002 and before December 31, 2007. The Michigan economic  
22 development corporation shall not accept applications for the  
23 additional certified technology parks under this subsection until  
24 after November 1, 2002.

25 (10) The Michigan economic development corporation may  
26 designate an additional 3 certified technology parks after February  
27 1, 2008 and before December 31, 2008. The Michigan economic

1 development corporation shall not accept applications for the  
2 additional certified technology parks under this subsection until  
3 after February 1, 2008.

4 (11) The Michigan economic development corporation may  
5 designate an additional 3 certified technology parks before March  
6 31, 2013. It is the intent of the legislature that after the  
7 additional 3 certified technology parks are designated under this  
8 subsection, no additional certified technology parks shall be  
9 designated under this section.

10 (12) The Michigan economic development corporation shall give  
11 priority to applications that include new business activity.

12 (13) For an authority established by 2 or more municipalities  
13 under sections 403(2) and 404(7), each municipality in which the  
14 authority district is located by a majority vote of the members of  
15 its governing body may make a limited tax pledge to support the  
16 authority's tax increment bonds issued under section 14 or, if  
17 authorized by the voters of the municipality, may pledge its full  
18 faith and credit for the payment of the principal of and interest  
19 on the bonds. The municipalities that have made a pledge to support  
20 the authority's tax increment bonds may approve by resolution an  
21 agreement among themselves establishing obligations each may have  
22 to the other party or parties to the agreement for reimbursement of  
23 all or any portion of a payment made by a municipality related to  
24 its pledge to support the authority's tax increment bonds.

25 (14) Not including certified technology parks designated under  
26 subsection (8), but for certified technology parks designated under  
27 subsections (9), (10), and (11) only, this state shall do all of

1 the following:

2 (a) Reimburse intermediate school districts each year for all  
3 tax revenue lost that was captured by an authority for a certified  
4 technology park designated by the Michigan economic development  
5 corporation after October 3, 2002.

6 (b) Reimburse local school districts each year for all tax  
7 revenue lost that was captured by an authority for a certified  
8 technology park designated by the Michigan economic development  
9 corporation after October 3, 2002.

10 (c) Reimburse the school aid fund from funds other than those  
11 appropriated in section 411 of the state school aid act of 1979,  
12 1979 PA 94, MCL 388.1611, for an amount equal to the reimbursement  
13 calculations under subdivisions (a) and (b) and for all revenue  
14 lost that was captured by an authority for a certified technology  
15 park designated by the Michigan economic development corporation  
16 after October 3, 2002. Foundation allowances calculated under  
17 section 20 of the state school aid act of 1979, 1979 PA 94, MCL  
18 388.1620, shall not be reduced as a result of tax revenue lost that  
19 was captured by an authority for a certified technology park  
20 designated by the Michigan economic development corporation under  
21 subsection (9), (10), or (11) after October 3, 2002.

22 Sec. 412b. (1) A municipality that has created an authority in  
23 which a certified technology park has been designated under this  
24 part may enter into an agreement with another authority that does  
25 not contain a certified technology park to designate a distinct  
26 geographic area within the authority district as a certified  
27 technology park. The authority shall consider the advantages of the

1 unique characteristics and specialties offered by the public and  
2 private resources available in the distinct geographic area, shall  
3 consider the benefits to regional cooperation and collaboration,  
4 and shall consider whether designating the additional distinct  
5 geographic area adds value to the mission of the designated  
6 certified technology park. The distinct geographic area is subject  
7 to the provisions of section 412a(3), (4), and (5). The state  
8 treasurer shall not approve the capture of amounts levied by the  
9 state under the state education tax act, 1993 PA 331, MCL 211.901  
10 to 211.906, and by local and intermediate school districts as  
11 permitted in section 402(jj)(ii)(B) for more than 9 distinct  
12 geographic areas designated under this section. In addition,  
13 beginning on July 21, 2015, the state treasurer shall not approve  
14 the capture of amounts described in this subsection unless the  
15 application for approval of a distinct geographic area under this  
16 subsection is also approved by the Michigan economic development  
17 corporation as provided in subsection (2). A copy of the  
18 designation shall be filed with the Michigan economic development  
19 corporation.

20 (2) Beginning on July 21, 2015, the Michigan economic  
21 development corporation shall designate the distinct geographic  
22 areas under subsection (1) pursuant to a competitive application  
23 process that has an initial application period and a final  
24 application period and that meets all the following:

25 (a) The initial application period shall begin on July 21,  
26 2015 and end on October 1, 2015. All applications submitted during  
27 the initial application period shall be approved or denied not

1 later than November 1, 2015. The Michigan economic development  
2 corporation may approve up to 3 applications as a result of the  
3 initial application period. Applications submitted outside the  
4 initial application period shall not be considered under this  
5 subdivision.

6 (b) The final application period shall begin on January 1,  
7 2016 and end on July 1, 2016. All applications submitted during the  
8 final application period shall be approved or denied by September  
9 1, 2016. The Michigan economic development corporation may approve  
10 the remaining designations available under subsection (1) as a  
11 result of the final application period. However, there is no  
12 requirement that all 9 designations be made under this section.  
13 Applications submitted outside the final application period shall  
14 not be considered under this subdivision.

15 (c) The Michigan economic development corporation shall  
16 publish the application process and competitive criteria upon which  
17 applications will be evaluated on its website. If an application  
18 does not meet the requirements of this section, the application  
19 shall not be approved by the Michigan economic development  
20 corporation.

21 Sec. 412c. (1) A municipality that has created an authority  
22 may apply to the Michigan economic development corporation for  
23 designation of all or a portion of the authority district as a  
24 certified alternative energy park and to enter into an agreement  
25 governing the terms and conditions of the designation. The form of  
26 the application shall be in a form specified by the Michigan  
27 economic development corporation and shall include information the

1 Michigan economic development corporation determines necessary to  
2 make the determinations required under this section.

3 (2) After receipt of an application, the Michigan economic  
4 development corporation may designate, pursuant to an agreement  
5 entered into under subsection (3), a certified alternative energy  
6 park that is determined by the Michigan economic development  
7 corporation to satisfy 1 or more of the following criteria based on  
8 the application:

9 (a) A demonstration that the proposed alternative energy park  
10 will be developed to take advantage of the unique characteristics  
11 and specialties offered by public and private resources available  
12 in the area in which the proposed certified alternative energy park  
13 will be located.

14 (b) The existence of or strong likelihood of attracting  
15 alternative energy technology businesses to the proposed  
16 alternative energy park by exhibiting the following types of  
17 resources and organization:

18 (i) Significant financial and other types of support from the  
19 public or private resources in the area.

20 (ii) Proposed or actual ownership of land in sufficient  
21 quantity as to attract 1 or more major alternative energy  
22 technology businesses.

23 (c) The existence of a business plan for the proposed  
24 certified alternative energy park that identifies its objectives in  
25 a clearly focused and measurable fashion and that addresses the  
26 following matters:

27 (i) A commitment to new business formation or major business

1 attraction.

2 (ii) The clustering of businesses, technology, and research  
3 within the region.

4 (iii) The opportunity for and costs of development of  
5 properties under common ownership or control.

6 (iv) The availability of and method proposed for development  
7 and sale or conveyance of shovel-ready sites to include  
8 infrastructure and other improvements, including telecommunications  
9 technology, necessary for the successful development of the  
10 proposed certified alternative energy park.

11 (v) Assumptions of costs and revenues related to the  
12 development of the proposed certified alternative energy park.

13 (d) A demonstrable and satisfactory assurance that the  
14 proposed certified alternative energy park can be developed to  
15 principally contain eligible property as defined by section  
16 402(s) (v) and (vi).

17 (e) The proposed certified alternative energy park includes a  
18 military installation that was operated by the United States  
19 Department of Defense and closed after 1980.

20 (3) An authority and a municipality that incorporated the  
21 authority may enter into an agreement with the Michigan economic  
22 development corporation establishing the terms and conditions  
23 governing the certified alternative energy park. Upon designation  
24 of the certified alternative energy park pursuant to the terms of  
25 the agreement, the subsequent failure of any party to comply with  
26 the terms of the agreement shall not result in the termination or  
27 rescission of the designation of the area as a certified

1 alternative energy park. The agreement shall include, but is not  
2 limited to, the following provisions:

3 (a) A description of the area to be included within the  
4 certified alternative energy park.

5 (b) Covenants and restrictions, if any, upon all or a portion  
6 of the properties contained within the certified alternative energy  
7 park and terms of enforcement of any covenants or restrictions.

8 (c) The financial commitments of any party to the agreement  
9 and of any owner or developer of property, including sale or  
10 transfer of ownership or options thereto upon designation of a  
11 certified alternative energy park for property within the certified  
12 alternative energy park.

13 (d) The terms of enforcement of the agreement, which may  
14 include the definition of events of default, cure periods, legal  
15 and equitable remedies and rights, and penalties and damages,  
16 actual or liquidated, upon the occurrence of an event of default.

17 (e) Proposed method of ownership of the land within the  
18 certified alternative energy park.

19 (f) The costs approved for public facilities under section  
20 402(dd).

21 (g) Proposed method of operating the certified alternative  
22 energy park.

23 (4) If the Michigan economic development corporation has  
24 determined that a sale price or rental value at below market rate  
25 will assist in increasing employment or private investment in the  
26 certified alternative energy park, the authority and municipality  
27 have authority to determine the sale price or rental value for

1 public facilities owned or developed by the authority and  
2 municipality in the certified alternative energy park at below  
3 market rate.

4 (5) If public facilities developed pursuant to an agreement  
5 entered into under this section are conveyed or leased at less than  
6 fair market value or at below market rates, the terms of the  
7 conveyance or lease shall include legal and equitable remedies and  
8 rights to assure that the public facilities are used as eligible  
9 property. Legal and equitable remedies and rights may include  
10 penalties and actual or liquidated damages.

11 (6) Except as otherwise provided in this section, an agreement  
12 designating a certified alternative energy park may not be made  
13 after December 31, 2012, but any agreement made on or before  
14 December 31, 2012 may be amended after that date.

15 (7) The Michigan economic development corporation shall not  
16 designate more than 10 certified alternative energy parks. For  
17 purposes of this subsection only, certified alternative energy  
18 parks located in the same county shall be counted as 1 certified  
19 alternative energy park.

20 (8) For an authority established by 2 or more municipalities  
21 under sections 403(2) and 404(7), each municipality in which the  
22 authority district is located by a majority vote of the members of  
23 its governing body may make a limited tax pledge to support the  
24 authority's tax increment bonds issued under section 414 or, if  
25 authorized by the voters of the municipality, may pledge its full  
26 faith and credit for the payment of the principal of and interest  
27 on the bonds. The municipalities that have made a pledge to support

1 the authority's tax increment bonds may approve by resolution an  
2 agreement among themselves establishing obligations each may have  
3 to the other party or parties to the agreement for reimbursement of  
4 all or any portion of a payment made by a municipality related to  
5 its pledge to support the authority's tax increment bonds.

6 (9) Upon approval of the Michigan economic development  
7 corporation, the certified alternative energy park may be owned and  
8 operated by an economic development corporation created under the  
9 economic development corporations act, 1974 PA 338, MCL 125.1601 to  
10 125.1636, or other public body agreeable to all members.

11 Sec. 412d. (1) If an authority determines that a sale price or  
12 rental value at below market rate will assist in increasing  
13 employment or private investment in a development area, the  
14 authority may determine a sale price or rental value for public  
15 facilities owned or developed by the authority at below market  
16 rate.

17 (2) If public facilities are conveyed or leased at less than  
18 fair market value or at below market rates, the terms of the  
19 conveyance or lease shall include legal and equitable remedies and  
20 rights to assure that the public facilities are used as eligible  
21 property. Legal and equitable remedies and rights may include  
22 penalties and actual or liquidated damages. If public facilities  
23 for public benefit are provided to private owners or users of  
24 eligible property, the terms of the conveyance or lease shall  
25 include a benefit to the private owner or user.

26 Sec. 412e. (1) A next Michigan development corporation  
27 establishing an authority under section 403(3) shall notify the

1 Michigan economic development corporation of the designation of a  
2 next Michigan development area.

3 (2) The Michigan economic development corporation shall market  
4 the authority district including next Michigan development areas.

5 (3) For an authority exercising its powers under section  
6 403(3), each municipality and county which is a party to the  
7 interlocal agreement establishing the next Michigan development  
8 corporation, or any 1 of them, by a majority vote of the members of  
9 its governing body, may make a limited tax pledge to support the  
10 authority's tax increment bonds issued under section 414 or, if  
11 authorized by the voters of the municipality or county, may pledge  
12 its full faith and credit for the payment of the principal of and  
13 interest on the bonds. The municipalities or counties that have  
14 made a pledge to support the authority's tax increment bonds may  
15 approve by resolution an agreement among themselves establishing  
16 obligations each may have to the other party or parties to the  
17 agreement for reimbursement of all or any portion of a payment made  
18 by a municipality or county related to its pledge to support the  
19 authority's tax increment bonds.

20 Sec. 413. (1) The city, village, township, school district,  
21 and county treasurers shall transmit to the authority tax increment  
22 revenues.

23 (2) The authority shall expend the tax increment revenues  
24 received for the development program only in accordance with the  
25 tax increment financing plan. Tax increment revenues in excess of  
26 the estimated tax increment revenues or of the actual costs of the  
27 plan to be paid by the tax increment revenues may be retained by

1 the authority only for purposes, that by resolution of the board,  
2 are determined to further the development program in accordance  
3 with the tax increment financing plan. The excess tax increment  
4 revenues not so used shall revert proportionately to the respective  
5 taxing jurisdictions. These revenues shall not be used to  
6 circumvent existing property tax laws or a local charter that  
7 provides a maximum authorized rate for the levy of property taxes.  
8 The governing body may abolish the tax increment financing plan if  
9 it finds that the purposes for which the plan was established are  
10 accomplished. However, the tax increment financing plan may not be  
11 abolished, allowed to expire, or otherwise terminate until the  
12 principal of, and interest on, bonds issued pursuant to section 414  
13 have been paid or funds sufficient to make that payment have been  
14 segregated and placed in an irrevocable trust for the benefit of  
15 the holders of the bonds.

16 Sec. 414. (1) By resolution of its board and subject to the  
17 limitations set forth in this section, the authority may authorize,  
18 issue, and sell its tax increment bonds to finance a development  
19 program. The bonds are subject to the revised municipal finance  
20 act, 2001 PA 34, MCL 141.2101 to 141.2821. The authority may pledge  
21 for debt service requirements the tax increment revenues to be  
22 received from an eligible property. The bonds issued under this  
23 section shall be considered a single series for the purposes of the  
24 revised municipal finance act, 2001 PA 34, MCL 141.2101 to  
25 141.2821.

26 (2) The municipality by majority vote of the members of its  
27 governing body may make a limited tax pledge to support the

1 authority's tax increment bonds or, if authorized by the voters of  
2 the municipality, pledge its full faith and credit for the payment  
3 of the principal of and interest on the authority's tax increment  
4 bonds. The municipality may pledge as additional security for the  
5 bonds any money received by the authority or the municipality  
6 pursuant to section 410.

7 (3) Bonds and notes issued by the authority and the interest  
8 on and income from those bonds and notes are exempt from taxation  
9 by the state or a political subdivision of this state.

10 (4) Notwithstanding any other provision of this act, if the  
11 state treasurer determines that an authority or municipality can  
12 issue a qualified refunding obligation and the authority or  
13 municipality does not make a good faith effort to issue the  
14 qualified refunding obligation as determined by the state  
15 treasurer, the state treasurer may reduce the amount claimed by the  
16 authority or municipality under section 411a by an amount equal to  
17 the net present value saving that would have been realized had the  
18 authority or municipality refunded the obligation or the state  
19 treasurer may require a reduction in the capture of tax increment  
20 revenues from taxes levied by a local or intermediate school  
21 district or this state by an amount equal to the net present value  
22 savings that would have been realized had the authority or  
23 municipality refunded the obligation. This subsection does not  
24 authorize the state treasurer to require the authority or  
25 municipality to pledge security greater than the security pledged  
26 for the obligation being refunded.

27 Sec. 415. (1) If a board decides to finance a project under

1 this part, it shall prepare a development plan.

2 (2) To the extent necessary to accomplish the proposed  
3 development program the development plan shall contain:

4 (a) A description of the property to which the plan applies in  
5 relation to the boundaries of the authority district and a legal  
6 description of the property.

7 (b) The designation of boundaries of the property to which the  
8 plan applies in relation to highways, streets, or otherwise.

9 (c) The location and extent of existing streets and other  
10 public facilities in the vicinity of the property to which the plan  
11 applies; the location, character, and extent of the categories of  
12 public and private land uses then existing and proposed for the  
13 property to which the plan applies, including residential,  
14 recreational, commercial, industrial, educational, and other uses.

15 (d) A description of public facilities to be acquired for the  
16 property to which the plan applies, a description of any repairs  
17 and alterations necessary to make those improvements, and an  
18 estimate of the time required for completion of the improvements.

19 (e) The location, extent, character, and estimated cost of the  
20 public facilities for the property to which the plan applies, and  
21 an estimate of the time required for completion.

22 (f) A statement of the construction or stages of construction  
23 planned, and the estimated time of completion of each stage.

24 (g) A description of any portions of the property to which the  
25 plan applies, which the authority desires to sell, donate,  
26 exchange, or lease to or from the municipality and the proposed  
27 terms.

