

**SUBSTITUTE FOR
HOUSE BILL NO. 4454**

A bill to amend 1961 PA 120, entitled

"An act to authorize the development or redevelopment of principal shopping districts and business improvement districts; to permit the creation of certain boards; to provide for the operation of principal shopping districts and business improvement districts; to provide for the creation, operation, and dissolution of business improvement zones; and to authorize the collection of revenue and the bonding of certain local governmental units for the development or redevelopment projects,"

by amending sections 10g, 10h, 10j, 10k, and 10l (MCL 125.990g, 125.990h, 125.990j, 125.990k, and 125.990l), as amended by 2020 PA 91.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 10g. (1) The ~~day-to-day board~~ **shall manage the** activities
2 of the business improvement zone and implementation of the zone

1 plan. ~~shall be managed by a board of directors.~~

2 (2) The board ~~shall~~**must** consist of an odd number of directors
 3 and ~~shall~~**must** not be smaller than 5 and not larger than 15 in
 4 number. The board may include 1 director nominated by the chief
 5 executive of the city or village and confirmed by the governing
 6 body of the city or village. ~~The board shall include no less than 1~~
 7 ~~owner of residential real property if residential real property is~~
 8 ~~determined assessable property by the local governmental unit under~~
 9 ~~section 10.~~ A nomination not disapproved by a governing body within
 10 60 days ~~shall stand~~**stands** confirmed.

11 (3) The duties and responsibilities of the board ~~shall~~**must** be
 12 prescribed in the zone plan and to the extent applicable ~~shall~~**must**
 13 include all of the following duties and responsibilities:

14 (a) Developing administrative procedures relating to the
 15 implementation of the zone plan.

16 (b) Recommending amendments to the zone plan.

17 (c) Scheduling and conducting an annual meeting of the
 18 property owners.

19 (d) Developing a zone plan for the next qualifying period.

20 (4) Members of the board shall serve without compensation.
 21 However, members of the board may be reimbursed for their actual
 22 and necessary expenses incurred in the performance of their
 23 official duties as members of the board.

24 Sec. 10h. (1) A business improvement zone may be funded in
 25 whole or in part by 1 or more assessments on assessable property,
 26 as provided in the zone plan. An assessment under this chapter
 27 ~~shall be~~**is** in addition to any taxes or special assessments
 28 otherwise imposed on assessable property. The business improvement
 29 zone, with the approval of the board, may enter into agreements

1 with 1 or more property owners in the city or village providing for
 2 the provision of business zone activities or services to the
 3 property owner or owners by the business improvement zone in
 4 exchange for monetary contributions to the business improvement
 5 zone from the property owner or owners. An agreement providing for
 6 the provision of business zone activities or services described in
 7 this subsection ~~shall~~**must** be in writing and ~~shall~~**must** be made
 8 available to all property owners of assessable property in the zone
 9 area.

10 (2) An assessment ~~shall~~**may** be imposed against assessable
 11 property only on the basis of the benefits to assessable property
 12 afforded by the zone plan. There is a rebuttable presumption that a
 13 zone plan and any project specially benefits all assessable
 14 property in a zone area.

15 (3) If a zone plan provides for an assessment, the treasurer
 16 of the city or village in which the zone area is located as an
 17 agent of the business improvement zone shall collect the assessment
 18 imposed by the board under the zone plan on all assessable property
 19 within the zone area in the amount authorized by the zone plan.

20 (4) ~~Except as provided in subsection (6), assessments shall be~~
 21 ~~collected by the~~**The** treasurer of the city or village **in which the**
 22 **zone area is located**, as an agent of the business improvement zone,
 23 **shall collect the assessments** from each property owner **within the**
 24 **zone area** and ~~remitted promptly~~ **remit the assessments collected** to
 25 the business improvement zone. ~~Except as otherwise provided in this~~
 26 ~~subsection, assessment~~**Assessment** revenue is the property of the
 27 business improvement zone and not the city or village in which the
 28 business improvement zone is located. However, all payments to the
 29 treasurer shall be entirely applied first to the balance of any

1 property taxes owed to the city or village and only then any
2 remaining payment amount shall be considered assessment revenue
3 belonging to the business improvement zone and applied to the
4 assessment levied under this chapter. The business improvement zone
5 may, at the option and under the direction of the treasurer, assist
6 the treasurer of the city or village in collecting the assessment
7 to ~~keep~~**minimize** the expenses of collecting the assessment ~~at a~~
8 ~~minimum.~~**incurred by the city or village.**

9 (5) The business improvement zone may institute a civil action
10 to collect any delinquent assessment and interest.

11 (6) An assessment is delinquent if it has not been paid within
12 90 days after it was due as provided under the zone plan imposed
13 under this chapter. ~~Delinquent assessments shall be collected by~~
14 **Except as otherwise provided in subsection (7),** the business
15 improvement zone **shall collect delinquent assessments.** Delinquent
16 assessments ~~shall~~ accrue interest at a rate of 1.5% per month until
17 paid.

