

ECONOMIC DEVELOPMENT CORPORATIONS ACT

Act 338 of 1974

AN ACT to provide for the creation of public economic development corporations; to prescribe their powers and duties; to provide for their dissolution; to provide for the issuance of notes and other evidence of indebtedness; to provide for the issuance of bonds; to validate bonds, notes, and other evidence of indebtedness; to provide for condemnation of property; to provide for the undertaking of projects relative to the economic development of municipalities; to provide for loans, grants, transfers, and conveyances of funds and property by municipalities, and disbursement of certain funds to public economic development corporations; to provide for the creation of subsidiary neighborhood development corporations by certain economic development corporations; to provide for the receipt by public economic development corporations of funds and property; to provide for industrial and commercial enterprises and for enterprises involved in housing or neighborhood improvement, and furnishings, equipment, and machinery for the industrial and commercial enterprises and housing; to validate the incorporation of de facto economic development corporations and all actions of the de facto corporations; and to provide savings provisions.

History: 1974, Act 338, Imd. Eff. Dec. 18, 1974;—Am. 1976, Act 175, Imd. Eff. June 29, 1976;—Am. 1980, Act 501, Imd. Eff. Jan. 22, 1981.

The People of the State of Michigan enact:

125.1601 Short title.

Sec. 1. This act shall be known and may be cited as the "economic development corporations act".

History: 1974, Act 338, Imd. Eff. Dec. 18, 1974.

125.1602 Legislative finding.

Sec. 2. There exists in this state the continuing need for programs to alleviate and prevent conditions of unemployment, and the legislature finds that it is accordingly necessary to assist and retain local industrial and commercial enterprises, including employee-owned corporations, to strengthen and revitalize the economy of this state and its municipalities; that accordingly it is necessary to provide means and methods for the encouragement and assistance of industrial and commercial enterprises, including employee-owned corporations, in locating, purchasing, constructing, reconstructing, modernizing, improving, maintaining, repairing, furnishing, equipping, and expanding in this state and in its municipalities; and that it is also necessary to encourage the location and expansion of industrial and commercial enterprises, including employee-owned corporations, to more conveniently provide needed services and facilities of the industrial and commercial enterprises to municipalities and the residents of the municipalities. It is also necessary to promote economic activity in the forestry and agricultural sectors by providing incentives to combat inflation, to reduce energy consumption, to retain the family farm unit, to reduce the rate at which urban sprawl has been devouring our productive farm lands, and to provide our farmers and foresters with a more favorable export market; all this to be accomplished by reducing costs of production. It is also necessary to encourage the development of facilities designed to produce energy from renewable resources. Therefore, the powers granted in this act constitute the performance of essential public purposes and functions for this state and its municipalities.

History: 1974, Act 338, Imd. Eff. Dec. 18, 1974;—Am. 1976, Act 175, Imd. Eff. June 29, 1976;—Am. 1980, Act 501, Imd. Eff. Jan. 22, 1981;—Am. 1985, Act 154, Imd. Eff. Nov. 12, 1985.

Compiler's note: Section 2 of Act 501 of 1980 provides: "This amendatory act shall not take effect in a city with a population of greater than 750,000 persons until a subsidiary corporation described under section 6a has been created by the corporation of that city. In addition, any project for which a corporation has designated the project area at the time this amendatory act takes effect shall be exempt from the requirement of payment of the prevailing wage and fringe benefit rates described in section 8(4)(h)."

Act 86 of 1984 amended enacting section 2 of Act No. 501 of 1980 to read as follows: "Section 2. Except for the issuance of bonds and entry into loan agreements by a corporation to refund bonds issued before January 21, 1981, under Act No. 62 of the Public Acts of 1963, being sections 125.1251 to 125.1267 of the Michigan Compiled Laws, this amendatory act shall not take effect in a city with a population of greater than 750,000 persons until a subsidiary corporation described under section 6a has been created by the corporation of that city. In addition, any project for which a corporation has designated the project area at the time this amendatory act takes effect shall be exempt from the requirement of payment of the prevailing wage and fringe benefit rates described in section 8(4)(h)."

125.1603 Definitions.

Sec. 3. As used in this act:

(a) "Corporation" means a corporation organized pursuant to this act.

(b) "Employee-owned corporation" means an employee-owned corporation as defined by the employee-owned corporation act.