1 (h) A description of desired zoning changes and changes in  
2 streets, street levels, intersections, and utilities.

3 (i) An estimate of the cost of the public facility or  
4 facilities, a statement of the proposed method of financing the  
5 public facility or facilities, and the ability of the authority to  
6 arrange the financing.

7 (j) Designation of the person or persons, natural or  
8 corporate, to whom all or a portion of the public facility or  
9 facilities is to be leased, sold, or conveyed and for whose benefit  
10 the project is being undertaken, if that information is available  
11 to the authority.

12 (k) The procedures for bidding for the leasing, purchasing, or  
13 conveying of all or a portion of the public facility or facilities  
14 upon its completion, if there is no express or implied agreement  
15 between the authority and persons, natural or corporate, that all  
16 or a portion of the development will be leased, sold, or conveyed  
17 to those persons.

18 (l) Estimates of the number of persons residing on the  
19 property to which the plan applies and the number of families and  
20 individuals to be displaced. If occupied residences are designated  
21 for acquisition and clearance by the authority, a development plan  
22 shall include a survey of the families and individuals to be  
23 displaced, including their income and racial composition, a  
24 statistical description of the housing supply in the community,  
25 including the number of private and public units in existence or  
26 under construction, the condition of those in existence, the number  
27 of owner-occupied and renter-occupied units, the annual rate of

1 turnover of the various types of housing and the range of rents and  
2 sale prices, an estimate of the total demand for housing in the  
3 community, and the estimated capacity of private and public housing  
4 available to displaced families and individuals.

5 (m) A plan for establishing priority for the relocation of  
6 persons displaced by the development.

7 (n) Provision for the costs of relocating persons displaced by  
8 the development, and financial assistance and reimbursement of  
9 expenses, including litigation expenses and expenses incident to  
10 the transfer of title, in accordance with the standards and  
11 provisions of the federal uniform relocation assistance and real  
12 property acquisition policies act of 1970, 42 USC 4601 to 4655.

13 (o) A plan for compliance with 1972 PA 227, MCL 213.321 to  
14 213.332.

15 (p) Other material which the authority or governing body  
16 considers pertinent.

17 (3) It shall not be necessary for the board to prepare a  
18 development plan pursuant to this section if a development plan  
19 that adequately provides for accomplishing the proposed development  
20 program has already been prepared and where the development plan  
21 has been approved by the board and governing body pursuant to  
22 sections 416 and 417.

23 Sec. 416. (1) Before adoption of a resolution approving or  
24 amending a development plan or approving or amending a tax  
25 increment financing plan, the governing body shall hold a public  
26 hearing on the development plan. Notice of the time and place of  
27 the hearing shall be given by publication twice in a newspaper of

1 general circulation designated by the municipality, the first of  
2 which shall not be less than 20 days before the date set for the  
3 hearing. Beginning June 1, 2005, the notice of hearing within the  
4 time frame described in this subsection shall be mailed by  
5 certified mail to the governing body of each taxing jurisdiction  
6 levying taxes that would be subject to capture if the development  
7 plan or the tax increment financing plan is approved or amended.

8 (2) Notice of the time and place of hearing on a development  
9 plan shall contain the following:

10 (a) A description of the property to which the plan applies in  
11 relation to highways, streets, streams, or otherwise.

12 (b) A statement that maps, plats, and a description of the  
13 development plan, including the method of relocating families and  
14 individuals who may be displaced from the area, are available for  
15 public inspection at a place designated in the notice, and that all  
16 aspects of the development plan will be open for discussion at the  
17 public hearing.

18 (c) Other information that the governing body considers  
19 appropriate.

20 (3) At the time set for hearing, the governing body shall  
21 provide an opportunity for interested persons to be heard and shall  
22 receive and consider communications in writing with reference to  
23 the matter. The hearing shall provide the fullest opportunity for  
24 expression of opinion, for argument on the merits, and for  
25 introduction of documentary evidence pertinent to the development  
26 plan. The governing body shall make and preserve a record of the  
27 public hearing, including all data presented at that time.

1           Sec. 417. (1) After a public hearing on the development plan  
2 or the tax increment financing plan, or both, with notice of the  
3 hearing given pursuant to section 416, the governing body shall  
4 determine whether the development plan or tax increment financing  
5 plan, or both, constitutes a public purpose. If the governing body  
6 determines that the development plan or tax increment financing  
7 plan, or both, constitutes a public purpose, the governing body may  
8 then approve or reject the plan, or approve it with modification,  
9 by resolution, based on the following considerations:

10           (a) Whether the development plan meets the requirements set  
11 forth in section 415(2) and the tax increment financing plan meets  
12 the requirements set forth in section 412(1), (2), and (3).

13           (b) Whether the proposed method of financing the public  
14 facility or facilities is feasible and the authority has the  
15 ability to arrange the financing.

16           (c) Whether the development is reasonable and necessary to  
17 carry out the purposes of this part.

18           (d) Whether the amount of captured assessed value estimated to  
19 result from adoption of the plan is reasonable.

20           (e) Whether the land to be acquired under the development plan  
21 is reasonably necessary to carry out the purposes of the plan and  
22 the purposes of this part.

23           (f) Whether the development plan is in reasonable accord with  
24 the approved master plan of the municipality, if an approved master  
25 plan exists.

26           (g) Whether public services, such as fire and police  
27 protection and utilities, are or will be adequate to service the

1 property.

2 (h) Whether changes in zoning, streets, street levels,  
3 intersections, and utilities are reasonably necessary for the  
4 project and for the municipality.

5 (2) Except as provided in this subsection, amendments to an  
6 approved development plan or tax increment plan must be submitted  
7 by the authority to the governing body for approval or rejection  
8 following the same notice and public hearing provisions that are  
9 necessary for approval or rejection of the original plan. Notice  
10 and hearing shall not be necessary for revisions in the estimates  
11 of captured assessed value and tax increment revenues.

12 (3) The procedure, adequacy of notice, and findings with  
13 respect to purpose and captured assessed value shall be conclusive  
14 unless contested in a court of competent jurisdiction within 60  
15 days after adoption of the resolution adopting the plan. An  
16 amendment, adopted by resolution, to a conclusive plan shall  
17 likewise be conclusive unless contested within 60 days after  
18 adoption of the resolution adopting the amendment. If a resolution  
19 adopting an amendment to the plan is contested, the resolution  
20 adopting the plan is not open to contest.

21 Sec. 418. A person to be relocated under this part shall be  
22 given not less than 90 days' written notice to vacate unless  
23 modified by court order for good cause.

24 Sec. 419. (1) The director of the authority shall prepare and  
25 submit for the approval of the board a budget for the operation of  
26 the authority for the ensuing fiscal year. The budget shall be  
27 prepared in the manner and contain the information required of

1 municipal departments. Before the budget may be adopted by the  
2 board, it shall be approved by the governing body. Funds of the  
3 municipality shall not be included in the budget of the authority  
4 except those funds authorized in this part or by the governing  
5 body.

6 (2) The governing body may assess a reasonable pro rata share  
7 of the funds for the cost of handling and auditing the funds  
8 against the funds of the authority, other than those committed for  
9 designated purposes, which cost shall be paid annually by the board  
10 pursuant to an appropriate item in its budget.

11 Sec. 420. An authority that completes the purposes for which  
12 it was organized shall be dissolved by resolution of the governing  
13 body. The property and assets of the authority remaining after the  
14 satisfaction of the obligations of the authority shall belong to  
15 the municipality or to an agency or instrumentality designated by  
16 resolution of the municipality.

#### 17 PART 5

18 Sec. 501. This part shall be known and may be cited as the  
19 "nonprofit street railway part".

20 Sec. 503. The legislature finds and declares that there exists  
21 in this state a need to encourage the development of transportation  
22 facilities and the provision of public transportation services by  
23 authorizing the acquiring, owning, constructing, furnishing,  
24 equipping, completing, operating, improving, and maintaining of  
25 nonprofit street railway companies and systems and that public  
26 assistance in acquiring, owning, constructing, furnishing,  
27 equipping, completing, operating, improving, and maintaining

1 nonprofit street railway companies and systems in this state is  
2 declared to be a public purpose. It is the intent of the  
3 legislature that a street railway system constructed by a nonprofit  
4 corporation under this part be designed to adapt to or connect with  
5 other public transit systems. It is the intent of the legislature  
6 that resources expended to construct a street railway system under  
7 this part qualify as state and local match funds for transit  
8 systems eligible for federal funding.

9       Sec. 505. (1) This part shall be construed liberally to  
10 effectuate the legislative intent and the purpose of this part as  
11 complete and independent authorization for the performance of each  
12 and every act and thing authorized in this part and all powers  
13 granted in this part shall be broadly interpreted to effectuate the  
14 intent and purposes of this part and not as a limitation of powers.

15       (2) The powers conferred in this part upon a street railway  
16 shall be in addition to any other powers the street railway  
17 possesses under law.

18       (3) Unless permitted by the state constitution of 1963 or this  
19 part or agreed to by a street railway, any restrictions, standards,  
20 conditions, or prerequisites of a city, village, or township  
21 otherwise applicable only to a street railway and enacted after  
22 January 12, 2009 do not apply to a street railway. This subsection  
23 is intended to prohibit special local legislation or ordinances  
24 applicable exclusively or primarily to a street railway and not to  
25 exempt a street railway from laws generally applicable to other  
26 persons or entities.

27       Sec. 507. As used in this part:

1 (a) "Department" means the state transportation department.

2 (b) "Nonprofit corporation" means that term as defined under  
3 section 108 of the nonprofit corporation act, 1982 PA 162, MCL  
4 450.2108.

5 (c) "Public street or highway" means any state trunk line  
6 highway, county road, or city or village street maintained by a  
7 road authority.

8 (d) "Railroad" means that term as defined under section 109 of  
9 the railroad code of 1993, 1993 PA 354, MCL 462.109.

10 (e) "Operating license agreement" means an agreement entered  
11 into under section 513 by and among a street railway and each road  
12 authority with jurisdiction over public streets and highways upon  
13 which the street railway operates or seeks to operate a street  
14 railway system, including, but not limited to, each city, village,  
15 or township road authority in the city, village, or township in  
16 which the street railway operates or seeks to operate a street  
17 railway system.

18 (f) "Road authority" means each governmental agency with  
19 jurisdiction over public streets and highways. Road authority  
20 includes the department, any other state agency, and  
21 intergovernmental, county, city, and village governmental agencies  
22 responsible for the construction, repair, and maintenance of  
23 streets and highways. When a street railway operates or seeks to  
24 operate a street railway system over public streets and highways  
25 over which more than 1 road authority possesses jurisdiction, road  
26 authority includes each road authority with jurisdiction over  
27 public streets and highways upon which the street railway operates

1 or seeks to operate a street railway system.

2 (g) "Street railway" means a nonprofit corporation organized  
3 under this part for the purpose of operating a street railway  
4 system other than a railroad train for transporting individuals or  
5 property. Street railway includes a nonprofit corporation  
6 incorporated under the nonprofit corporation act, 1982 PA 162, MCL  
7 450.2101 to 450.3192, by a street railway organized under section  
8 511, or by 1 or more members of the board of directors of a street  
9 railway for the purpose of assisting the street railway in  
10 acquiring, owning, constructing, furnishing, equipping, completing,  
11 operating, improving, or maintaining a street railway system or for  
12 the purpose of financing a street railway system.

13 (h) "Street railway system" means the facilities, equipment,  
14 and personnel required to provide and maintain a public  
15 transportation system operated on rails at grade or above or below  
16 ground within a city, village, or township utilizing streetcars,  
17 trolleys, light rail vehicles, or trams for the transportation of  
18 individuals or property. Street railway system also includes  
19 necessary power feeds, signals, and stops or stations within a  
20 public right-of-way. Street railway system excludes facilities and  
21 improvements that are not required to maintain a public  
22 transportation system.

23 Sec. 509. (1) After January 12, 2009, 1 or more persons may  
24 organize a street railway under this part for the purpose of  
25 acquiring, owning, constructing, furnishing, equipping, completing,  
26 operating, improving, and maintaining a street railway system by  
27 signing in ink and filing articles of incorporation for the street

1 railway. The articles shall include all of the following:

2 (a) The name of the street railway, which shall include the  
3 words "rail", "railway", "street railway", "light rail", or "metro  
4 rail".

5 (b) The purpose for which the corporation is organized, which  
6 shall be limited to acquiring, owning, constructing, furnishing,  
7 equipping, completing, operating, improving, and maintaining a  
8 street railway system.

9 (c) The city, village, or township in which the street railway  
10 system will principally operate.

11 (2) Articles of incorporation shall be filed with the bureau  
12 of commercial services of the department of talent and economic  
13 development as provided under the nonprofit corporation act, 1982  
14 PA 162, MCL 450.2101 to 450.3192.

15 (3) The nonprofit corporation act, 1982 PA 162, MCL 450.2101  
16 to 450.3192, shall apply to a street railway organized under this  
17 section unless otherwise provided in or inconsistent with this  
18 part.

19 Sec. 511. (1) A nonprofit corporation may become a street  
20 railway under this part and acquire, own, construct, furnish,  
21 equip, complete, operate, improve, and maintain a street railway  
22 system in a city if on and after January 12, 2009 the articles of  
23 incorporation for the nonprofit corporation are amended to include  
24 all of the following provisions:

25 (a) A provision authorizing the name of the corporation, to  
26 include the words "rail", "railway", or "street railway", "light  
27 rail", or "metro rail".

1 (b) A provision detailing the purposes for which the  
2 corporation is organized, which shall be limited to purposes  
3 related to acquiring, owning, constructing, furnishing, equipping,  
4 completing, operating, improving, and maintaining a street railway  
5 system.

6 (c) A provision indicating the city in which the street  
7 railway system will principally operate.

8 (2) Amendments to the articles of incorporation of a nonprofit  
9 corporation under this section shall be adopted and filed with the  
10 bureau of commercial services of the department of talent and  
11 economic development as provided under the nonprofit corporation  
12 act, 1982 PA 162, MCL 450.2101 to 450.3192.

13 (3) The nonprofit corporation act, 1982 PA 162, MCL 450.2101  
14 to 450.3192, shall apply to a street railway organized under this  
15 section unless otherwise provided in or inconsistent with this  
16 part.

17 Sec. 513. (1) A street railway may acquire, own, construct,  
18 furnish, equip, complete, operate, improve, and maintain a street  
19 railway system in and upon the streets and highways of a road  
20 authority with the approval of the road authority, on terms and  
21 conditions imposed by the road authority. The approval shall be  
22 embodied in an operating license agreement between a street railway  
23 and each road authority with jurisdiction over public streets and  
24 highways upon which the street railway operates or seeks to operate  
25 a street railway system, including, but not limited to, a city,  
26 village, or township road authority located in the city, village,  
27 or township in which the street railway system operates or seeks to

1 operate. An operating license agreement shall include the terms and  
2 conditions for operation of the street railway system. An operating  
3 license agreement may require the street railway to pay the direct  
4 administrative costs incurred by the road authority in  
5 administering the operating license agreement. An operating license  
6 agreement shall not require a street railway to acquire, accept  
7 responsibility for, or obligate itself to assume liability for or  
8 pay for any legacy costs of a public transportation provider.  
9 Before approving a proposed operating license agreement, a road  
10 authority shall hold a public hearing on the proposed operating  
11 license agreement. The hearing shall be held in the city, village,  
12 or township in which the street railway seeks to operate a street  
13 railway system and shall be held in compliance with the open  
14 meetings act, 1976 PA 267, MCL 15.261 to 15.275. Notice of the  
15 public hearing shall be provided not less than 20 days before the  
16 date of the hearing. One or more road authorities may conduct a  
17 joint public hearing under this section. At a public hearing, a  
18 street railway and a road authority may present information  
19 regarding the proposed operating licensing agreement. When  
20 operating in and upon the streets and highways of a road authority,  
21 a street railway is subject to rules, regulations, or ordinances  
22 imposed by the road authority. A street railway shall not construct  
23 a street railway system in and upon the streets and highways of a  
24 road authority until the street railway accepts in writing any  
25 terms and conditions imposed by the road authority, the operating  
26 license agreement is approved under this section, and the agreement  
27 is filed with each road authority with jurisdiction over public

1 streets and highways upon which the street railway will operate. A  
2 road authority may approve or disapprove an operating license  
3 agreement. A decision of a road authority regarding an operating  
4 license agreement is final and binding upon a street railway and  
5 other interested persons. The street railway shall pay a road  
6 authority for all of the road authority's costs incurred in  
7 constructing the street railway system, mitigating the impact of  
8 the street railway system on road users, the environment, and the  
9 surrounding neighborhoods, and modifying the streets or highways  
10 impacted by construction of the street railway system, as provided  
11 in the operating license agreement. As a condition to obtaining or  
12 holding an operating license agreement, a road authority shall not  
13 require a street railway to obtain any other license or franchise,  
14 assess any other fee or charge, or impose any other licensing,  
15 regulatory, or franchise requirement, including a provision  
16 regulating schedules or fares of a street railway, unless expressly  
17 authorized under this part.

18 (2) A street railway may acquire, own, construct, furnish,  
19 equip, complete, operate, improve, and maintain a street railway  
20 system upon public or private rights of way, and obtain easements  
21 when necessary for a street railway to acquire and use private  
22 property for acquiring, owning, constructing, furnishing,  
23 equipping, completing, operating, improving, and maintaining a  
24 street railway system.