18 (7) If any portion of the assessment has not been paid within
19 90 days after it was due, that portion of the unpaid assessment
20 ~~shall constitute~~**is** a lien on the property. The lien amount ~~shall~~
21 ~~be~~**is** for the unpaid portion of the assessment and ~~shall include~~
22 **includes** any applicable interest. Alternatively, a delinquent and
23 unpaid assessment may, at the request of the business improvement
24 zone, be returned as delinquent by the treasurer of the city or
25 village and collected in the same manner as a delinquent tax
26 special assessment along with any associated interest, fees, and
27 costs under the general property tax act, 1893 PA 206, MCL 211.1 to
28 211.155. However, property is not subject to forfeiture,
29 foreclosure, and sale under sections 78 to 79a of the general

1 property tax act, 1893 PA 206, MCL 211.78 to 211.79a, for
 2 nonpayment of an assessment under this chapter unless the property
 3 also is subject to forfeiture, foreclosure, and sale under sections
 4 78 to 79a of the general property tax act, 1893 PA 206, MCL 211.78
 5 to 211.79a, for delinquent property taxes. If a parcel of
 6 assessable property that has a delinquent and unpaid assessment is
 7 sold to a purchaser who is not related or affiliated to the seller,
 8 as determined by the board, the board may reduce or eliminate any
 9 delinquent and unpaid assessment on that parcel of assessable
 10 property if the property is not subject to forfeiture, foreclosure,
 11 and sale under sections 78 to 79a of the general property tax act,
 12 1893 PA 206, MCL 211.78 to 211.79a. If the delinquent property
 13 taxes are paid, the property may not be forfeited, foreclosed, and
 14 sold for an unpaid assessment under this chapter.

15 Sec. 10j. A zone plan may be amended. Amendments ~~shall be~~ **are**
 16 effective if approved by a majority of the property owners voting
 17 on the amendment at the annual meeting of property owners or a
 18 special meeting called for that purpose, **using proportional voting**
 19 **if applicable under the zone plan.** A zone plan amendment changing
 20 any assessment is effective only if also approved by the governing
 21 body of the city or village in which the business improvement zone
 22 is located.

23 Sec. 10k. (1) ~~Prior to~~ **Before** the expiration of any qualifying
 24 period, the board shall notify the property owners within the
 25 business improvement zone of a special meeting by first-class mail
 26 ~~at least~~ **not less than** 14 days ~~prior to~~ **before** the scheduled date
 27 of the meeting to approve a new zone plan for the next qualifying
 28 period. Notice under this section ~~shall~~ **must** include the specific
 29 location, scheduled date, and time of the meeting. ~~and shall~~

1 ~~include a statement that a property owner of residential real~~
 2 ~~property within a business improvement zone may seek a homestead~~
 3 ~~deferment for an assessment under this act in the same manner as~~
 4 ~~provided in section 4 of 1976 PA 225, MCL 211.764.~~

5 (2) Approval of the new zone plan at the special meeting by
 6 more than 60% of the property owners of assessable property voting
 7 at that meeting, **using proportional voting if applicable under the**
 8 **zone plan**, constitutes reauthorization of the business improvement
 9 zone for an additional qualifying period, commencing as of the
 10 expiration of the qualifying period then in effect. If the new zone
 11 plan reflects any new assessment, or reflects an extension of any
 12 assessment beyond the period previously approved by the city or
 13 village in which the business improvement zone is located, the new
 14 or extended assessment ~~shall be~~ **is** effective only with the approval
 15 of the governing body of the city or village.

16 Sec. 10~~l~~. (1) Upon written petition duly signed by 30% of the
 17 property owners of assessable property within a zone area and
 18 submitted no sooner than 2 years following the adoption of the
 19 business improvement zone and zone plan, the board shall place on
 20 the agenda of the next annual meeting, if the next annual meeting
 21 is to be held not later than 63 days after receipt of the written
 22 petition or a special meeting not to be held later than 63 days
 23 after receipt of the written petition, the issue of dissolution of
 24 the business improvement zone. Notice of the next annual meeting or
 25 special meeting described in this subsection ~~shall~~ **must** be ~~made~~
 26 **provided** to all property owners by first-class mail not less than
 27 14 days ~~prior to~~ **before** the date of the annual or special meeting.
 28 The notice ~~shall~~ **must** include the specific location and the
 29 scheduled date and time of the meeting.

1 (2) The business improvement zone ~~shall be~~**is** dissolved upon a
2 vote of more than 50% of the property owners of assessable property
3 voting at the meeting, **using proportional voting if applicable**
4 **under the zone plan**. A dissolution ~~shall does~~ not take effect until
5 the later of the end of the second calendar year after the vote for
6 dissolution or all contractual liabilities of the business
7 improvement zone have been paid and discharged.

8 (3) Upon dissolution of a business improvement zone, the board
9 shall dispose of the remaining physical assets of the business
10 improvement zone. The proceeds of any physical assets disposed of
11 by the business improvement zone and all money collected through
12 assessments that is not required to defray the expenses of the
13 business improvement zone ~~shall must~~ be refunded on a pro rata
14 basis to persons from whom assessments were collected. If the board
15 finds that the refundable amount is so small as to make
16 impracticable the computation and refunding of the money, it may be
17 transferred to the treasurer of the city or village in which the
18 business improvement zone is located for deposit in the treasury of
19 the city or village to the credit of the general fund.

20 (4) Upon dissolution of a business improvement zone, any
21 remaining assets of the business improvement zone ~~shall must~~ be
22 transferred to the treasurer of the city or village in which the
23 business improvement zone is located for deposit in the treasury of
24 the city or village to the credit of the general fund.