- (c) "Governing body" means the body in which the legislative powers of a municipality are vested.
- (d) "Municipality" means a county, city, village, or township.
- (e) "Local public agency" means the official body of a municipality authorized to plan and implement the development and redevelopment of the municipality.
- (f) "Project" means land or an interest in land, existing or planned improvements, machinery, furnishings, or equipment suitable for use by any of the following:
 - (i) An industrial or commercial enterprise, including agricultural and forestry enterprises and enterprises designed to produce energy from renewable resources. Projects of an enterprise may include any of the following:
 - (A) Necessary buildings, improvements, or structures suitable for and intended for or incidental to use as an industrial or commercial enterprise.
 - (B) Industrial park or industrial site improvements or port improvements.
 - (C) A replacement housing project incidental to an industrial or commercial enterprise.
 - (D) The machinery, furnishings, leasehold improvements, or equipment necessary, suitable, intended for or incidental to a commercial, industrial, or residential use in connection with the buildings, improvements, or structures.
 - (E) Machinery, furnishings, leasehold improvements, or equipment, including pollution control facilities, to be installed or used primarily within a project area.
 - (ii) An enterprise in relation to a housing and neighborhood improvement program, which program involves either the clearing of land or the rehabilitation or construction of housing for the immediate sale of single-family or multifamily units at fair market value, or both. Housing and neighborhood improvement programs identified by this subparagraph shall constitute a project for purposes of this subparagraph if the area in which these improvement programs are to be undertaken are located in, or are eligible to be included in, blighted or redevelopment areas identified pursuant to 1945 PA 344, MCL 125.71 to 125.84; the urban redevelopment corporations law, 1941 PA 250, MCL 125.901 to 125.922; 1975 PA 197, MCL 125.1651 to 125.1681, or the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830.
 - (iii) A transit-oriented development.
 - (iv) A transit-oriented facility.
- (g) "Project area" means that land area or an interest in a land area within the municipality which will be acquired in the implementation of a project or which will be the permanent site of machinery, furnishings, or equipment constituting all or part of a project.
- (h) "Project citizens district council" means a project citizens district council established pursuant to this act.
- (i) "Project cost" or "costs" means the cost of purchasing, acquiring, constructing, improving, enlarging, extending, or repairing a project. Project cost or costs includes any engineering, architectural, legal, accounting, financial, and other expenses incidental to the purchasing, acquiring, constructing, improving, enlarging, extending, or repairing of a project. Project cost or costs also includes the interest on the bonds and other obligations issued to pay project costs during the period of construction and after the period of construction until sufficient revenues have developed. Project cost or costs also includes a reserve or addition to a reserve for payment of principal and interest on the bonds and the amount required for operation and maintenance until sufficient revenues have developed.
- (j) "Project district area" means that portion of a municipality and any area adjacent to a municipality, as determined by its governing body, which contains a project area and the surrounding territory that will be significantly affected by a project.
- (k) "Project plan" means that information and those requirements for a project set forth in section 8.
- (l) "Pollution control facilities" means water or air pollution control equipment or solid waste disposal facilities located within or without the limits of the municipality.
- (m) "Solid waste disposal facilities" means buildings, plants, structures, equipment, or facilities and their appurtenances, together with land or an interest in land or a portion of land, for the purpose of treating, shredding, compression, high temperature incineration, pyrolyzation, separation, or any other technology for recovery, transporting, storing, or the final placement and disposal of solid wastes resulting from any process of industry, manufacture, trade, or business, from the development, processing, or recovery of any natural resources, or from the operation of any public utility. Solid waste disposal facilities includes buildings, plants, structures, equipment, or facilities and their appurtenances, together with land or an interest in land or a portion of land, which qualify as solid waste disposal facilities under section 103(b)(4) of the internal revenue code.
- (n) "Transit-oriented development" means infrastructure improvements that are located within 1/2 mile of a transit station or transit-oriented facility that promotes transit ridership or passenger rail use.

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

(p) "Water and air pollution control equipment" means buildings, plants, structures, equipment, or facilities and their appurtenances, together with land or an interest in land or a portion of land, for the purpose of controlling, eliminating, recovering, removing, reducing, dispersing, treating, or neutralizing atmospheric or water pollutants, including liquid, gaseous, or solid substances or discharges or radiation, or cooling the temperature of atmospheric or water pollutants, or any liquid, gas, or solid, resulting from any process of industry, manufacture, trade, or business; the development, processing, or recovery of any natural resources; or the operation of any public utility, any of which may pollute or may tend to pollute or affect the water or air of this state or adjacent to this state. Water and air pollution control equipment includes buildings, plants, structures, facilities, and equipment and their appurtenances, together with land or an interest in land or a portion of land, used or to be used as a change in a manufacturing, production, generation, transmission, or distribution process to prevent, reduce, recover, remove, disperse, neutralize, control, or eliminate air or water pollution. Water and air pollution control equipment includes buildings, plants, structures, equipment, or facilities and their appurtenances, together with land or an interest in land or a portion of land, which qualify as air or water pollution control facilities under section 103(b)(4) of the internal revenue code.

History: 1974, Act 338, Imd. Eff. Dec. 18, 1974;—Am. 1976, Act 175, Imd. Eff. June 29, 1976;—Am. 1978, Act 467, Imd. Eff. Oct. 16, 1978;—Am. 1980, Act 501, Imd. Eff. Jan. 22, 1981;—Am. 1985, Act 154, Imd. Eff. Nov. 12, 1985;—Am. 2010, Act 240, Imd. Eff. Dec. 14, 2010.