25 (3) After a road authority consents to the acquiring, owning,  
26 constructing, furnishing, equipping, completing, operating,  
27 improving, and maintaining of a street railway system on the

1 streets or highways of the road authority or grants a right or  
2 privilege to the street railway by entering into an operating  
3 license agreement with the street railway, the road authority may  
4 not revoke the consent or deprive the street railway of the rights  
5 and privileges conferred without affording the street railway  
6 procedural due process of law if and to the extent provided in the  
7 operating license agreement.

8 (4) A street railway may do 1 or more of the following:

9 (a) Acquire by gift, devise, transfer, exchange, purchase,  
10 lease, or otherwise on terms and conditions and in a manner the  
11 street railway considers proper property or rights or interests in  
12 property relating to the operation of the street railway or street  
13 railway system.

14 (b) Take, transport, or carry and convey individuals and  
15 property on a street railway system and receive just and fair  
16 compensation from users of the street railway system for that  
17 purpose.

18 (c) Erect and maintain all necessary and convenient buildings,  
19 structures, stations, depots, fixtures, and machinery for the  
20 accommodation and use of individuals and property transported by  
21 the street railway.

22 (d) Regulate the time and manner in which individuals and  
23 property are transported by the street railway and fares or other  
24 compensation are paid for that purpose. A street railway may charge  
25 just and fair compensation for the use of its street railway  
26 system.

27 (e) Borrow money and issue bonds and notes for any

1 indebtedness incurred and mortgage street railway property and  
2 rights to secure the payment of bonds, notes, money borrowed, and  
3 any and all debts and liabilities incurred by the street railway. A  
4 street railway shall not use tax increments to repay bonds and  
5 notes.

6 (f) Transfer a street railway system to a public entity  
7 operating a public transportation system, with the consent of the  
8 public entity, if the transfer is authorized by a law enacted after  
9 January 12, 2009.

10 (5) As used in this section, "public transportation provider"  
11 means that term as defined in section 2 of the regional transit  
12 authority act, 2012 PA 387, MCL 124.542.

13 Sec. 515. (1) Subject to applicable law and applicable  
14 regulations of this state, a city, a township, or a village, a  
15 street railway may generate, store, transmit, distribute, dispense,  
16 furnish, or use electricity and electric power for use or  
17 consumption by the street railway and the street railway system.

18 (2) For a street railway that constructs, expands, or modifies  
19 a street railway system outside of a qualified city, if the street  
20 railway requests a public utility to modify or relocate facilities  
21 of the public utility that lie within a public street or highway  
22 right of way, or if, in response to the construction, expansion, or  
23 modification of a street railway system a public utility determines  
24 that the public utility should modify or relocate the public  
25 utility's facilities, consistent with law, regulation, or sound  
26 utility practice and unless the street railway and the public  
27 utility agree otherwise, the street railway shall pay all costs of

1 the relocation and modification of the facilities to the public  
2 utility.

3 (3) A street railway that constructs, expands, or modifies a  
4 street railway system in a qualified city shall protect and keep in  
5 place the facilities of a public utility affected by the  
6 construction, expansion, or modification of the street railway  
7 system in a public highway, street, or right-of-way unless sound  
8 utility practice requires modification or relocation of the  
9 facilities. If sound utility practice requires modification or  
10 relocation of the facilities, the street railway shall pay the cost  
11 of the modification or relocation, unless 1 or both of the  
12 following apply:

13 (a) Modification or relocation of the public utility's  
14 facilities is required because the facilities are at an  
15 unauthorized location in the public highway, street, or right-of-  
16 way. If the facilities are located anywhere in a public highway,  
17 street, or right-of-way, there is a rebuttable presumption that the  
18 public utility's facilities are at an authorized location in the  
19 public highway, street, or right-of-way.

20 (b) The street railway and the public utility agree to an  
21 alternative cost allocation.

22 (4) Notwithstanding subsection (3), a qualified city and a  
23 street railway may agree that the street railway pay the cost of  
24 modifying or relocating a public utility's facilities in the  
25 qualified city if the modification or relocation is required by the  
26 modification or relocation of a street railway system by the street  
27 railway in a public highway, street, or right-of-way in the

1 qualified city.

2 (5) The property of a street railway and its income and  
3 operations are exempt from all taxation by this state or a  
4 political subdivision of this state.

5 (6) A public utility or a street railway may bring an action  
6 in circuit court to enforce the provisions of this section. This  
7 remedy is in addition to any other remedy that may exist at law.

8 (7) As used in this section:

9 (a) "Public utility" includes a provider of communications,  
10 data, cable television, electricity, heat, natural or manufactured  
11 gas, steam, sewage, video, water, or other similar services. Public  
12 utility also includes a telecommunications provider and a video  
13 service provider.

14 (b) "Qualified city" means a city that has incorporated an  
15 authority under the municipal lighting authority act, 2012 PA 392,  
16 MCL 123.1261 to 123.1295.

17 (c) "Telecommunications provider" means that term as defined  
18 in section 102 of the Michigan telecommunications act, 1991 PA 179,  
19 MCL 484.2102.

20 (d) "Video service provider" means that term as defined in  
21 section 1 of the uniform video services local franchise act, 2006  
22 PA 480, MCL 484.3301.

23 Sec. 517. (1) In constructing a street railway system, a  
24 street railway shall conform to grades established by a road  
25 authority for a public street or highway traversed by the street  
26 railway.

27 (2) A street railway shall not alter or change the grade or

1 line of any public street or highway, without the consent of the  
2 road authority with public jurisdiction over the public street or  
3 highway.

4 (3) A street railway shall lay and maintain the track of a  
5 street railway system in a manner and with the type of track to  
6 keep the track and the pavement of the public street or highway  
7 adjacent to the track in a state of condition and repair as  
8 prescribed by the road authority with jurisdiction over the public  
9 street or highway.

10 Sec. 519. A road authority may establish and prescribe rules  
11 and regulations applicable to a street railway operating in or upon  
12 a public street or highway under the jurisdiction of a road  
13 authority relating to 1 or more of the following subjects:

14 (a) Grading, paving, obstruction, or repairing of a street or  
15 highway.

16 (b) Construction, maintenance, or obstruction of public  
17 service facilities and infrastructure, including water, light,  
18 heat, power, sewage disposal, and transportation.

19 (c) Construction, maintenance, or obstruction of traffic  
20 control and parking control facilities and infrastructure.

21 Sec. 521. (1) If a person refuses to pay a fare owed to a  
22 street railway or refuses to obey regulations established by the  
23 street railway for the convenience and safety of passengers, the  
24 street railway may remove the person from the streetcar, tram, or  
25 trolley at a usual stopping place.

26 (2) A person who causes or attempts to cause the derailment of  
27 a streetcar, tram, or trolley of a street railway by the placing of

1 an impediment upon the track of a street railway, whether the  
2 streetcar, tram, or trolley is dislodged from the track or not, or  
3 who by any other means whatsoever willfully endangers or attempts  
4 to endanger the life of any person engaged in the work of the  
5 street railway, or any person traveling on the streetcar, tram, or  
6 trolley of the street railway, is guilty of a felony punishable by  
7 imprisonment for life or any number of years. Proof that the person  
8 intended to injure or endanger the life of any particular person is  
9 not required to prove a violation of this section.

10 (3) A person who throws a stone, brick, or other missile at a  
11 streetcar, tram, or trolley of a street railway is guilty of a  
12 misdemeanor punishable by a fine of not less than \$100.00 or more  
13 than \$500.00 or imprisonment for not less than 10 days or more than  
14 90 days, or both.

15 Sec. 523. (1) At the request of a street railway, and with the  
16 consent of the department, a city, village, or township in which a  
17 street railway system is located may establish a transit operations  
18 finance zone for a street railway system if the city, village, or  
19 township and the department determine that it is necessary for the  
20 best interests of the public to promote and finance transit  
21 operations in a zone. A parcel shall not be included in more than 1  
22 zone created under this section.

23 (2) The boundaries of a zone shall be established by the city,  
24 village, or township and may include parcels that are in whole or  
25 in part up to 1/4 mile in distance from the street railway system.  
26 Before establishing a zone, the city, village, or township shall  
27 consult with the street railway, the department, affected taxing

1 jurisdictions, and any other person or entity that the city,  
2 village, or township considers necessary. The city, village, or  
3 township may conduct a planning study and may designate a zone  
4 before implementation of street railway system service within the  
5 zone.

6 (3) If the city, village, or township and the department  
7 determine that it is necessary for the best interests of the public  
8 to promote and finance transit operations in a zone under  
9 subsection (1), the city, village, or township shall enter into an  
10 agreement with the street railway and the department for the  
11 creation of a zone. The agreement shall include, but not be limited  
12 to, all of the following:

13 (a) The geographic boundaries of the zone, including both of  
14 the following:

15 (i) The designation of boundaries of the zone in relation to  
16 highways, streets, streams, lakes, other bodies of water, or  
17 otherwise.

18 (ii) The location and extent of existing streets and other  
19 public facilities within the zone, designating the location,  
20 character, and extent of the categories of public and private land  
21 uses then existing in the zone, including residential,  
22 recreational, commercial, industrial, educational, and other uses,  
23 and including a legal description of the zone.

24 (b) A tax increment financing plan for the zone as provided  
25 under subsection (4).

26 (c) A description of specific actions to be taken by the  
27 parties under the agreement to help establish the zone.

1 (d) The requirement that amendments to the agreement must be  
2 approved by the city, village, or township, the department, and the  
3 street railway.

4 (e) Any other material that the city, village, or township,  
5 the department, or the street railway consider necessary or  
6 appropriate.

7 (4) A tax increment financing plan for a zone established  
8 under this section shall include a description of the tax increment  
9 financing procedure, the distribution of tax increment financing  
10 revenue to the street railway, and a statement of the estimated  
11 impact of tax increment financing on the assessed value of property  
12 in each taxing jurisdiction in the zone. The plan may exclude from  
13 captured assessed value growth in property value resulting solely  
14 from inflation and, if so, shall include the method for excluding  
15 that growth. The plan shall require that tax increment revenue  
16 received by a street railway under the plan be used only for the  
17 expenses of operating the street railway system. If the street  
18 railway subject to an agreement designating a zone under this  
19 section ceases to operate a street railway system in the city,  
20 village, or township that established the zone, the plan shall  
21 terminate and the zone shall be abolished. The plan shall restrict  
22 the revenue distributed to a street railway for any tax year to the  
23 lesser of 25% of any operating deficit of the street railway for  
24 the prior fiscal year or \$4,000,000.00. Before including a tax  
25 increment financing plan in an agreement, the city, village, or  
26 township shall provide taxing jurisdictions in the zone levying  
27 taxes subject to capture under the plan an opportunity to meet with

1 the city, village, or township. The city, village, or township  
2 shall fully inform the taxing jurisdictions of the fiscal and  
3 economic implications of the plan and the taxing jurisdictions may  
4 present recommendations to the city, village, or township on the  
5 tax increment financing plan.

6 (5) Before entering into an agreement for the creation of a  
7 zone under this section, the city, village, or township shall  
8 conduct a public hearing on the proposed agreement. Notice of the  
9 public hearing shall be published twice in a newspaper of general  
10 circulation in the city, village, or township, not less than 20 or  
11 more than 40 days before the date of the hearing. The notice shall  
12 state the date, time, and place of the hearing and shall describe  
13 the proposed boundaries of the zone. A citizen, taxpayer, or  
14 property owner of the city, village, or township, or an official  
15 from a taxing jurisdiction within the zone has the right to be  
16 heard on the agreement and the proposed boundaries of the zone. The  
17 agreement shall not include in the zone land not included in the  
18 description contained in the notice of public hearing, but the  
19 agreement may exclude described land from the zone in the final  
20 determination of the boundaries of the zone. A city, village, or  
21 township shall not execute an agreement for the creation of a zone  
22 under this section unless the city, village, or township finds that  
23 it is necessary for the best interests of the public to promote and  
24 finance transit operations in a zone.

25 (6) An agreement designating a zone and establishing its  
26 boundaries under this section and any amendments to the agreement  
27 shall be filed by the city, village, or township with the secretary

1 of state.

2 (7) The municipal and county treasurers shall transmit tax  
3 increment revenues to the treasurer for the city, village, or  
4 township in which the street railway system is located for  
5 distribution to the street railway according to the tax increment  
6 financing plan and the agreement. The street railway shall expend  
7 the tax increment revenues only under the terms of the tax  
8 increment financing plan and the agreement under this section.  
9 Unused funds shall revert proportionately to the respective taxing  
10 jurisdictions. Tax increment revenues shall not be used to  
11 circumvent existing property tax limitations. The city, village, or  
12 township and the department may abolish the zone if the city,  
13 village, or township and the department find that the purposes for  
14 which the zone was established are accomplished. Annually, the  
15 city, village, or township, with assistance from the street  
16 railway, shall submit to the department and the state tax  
17 commission a report on the status of the tax increment financing  
18 revenue. The report shall include all of the following:

19 (a) The amount and source of tax increment revenue received by  
20 the street railway.

21 (b) The amount and purpose of expenditures from tax increment  
22 revenue.

23 (c) The initial assessed value of the zone.

24 (d) The captured assessed value retained within the zone.

25 (e) A description of operating expenditures of the street  
26 railway.

27 (8) The state tax commission may institute proceedings to

1 compel enforcement of this section. The state tax commission may  
2 promulgate rules necessary for the administration of this section  
3 under the administrative procedures act of 1969, 1969 PA 306, MCL  
4 24.201 to 24.328.

5 (9) As used in this section:

6 (a) "Assessed value" means the taxable value as determined  
7 under section 27a of the general property tax act, 1893 PA 206, MCL  
8 211.27a.

9 (b) "Captured assessed value" means the amount in any 1 year  
10 by which the current assessed value of a zone, including the  
11 assessed value of property for which specific local taxes are paid  
12 in lieu of property taxes, exceeds the initial assessed value. The  
13 state tax commission shall prescribe the method for calculating  
14 captured assessed value.

15 (c) "Initial assessed value" means the assessed value of all  
16 the taxable property within the boundaries of a zone at the time  
17 the tax increment financing plan is approved, as shown by the most  
18 recent equalized assessment roll of the city, village, or township  
19 at the time an agreement is approved under this section. Property  
20 exempt from taxation at the time of the determination of the  
21 initial assessed value shall be included as zero. For the purpose  
22 of determining initial assessed value, property for which a  
23 specific local tax is paid in lieu of a property tax shall not be  
24 considered to be property that is exempt from taxation.

25 (d) "Parcel" means an identifiable unit of land that is  
26 treated as separate for valuation or zoning purposes.

27 (e) "Specific local tax" means a tax levied under 1974 PA 198,

1 1976 PA 430, MCL 207.551 to 207.572, the commercial redevelopment  
2 act, 1978 PA 255, MCL 207.651 to 207.668, the technology park  
3 development act, 1984 PA 385, MCL 207.701 to 207.718, the  
4 commercial rehabilitation act, 2005 PA 210, MCL 207.841 to 207.856,  
5 the neighborhood enterprise zone act, 1992 PA 147, MCL 207.771 to  
6 207.786, the obsolete property rehabilitation act, 2000 PA 146, MCL  
7 125.2781 to 125.2797, or 1953 PA 189, MCL 211.181 to 211.182. The  
8 initial assessed value or current assessed value of property  
9 subject to a specific local tax shall be the quotient of the  
10 specific local tax paid divided by the ad valorem millage rate. The  
11 state tax commission shall prescribe the method for calculating the  
12 initial assessed value and current assessed value of property for  
13 which a specific local tax was paid in lieu of a property tax.

14 (f) "Tax increment revenues" means the amount of ad valorem  
15 property taxes and specific local taxes attributable to the  
16 application of the levy of all taxing jurisdictions upon the  
17 captured assessed value of real and personal property in the zone.  
18 Tax increment revenues do not include any of the following:

19 (i) Taxes under the state education tax act, 1993 PA 331, MCL  
20 211.901 to 211.906.

21 (ii) Taxes levied by local or intermediate school districts.

22 (iii) Taxes levied by a library established by 1901 LA 359.

23 (iv) Ad valorem property taxes attributable either to a  
24 portion of the captured assessed value shared with taxing  
25 jurisdictions within the jurisdictional area of the authority or to  
26 a portion of value of property that may be excluded from captured  
27 assessed value or specific local taxes attributable to the ad

1 valorem property taxes.

2 (v) Ad valorem property taxes excluded by the tax increment  
3 financing plan of the authority from the determination of the  
4 amount of tax increment revenues to be transmitted to the authority  
5 or specific local taxes attributable to the ad valorem property  
6 taxes.

7 (vi) Ad valorem property taxes exempted from capture under  
8 this section or specific local taxes attributable to the ad valorem  
9 property taxes.

10 (vii) Ad valorem property taxes specifically levied for the  
11 payment of principal and interest of obligations approved by the  
12 electors or obligations pledging the unlimited taxing power of the  
13 local governmental unit or specific taxes attributable to those ad  
14 valorem property taxes.

15 (viii) Ad valorem taxes captured on property in a zone by any  
16 of the following authorities if the taxes were captured on the date  
17 that the property became subject to a tax increment financing plan  
18 under this section by any of the following authorities:

19 (A) A downtown development authority created under 1975 PA  
20 197, MCL 125.1651 to 125.1681.

21 (B) A water resource improvement tax increment finance  
22 authority created under the water resource improvement tax  
23 increment finance authority act, 2008 PA 94, MCL 125.1771 to  
24 125.1794.