Compiler's note: Section 2 of Act 501 of 1980 provides: "This amendatory act shall not take effect in a city with a population of greater than 750,000 persons until a subsidiary corporation described under section 6a has been created by the corporation of that city. In addition, any project for which a corporation has designated the project area at the time this amendatory act takes effect shall be exempt from the requirement of payment of the prevailing wage and fringe benefit rates described in section 8(4)(h)."

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125.1604 Economic development corporation; incorporation; application; notice; hearing; approval; board of directors; appointment, qualifications, terms, and compensation of directors; public meetings; directors as public officers; expiration; vacancy; removal; disclosure of interest; planning commission of certain municipalities serving as board of directors.

Sec. 4. (1) Application, in writing, may be made by a group of 3 or more persons to the governing body for permission to incorporate the economic development corporation for the municipality. Application shall include proposed articles of incorporation. The governing body shall give public notice of the application, and after public hearing, with notice of the hearing given in accordance with section 17(1), may approve the application. As a part of the approval, the governing body may make any amendments to the proposed articles of incorporation as it considers appropriate.

(2) The board of directors of the corporation shall consist of not less than 9 persons, not more than 3 of whom shall be an officer or employee of the municipality. The chief executive officer and any member of the governing body of the municipality may serve on the board of directors. These directors shall be appointed for terms of 6 years, except of the directors first appointed, 4 shall be appointed for 6 years, 1 for 5 years, 1 for 4 years, 1 for 3 years, 1 for 2 years, and 1 for 1 year. The corporation shall notify the chief executive officer of the municipality in writing upon the corporation's designation of the project area as provided in section 8(1), and there shall be appointed promptly after that notice 2 additional directors of the corporation who shall serve only in respect to that project and shall be representative of neighborhood residents and business interests likely to be affected by the project proposed by the corporation and who shall cease to serve when the project for which they are appointed is either abandoned or, if undertaken, is completed in accordance with the project plan. Directors shall serve without salary, but may be reimbursed their actual expenses incurred in the performance of their official duties, and may receive a per diem of not more than \$50.00. The meetings of the board of directors shall be public. Directors shall be public officers. The rules of procedure or the by-laws of the corporation may permit a person to be appointed to the board in his or her capacity as a public official, whether appointed or elected. The rules of procedure or the by-laws of the corporation may also provide that a member's term on the board shall expire upon expiration of the member's service as a public official. The expiration of service as a public official shall be defined to also include the public official's resignation or removal from the position as a public official.

(3) The chief executive officer of a municipality, with the advice and consent of the governing body, or in the case of a county where there is not an elected chief executive officer, the chairperson of the county board of commissioners, with the advice and consent of the county board of commissioners, shall appoint the members of the board of directors.

(4) Subsequent directors shall be appointed in the same manner as original appointments at the expiration of each director's term of office.

(5) A director whose term of office has expired shall continue to hold office until the director's successor has been appointed with the advice and consent of the governing body. A director may be reappointed with the advice and consent of the governing body to serve additional terms. If a vacancy is created by death or resignation or removal by operation of law, a successor shall be appointed with the advice and consent of the governing body within 30 days to hold office for the remainder of the term of the vacated office.

(6) A director may be removed from office for cause by a majority vote of the governing body.

(7) A director who has a direct interest in any matter before the corporation shall disclose the director's interest before the corporation takes any action with respect to the matter, which disclosure shall become a part of the record of the corporation's official proceedings and the interested director shall further refrain from participation in the corporation's proceedings relating to the matter.

(8) By ordinance, the governing body of a municipality that has a population of less than 5,000 may have the municipality's planning commission created pursuant to the Michigan planning enabling act, 2008 PA 33, MCL 125.3801 to 125.3885, serve as the board of directors provided for in this section.

History: 1974, Act 338, Imd. Eff. Dec. 18, 1974;—Am. 1976, Act 175, Imd. Eff. June 29, 1976;—Am. 1978, Act 467, Imd. Eff. Oct. 16, 1978;—Am. 1980, Act 501, Imd. Eff. Jan. 22, 1981;—Am. 1987, Act 67, Imd. Eff. June 25, 1987;—Am. 2014, Act 245, Imd. Eff. June 27, 2014.

Compiler's note: Section 2 of Act 501 of 1980 provides: "This amendatory act shall not take effect in a city with a population of greater than 750,000 persons until a subsidiary corporation described under section 6a has been created by the corporation of that city. In addition, any project for which a corporation has designated the project area at the time this amendatory act takes effect shall be exempt from the requirement of payment of the prevailing wage and fringe benefit rates described in section 8(4)(h)."

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125.1605 Approval of application to incorporate and articles of incorporation by resolution; incorporation pursuant to MCL 125.1628 to 125.1636.

Sec. 5. After the governing body approves the application to incorporate the economic development corporation and the articles of incorporation by resolution, and the resolution is in effect and is filed with the secretary of state, the clerk of the municipality shall incorporate the economic development corporation pursuant to sections 28 to 36.

History: 1974, Act 338, Imd. Eff. Dec. 18, 1974;—Am. 1976, Act 175, Imd. Eff. June 29, 1976;—Am. 1978, Act 467, Imd. Eff. Oct. 16, 1978;—Am. 1980, Act 501, Imd. Eff. Jan. 22, 1981.

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125.1606 Organization of corporation at municipal and county levels; limitation.

Sec. 6. Not more than 1 corporation shall be organized under this act for a municipality, except for subsidiaries established pursuant to section 6a. If a corporation is organized at the county level, thereafter, a corporation may be organized for a municipality within that county, the effect of which shall be to exclude that municipality from subsequent project jurisdiction of the county corporation, except on specific subsequent consent by the governing body of the municipality. The organization of a corporation at less than the county level does not preclude the organization of a corporation at the county level for the remainder of the county. More than 1 corporation may join or cooperate in a project or act together in coordinating more than 1 project.

History: 1974, Act 338, Imd. Eff. Dec. 18, 1974;—Am. 1980, Act 501, Imd. Eff. Jan. 22, 1981.

Compiler's note: Section 2 of Act 501 of 1980 provides: "This amendatory act shall not take effect in a city with a population of greater than 750,000 persons until a subsidiary corporation described under section 6a has been created by the corporation of that city. In addition, any project for which a corporation has designated the project area at the time this amendatory act takes effect shall be exempt from the requirement of payment of the prevailing wage and fringe benefit rates described in section 8(4)(h)."

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125.1606a Subsidiary neighborhood development corporation; creation; powers; exemption from prevailing wage and fringe benefit rate requirements; disposition of surplus from sale of property; repayment of bonds or notes.

Sec. 6a. (1) In order to implement section 3(f)(ii), a corporation incorporated by a city with a population of greater than 750,000 persons may create subsidiary neighborhood development corporations within the city in which the parent corporation may operate. A subsidiary neighborhood development corporation created pursuant to this subsection shall have power to conduct business solely for the purpose of a project under section 3(f)(ii), but in respect to those projects the subsidiary shall have the same powers of a corporation formed under this act, except as may be limited by the parent corporation in the articles of incorporation or bylaws of the subsidiary.

(2) To the extent the project involves training for disadvantaged youths, a subsidiary created pursuant to this section shall be exempt from the requirement of the payment of prevailing wage and fringe benefit rates described in section 8(4)(h).

(3) Any surplus from the sale of property in the involved project area under section 3(f)(ii), after payment of principal and interest or other evidences of indebtedness, shall be deposited in a revolving fund of the corporation creating the subsidiary corporation, which fund shall be restricted to provide revenue for other projects authorized by section 3(f)(ii), within the city.

(4) When bonds or notes are sold to implement projects under section 3(f)(ii), provision shall be made for the immediate repayment of the bonds or notes at the time all property in the involved project area is sold.

History: Add. 1980, Act 501, Imd. Eff. Jan. 22, 1981;—Am. 2002, Act 357, Imd. Eff. May 23, 2002.

Compiler's note: Section 2 of Act 501 of 1980 provides: "This amendatory act shall not take effect in a city with a population of greater than 750,000 persons until a subsidiary corporation described under section 6a has been created by the corporation of that city. In addition, any project for which a corporation has designated the project area at the time this amendatory act takes effect shall be exempt from the requirement of payment of the prevailing wage and fringe benefit rates described in section 8(4)(h)."

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125.1607 Powers of corporation generally.

Sec. 7. (1) In order to accomplish the public purposes set forth in section 2 the corporation may:

(a) Construct, acquire by gift or purchase, reconstruct, improve, maintain, or repair projects and acquire the necessary land, or an interest in land or portions of the land, for the site of a project.

(b) Acquire by gift or purchase the necessary machinery, furnishings, and equipment for a project.

(c) Make secured or unsecured loans, participate in the making of secured or unsecured loans, undertake commitments to make secured or unsecured loans and mortgages, sell loans and mortgages at public or private sale, rewrite loans and mortgages, discharge loans and mortgages, foreclose on a mortgage, or commence an action to protect or enforce a right conferred upon it by a law, mortgage, loan, contract, or other agreement.

(d) Borrow money and issue its revenue bonds or revenue notes to finance or refinance part or all of the project costs and the costs necessary or incidental to the borrowing of money and issuing of bonds or notes for that purpose, and may secure those bonds and notes by mortgage, assignment, or pledge of any of its money, revenues, income, and properties. Bonds and notes may be issued under this act to acquire and install projects, necessary lands, or an interest in the land or a portion of the land, for the site of the project, and the necessary machinery, furnishings, and equipment for a project notwithstanding that the corporation does not own or propose to own the projects, lands, or machinery, furnishings, and equipment. The corporation for a municipality that has a population of more than 1,000,000 persons may combine part or all of the project costs

of more than 1 project for pollution control facilities in a single financing arrangement. However, the bonds and notes for each project for pollution control facilities shall be secured by a separate agreement and collateral for each project.