25 (C) A tax increment finance authority under the tax increment  
26 finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830.

27 (D) A local development finance authority created under the

1 local development finance authority act, 1986 PA 281, MCL 125.2151  
2 to 125.2174.

3 (E) A brownfield redevelopment finance authority created under  
4 the brownfield redevelopment financing act, 1996 PA 381, MCL  
5 125.2651 to 125.2672.

6 (F) A historical neighborhood tax increment finance authority  
7 created under the historical neighborhood tax increment finance  
8 authority act, 2004 PA 530, MCL 125.2841 to 125.2866.

9 (G) A corridor improvement authority created under the  
10 corridor improvement authority act, 2005 PA 280, MCL 125.2871 to  
11 125.2899.

12 (H) A neighborhood improvement authority created under the  
13 neighborhood improvement authority act, 2007 PA 61, MCL 125.2911 to  
14 125.2932.

15 (ix) Ad valorem property taxes levied under 1 or more of the  
16 following or specific local taxes attributable to those ad valorem  
17 property taxes:

18 (A) The zoological authorities act, 2008 PA 49, MCL 123.1161  
19 to 123.1183.

20 (B) The art institute authorities act, 2010 PA 296, MCL  
21 123.1201 to 123.1229.

22 (g) "Zone" means a transit operations finance zone established  
23 under this section.

24 Sec. 527. (1) Within 30 days of January 12, 2009, the  
25 secretary of state or any other agency having records of a street  
26 railway formed under this part prior to January 12, 2009 shall  
27 certify and transfer the records to the bureau of commercial

1 services of the department of talent and economic development.

2 (2) Any entity formed on or after January 12, 2009 for the  
3 purpose of acquiring, owning, constructing, furnishing, equipping,  
4 completing, operating, improving, and maintaining a street railway  
5 or street railway system shall be organized under this part.

6 (3) A street railway is not subject to the railroad code of  
7 1993, 1993 PA 354, MCL 462.101 to 462.451.

8 PART 6

9 Sec. 601. This part shall be known and may be cited as the  
10 "corridor improvement authority part".

11 Sec. 602. As used in this part:

12 (a) "Advance" means a transfer of funds made by a municipality  
13 to an authority or to another person on behalf of the authority in  
14 anticipation of repayment by the authority. Evidence of the intent  
15 to repay an advance may include, but is not limited to, an executed  
16 agreement to repay, provisions contained in a tax increment  
17 financing plan approved prior to the advance, or a resolution of  
18 the authority or the municipality.

19 (b) "Assessed value" means the taxable value as determined  
20 under section 27a of the general property tax act, 1893 PA 206, MCL  
21 211.27a.

22 (c) "Authority" means a corridor improvement authority created  
23 under section 604(1) or a joint authority created under section  
24 604(2).

25 (d) "Board" means the governing body of an authority.

26 (e) "Business district" means an area of a municipality zoned  
27 and used principally for business.

1 (f) "Captured assessed value" means the amount in any 1 year  
2 by which the current assessed value of the development area,  
3 including the assessed value of property for which specific local  
4 taxes are paid in lieu of property taxes as determined in section  
5 603(e), exceeds the initial assessed value. The state tax  
6 commission shall prescribe the method for calculating captured  
7 assessed value.

8 (g) "Chief executive officer" means the mayor of a city, the  
9 president of a village, or the supervisor of a township.

10 (h) "Development area" means that area described in section  
11 605 to which a development plan is applicable.

12 (i) "Development plan" means that information and those  
13 requirements for a development area set forth in section 621.

14 (j) "Development program" means the implementation of the  
15 development plan.

16 (k) "Fiscal year" means the fiscal year of the authority.

17 (l) "Governing body" or "governing body of a municipality"  
18 means the elected body of a municipality having legislative powers  
19 or, for a joint authority created under section 604(2), the elected  
20 body of each municipality having legislative powers that is a  
21 member of the joint authority.

22 (m) "Initial assessed value" means the assessed value, as  
23 equalized, of all the taxable property within the boundaries of the  
24 development area at the time the resolution establishing or  
25 amending the tax increment financing plan is approved, as shown by  
26 the most recent assessment roll of the municipality for which  
27 equalization has been completed at the time the resolution is

1 adopted. The initial assessed value may be modified once during the  
2 term of the tax increment financing plan through an amendment as  
3 provided in section 618(4) after the tax increment financing plan  
4 fails to generate captured assessed value for 3 consecutive years  
5 due to declines in assessed value. Property exempt from taxation at  
6 the time of the determination of the initial or amended assessed  
7 value shall be included as zero. For the purpose of determining  
8 initial or amended assessed value, property for which a specific  
9 local tax is paid in lieu of a property tax shall not be considered  
10 to be property that is exempt from taxation. The initial assessed  
11 value of property for which a specific local tax was paid in lieu  
12 of a property tax shall be determined as provided in section  
13 603(e).

14 (n) "Land use plan" means a plan prepared under former 1921 PA  
15 207, former 1943 PA 184, or a site plan under the Michigan zoning  
16 enabling act, 2006 PA 110, MCL 125.3101 to 125.3702.

17 (o) "Municipality" means 1 of the following:

18 (i) A city.

19 (ii) A village.

20 (iii) A township.

21 (iv) A combination of 2 or more cities, villages, or townships  
22 acting jointly under a joint authority created under section  
23 604(2).

24 Sec. 603. As used in this part:

25 (a) "Operations" means office maintenance, including salaries  
26 and expenses of employees, office supplies, consultation fees,  
27 design costs, and other expenses incurred in the daily management

1 of the authority and planning of its activities.

2 (b) "Parcel" means an identifiable unit of land that is  
3 treated as separate for valuation or zoning purposes.

4 (c) "Public facility" means a street, plaza, pedestrian mall,  
5 and any improvements to a street, plaza, or pedestrian mall  
6 including street furniture and beautification, sidewalk, trail,  
7 lighting, traffic flow modification, park, parking facility,  
8 recreational facility, right-of-way, structure, waterway, bridge,  
9 lake, pond, canal, utility line or pipe, transit-oriented  
10 development, transit-oriented facility, or building, including  
11 access routes, that are either designed and dedicated to use by the  
12 public generally or used by a public agency, or that are located in  
13 a qualified development area and are for the benefit of or for the  
14 protection of the health, welfare, or safety of the public  
15 generally, whether or not used by 1 or more business entities,  
16 provided that any road, street, or bridge shall be continuously  
17 open to public access and that other property shall be located in  
18 public easements or rights-of-way and designed to accommodate  
19 foreseeable development of public facilities in adjoining areas.  
20 Public facility includes an improvement to a facility used by the  
21 public or a public facility as those terms are defined in section 1  
22 of 1966 PA 1, MCL 125.1351, if the improvement complies with the  
23 barrier-free design requirements of the state construction code  
24 promulgated under the Stille-DeRossett-Hale single state  
25 construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.

26 (d) "Qualified development area" means a development area that  
27 meets 1 of the following:

1 (i) All of the following:

2 (A) Is located within a city with a population of 700,000 or  
3 more.

4 (B) Contains at least 30 contiguous acres.

5 (C) Was owned by this state on December 31, 2003 and was  
6 conveyed to a private owner before June 30, 2004.

7 (D) Is zoned to allow for mixed use that includes commercial  
8 use and that may include residential use.

9 (E) Otherwise complies with the requirements of section  
10 605(a), (d), (e), and (g).

11 (F) Construction within the qualified development area begins  
12 on or before the date 2 years after the effective date of the  
13 amendatory act that added this subdivision.

14 (G) Is located in a distressed area.

15 (ii) Contains transit-oriented development or a transit-  
16 oriented facility.

17 (e) "Specific local tax" means a tax levied under 1974 PA 198,  
18 MCL 207.551 to 207.572, the commercial redevelopment act, 1978 PA  
19 255, MCL 207.651 to 207.668, the technology park development act,  
20 1984 PA 385, MCL 207.701 to 207.718, section 5 of the state  
21 essential services assessment act, 2014 PA 92, MCL 211.1055,  
22 section 5 of the alternative state essential services assessment  
23 act, 2014 PA 93, MCL 211.1075, or 1953 PA 189, MCL 211.181 to  
24 211.182. The initial assessed value or current assessed value of  
25 property subject to a specific local tax shall be the quotient of  
26 the specific local tax paid divided by the ad valorem millage rate.  
27 The state tax commission shall prescribe the method for calculating

1 the initial assessed value and current assessed value of property  
2 for which a specific local tax was paid in lieu of a property tax.

3 (f) "State fiscal year" means the annual period commencing  
4 October 1 of each year.

5 (g) "Tax increment revenues" means the amount of ad valorem  
6 property taxes and specific local taxes attributable to the  
7 application of the levy of all taxing jurisdictions upon the  
8 captured assessed value of real and personal property in the  
9 development area. Except as otherwise provided in section 29, tax  
10 increment revenues do not include any of the following:

11 (i) Taxes under the state education tax act, 1993 PA 331, MCL  
12 211.901 to 211.906.

13 (ii) Taxes levied by local or intermediate school districts.

14 (iii) Ad valorem property taxes attributable either to a  
15 portion of the captured assessed value shared with taxing  
16 jurisdictions within the jurisdictional area of the authority or to  
17 a portion of value of property that may be excluded from captured  
18 assessed value or specific local taxes attributable to the ad  
19 valorem property taxes.

20 (iv) Ad valorem property taxes excluded by the tax increment  
21 financing plan of the authority from the determination of the  
22 amount of tax increment revenues to be transmitted to the authority  
23 or specific local taxes attributable to the ad valorem property  
24 taxes.

25 (v) Ad valorem property taxes exempted from capture under  
26 section 618(5) or specific local taxes attributable to the ad  
27 valorem property taxes.

1           (vi) Ad valorem property taxes specifically levied for the  
2 payment of principal and interest of obligations approved by the  
3 electors or obligations pledging the unlimited taxing power of the  
4 local governmental unit or specific taxes attributable to those ad  
5 valorem property taxes.

6           (vii) Ad valorem property taxes levied under 1 or more of the  
7 following or specific local taxes attributable to those ad valorem  
8 property taxes:

9           (A) The zoological authorities act, 2008 PA 49, MCL 123.1161  
10 to 123.1183.

11           (B) The art institute authorities act, 2010 PA 296, MCL  
12 123.1201 to 123.1229.

13           (h) "Transit-oriented development" means infrastructural  
14 improvements that are located within 1/2 mile of a transit station  
15 or transit-oriented facility that promotes transit ridership or  
16 passenger rail use as determined by the board and approved by the  
17 municipality in which it is located.

18           (i) "Transit-oriented facility" means a facility that houses a  
19 transit station in a manner that promotes transit ridership or  
20 passenger rail use.

21           (j) "Distressed area" means a local governmental unit that  
22 meets all of the following:

23           (i) Has a population of 700,000 or more.

24           (ii) Shows a negative population change from 1970 to the date  
25 of the most recent federal decennial census.

26           (iii) Shows an overall increase in the state equalized value  
27 of real and personal property of less than the statewide average

1 increase since 1972.

2 (iv) Has a poverty rate, as defined by the most recent federal  
3 decennial census, greater than the statewide average.

4 (v) Has had an unemployment rate higher than the statewide  
5 average.

6 Sec. 604. (1) Except as otherwise provided in this subsection,  
7 a municipality may establish multiple authorities. A parcel of  
8 property shall not be included in more than 1 authority created  
9 under this part.

10 (2) A city, village, or township located in a county with a  
11 population of more than 335,000 and less than 415,000 and that has  
12 not less than 2 state public universities within its boundaries may  
13 by resolution join with 1 or more cities, villages, or townships  
14 located in a county with a population of more than 335,000 and less  
15 than 415,000 and that has not less than 2 state public universities  
16 within its boundaries to create a joint authority under this act.

17 (3) An authority is a public body corporate which may sue and  
18 be sued in any court of this state. An authority possesses all the  
19 powers necessary to carry out its purpose. The enumeration of a  
20 power in this part shall not be construed as a limitation upon the  
21 general powers of an authority.

22 Sec. 605. A development area shall only be established in a  
23 municipality and, except for a development area located in a  
24 qualified development area, shall comply with all of the following  
25 criteria:

26 (a) Is adjacent to or is within 500 feet of a road classified  
27 as an arterial or collector according to the Federal Highway

1 Administration manual "Highway Functional Classification -  
2 Concepts, Criteria and Procedures".

3 (b) Contains at least 10 contiguous parcels or at least 5  
4 contiguous acres.

5 (c) More than 1/2 of the existing ground floor square footage  
6 in the development area is classified as commercial real property  
7 under section 34c of the general property tax act, 1893 PA 206, MCL  
8 211.34c.

9 (d) Residential use, commercial use, or industrial use has  
10 been allowed and conducted under the zoning ordinance or conducted  
11 in the entire development area, for the immediately preceding 30  
12 years.

13 (e) Is presently served by municipal water or sewer.

14 (f) Is zoned to allow for mixed use that includes high-density  
15 residential use.

16 (g) The municipality agrees to all of the following:

17 (i) To expedite the local permitting and inspection process in  
18 the development area.

19 (ii) To modify its master plan to provide for walkable  
20 nonmotorized interconnections, including sidewalks and streetscapes  
21 throughout the development area.

22 Sec. 606. (1) If the governing body of a municipality  
23 determines that it is necessary for the best interests of the  
24 public to redevelop its commercial corridors and to promote  
25 economic growth, the governing body may, by resolution, do 1 of the  
26 following:

27 (a) Declare its intention to create and provide for the

1 operation of an authority.

2 (b) Declare its intention to jointly create and provide for  
3 the operation of a joint authority created under section 604(2).

4 (2) In the resolution of intent, the governing body shall  
5 state that the proposed development area meets the criteria in  
6 section 605, set a date for a public hearing on the adoption of a  
7 proposed resolution creating the authority, and designate the  
8 boundaries of the development area. Notice of the public hearing  
9 shall be published twice in a newspaper of general circulation in  
10 the municipality, not less than 20 or more than 40 days before the  
11 date of the hearing. Not less than 20 days before the hearing, the  
12 governing body proposing to create the authority shall also mail  
13 notice of the hearing to the property taxpayers of record in the  
14 proposed development area, to the governing body of each taxing  
15 jurisdiction levying taxes that would be subject to capture if the  
16 authority is established and a tax increment financing plan is  
17 approved, and to the state tax commission. Failure of a property  
18 taxpayer to receive the notice does not invalidate these  
19 proceedings. Notice of the hearing shall be posted in at least 20  
20 conspicuous and public places in the proposed development area not  
21 less than 20 days before the hearing. The notice shall state the  
22 date, time, and place of the hearing and shall describe the  
23 boundaries of the proposed development area. A citizen, taxpayer,  
24 or property owner of the municipality or an official from a taxing  
25 jurisdiction with millage that would be subject to capture has the  
26 right to be heard in regard to the establishment of the authority  
27 and the boundaries of the proposed development area. The governing

1 body of the municipality shall not incorporate land into the  
2 development area not included in the description contained in the  
3 notice of public hearing, but it may eliminate described lands from  
4 the development area in the final determination of the boundaries.

5 (3) Not less than 60 days after the public hearing, if the  
6 governing body of the municipality intends to proceed with the  
7 establishment of the authority it shall adopt, by majority vote of  
8 its members, a resolution establishing the authority and  
9 designating the boundaries of the development area within which the  
10 authority shall exercise its powers. The adoption of the resolution  
11 is subject to any applicable statutory or charter provisions in  
12 respect to the approval or disapproval by the chief executive or  
13 other officer of the municipality and the adoption of a resolution  
14 over his or her veto. This resolution shall be filed with the  
15 secretary of state promptly after its adoption and shall be  
16 published at least once in a newspaper of general circulation in  
17 the municipality.

18 (4) The governing body of the municipality may alter or amend  
19 the boundaries of the development area to include or exclude lands  
20 from the development area in the same manner as adopting the  
21 resolution creating the authority.

22 (5) A municipality that has created an authority may enter  
23 into an agreement with an adjoining municipality that has created  
24 an authority to jointly operate and administer those authorities  
25 under an interlocal agreement under the urban cooperation act of  
26 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512. The interlocal  
27 agreement shall include, but is not limited to, a plan to

1 coordinate and expedite local inspections and permit approvals, a  
2 plan to address contradictory zoning requirements, and a date  
3 certain to implement all provisions of these plans. If a  
4 municipality enters into an interlocal agreement under this  
5 subsection, the municipality shall provide a copy of that  
6 interlocal agreement to the state tax commission within 60 days of  
7 entering into the interlocal agreement.

8       Sec. 607. If a development area is part of an area annexed to  
9 or consolidated with another municipality, the authority managing  
10 that development area shall become an authority of the annexing or  
11 consolidated municipality. Obligations of that authority incurred  
12 under a development or tax increment plan, agreements related to a  
13 development or tax increment plan, and bonds issued under this part  
14 shall remain in effect following the annexation or consolidation.