(e) Enter into leases, lease purchase agreements, installment sales contracts or loan agreements with any person, firm, or corporation for the use or sale of the project.

(f) Mortgage or create security interests in the project, a part of the project, a lease or loan, or the rents, revenues, or sums to be paid during the term of a lease or loan, in favor of holders of bonds or notes issued by the corporation.

(g) Sell and convey the project or any part of the project for a price and at a time as the corporation determines.

(h) Lend, grant, transfer, or convey funds, described in section 27, as permitted by law, but subject to applicable restrictions affecting the use of those funds.

(2) Bonds and notes issued under this act are not subject to the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140.

(3) Bonds and notes issued under this act are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(4) The issuance of bonds and notes under this act is subject to the agency financing reporting act.

History: 1974, Act 338, Imd. Eff. Dec. 18, 1974;—Am. 1976, Act 175, Imd. Eff. June 29, 1976;—Am. 1980, Act 501, Imd. Eff. Jan. 22, 1981;—Am. 2002, Act 357, Imd. Eff. May 23, 2002.

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125.1607a Pledge by corporation; validity; lien; filing or recording instruments not required.

Sec. 7a. A pledge made by the corporation shall be valid and binding from the time the pledge is made. The money or property pledged and thereafter received by the corporation immediately shall be subject to the lien of the pledge without a physical delivery, filing, or further act. The lien of such a pledge shall be valid and binding as against parties having claims of any kind in tort, contract, or otherwise, against the corporation, irrespective of whether the parties have notice. Neither the resolution, the trust agreement, nor any other instrument by which a pledge is created need be filed or recorded.

History: Add. 1980, Act 501, Imd. Eff. Jan. 22, 1981.

Compiler's note: Section 2 of Act 501 of 1980 provides: "This amendatory act shall not take effect in a city with a population of greater than 750,000 persons until a subsidiary corporation described under section 6a has been created by the corporation of that city. In addition, any project for which a corporation has designated the project area at the time this amendatory act takes effect shall be exempt from the requirement of payment of the prevailing wage and fringe benefit rates described in section 8(4)(h)."

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125.1607b Board of directors serving as planning commission; agenda.

Sec. 7b. If the board of directors of a corporation created under this act serves as the planning commission under section 2 of Act No. 285 of the Public Acts of 1931, being section 125.32 of the Michigan Compiled Laws, the board of directors shall include planning commission business in its agenda.

History: Add. 1987, Act 67, Imd. Eff. June 25, 1987.

125.1608 Designation of project area; certification of approval; preparation and approval of project plan; transfer of employment; contents of project plan; corporation as instrumentality of political subdivision; notice to vacate; corporation to operate project as lessor; issuance of obligations; project plans for agricultural and forestry enterprises.

Sec. 8. (1) The corporation shall designate the project area to the governing body of the municipality for which the corporation is incorporated. The governing body of the municipality for which the corporation is

incorporated shall certify its approval of the designation of a project area by resolution.

(2) Before acquiring property, or an interest in land, or incurring obligations for a specific project, other than the acquisition of an option, the corporation shall prepare a project plan and secure the recommendation of the local public agency of the municipality for which the corporation is incorporated, except as provided in section 9(3), the approval of the governing body of each city, village, or township in which all or a part of the project is located, and the approval of the county, if the corporation is an economic development corporation for the county.

(3) The corporation shall certify to the governing body of the municipality for which the corporation is incorporated that at the time the project plan is approved by the corporation, the project shall not have the effect of transferring employment of more than 20 full-time persons from a municipality of this state to the municipality in which the project is to be located. This restriction shall not prevent the approval of a project if the governing body of each municipality from which employment is to be transferred consents by resolution to the transfer.

(4) The project plan shall contain the following, except that agricultural and forestry enterprise projects need only comply with subsection (9) with respect to project plans:

(a) The location and extent of existing streets and other public facilities within the project district area, and shall designate the location, character, and extent of the categories of public and private land uses then existing and proposed for the project area, including residential, recreational, commercial, industrial, educational, and other uses and shall include a legal description of the project area.

(b) A description of existing improvements in the project area to be demolished, repaired, or altered, a description of repairs and alterations, and an estimate of the time required for completion.

(c) The location, extent, character, and estimated cost of the improvements including rehabilitation contemplated for the project area and an estimate of the time required for completion.

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

(e) A description of the parts of the project area to be left as open space and the use contemplated for the space.

(f) A description of portions of the project area that the corporation desires to sell, donate, exchange, or lease to or from the municipality, and the proposed terms.