15       Sec. 608. (1) Except as provided in subsection (7) or as  
16 otherwise provided in subsection (8), an authority shall be under  
17 the supervision and control of a board consisting of the chief  
18 executive officer of the municipality or his or her assignee and  
19 not less than 5 or more than 9 members as determined by the  
20 governing body of the municipality. Members shall be appointed by  
21 the chief executive officer of the municipality, subject to  
22 approval by the governing body of the municipality. Not less than a  
23 majority of the members shall be persons having an ownership or  
24 business interest in property located in the development area. At  
25 least 1 of the members shall be a resident of the development area  
26 or of an area within 1/2 mile of any part of the development area.  
27 Of the members first appointed, an equal number of the members, as

1 near as is practicable, shall be appointed for 1 year, 2 years, 3  
2 years, and 4 years. A member shall hold office until the member's  
3 successor is appointed. After the initial appointment, each member  
4 shall serve for a term of 4 years. An appointment to fill a vacancy  
5 shall be made by the chief executive officer of the municipality  
6 for the unexpired term only. Members of the board shall serve  
7 without compensation, but shall be reimbursed for actual and  
8 necessary expenses. The chairperson of the board shall be elected  
9 by the board.

10 (2) Before assuming the duties of office, a member shall  
11 qualify by taking and subscribing to the constitutional oath of  
12 office.

13 (3) The proceedings and rules of the board are subject to the  
14 open meetings act, 1976 PA 267, MCL 15.261 to 15.275. The board  
15 shall adopt rules governing its procedure and the holding of  
16 regular meetings, subject to the approval of the governing body.  
17 Special meetings may be held if called in the manner provided in  
18 the rules of the board.

19 (4) After having been given notice and an opportunity to be  
20 heard, a member of the board may be removed for cause by the  
21 governing body.

22 (5) All expense items of the authority shall be publicized  
23 monthly and the financial records shall always be open to the  
24 public.

25 (6) A writing prepared, owned, used, in the possession of, or  
26 retained by the board in the performance of an official function is  
27 subject to the freedom of information act, 1976 PA 442, MCL 15.231

1 to 15.246.

2 (7) If the boundaries of the development area are the same as  
3 those of a business improvement district established under 1961 PA  
4 120, MCL 125.981 to 125.990m, the governing body of the  
5 municipality may provide that the members of the board of the  
6 authority shall be the members of the board of the business  
7 improvement district and 1 person shall be a resident of the  
8 development area or of an area within 1/2 mile of any part of the  
9 development area.

10 (8) If 2 or more cities, villages, or townships create a joint  
11 authority under section 604(2), the board shall consist of up to 3  
12 individuals appointed by the chief executive officer of each city,  
13 village, or township that is a member of the joint authority. Each  
14 of those individuals shall be appointed for initial staggered terms  
15 of 2 years, 3 years, or 4 years. A member shall hold office until  
16 the member's successor is appointed. After the initial appointment,  
17 each member shall serve for a term of 4 years. An appointment to  
18 fill a vacancy shall be made by the chief executive officer of the  
19 city, village, or township for the unexpired term only. Members of  
20 the board shall serve without compensation, but shall be reimbursed  
21 for actual and necessary expenses. The chairperson of the board  
22 shall be elected by the board.

23 Sec. 609. (1) The board may employ and fix the compensation of  
24 a director, subject to the approval of the governing body of the  
25 municipality. The director shall serve at the pleasure of the  
26 board. A member of the board is not eligible to hold the position  
27 of director. Before beginning his or her duties, the director shall

1 take and subscribe to the constitutional oath, and furnish bond, by  
2 posting a bond in the sum determined in the resolution establishing  
3 the authority payable to the authority for use and benefit of the  
4 authority, approved by the board, and filed with the municipal  
5 clerk. The premium on the bond shall be considered an operating  
6 expense of the authority, payable from funds available to the  
7 authority for expenses of operation. The director shall be the  
8 chief executive officer of the authority. Subject to the approval  
9 of the board, the director shall supervise and be responsible for  
10 the preparation of plans and the performance of the functions of  
11 the authority in the manner authorized by this part. The director  
12 shall attend the meetings of the board and shall provide to the  
13 board and to the governing body of the municipality a regular  
14 report covering the activities and financial condition of the  
15 authority. If the director is absent or disabled, the board may  
16 designate a qualified person as acting director to perform the  
17 duties of the office. Before beginning his or her duties, the  
18 acting director shall take and subscribe to the oath, and furnish  
19 bond, as required of the director. The director shall furnish the  
20 board with information or reports governing the operation of the  
21 authority as the board requires.

22 (2) The board may employ and fix the compensation of a  
23 treasurer, who shall keep the financial records of the authority  
24 and who, together with the director, shall approve all vouchers for  
25 the expenditure of funds of the authority. The treasurer shall  
26 perform all duties delegated to him or her by the board and shall  
27 furnish bond in an amount prescribed by the board.

1           (3) The board may employ and fix the compensation of a  
2 secretary, who shall maintain custody of the official seal and of  
3 records, books, documents, or other papers not required to be  
4 maintained by the treasurer. The secretary shall attend meetings of  
5 the board and keep a record of its proceedings and shall perform  
6 other duties delegated by the board.

7           (4) The board may retain legal counsel to advise the board in  
8 the proper performance of its duties. The legal counsel shall  
9 represent the authority in actions brought by or against the  
10 authority.

11           (5) The board may employ other personnel considered necessary  
12 by the board.

13           Sec. 610. The employees of an authority shall be eligible to  
14 participate in municipal retirement and insurance programs of the  
15 municipality as if they were civil service employees except that  
16 the employees of an authority are not civil service employees.

17           Sec. 611. (1) The board may do any of the following:

18           (a) Prepare an analysis of economic changes taking place in  
19 the development area.

20           (b) Study and analyze the impact of metropolitan growth upon  
21 the development area.

22           (c) Plan and propose the construction, renovation, repair,  
23 remodeling, rehabilitation, restoration, preservation, or  
24 reconstruction of a public facility, an existing building, or a  
25 multiple-family dwelling unit which may be necessary or appropriate  
26 to the execution of a plan which, in the opinion of the board, aids  
27 in the economic growth of the development area.

1 (d) Plan, propose, and implement an improvement to a public  
2 facility within the development area to comply with the barrier  
3 free design requirements of the state construction code promulgated  
4 under the Stille-DeRossett-Hale single state construction code act,  
5 1972 PA 230, MCL 125.1501 to 125.1531.

6 (e) Develop long-range plans, in cooperation with the agency  
7 that is chiefly responsible for planning in the municipality,  
8 designed to halt the deterioration of property values in the  
9 development area and to promote the economic growth of the  
10 development area, and take steps as may be necessary to persuade  
11 property owners to implement the plans to the fullest extent  
12 possible.

13 (f) Implement any plan of development in the development area  
14 necessary to achieve the purposes of this part in accordance with  
15 the powers of the authority granted by this part.

16 (g) Make and enter into contracts necessary or incidental to  
17 the exercise of its powers and the performance of its duties.

18 (h) On terms and conditions and in a manner and for  
19 consideration the authority considers proper or for no  
20 consideration, acquire by purchase or otherwise, or own, convey, or  
21 otherwise dispose of, or lease as lessor or lessee, land and other  
22 property, real or personal, or rights or interests in the property,  
23 that the authority determines is reasonably necessary to achieve  
24 the purposes of this part, and to grant or acquire licenses,  
25 easements, and options.

26 (i) Improve land and construct, reconstruct, rehabilitate,  
27 restore and preserve, equip, improve, maintain, repair, and operate

1 any building, including multiple-family dwellings, and any  
2 necessary or desirable appurtenances to those buildings, within the  
3 development area for the use, in whole or in part, of any public or  
4 private person or corporation, or a combination thereof.

5 (j) Fix, charge, and collect fees, rents, and charges for the  
6 use of any facility, building, or property under its control or any  
7 part of the facility, building, or property, and pledge the fees,  
8 rents, and charges for the payment of revenue bonds issued by the  
9 authority.

10 (k) Lease, in whole or in part, any facility, building, or  
11 property under its control.

12 (l) Accept grants and donations of property, labor, or other  
13 things of value from a public or private source.

14 (m) Acquire and construct public facilities.

15 (n) Conduct market research and public relations campaigns,  
16 develop, coordinate, and conduct retail and institutional  
17 promotions, and sponsor special events and related activities.

18 (o) Contract for broadband service and wireless technology  
19 service in a development area.

20 (2) Notwithstanding any other provision of this part, in a  
21 qualified development area the board may, in addition to the powers  
22 enumerated in subsection (1), do 1 or more of the following:

23 (a) Perform any necessary or desirable site improvements to  
24 the land, including, but not limited to, installation of temporary  
25 or permanent utilities, temporary or permanent roads and driveways,  
26 silt fences, perimeter construction fences, curbs and gutters,  
27 sidewalks, pavement markings, water systems, gas distribution

1 lines, concrete, including, but not limited to, building pads,  
2 storm drainage systems, sanitary sewer systems, parking lot paving  
3 and light fixtures, electrical service, communications systems,  
4 including broadband and high-speed Internet, site signage, and  
5 excavation, backfill, grading of site, landscaping and irrigation,  
6 within the development area for the use, in whole or in part, of  
7 any public or private person or business entity, or a combination  
8 of these.

9 (b) Incur expenses and expend funds to pay or reimburse a  
10 public or private person for costs associated with any of the  
11 improvements described in subdivision (a).

12 (c) Make and enter into financing arrangements with a public  
13 or private person for the purposes of implementing the board's  
14 powers described in this section, including, but not limited to,  
15 lease purchase agreements, land contracts, installment sales  
16 agreements, sale leaseback agreements, and loan agreements.

17 Sec. 612. The authority is an instrumentality of a political  
18 subdivision for purposes of 1972 PA 227, MCL 213.321 to 213.332.

19 Sec. 613. A municipality may acquire private property under  
20 1911 PA 149, MCL 213.21 to 213.25, for the purpose of transfer to  
21 the authority, and may transfer the property to the authority for  
22 use in an approved development, on terms and conditions it  
23 considers appropriate, and the taking, transfer, and use shall be  
24 considered necessary for public purposes and for the benefit of the  
25 public.

26 Sec. 614. (1) The activities of the authority shall be  
27 financed from 1 or more of the following sources:

1 (a) Donations to the authority for the performance of its  
2 functions.

3 (b) Money borrowed and to be repaid as authorized by sections  
4 616 and 617.

5 (c) Revenues from any property, building, or facility owned,  
6 leased, licensed, or operated by the authority or under its  
7 control, subject to the limitations imposed upon the authority by  
8 trusts or other agreements.

9 (d) Proceeds of a tax increment financing plan established  
10 under sections 618 to 620.

11 (e) Proceeds from a special assessment district created as  
12 provided by law.

13 (f) Money obtained from other sources approved by the  
14 governing body of the municipality or otherwise authorized by law  
15 for use by the authority or the municipality to finance a  
16 development program.

17 (2) Money received by the authority and not covered under  
18 subsection (1) shall immediately be deposited to the credit of the  
19 authority, subject to disbursement under this part. Except as  
20 provided in this part, the municipality shall not obligate itself,  
21 and shall not be obligated, to pay any sums from public funds,  
22 other than money received by the municipality under this section,  
23 for or on account of the activities of the authority.

24 Sec. 615. (1) An authority with the approval of the governing  
25 body may levy a special assessment as provided by law.

26 (2) The municipality may at the request of the authority  
27 borrow money and issue its notes under the revised municipal

1 finance act, 2001 PA 34, MCL 141.2101 to 141.2821, in anticipation  
2 of collection of the ad valorem tax authorized in this section.

3       Sec. 616. The authority may, with approval of the local  
4 governing body, borrow money and issue its negotiable revenue bonds  
5 under the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to  
6 141.140. Revenue bonds issued by the authority are not a debt of  
7 the municipality unless the municipality by majority vote of the  
8 members of its governing body pledges its full faith and credit to  
9 support the authority's revenue bonds. Revenue bonds issued by the  
10 authority are never a debt of the state.

11       Sec. 617. (1) The authority may with approval of the local  
12 governing body borrow money and issue its revenue bonds or notes to  
13 finance all or part of the costs of acquiring or constructing or  
14 causing to be constructed property in connection with either of the  
15 following:

16       (a) The implementation of a development plan in the  
17 development area.

18       (b) The refund, or refund in advance, of bonds or notes issued  
19 under this section.

20       (2) Any of the following may be financed by the issuance of  
21 revenue bonds or notes:

22       (a) The cost of purchasing, acquiring, constructing,  
23 improving, enlarging, extending, or repairing property in  
24 connection with the implementation of a development plan in the  
25 development area, and, for the implementation of the development  
26 plan in a qualified development area, the cost of reimbursing a  
27 public or private person for any of those costs.

1 (b) Any engineering, architectural, legal, accounting, or  
2 financial expenses.

3 (c) The costs necessary or incidental to the borrowing of  
4 money.

5 (d) Interest on the bonds or notes during the period of  
6 construction.

7 (e) A reserve for payment of principal and interest on the  
8 bonds or notes.

9 (f) A reserve for operation and maintenance until sufficient  
10 revenues have developed.

11 (3) The authority may secure the bonds and notes by mortgage,  
12 assignment, or pledge of the property and any money, revenues, or  
13 income received in connection with the property.

14 (4) A pledge made by the authority is valid and binding from  
15 the time the pledge is made. The money or property pledged by the  
16 authority immediately is subject to the lien of the pledge without  
17 a physical delivery, filing, or further act. The lien of a pledge  
18 is valid and binding against parties having claims of any kind in  
19 tort, contract, or otherwise, against the authority, whether or not  
20 the parties have notice of the lien. Neither the resolution, the  
21 trust agreement, nor any other instrument by which a pledge is  
22 created must be filed or recorded to be enforceable.

23 (5) Bonds or notes issued under this section are exempt from  
24 all taxation in this state except inheritance and transfer taxes,  
25 and the interest on the bonds or notes is exempt from all taxation  
26 in this state, notwithstanding that the interest may be subject to  
27 federal income tax.

1           (6) The municipality is not liable on bonds or notes of the  
2 authority issued under this section, and the bonds or notes are not  
3 a debt of the municipality. The bonds or notes shall contain on  
4 their face a statement to that effect.

5           (7) The bonds and notes of the authority may be invested in by  
6 all public officers, state agencies and political subdivisions,  
7 insurance companies, banks, savings and loan associations,  
8 investment companies, and fiduciaries and trustees, and may be  
9 deposited with and received by all public officers and the agencies  
10 and political subdivisions of this state for any purpose for which  
11 the deposit of bonds is authorized.

12           Sec. 618. (1) If the authority determines that it is necessary  
13 for the achievement of the purposes of this part, the authority  
14 shall prepare and submit a tax increment financing plan to the  
15 governing body of the municipality. The plan shall include a  
16 development plan as provided in section 621, a detailed explanation  
17 of the tax increment procedure, the maximum amount of bonded  
18 indebtedness to be incurred, and the duration of the program, and  
19 shall be in compliance with section 619. The plan shall contain a  
20 statement of the estimated impact of tax increment financing on the  
21 assessed values of all taxing jurisdictions in which the  
22 development area is located. The plan may provide for the use of  
23 part or all of the captured assessed value, but the portion  
24 intended to be used by the authority shall be clearly stated in the  
25 tax increment financing plan. The authority or municipality may  
26 exclude from captured assessed value growth in property value  
27 resulting solely from inflation. The plan shall set forth the

1 method for excluding growth in property value resulting solely from  
2 inflation.

3 (2) Approval of the tax increment financing plan shall comply  
4 with the notice, hearing, and disclosure provisions of section 622.  
5 If the development plan is part of the tax increment financing  
6 plan, only 1 hearing and approval procedure is required for the 2  
7 plans together.

8 (3) Before the public hearing on the tax increment financing  
9 plan, the governing body shall provide a reasonable opportunity to  
10 the taxing jurisdictions levying taxes subject to capture to meet  
11 with the governing body. The authority shall fully inform the  
12 taxing jurisdictions of the fiscal and economic implications of the  
13 proposed development area. The taxing jurisdictions may present  
14 their recommendations at the public hearing on the tax increment  
15 financing plan. The authority may enter into agreements with the  
16 taxing jurisdictions and the governing body of the municipality in  
17 which the development area is located to share a portion of the  
18 captured assessed value of the development area.

19 (4) A tax increment financing plan may be modified if the  
20 modification is approved by the governing body upon notice and  
21 after public hearings and agreements as are required for approval  
22 of the original plan.

23 (5) Except for a development area located in a qualified  
24 development area, not more than 60 days after the public hearing on  
25 the tax increment financing plan, the governing body in a taxing  
26 jurisdiction levying ad valorem property taxes that would otherwise  
27 be subject to capture may exempt its taxes from capture by adopting

1 a resolution to that effect and filing a copy with the clerk of the  
2 municipality proposing to create the authority. The resolution  
3 shall take effect when filed with the clerk and remains effective  
4 until a copy of a resolution rescinding that resolution is filed  
5 with that clerk.

6 Sec. 619. (1) The municipal and county treasurers shall  
7 transmit tax increment revenues to the authority.

8 (2) The authority shall expend the tax increment revenues  
9 received for the development program only under the terms of the  
10 tax increment financing plan. Unused funds shall revert  
11 proportionately to the respective taxing bodies. Tax increment  
12 revenues shall not be used to circumvent existing property tax  
13 limitations. The governing body of the municipality may abolish the  
14 tax increment financing plan if it finds that the purposes for  
15 which it was established are accomplished. However, the tax  
16 increment financing plan shall not be abolished, allowed to expire,  
17 or otherwise terminate until the principal of, and interest on,  
18 bonds issued under section 620 have been paid or funds sufficient  
19 to make the payment have been segregated.