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

(h) A statement of the proposed method of financing the project, including, except as provided in section 6a, a statement by a person described in subparagraph (j) indicating the payment to all persons performing work on the construction project of the prevailing wage and fringe benefit rates for the same or similar work in the locality in which the work is to be performed, and a statement of the ability of the corporation to arrange the financing. The prevailing wage and fringe benefit rates shall be determined under 1965 PA 166, MCL 408.551 to 408.558. A corporation may conclusively rely upon the statement required under this subsection as to compliance with the payment of prevailing wage and fringe benefit rates and any contracts, bonds or notes of any corporation entered into or issued upon reliance on any statement shall not be subsequently voided by reason of the failure to comply with the requirements of this subsection.

(i) A list of persons who will manage or be associated with the management of the project for a period of not less than 1 year from the date of approval of the project plan.

(j) Designation of the person or persons, natural or corporate, to whom the project is to be leased, sold, or conveyed and for whose benefit the project is being undertaken if that information is available to the corporation.

(k) If there is not an express or implied agreement between the corporation and persons, natural or corporate, that the project will be leased, sold, or conveyed to those persons, the procedures for bidding for the leasing, purchasing, or conveying of the project upon its completion.

(l) Estimates of the number of persons residing in the project area, and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the corporation, a project plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.

(m) A plan for establishing priority for the relocation of persons displaced by the project in new housing in the project area.

(n) Provision for the costs of relocating persons displaced by the project and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the uniform relocation assistance and real property acquisition policies act of 1970, Public Law 91-646, 84 Stat. 1894.

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

(p) Other material as the corporation, local public agency, or governing body considers pertinent.

(5) The corporation shall be considered an instrumentality of a political subdivision for purposes of 1972 PA 227, MCL 213.321 to 213.332.

(6) A person shall be given not less than 90 days' written notice to vacate unless modified by court order for good cause.

(7) The corporation shall not operate a project or an enterprise in a project, other than as lessor.

(8) The governing body may utilize the corporation to issue obligations pursuant to section 7 to accomplish the public purposes of the municipality set forth in section 2, and for that purpose may by resolution direct the corporation to take appropriate action as set forth in subsections (1) and (2) with respect to a proposed project.

(9) In the case of project plans for agricultural and forestry enterprises, the following information shall be provided in lieu of the requirements of subsections (2) and (4):

(a) A statement of intention regarding the objectives of the project.

(b) A general description of the kinds of buildings, improvements, storage facilities, restorations, acquisition of machinery, equipment furnishings, leasehold improvements and incidental related costs to be financed.

(c) A statement regarding the length of the project and the maximum amount to be financed over the life of the project.

(d) A statement by the corporation that no zoning change or eminent domain proceedings will be necessary to implement the project.

(e) A description of the process to be followed in implementing the individual transactions that may comprise the project.

History: 1974, Act 338, Imd. Eff. Dec. 18, 1974;—Am. 1976, Act 175, Imd. Eff. June 29, 1976;—Am. 1978, Act 467, Imd. Eff. Oct. 16, 1978;—Am. 1980, Act 501, Imd. Eff. Jan. 22, 1981;—Am. 2002, Act 357, Imd. Eff. May 23, 2002.

Compiler's note: Section 2 of Act 501 of 1980 provides: "This amendatory act shall not take effect in a city with a population of greater than 750,000 persons until a subsidiary corporation described under section 6a has been created by the corporation of that city. In addition, any project for which a corporation has designated the project area at the time this amendatory act takes effect shall be exempt from the requirement of payment of the prevailing wage and fringe benefit rates described in section 8(4)(h)."

Act 86 of 1984 amended enacting section 2 of Act No. 501 of 1980 to read as follows: "Section 2. Except for the issuance of bonds and entry into loan agreements by a corporation to refund bonds issued before January 21, 1981, under Act No. 62 of the Public Acts of 1963, being sections 125.1251 to 125.1267 of the Michigan Compiled Laws, this amendatory act shall not take effect in a city with a population of greater than 750,000 persons until a subsidiary corporation described under section 6a has been created by the corporation of that city. In addition, any project for which a corporation has designated the project area at the time this amendatory act takes effect shall be exempt from the requirement of payment of the prevailing wage and fringe benefit rates described in section 8(4)(h)."

125.1609 Project plan; findings and recommendations of local public agency; determinations; publication of general standards for project plans; local public agency recommendations concerning project plan not required.

Sec. 9. (1) A local public agency shall submit its findings and recommendations concerning a project plan after the project citizens district council is consulted and advised as provided in section 14, if it determines the following from the application:

(a) The project plan has been submitted to the project citizens district council for its findings and recommendations, if a project citizens district council is required.

(b) The project plan meets all the requirements set forth in section 8.

(c) The land included within the project area to be acquired is reasonably necessary to carry out the purpose of the plan and of this act in an efficient and economically satisfactory manner.

(d) The project plan is in reasonable accord with the master plan of the municipality, if a master plan has been adopted.

(e) The project plan and size is practicable and in the public interest.

(f) Public services, such as fire and police protection and utilities, are or shall be adequate to service the project area.

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

(2) A local public agency may publish general standards for project plans within the provisions of this section.

(3) If the implementation of the project plan does not require a zoning change or the taking of private property pursuant to section 22, the recommendations of the local public agency concerning the project plan shall not be required.

History: 1974, Act 338, Imd. Eff. Dec. 18, 1974;—Am. 1976, Act 175, Imd. Eff. June 29, 1976;—Am. 1978, Act 467, Imd. Eff. Oct. 16, 1978;—Am. 1980, Act 501, Imd. Eff. Jan. 22, 1981.

Compiler's note: Section 2 of Act 501 of 1980 provides: "This amendatory act shall not take effect in a city with a population of greater than 750,000 persons until a subsidiary corporation described under section 6a has been created by the corporation of that city. In addition, any project for which a corporation has designated the project area at the time this amendatory act takes effect shall be exempt from the requirement of payment of the prevailing wage and fringe benefit rates described in section 8(4)(h)."

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125.1610 Project plan; submission of findings and recommendations; determination of public purpose; considerations.

Sec. 10. (1) The local public agency, if required, shall submit its findings and recommendations for approval or rejection of the project plan, with any recommendations for modification, to the governing body of the municipality for which the corporation is incorporated.

(2) The governing body of the municipality for which the corporation is incorporated, after a public hearing on the project plan with notice of the hearing given in accordance with section 17 shall determine whether the project plan constitutes a public purpose. If it determines that the project plan constitutes a public purpose, it shall then approve or reject the plan, or approve it with modification, based on the following considerations:

- (a) The findings and recommendations of the local public agency, if required.
- (b) The findings and recommendations of the project citizens district council, if established.
- (c) That the plan meets the requirements set forth in section 8.
- (d) The persons who will be active in the management of the project for not less than 1 year after the approval of the project plan have sufficient ability and experience to manage the plan properly.
- (e) The proposed method of financing the project is feasible and the corporation has the ability to arrange the financing.
- (f) The project is reasonable and necessary to carry out the purposes of this act.

History: 1974, Act 338, Imd. Eff. Dec. 18, 1974;—Am. 1978, Act 467, Imd. Eff. Oct. 16, 1978;—Am. 1980, Act 501, Imd. Eff. Jan. 22, 1981.

Compiler's note: Section 2 of Act 501 of 1980 provides: "This amendatory act shall not take effect in a city with a population of greater than 750,000 persons until a subsidiary corporation described under section 6a has been created by the corporation of that city. In addition, any project for which a corporation has designated the project area at the time this amendatory act takes effect shall be exempt from the requirement of payment of the prevailing wage and fringe benefit rates described in section 8(4)(h)."

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125.1611 Amendments to project plan; compliance with local ordinances and resolutions.

Sec. 11. The governing body of the municipality for which the corporation is incorporated after a public hearing with notice of the public hearing given in accordance with section 17 may consider and approve amendments, by resolution, to the project plan. The corporation shall comply with local ordinances and resolutions.

History: 1974, Act 338, Imd. Eff. Dec. 18, 1974;—Am. 1976, Act 175, Imd. Eff. June 29, 1976;—Am. 1978, Act 467, Imd. Eff. Oct. 16, 1978.

125.1612 Establishment of project district area boundaries; project citizens district council; establishment; appointment and qualifications of members; council as representative of project area.

Sec. 12. (1) The governing body of the municipality for which the corporation is incorporated shall, by resolution, do the following:

- (a) Establish the project district area boundaries.
- (b) Determine the necessity of establishing a project citizens district council.

(2) A project citizens district council may be established for a project district area promptly after the designation of the project area is approved by the governing body as provided in section 8(1). The project citizens district council shall be established by the governing body and shall consist of not less than 9 members. The members of the project citizens district council shall be appointed by the governing body. A member of a project citizens district council shall be at least 18 years of age.

(3) A project citizens district council shall be representative of the project area giving particular attention to those persons who reside, own real property, or maintain an establishment located in the project area.

(4) A majority of the members of a project citizens district council shall be persons residing in the project area, except if the persons of the age of majority in the project area number less than 20, or if, at the time a project citizens district council is established, the number of establishments located in the project area exceeds the number of occupied dwelling units in the project area.

History: 1974, Act 338, Imd. Eff. Dec. 18, 1974;—Am. 1976, Act 175, Imd. Eff. June 29, 1976;—Am. 1978, Act 467, Imd. Eff. Oct. 16, 1978.

125.1613 Project citizens district council as advisory body.

Sec. 13. A project citizens district council established pursuant to this act shall act as an advisory body to the corporation, the local public agency, and the governing body.

History: 1974, Act 338, Imd. Eff. Dec. 18, 1974.