20 Sec. 620. (1) The municipality may by resolution of its  
21 governing body authorize, issue, and sell limited general  
22 obligation bonds subject to the limitations set forth in this  
23 subsection to finance the development program of the tax increment  
24 financing plan and shall pledge its full faith and credit for the  
25 payment of the bonds. The municipality may pledge as additional  
26 security for the bonds any money received by the authority or the  
27 municipality under section 614. The bonds are subject to the

1 revised municipal finance act, 2001 PA 34, MCL 141.2101 to  
2 141.2821. Before the municipality may authorize the borrowing, the  
3 authority shall submit an estimate of the anticipated tax increment  
4 revenues and other revenue available under section 614 to be  
5 available for payment of principal and interest on the bonds, to  
6 the governing body of the municipality. This estimate shall be  
7 approved by the governing body of the municipality by resolution  
8 adopted by majority vote of the members of the governing body in  
9 the resolution authorizing the bonds. If the governing body of the  
10 municipality adopts the resolution authorizing the bonds, the  
11 estimate of the anticipated tax increment revenues and other  
12 revenue available under section 614 to be available for payment of  
13 principal and interest on the bonds shall be conclusive for  
14 purposes of this section. The bonds issued under this subsection  
15 shall be considered a single series for the purposes of the revised  
16 municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

17 (2) By resolution of its governing body, the authority may  
18 authorize, issue, and sell tax increment bonds subject to the  
19 limitations set forth in this subsection to finance the development  
20 program of the tax increment financing plan. The tax increment  
21 bonds issued by the authority under this subsection shall pledge  
22 solely the tax increment revenues of a development area in which  
23 the project is located or a development area from which tax  
24 increment revenues may be used for this project, or both. In  
25 addition or in the alternative, the bonds issued by the authority  
26 under this subsection may be secured by any other revenues  
27 identified in section 614 as sources of financing for activities of

1 the authority that the authority shall specifically pledge in the  
2 resolution. However, the full faith and credit of the municipality  
3 shall not be pledged to secure bonds issued under this subsection.  
4 The bond issue may include a sum sufficient to pay interest on the  
5 tax increment bonds until full development of tax increment  
6 revenues from the project and also a sum to provide a reasonable  
7 reserve for payment of principal and interest on the bonds. The  
8 resolution authorizing the bonds shall create a lien on the tax  
9 increment revenues and other revenues pledged by the resolution  
10 that shall be a statutory lien and shall be a first lien subject  
11 only to liens previously created. The resolution may provide the  
12 terms upon which additional bonds may be issued of equal standing  
13 and parity of lien as to the tax increment revenues and other  
14 revenues pledged under the resolution. Bonds issued under this  
15 subsection that pledge revenue received under section 615 for  
16 repayment of the bonds are subject to the revised municipal finance  
17 act, 2001 PA 34, MCL 141.2101 to 141.2821.

18       Sec. 621. (1) If a board decides to finance a project in a  
19 development area by the use of revenue bonds as authorized in  
20 section 616 or tax increment financing as authorized in sections  
21 618, 619, and 620, it shall prepare a development plan.

22       (2) The development plan shall contain all of the following:

23       (a) The designation of boundaries of the development area in  
24 relation to highways, streets, streams, or otherwise.

25       (b) The location and extent of existing streets and other  
26 public facilities within the development area, designating the  
27 location, character, and extent of the categories of public and

1 private land uses then existing and proposed for the development  
2 area, including residential, recreational, commercial, industrial,  
3 educational, and other uses, and including a legal description of  
4 the development area.

5 (c) A description of existing improvements in the development  
6 area to be demolished, repaired, or altered, a description of any  
7 repairs and alterations, and an estimate of the time required for  
8 completion.

9 (d) The location, extent, character, and estimated cost of the  
10 improvements including rehabilitation contemplated for the  
11 development area and an estimate of the time required for  
12 completion.

13 (e) A statement of the construction or stages of construction  
14 planned, and the estimated time of completion of each stage.

15 (f) A description of any parts of the development area to be  
16 left as open space and the use contemplated for the space.

17 (g) A description of any portions of the development area that  
18 the authority desires to sell, donate, exchange, or lease to or  
19 from the municipality and the proposed terms.

20 (h) A description of desired zoning changes and changes in  
21 streets, street levels, intersections, traffic flow modifications,  
22 or utilities.

23 (i) An estimate of the cost of the development, a statement of  
24 the proposed method of financing the development, and the ability  
25 of the authority to arrange the financing.

26 (j) Designation of the person or persons, natural or  
27 corporate, to whom all or a portion of the development is to be

1 leased, sold, or conveyed in any manner and for whose benefit the  
2 project is being undertaken if that information is available to the  
3 authority.

4 (k) The procedures for bidding for the leasing, purchasing, or  
5 conveying in any manner of all or a portion of the development upon  
6 its completion, if there is no express or implied agreement between  
7 the authority and persons, natural or corporate, that all or a  
8 portion of the development will be leased, sold, or conveyed in any  
9 manner to those persons.

10 (l) Estimates of the number of persons residing in the  
11 development area and the number of families and individuals to be  
12 displaced. If occupied residences are designated for acquisition  
13 and clearance by the authority, a development plan shall include a  
14 survey of the families and individuals to be displaced, including  
15 their income and racial composition, a statistical description of  
16 the housing supply in the community, including the number of  
17 private and public units in existence or under construction, the  
18 condition of those units in existence, the number of owner-occupied  
19 and renter-occupied units, the annual rate of turnover of the  
20 various types of housing and the range of rents and sale prices, an  
21 estimate of the total demand for housing in the community, and the  
22 estimated capacity of private and public housing available to  
23 displaced families and individuals.

24 (m) A plan for establishing priority for the relocation of  
25 persons displaced by the development in any new housing in the  
26 development area.

27 (n) Provision for the costs of relocating persons displaced by

1 the development and financial assistance and reimbursement of  
2 expenses, including litigation expenses and expenses incident to  
3 the transfer of title, in accordance with the standards and  
4 provisions of the uniform relocation assistance and real property  
5 acquisition policies act of 1970, Public Law 91-646, 84 Stat 1894.

6 (o) A plan for compliance with 1972 PA 227, MCL 213.321 to  
7 213.332.

8 (p) The requirement that amendments to an approved development  
9 plan or tax increment plan must be submitted by the authority to  
10 the governing body for approval or rejection.

11 (q) A schedule to periodically evaluate the effectiveness of  
12 the development plan.

13 (r) Other material that the authority, local public agency, or  
14 governing body considers pertinent.

15 Sec. 622. (1) The governing body, before adoption of a  
16 resolution approving a development plan or tax increment financing  
17 plan, shall hold a public hearing on the development plan. Notice  
18 of the time and place of the hearing shall be given by publication  
19 twice in a newspaper of general circulation designated by the  
20 municipality, the first of which shall be not less than 20 days  
21 before the date set for the hearing. Notice of the hearing shall be  
22 posted in at least 20 conspicuous and public places in the  
23 development area not less than 20 days before the hearing. Notice  
24 shall also be mailed to all property taxpayers of record in the  
25 development area and to the governing body of each taxing  
26 jurisdiction levying taxes that would be subject to capture if the  
27 tax increment financing plan is approved not less than 20 days

1 before the hearing. The notice of hearing within the time frame  
2 described in this subsection shall be mailed by certified mail to  
3 the governing body of each taxing jurisdiction levying taxes that  
4 would be subject to capture if the tax increment financing plan is  
5 approved.

6 (2) Notice of the time and place of hearing on a development  
7 plan shall contain all of the following:

8 (a) A description of the proposed development area in relation  
9 to highways, streets, streams, or otherwise.

10 (b) A statement that maps, plats, and a description of the  
11 development plan, including the method of relocating families and  
12 individuals who may be displaced from the area, are available for  
13 public inspection at a place designated in the notice.

14 (c) A statement that all aspects of the development plan will  
15 be open for discussion at the public hearing.

16 (d) Other information that the governing body considers  
17 appropriate.

18 (3) At the time set for the hearing, the governing body shall  
19 provide an opportunity for interested persons to speak and shall  
20 receive and consider communications in writing. The hearing shall  
21 provide the fullest opportunity for expression of opinion, for  
22 argument on the merits, and for consideration of documentary  
23 evidence pertinent to the development plan. The governing body  
24 shall make and preserve a record of the public hearing, including  
25 all data presented at the hearing.

26 Sec. 623. The governing body after a public hearing on the  
27 development plan or the tax increment financing plan, or both, with

1 notice given under section 622, shall determine whether the  
2 development plan or tax increment financing plan constitutes a  
3 public purpose. If it determines that the development plan or tax  
4 increment financing plan constitutes a public purpose, it shall by  
5 resolution approve or reject the plan, or approve it with  
6 modification, based on the following considerations:

7 (a) The plan meets the requirements under section 620(2).

8 (b) The proposed method of financing the development is  
9 feasible and the authority has the ability to arrange the  
10 financing.

11 (c) The development is reasonable and necessary to carry out  
12 the purposes of this part.

13 (d) The land included within the development area to be  
14 acquired is reasonably necessary to carry out the purposes of the  
15 plan and of this part in an efficient and economically satisfactory  
16 manner.

17 (e) The development plan is in reasonable accord with the land  
18 use plan of the municipality.

19 (f) Public services, such as fire and police protection and  
20 utilities, are or will be adequate to service the project area.

21 (g) Changes in zoning, streets, street levels, intersections,  
22 and utilities are reasonably necessary for the project and for the  
23 municipality.

24 Sec. 624. A person to be relocated under this part shall be  
25 given not less than 90 days' written notice to vacate unless  
26 modified by court order issued for good cause and after a hearing.

27 Sec. 625. (1) The director of the authority shall submit a

1 budget to the board for the operation of the authority for each  
2 fiscal year before the beginning of the fiscal year. The budget  
3 shall be prepared in the manner and contain the information  
4 required of municipal departments. After review by the board, the  
5 budget shall be submitted to the governing body. The governing body  
6 must approve the budget before the board may adopt the budget.  
7 Unless authorized by the governing body or this part, funds of the  
8 municipality shall not be included in the budget of the authority.

9 (2) The governing body of the municipality may assess a  
10 reasonable pro rata share of the funds for the cost of handling and  
11 auditing the funds against the funds of the authority, other than  
12 those committed, which shall be paid annually by the board pursuant  
13 to an appropriate item in its budget.

14 Sec. 626. (1) A public facility, building, or structure that  
15 is determined by the municipality to have significant historical  
16 interests shall be preserved in a manner considered necessary by  
17 the municipality in accordance with laws relative to the  
18 preservation of historical sites.

19 (2) An authority shall refer all proposed changes to the  
20 exterior of sites listed on the state register of historic sites  
21 and the national register of historic places to the applicable  
22 historic district commission created under the local historic  
23 districts act, 1970 PA 169, MCL 399.201 to 399.215, or the Michigan  
24 state housing development authority for review.

25 Sec. 627. An authority that has completed the purposes for  
26 which it was organized shall be dissolved by resolution of the  
27 governing body. The property and assets of the authority remaining



1 to repay an advance may include, but is not limited to, an executed  
2 agreement to repay, provisions contained in a tax increment  
3 financing plan approved prior to the advance, or a resolution of  
4 the authority or the municipality.

5 (b) "Assessed value" means the taxable value as determined  
6 under section 27a of the general property tax act, 1893 PA 206, MCL  
7 211.27a.

8 (c) "Authority" means a water resource improvement tax  
9 increment finance authority created under this part.

10 (d) "Board" means the governing body of an authority.

11 (e) "Captured assessed value" means the amount in any 1 year  
12 by which the current assessed value of the development area,  
13 including the assessed value of property for which specific local  
14 taxes are paid in lieu of property taxes as determined in section  
15 803(d), exceeds the initial assessed value. The state tax  
16 commission shall prescribe the method for calculating captured  
17 assessed value.

18 (f) "Chief executive officer" means the mayor or city manager  
19 of a city, the president or village manager of a village, or the  
20 supervisor of a township.

21 (g) "Development area" means that area described in section  
22 805 to which a development plan is applicable.

23 (h) "Development plan" means that information and those  
24 requirements for a development area set forth in section 822.

25 (i) "Development program" means the implementation of the  
26 development plan.

27 (j) "Fiscal year" means the fiscal year of the authority.

1 (k) "Governing body" or "governing body of a municipality"  
2 means the elected body of a municipality having legislative powers.

3 (l) "Initial assessed value" means the assessed value of all  
4 the taxable property within the boundaries of the development area  
5 at the time the ordinance establishing the tax increment financing  
6 plan is approved, as shown by the most recent assessment roll of  
7 the municipality at the time the resolution is adopted. Property  
8 exempt from taxation at the time of the determination of the  
9 initial assessed value shall be included as zero. For the purpose  
10 of determining initial assessed value, property for which a  
11 specific local tax is paid in lieu of a property tax shall not be  
12 considered to be property that is exempt from taxation. The initial  
13 assessed value of property for which a specific local tax was paid  
14 in lieu of a property tax shall be determined as provided in  
15 section 803(d).

16 (m) "Inland lake" means a natural or artificial lake, pond, or  
17 impoundment. Inland lake does not include the Great Lakes, Lake St.  
18 Clair, or a lake or pond that has a surface area of less than 5  
19 acres.

20 (n) "Land use plan" means a plan prepared under former 1921 PA  
21 207, or a site plan under the Michigan zoning enabling act, 2006 PA  
22 110, MCL 125.3101 to 125.3702.

23 (o) "Municipality" means a city, village, or township.  
24 Sec. 703. As used in this part:

25 (a) "Operations" means office maintenance, including salaries  
26 and expenses of employees, office supplies, consultation fees,  
27 design costs, and other expenses incurred in the daily management

1 of the authority and planning of its activities.

2 (b) "Parcel" means an identifiable unit of land that is  
3 treated as separate for valuation or zoning purposes.

4 (c) "Public facility" means a street, and any improvements to  
5 a street, including street furniture and beautification, park,  
6 parking facility, recreational facility, right-of-way, structure,  
7 waterway, bridge, lake, pond, canal, utility line or pipe, or  
8 building, including access routes designed and dedicated to use by  
9 the public generally, or used by a public agency, that is related  
10 to access to inland lakes or a water resource improvement, or means  
11 a water resource improvement. Public facility includes an  
12 improvement to a facility used by the public or a public facility  
13 as those terms are defined in section 1 of 1966 PA 1, MCL 125.1351,  
14 if the improvement complies with the barrier free design  
15 requirements of the state construction code promulgated under the  
16 Stille-DeRossett-Hale single state construction code act, 1972 PA  
17 230, MCL 125.1501 to 125.1531.

18 (d) "Specific local tax" means a tax levied under 1974 PA 198,  
19 MCL 207.551 to 207.572, the commercial redevelopment act, 1978 PA  
20 255, MCL 207.651 to 207.668, the technology park development act,  
21 1984 PA 385, MCL 207.701 to 207.718, section 5 of the state  
22 essential services assessment act, 2014 PA 92, MCL 211.1055,  
23 section 5 of the alternative state essential services assessment  
24 act, 2014 PA 93, MCL 211.1075, or 1953 PA 189, MCL 211.181 to  
25 211.182. The initial assessed value or current assessed value of  
26 property subject to a specific local tax shall be the quotient of  
27 the specific local tax paid divided by the ad valorem millage rate.

1 The state tax commission shall prescribe the method for calculating  
2 the initial assessed value and current assessed value of property  
3 for which a specific local tax was paid in lieu of a property tax.

4 (e) "State fiscal year" means the annual period commencing  
5 October 1 of each year.

6 (f) "Tax increment revenues" means the amount of ad valorem  
7 property taxes and specific local taxes attributable to the  
8 application of the levy of all taxing jurisdictions upon the  
9 captured assessed value of real and personal property in the  
10 development area. Tax increment revenues do not include any of the  
11 following:

12 (i) Taxes under the state education tax act, 1993 PA 331, MCL  
13 211.901 to 211.906.

14 (ii) Taxes levied by local or intermediate school districts.

15 (iii) Ad valorem property taxes attributable either to a  
16 portion of the captured assessed value shared with taxing  
17 jurisdictions within the jurisdictional area of the authority or to  
18 a portion of value of property that may be excluded from captured  
19 assessed value or specific local taxes attributable to the ad  
20 valorem property taxes.

21 (iv) Ad valorem property taxes excluded by the tax increment  
22 financing plan of the authority from the determination of the  
23 amount of tax increment revenues to be transmitted to the authority  
24 or specific local taxes attributable to the ad valorem property  
25 taxes.

26 (v) Ad valorem property taxes exempted from capture under  
27 section 815(5) or specific local taxes attributable to the ad

1 valorem property taxes.

2 (vi) Ad valorem property taxes specifically levied for the  
3 payment of principal and interest of obligations approved by the  
4 electors or obligations pledging the unlimited taxing power of the  
5 local governmental unit or specific taxes attributable to those ad  
6 valorem property taxes.

7 (g) "Water resource improvement" means enhancement of water  
8 quality and water dependent natural resources, including, but not  
9 limited to, the following:

10 (i) The elimination of the causes and the proliferation of  
11 aquatic nuisance species, as defined in section 3101 of the natural  
12 resources and environmental protection act, 1994 PA 451, MCL  
13 324.3101.

14 (ii) Sewer systems that service existing structures that have  
15 failing on-site disposal systems.

16 (iii) Storm water systems that service existing  
17 infrastructure.

18 (iv) Dredging, removal of spoils, or other improvements or  
19 maintenance activities that enhance navigability of a waterway.

20 (h) "Water resource improvement district" or "district" means  
21 1 or more of the following:

22 (i) An inland body of water and land that is up to 1 mile from  
23 the shoreline of an inland lake that contains 1 or more public  
24 access points.

25 (ii) An inland body of water and parcels of land that are  
26 contiguous to the shoreline of an inland lake that does not contain  
27 a public access point.

1 (iii) The shoreline of a harbor on a Great Lake and 1 or more  
2 of the following:

3 (A) Land up to 1 mile from the shoreline of the harbor.

4 (B) A tributary to that Great Lake harbor up to 5 miles  
5 upstream from the shoreline of the Great Lake harbor.

6 (C) Land up to 1 mile from each bank of the tributary  
7 described in sub-subparagraph (B).

8 Sec. 704. (1) Except as otherwise provided in this subsection,  
9 a municipality may establish multiple authorities. A parcel of  
10 property shall not be included in more than 1 authority created  
11 under this part.

12 (2) An authority is a public body corporate that may sue and  
13 be sued in any court of this state. An authority possesses all the  
14 powers necessary to carry out its purpose. The enumeration of a  
15 power in this part shall not be construed as a limitation upon the  
16 general powers of an authority.

17 Sec. 705. (1) If the governing body of a municipality  
18 determines that it is necessary for the best interests of the  
19 public to promote water resource improvement or access to inland  
20 lakes, or both, in a water resource improvement district, the  
21 governing body may, by resolution, declare its intention to create  
22 and provide for the operation of an authority within the boundaries  
23 of a water resource improvement district.

24 (2) In the resolution of intent, the governing body shall set  
25 a date for a public hearing on the adoption of a proposed ordinance  
26 creating the authority and designating the boundaries of the  
27 development area. Notice of the public hearing shall be published

1 twice in a newspaper of general circulation in the municipality,  
2 not less than 20 or more than 40 days before the date of the  
3 hearing. Not less than 20 days before the hearing, the governing  
4 body proposing to create the authority shall also mail notice of  
5 the hearing to the property taxpayers of record in the proposed  
6 development area and to the governing body of each taxing  
7 jurisdiction levying taxes that would be subject to capture if the  
8 authority is established and a tax increment financing plan is  
9 approved. Failure of a property taxpayer to receive the notice does  
10 not invalidate these proceedings. Notice of the hearing shall be  
11 posted in at least 20 conspicuous and public places in the proposed  
12 development area not less than 20 days before the hearing. The  
13 notice shall state the date, time, and place of the hearing and  
14 shall describe the boundaries of the proposed development area. A  
15 citizen, taxpayer, or property owner of the municipality or an  
16 official from a taxing jurisdiction with millage that would be  
17 subject to capture has the right to be heard in regard to the  
18 establishment of the authority and the boundaries of the proposed  
19 development area. The governing body of the municipality shall not  
20 incorporate land into the development area not included in the  
21 description contained in the notice of public hearing, but it may  
22 eliminate described lands from the development area in the final  
23 determination of the boundaries.

24 (3) Not less than 60 days after the public hearing, if the  
25 governing body of the municipality intends to proceed with the  
26 establishment of the authority it shall adopt, by majority vote of  
27 its members, an ordinance establishing the authority and

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

10 (4) The governing body of the municipality may alter or amend  
11 the boundaries of the development area to include or exclude lands  
12 from the development area in the same manner as adopting the  
13 ordinance creating the authority.

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

19 Sec. 706. If a development area is part of an area annexed to  
20 or consolidated with another municipality, the authority managing  
21 that development area shall become an authority of the annexing or  
22 consolidated municipality. Obligations of that authority incurred  
23 under a development or tax increment plan, agreements related to a  
24 development or tax increment plan, and bonds issued under this part  
25 shall remain in effect following the annexation or consolidation.

26 Sec. 707. (1) An authority shall be under the supervision and  
27 control of a board consisting of the chief executive officer of the

1 municipality or his or her designee and not less than 5 or more  
2 than 9 members as determined by the governing body of the  
3 municipality. Members shall be appointed by the chief executive  
4 officer of the municipality, subject to approval by the governing  
5 body of the municipality. Not less than a majority of the members  
6 shall be persons having an ownership or business interest in  
7 property located in the development area. At least 1 of the members  
8 shall be a resident of the development area or of an area within  
9 1/2 mile of any part of the development area. Of the members first  
10 appointed, an equal number of the members, as near as is  
11 practicable, shall be appointed for 1 year, 2 years, 3 years, and 4  
12 years. A member shall hold office until the member's successor is  
13 appointed. After the initial appointment, each member shall serve  
14 for a term of 4 years. An appointment to fill a vacancy shall be  
15 made by the chief executive officer of the municipality for the  
16 unexpired term only. Members of the board shall serve without  
17 compensation, but shall be reimbursed for actual and necessary  
18 expenses. The chairperson of the board shall be elected by the  
19 board.

20 (2) Before assuming the duties of office, a member shall  
21 qualify by taking and subscribing to the constitutional oath of  
22 office.

23 (3) The proceedings and rules of the board are subject to the  
24 open meetings act, 1976 PA 267, MCL 15.261 to 15.275. The board  
25 shall adopt rules governing its procedure and the holding of  
26 regular meetings, subject to the approval of the governing body.  
27 Special meetings may be held if called in the manner provided in

1 the rules of the board.

2 (4) After having been given notice and an opportunity to be  
3 heard, a member of the board may be removed for cause by the  
4 governing body.

5 (5) All expense items of the authority shall be publicized  
6 monthly and the financial records shall always be open to the  
7 public.

8 (6) A writing prepared, owned, used, in the possession of, or  
9 retained by the board in the performance of an official function is  
10 subject to the freedom of information act, 1976 PA 442, MCL 15.231  
11 to 15.246.

12 Sec. 708. (1) The board may employ and fix the compensation of  
13 a director, subject to the approval of the governing body of the  
14 municipality. The director shall serve at the pleasure of the  
15 board. A member of the board is not eligible to hold the position  
16 of director. Before beginning his or her duties, the director shall  
17 take and subscribe to the constitutional oath, and furnish bond, by  
18 posting a bond in the sum determined in the ordinance establishing  
19 the authority payable to the authority for use and benefit of the  
20 authority, approved by the board, and filed with the municipal  
21 clerk. The premium on the bond shall be considered an operating  
22 expense of the authority, payable from funds available to the  
23 authority for expenses of operation. The director shall be the  
24 chief executive officer of the authority. Subject to the approval  
25 of the board, the director shall supervise and be responsible for  
26 the preparation of plans and the performance of the functions of  
27 the authority in the manner authorized by this part. The director

1 shall attend the meetings of the board and shall provide to the  
2 board and to the governing body of the municipality a regular  
3 report covering the activities and financial condition of the  
4 authority. If the director is absent or disabled, the board may  
5 designate a qualified person as acting director to perform the  
6 duties of the office. Before beginning his or her duties, the  
7 acting director shall take and subscribe to the oath, and furnish  
8 bond, as required of the director. The director shall furnish the  
9 board with information or reports governing the operation of the  
10 authority as the board requires.

11 (2) The board may employ and fix the compensation of a  
12 treasurer, who shall keep the financial records of the authority  
13 and who, together with the director, shall approve all vouchers for  
14 the expenditure of funds of the authority. The treasurer shall  
15 perform all duties delegated to him or her by the board and shall  
16 furnish bond in an amount prescribed by the board.

17 (3) The board may employ and fix the compensation of a  
18 secretary, who shall maintain custody of the official seal and of  
19 records, books, documents, or other papers not required to be  
20 maintained by the treasurer. The secretary shall attend meetings of  
21 the board and keep a record of its proceedings and shall perform  
22 other duties delegated by the board.

23 (4) The board may retain legal counsel to advise the board in  
24 the proper performance of its duties. The legal counsel shall  
25 represent the authority in actions brought by or against the  
26 authority.

27 (5) The board may employ other personnel considered necessary

1 by the board.

2       Sec. 709. The employees of an authority shall be eligible to  
3 participate in municipal retirement and insurance programs of the  
4 municipality as if they were civil service employees except that  
5 the employees of an authority are not civil service employees.

6       Sec. 710. (1) The board may do any of the following:

7       (a) Prepare an analysis of water resource improvement and  
8 access to inland lakes issues taking place in the development area.

9       (b) Study and analyze the need for water resource improvements  
10 and access to inland lakes upon the development area.

11       (c) Plan and propose the construction, renovation, repair,  
12 remodeling, rehabilitation, restoration, preservation, or  
13 reconstruction of a public facility that may be necessary or  
14 appropriate to the execution of a plan that, in the opinion of the  
15 board, aids in water resource improvement or access to inland lakes  
16 in the development area. The board is encouraged to develop a plan  
17 that conserves the natural features, reduces impervious surfaces,  
18 and uses landscaping and natural features to reflect the  
19 predevelopment site.

20       (d) Plan, propose, and implement an improvement to a public  
21 facility within the development area to comply with the barrier  
22 free design requirements of the state construction code promulgated  
23 under the Stille-DeRossett-Hale single state construction code act,  
24 1972 PA 230, MCL 125.1501 to 125.1531.

25       (e) Develop long-range plans for water resource improvement  
26 and access to inland lakes within the district.

27       (f) Implement any plan of development for water resource

1 improvement and access to inland lakes in the development area  
2 necessary to achieve the purposes of this part in accordance with  
3 the powers of the authority granted by this part.

4 (g) Make and enter into contracts necessary or incidental to  
5 the exercise of its powers and the performance of its duties.

6 (h) Acquire by purchase or otherwise, on terms and conditions  
7 and in a manner the authority considers proper or own, convey, or  
8 otherwise dispose of, or lease as lessor or lessee, land and other  
9 property, real or personal, or rights or interests in the property,  
10 that the authority determines is reasonably necessary to achieve  
11 the purposes of this part, and to grant or acquire licenses,  
12 easements, and options.

13 (i) Improve land and construct, reconstruct, rehabilitate,  
14 restore and preserve, equip, clear, improve, maintain, and repair  
15 any public facility, building, and any necessary or desirable  
16 appurtenances to those buildings and operate a water resource  
17 improvement, as determined by the authority to be reasonably  
18 necessary to achieve the purposes of this part, within the  
19 development area for the use, in whole or in part, of any public or  
20 private person or corporation, or a combination thereof.

21 (j) Fix, charge, and collect fees, rents, and charges for the  
22 use of any facility, building, or property under its control or any  
23 part of the facility, building, or property, and pledge the fees,  
24 rents, and charges for the payment of revenue bonds issued by the  
25 authority.

26 (k) Lease, in whole or in part, any facility, building, or  
27 property under its control.

1           (l) Accept grants and donations of property, labor, or other  
2 things of value from a public or private source.

3           (m) Acquire and construct public facilities.

4           (n) Plan and implement water resource improvements in harbors  
5 of the Great Lakes and their tributaries, including, but not  
6 limited to, dredging, removal of spoils, and other improvements or  
7 maintenance activities that enhance navigability of a waterway.

8           (2) The board shall prepare a water resource management plan  
9 in consultation with the department of environmental quality, the  
10 department of natural resources, or any other entity with expertise  
11 in water quality management and invasive species management.

12           (3) The board may apply for the necessary state and federal  
13 permits required for a public facility or a water resource  
14 improvement under this part.

15           Sec. 711. The authority is an instrumentality of a political  
16 subdivision for purposes of 1972 PA 227, MCL 213.321 to 213.332.

17           Sec. 712. (1) The activities of the authority shall be  
18 financed from 1 or more of the following sources:

19           (a) Donations to the authority for the performance of its  
20 functions.

21           (b) Money borrowed and to be repaid as authorized by sections  
22 713 and 714.

23           (c) Revenues from any property, building, or facility owned,  
24 leased, licensed, or operated by the authority or under its  
25 control, subject to the limitations imposed upon the authority by  
26 trusts or other agreements.

27           (d) Proceeds of a tax increment financing plan established

1 under sections 715 to 717.

2 (e) Proceeds from a special assessment district created as  
3 provided by law.

4 (f) Money obtained from other sources approved by the  
5 governing body of the municipality or otherwise authorized by law  
6 for use by the authority or the municipality to finance a  
7 development program.

8 (2) Money received by the authority and not covered under  
9 subsection (1) shall immediately be deposited to the credit of the  
10 authority, subject to disbursement under this part. Except as  
11 provided in this part, the municipality shall not obligate itself,  
12 and shall not be obligated, to pay any sums from public funds,  
13 other than money received by the municipality under this section,  
14 for or on account of the activities of the authority.

15 Sec. 713. The authority may borrow money and issue its  
16 negotiable revenue bonds under the revenue bond act of 1933, 1933  
17 PA 94, MCL 141.101 to 141.140.

18 Sec. 714. (1) The authority may with approval of the local  
19 governing body borrow money and issue its revenue bonds or notes to  
20 finance all or part of the costs of water resource improvements in  
21 connection with either of the following:

22 (a) The implementation of a development plan in the  
23 development area.

24 (b) The refund, or refund in advance, of bonds or notes issued  
25 under this section.

26 (2) Any of the following may be financed by the issuance of  
27 revenue bonds or notes:

1           (a) The cost of purchasing, acquiring, constructing,  
2 improving, enlarging, extending, or repairing property in  
3 connection with the implementation of a development plan in the  
4 development area.

5           (b) Any engineering, architectural, legal, accounting, or  
6 financial expenses.

7           (c) The costs necessary or incidental to the borrowing of  
8 money.

9           (d) Interest on the bonds or notes during the period of  
10 construction.

11           (e) A reserve for payment of principal and interest on the  
12 bonds or notes.

13           (f) A reserve for operation and maintenance until sufficient  
14 revenues have developed.

15           (3) The authority may secure the bonds and notes by mortgage,  
16 assignment, or pledge of the property and any money, revenues, or  
17 income received in connection with the property.

18           (4) A pledge made by the authority is valid and binding from  
19 the time the pledge is made. The money or property pledged by the  
20 authority immediately is subject to the lien of the pledge without  
21 a physical delivery, filing, or further act. The lien of a pledge  
22 is valid and binding against parties having claims of any kind in  
23 tort, contract, or otherwise, against the authority, whether or not  
24 the parties have notice of the lien. Neither the resolution, the  
25 trust agreement, nor any other instrument by which a pledge is  
26 created must be filed or recorded to be enforceable.

27           (5) Bonds or notes issued under this section are exempt from

1 all taxation in this state, and the interest on the bonds or notes  
2 is exempt from all taxation in this state, notwithstanding that the  
3 interest may be subject to federal income tax.

4 (6) The municipality is not liable on bonds or notes of the  
5 authority issued under this section, and the bonds or notes are not  
6 a debt of the municipality. The bonds or notes shall contain on  
7 their face a statement to that effect.

8 (7) The bonds and notes of the authority may be invested in by  
9 all public officers, state agencies and political subdivisions,  
10 insurance companies, banks, savings and loan associations,  
11 investment companies, and fiduciaries and trustees, and may be  
12 deposited with and received by all public officers and the agencies  
13 and political subdivisions of this state for any purpose for which  
14 the deposit of bonds is authorized.

15 Sec. 715. (1) If the authority determines that it is necessary  
16 for the achievement of the purposes of this part, the authority  
17 shall prepare and submit a tax increment financing plan to the  
18 governing body of the municipality. The plan shall include a  
19 development plan as provided in section 718, a detailed explanation  
20 of the tax increment procedure, the maximum amount of bonded  
21 indebtedness to be incurred, and the duration of the program, and  
22 shall be in compliance with section 716. The plan shall contain a  
23 statement of the estimated impact of tax increment financing on the  
24 assessed values of all taxing jurisdictions in which the  
25 development area is located. The plan may provide for the use of  
26 part or all of the captured assessed value, but the portion  
27 intended to be used by the authority shall be clearly stated in the

1 tax increment financing plan. The authority or municipality may  
2 exclude from captured assessed value growth in property value  
3 resulting solely from inflation. The plan shall set forth the  
4 method for excluding growth in property value resulting solely from  
5 inflation.

6 (2) Approval of the tax increment financing plan shall comply  
7 with the notice, hearing, and disclosure provisions of section 821.  
8 If the development plan is part of the tax increment financing  
9 plan, only 1 hearing and approval procedure is required for the 2  
10 plans together.

11 (3) Before the public hearing on the tax increment financing  
12 plan, the governing body shall provide a reasonable opportunity to  
13 the taxing jurisdictions levying taxes subject to capture to meet  
14 with the governing body. The authority shall fully inform the  
15 taxing jurisdictions of the fiscal and economic implications of the  
16 proposed development area. The taxing jurisdictions may present  
17 their recommendations at the public hearing on the tax increment  
18 financing plan. The authority may enter into agreements with the  
19 taxing jurisdictions and the governing body of the municipality in  
20 which the development area is located to share a portion of the  
21 captured assessed value of the development area.

22 (4) A tax increment financing plan may be modified if the  
23 modification is approved by the governing body upon notice and  
24 after public hearings and agreements as are required for approval  
25 of the original plan.

26 (5) Not more than 60 days after the public hearing, the  
27 governing body in a taxing jurisdiction levying ad valorem property

1 taxes that would otherwise be subject to capture may exempt its  
2 taxes from capture by adopting a resolution to that effect and  
3 filing a copy with the clerk of the municipality proposing to  
4 create the authority. In the event that the governing body levies a  
5 separate millage for public library purposes, at the request of the  
6 public library board, that separate millage shall be exempt from  
7 the capture. The resolution shall take effect when filed with the  
8 clerk and remains effective until a copy of a resolution rescinding  
9 that resolution is filed with that clerk.

10       Sec. 716. (1) The municipal and county treasurers shall  
11 transmit tax increment revenues to the authority.

12       (2) The authority shall expend the tax increment revenues  
13 received for the development program only under the terms of the  
14 tax increment financing plan. Unused funds shall revert  
15 proportionately to the respective taxing bodies. Tax increment  
16 revenues shall not be used to circumvent existing property tax  
17 limitations. The governing body of the municipality may abolish the  
18 tax increment financing plan if it finds that the purposes for  
19 which it was established are accomplished. However, the tax  
20 increment financing plan shall not be abolished, allowed to expire,  
21 or otherwise terminate until the principal of, and interest on,  
22 bonds issued under section 717 have been paid or funds sufficient  
23 to make the payment have been segregated.

24       Sec. 717. (1) By resolution of its governing body, the  
25 authority may authorize, issue, and sell tax increment bonds  
26 subject to the limitations set forth in this subsection to finance  
27 the development program of the tax increment financing plan. The

1 tax increment bonds issued by the authority under this subsection  
2 shall pledge solely the tax increment revenues of a development  
3 area in which the project is located or a development area from  
4 which tax increment revenues may be used for this project, or both.  
5 In addition or in the alternative, the bonds issued by the  
6 authority under this subsection may be secured by any other  
7 revenues identified in section 712 as sources of financing for  
8 activities of the authority that the authority shall specifically  
9 pledge in the resolution. However, except as otherwise provided in  
10 this section, the full faith and credit of the municipality shall  
11 not be pledged to secure bonds issued under this subsection. The  
12 bond issue may include a sum sufficient to pay interest on the tax  
13 increment bonds until full development of tax increment revenues  
14 from the project and also a sum to provide a reasonable reserve for  
15 payment of principal and interest on the bonds. The resolution  
16 authorizing the bonds shall create a lien on the tax increment  
17 revenues and other revenues pledged by the resolution that shall be  
18 a statutory lien and shall be a first lien subject only to liens  
19 previously created. The resolution may provide the terms upon which  
20 additional bonds may be issued of equal standing and parity of lien  
21 as to the tax increment revenues and other revenues pledged under  
22 the resolution. Bonds issued under this subsection that pledge  
23 revenue received under section 715 for repayment of the bonds are  
24 subject to the revised municipal finance act, 2001 PA 34, MCL  
25 141.2101 to 141.2821.

26 (2) The municipality, by majority vote of the members of its  
27 governing body, may make a limited tax pledge to support the

1 authority's tax increment bonds or notes or, if authorized by the  
2 voters of the municipality, may pledge its unlimited tax full faith  
3 and credit for the payment of the principal of and interest on the  
4 authority's tax increment bonds or notes.

5       Sec. 718. (1) If a board decides to finance a project in a  
6 development area by the use of revenue bonds as authorized in  
7 section 713 or tax increment financing as authorized in sections  
8 715, 716, and 717, it shall prepare a development plan.

9       (2) The development plan shall contain all of the following:

10       (a) The designation of boundaries of the development area in  
11 relation to highways, streets, streams, lakes, other bodies of  
12 water, or otherwise.

13       (b) The location and extent of existing streets and other  
14 public facilities within the development area, designating the  
15 location, character, and extent of the categories of public and  
16 private land uses then existing and proposed for the development  
17 area, including residential, recreational, commercial, industrial,  
18 educational, and other uses, and including a legal description of  
19 the development area.

20       (c) A description of existing improvements in the development  
21 area to be demolished, repaired, or altered, a description of any  
22 repairs and alterations, and an estimate of the time required for  
23 completion.

24       (d) The location, extent, character, and estimated cost of the  
25 improvements including rehabilitation contemplated for the  
26 development area and an estimate of the time required for  
27 completion.

1 (e) A statement of the construction or stages of construction  
2 planned, and the estimated time of completion of each stage.

3 (f) A description of any parts of the development area to be  
4 left as open space and the use contemplated for the space.

5 (g) A description of any portions of the development area that  
6 the authority desires to sell, donate, exchange, or lease to or  
7 from the municipality and the proposed terms.

8 (h) A description of desired zoning changes and changes in  
9 streets, street levels, intersections, or utilities.

10 (i) An estimate of the cost of the development, a statement of  
11 the proposed method of financing the development, and the ability  
12 of the authority to arrange the financing.

13 (j) Designation of the person or persons, natural or  
14 corporate, to whom all or a portion of the development is to be  
15 leased, sold, or conveyed in any manner and for whose benefit the  
16 project is being undertaken if that information is available to the  
17 authority.

18 (k) The procedures for bidding for the leasing, purchasing, or  
19 conveying in any manner of all or a portion of the development upon  
20 its completion, if there is no express or implied agreement between  
21 the authority and persons, natural or corporate, that all or a  
22 portion of the development will be leased, sold, or conveyed in any  
23 manner to those persons.

24 (l) The requirement that amendments to an approved development  
25 plan or tax increment plan must be submitted by the authority to  
26 the governing body for approval or rejection.

27 (m) The water resource improvements that will be made in the

1 development area.

2 (n) Other material that the authority, local public agency, or  
3 governing body considers pertinent.

4 (o) Based on consultation with the affected state and federal  
5 authorities, an identification of the permits the board believes  
6 necessary to complete the proposed public facility and an  
7 explanation of how the proposed public facility will meet the  
8 requirements necessary for issuance of each permit.

9 Sec. 719. (1) The governing body, before adoption of an  
10 ordinance approving a development plan or tax increment financing  
11 plan, shall hold a public hearing on the development plan. Notice  
12 of the time and place of the hearing shall be given by publication  
13 twice in a newspaper of general circulation designated by the  
14 municipality, the first of which shall be not less than 20 days  
15 before the date set for the hearing. Notice of the hearing shall be  
16 posted in at least 20 conspicuous and public places in the  
17 development area not less than 20 days before the hearing. Notice  
18 shall also be mailed to all property taxpayers of record in the  
19 development area and to the governing body of each taxing  
20 jurisdiction levying taxes that would be subject to capture if the  
21 tax increment financing plan is approved not less than 20 days  
22 before the hearing.

23 (2) Notice of the time and place of hearing on a development  
24 plan shall contain all of the following:

25 (a) A description of the proposed development area in relation  
26 to highways, streets, streams, or otherwise.

27 (b) A statement that maps, plats, and a description of the

1 development plan, including the method of relocating families and  
2 individuals who may be displaced from the area, are available for  
3 public inspection at a place designated in the notice.

4 (c) A statement that all aspects of the development plan will  
5 be open for discussion at the public hearing.

6 (d) Other information that the governing body considers  
7 appropriate.

8 (3) At the time set for the hearing, the governing body shall  
9 provide an opportunity for interested persons to speak and shall  
10 receive and consider communications in writing. The hearing shall  
11 provide the fullest opportunity for expression of opinion, for  
12 argument on the merits, and for consideration of documentary  
13 evidence pertinent to the development plan. The governing body  
14 shall make and preserve a record of the public hearing, including  
15 all data presented at the hearing.

16 Sec. 720. The governing body after a public hearing on the  
17 development plan or the tax increment financing plan, or both, with  
18 notice given under section 819, shall determine whether the  
19 development plan or tax increment financing plan constitutes a  
20 public purpose. If it determines that the development plan or tax  
21 increment financing plan constitutes a public purpose, it shall by  
22 ordinance approve or reject the plan, or approve it with  
23 modification, based on the following considerations:

24 (a) The findings and recommendations of a development area  
25 citizens council, if a development area citizens council was  
26 formed.

27 (b) The plan meets the requirements under section 818(2).

1 (c) The proposed method of financing the development is  
2 feasible and the authority has the ability to arrange the  
3 financing.

4 (d) The development is reasonable and necessary to carry out  
5 the purposes of this part.

6 (e) The land included within the development area to be  
7 acquired is reasonably necessary to carry out the purposes of the  
8 plan and of this part in an efficient and economically satisfactory  
9 manner.

10 (f) The development plan is in reasonable accord with the land  
11 use plan of the municipality.

12 (g) Public services, such as fire and police protection and  
13 utilities, are or will be adequate to service the project area.

14 (h) Changes in zoning, streets, street levels, intersections,  
15 and utilities are reasonably necessary for the project and for the  
16 municipality.

17 Sec. 721. (1) The director of the authority shall submit a  
18 budget to the board for the operation of the authority for each  
19 fiscal year before the beginning of the fiscal year. The budget  
20 shall be prepared in the manner and contain the information  
21 required of municipal departments. After review by the board, the  
22 budget shall be submitted to the governing body. The governing body  
23 must approve the budget before the board may adopt the budget.  
24 Unless authorized by the governing body or this part, funds of the  
25 municipality shall not be included in the budget of the authority.

26 (2) The governing body of the municipality may assess a  
27 reasonable pro rata share of the funds for the cost of handling and

1 auditing the funds against the funds of the authority, other than  
2 those committed, which shall be paid annually by the board pursuant  
3 to an appropriate item in its budget.

4 Sec. 722. An authority that has completed the purposes for  
5 which it was organized shall be dissolved by ordinance of the  
6 governing body. The property and assets of the authority remaining  
7 after the satisfaction of the obligations of the authority belong  
8 to the municipality.

9

## PART 8

10 Sec. 801. As used in this part:

11 (a) "Authority" means all of the following:

12 (i) An authority as defined in part 2.

13 (ii) An authority as defined in part 3.

14 (iii) An authority as defined in part 4.

15 (iv) An authority as defined in part 6.

16 (v) An authority as defined in part 7.

17 (b) "Municipality" means all of the following:

18 (i) A municipality as defined in part 2.

19 (ii) A municipality as defined in part 3.

20 (iii) A municipality as defined in part 4.

21 (iv) A municipality as defined in part 6.

22 (v) A municipality as defined in part 7.

23 Sec. 810. (1) Subject to subsection (5), each municipality  
24 that has created an authority or that creates an authority shall  
25 create a website or utilize the existing website of the  
26 municipality that is operated and regularly maintained with all  
27 authority records and documents for the fiscal year beginning on

1 the effective date of this act, including all of the following:

2 (a) Minutes of all board meetings.

3 (b) Annual budget.

4 (c) Annual audits.

5 (d) Currently adopted development plan, if any.

6 (e) Currently adopted tax increment finance plan if separate  
7 from the development plan.

8 (f) List of all authority sponsored and managed events.

9 (g) Current authority staff contact information.

10 (h) All promotional and marketing materials.

11 (i) Amount of tax increment revenues captured for each taxing  
12 jurisdiction that levies ad valorem property taxes or specific  
13 local taxes within the boundaries of the authority.

14 (j) Current contracts and other documents related to  
15 management of the authority that compose 5% of the authority's  
16 budget or an amount of \$2,500.00, whichever is lower.

17 (k) Current contracts and other documents related to services  
18 provided to the authority.

19 (l) The total new public investment in each of the development  
20 areas or authority districts.

21 (m) For any tax increment revenues that are not expended  
22 within 5 years of their receipt, a description that provides the  
23 following:

24 (i) The reasons for accumulating those funds.

25 (ii) A time frame when the fund will be expended.

26 (iii) The uses for which the fund will be expended.

27 (iv) A specific description of funds that have not been

1 expended within 10 years of their receipt.

2 (n) An analysis of what the authority has accomplished in the  
3 immediately preceding year, including a report of the progress made  
4 on the overall tax increment finance plan.

5 (2) The requirements in subsection (1) are required for  
6 records and documents related to fiscal years as follows:

7 (a) For the fiscal year in which this act takes effect, the  
8 records and documents for that fiscal year.

9 (b) For the fiscal year 1 year following the effective date of  
10 this act, the records and documents for that fiscal year and the  
11 immediately preceding fiscal year.

12 (c) For the fiscal year 2 years following the effective date  
13 of this act, the records and documents for that fiscal year and the  
14 2 immediately preceding fiscal years.

15 (d) For the fiscal year 3 years following the effective date  
16 of this act, the records and documents for the fiscal year and the  
17 3 immediately preceding fiscal years.

18 (e) For the fiscal year 4 years following the effective date  
19 of this act and each subsequent fiscal year, the records and  
20 documents for the fiscal year and the 4 immediately preceding  
21 fiscal years.

22 (3) The requirements of this section shall not take effect  
23 until 180 days after the end of an authority's current fiscal year  
24 as of the effective date of this act.

25 (4) Each year, the board of an authority shall hold not fewer  
26 than 2 informational meetings. Notice of an informational meeting  
27 shall be posted on the municipality's or authority's website not

1 less than 14 days before the date of the informational meeting. Not  
2 less than 14 days before the informational meeting, the board of an  
3 authority shall mail notice of the informational meeting to the  
4 governing body of each taxing jurisdiction levying taxes that are  
5 subject to capture by an authority under this act. The  
6 informational meetings may be held in conjunction with other public  
7 meetings of the authority or municipality.

8 (5) If the municipality creating an authority does not have an  
9 existing website and chooses not to create a website under  
10 subsection (1), the municipality shall maintain the records  
11 described in subsection (1) at a physical location within the  
12 municipality that is open to the public.

13 Sec. 811. (1) Annually, on a form and in the manner prescribed  
14 by the state tax commission, an authority shall submit to the  
15 governing body of the municipality, the governing body of a taxing  
16 unit levying taxes subject to capture by an authority, and the  
17 state tax commission a report on the status of the tax increment  
18 financing account. The report shall be made available in the same  
19 manner as the records and documents are made available as provided  
20 in section 810 and shall include the following:

21 (a) The name of the authority.

22 (b) The date the authority was formed.

23 (c) The date the authority began capturing tax increment  
24 revenues.

25 (d) The current base year taxable value of the tax increment  
26 financing district.

27 (e) The unrestricted fund balance for the immediately

1 preceding fiscal year.

2 (f) The restricted fund balance for the immediately preceding  
3 fiscal year.

4 (g) Whether the tax increment financing plan expired during  
5 the immediately preceding fiscal year.

6 (h) The amount and source of revenue in the account, including  
7 the amount of revenue from each taxing jurisdiction.

8 (i) The amount in any bond reserve account.

9 (j) The amount and purpose of expenditures from the account.

10 (k) The amount of principal and interest on any outstanding  
11 bonded indebtedness.

12 (l) The initial assessed value of the development area or  
13 authority district by property tax classification.

14 (m) The captured assessed value retained by the authority by  
15 property tax classification.

16 (n) The tax increment revenues received for the immediately  
17 preceding fiscal year.

18 (o) Any additional information the governing body of the  
19 municipality or the state tax commission considers necessary.

20 (2) The report described in subsection (1) shall be filed with  
21 the department of treasury at the same time as the annual financial  
22 report is filed with the department of treasury under section 4 of  
23 the uniform budgeting and accounting act, 1968 PA 2, MCL 141.424.

24 Sec. 812. (1) Within 90 days of the effective date of this  
25 act, each authority shall send a copy of its currently adopted  
26 development plan or its currently adopted tax increment finance  
27 plan, if separate from the development plan, to the department of

1 treasury.

2 (2) Within 90 days of amending a development plan or a tax  
3 increment finance plan, an authority shall send a copy of that  
4 amendment to the department of treasury.

5 (3) Within 90 days of an authority's adopting a new  
6 development plan or a new tax increment finance plan, the authority  
7 shall send a copy of that new development plan or new tax increment  
8 finance plan to the department of treasury.

9 (4) The documents described in subsections (1), (2), and (3)  
10 shall be sent to the department of treasury in the form and manner  
11 determined by the department of treasury.

12 Sec. 815. (1) The state tax commission may institute  
13 proceedings to compel enforcement of this act and any part of this  
14 act and shall send written notification to an authority failing to  
15 comply with this act, to each taxing jurisdiction that has tax  
16 increment revenues captured by the authority, and the governing  
17 body of the municipality that established the authority of a  
18 violation of any provision of this act.

19 (2) The state tax commission may promulgate rules necessary  
20 for the administration of this act pursuant to the administrative  
21 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

22 (3) If the state tax commission notifies an authority in  
23 writing that the authority failed to comply with any provision of  
24 this act, that authority shall not capture any tax increment  
25 revenues that are in excess of amounts necessary to pay bonded  
26 indebtedness or other obligations for the period of noncompliance  
27 as determined by the state tax commission. During the period of

1 noncompliance, an authority cannot amend or approve a tax increment  
2 financing plan. However, if the period of noncompliance exceeds 2  
3 years, that authority shall not capture any tax increment revenues  
4 that are in excess of amounts necessary to pay bonded indebtedness  
5 or other obligations without a resolution of authorization of the  
6 municipality that created the authority and each taxing  
7 jurisdiction whose ad valorem taxes are subject to capture by the  
8 authority. Any excess funds captured shall be returned to the  
9 taxing jurisdiction from which they were captured as follows:

10 (a) For part 2, as provided in section 215(2).

11 (b) For part 3, as provided in section 314(2).

12 (c) For part 4, as provided in section 413(2).

13 (d) For part 5, as provided in section 523(7).

14 (e) For part 6, as provided in section 619(2).

15 (f) For part 7, as provided in section 716(2).

16 Enacting section 1. The following acts are repealed:

17 (a) The historic neighborhood tax increment finance authority  
18 act, 2004 PA 530, MCL 125.2841 to 125.2866.

19 (b) The neighborhood improvement authority act, 2007 PA 61,  
20 MCL 125.2911 to 125.2932.

21 (c) The private investment infrastructure funding act, 2010 PA  
22 250, MCL 125.1871 to 125.1883.