125.1614 Consultation between representative of corporation and project citizens district council.

Sec. 14. Periodically the representative of the corporation responsible for preparation of the project plan within the district area shall consult with and advise the project citizens district council regarding all aspects of the project plan, including the development of new housing for relocation purposes located either inside or outside of the development area. The consultation shall begin before any final decisions by the corporation, the local public agency, and the governing body regarding the project plan other than the designation of the project area and the project district area. The consultation shall continue throughout the preparation and implementation of the project plan.

History: 1974, Act 338, Imd. Eff. Dec. 18, 1974.

125.1615 Project citizens district council; meetings; notice; right of person to be heard; record of meeting; information and technical assistance; conditions to adoption of project plan.

Sec. 15. (1) Meetings of the project citizens district council shall be open to the public. Notice of the time and place of the meetings shall be given by publication in a newspaper of general circulation not less than 3 days before the dates set for meetings of the project citizens district council. A person present at those meetings shall have reasonable opportunity to be heard.

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

(3) A project citizens district council may request of and receive from the corporation and the local public agency information and technical assistance relevant to the preparation of a project plan for its district area.

(4) Failure of a project citizens district council to organize or to consult with and be advised by a corporation and the local public agency, or failure to advise the local public agency or the governing body, as provided herein, shall not preclude the adoption of a project plan by a municipality if the municipality complies with the other provisions of this act.

History: 1974, Act 338, Imd. Eff. Dec. 18, 1974.

125.1616 Existing citizens district council as authorized projects citizens district council.

Sec. 16. In a project district area where there already exists a citizens district council established according to Act No. 344 of the Public Acts of 1945, as amended, being sections 125.71 to 125.84 of the Michigan Compiled Laws, the governing body may designate it as the project citizens district council authorized by this act.

History: 1974, Act 338, Imd. Eff. Dec. 18, 1974.

125.1617 Public hearing before adoption of resolution approving project plan; notice; record of public hearing; availability of record to public.

Sec. 17. (1) The governing body of the municipality for which the corporation is incorporated, before adoption of a resolution approving a project plan authorized by this act, shall hold a public hearing. This act

shall not be construed to require any other municipality, other than the municipality for which the corporation is incorporated, to hold a public hearing. Notice of the time and place of the hearing shall be given by publication once in a newspaper of general circulation designated by the municipality, not less than 10 days before the date set for the hearing. In the case of an agricultural and forestry enterprise project undertaken by a county corporation, each unit of government within the county shall be notified by mail.

(2) Notice of the hearing shall be posted in at least 10 conspicuous and public places in the proposed project district area not less than 10 days before the hearing and shall be mailed not less than 10 days before the hearing to the last known owner of each parcel of real property in the proposed project district area at the last known address of the owner as shown by the tax assessment records of the municipality in which the project area is located. Agricultural and forestry enterprise projects shall not be required to comply with this subsection.

(3) Notice of the time, date, and place of hearing on a proposed project plan shall contain a description of the location of the project area in relation to highways, streets, streams, or otherwise. The notice shall contain a statement that maps, plats, and a description of the proposed project plan, including the method of relocating families and individuals who will be displaced from the area, are available for public inspection at a place designated in the notice and that all aspects of the proposed project plan will be open for discussion at the public hearing and shall contain other information the governing body considers appropriate. At the time set for hearing, the governing body shall provide an opportunity for interested persons to be heard and shall receive and consider communications in writing with reference to the hearing. The hearing shall provide the fullest opportunity for expression of opinion, for argument on the merits, and for introduction of documentary evidence pertinent to the proposed project plan. The governing body shall make and preserve a record of the public hearing, including all data presented at the public hearing. The record shall be made available to the public in compliance with Act No. 442 of the Public Acts of 1976, as amended, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

History: 1974, Act 338, Imd. Eff. Dec. 18, 1974;—Am. 1976, Act 175, Imd. Eff. June 29, 1976;—Am. 1978, Act 467, Imd. Eff. Oct. 16, 1978;—Am. 1980, Act 501, Imd. Eff. Jan. 22, 1981.

Compiler's note: Section 2 of Act 501 of 1980 provides: "This amendatory act shall not take effect in a city with a population of greater than 750,000 persons until a subsidiary corporation described under section 6a has been created by the corporation of that city. In addition, any project for which a corporation has designated the project area at the time this amendatory act takes effect shall be exempt from the requirement of payment of the prevailing wage and fringe benefit rates described in section 8(4)(h)."

Act 86 of 1984 amended enacting section 2 of Act No. 501 of 1980 to read as follows: "Section 2. Except for the issuance of bonds and entry into loan agreements by a corporation to refund bonds issued before January 21, 1981, under Act No. 62 of the Public Acts of 1963, being sections 125.1251 to 125.1267 of the Michigan Compiled Laws, this amendatory act shall not take effect in a city with a population of greater than 750,000 persons until a subsidiary corporation described under section 6a has been created by the corporation of that city. In addition, any project for which a corporation has designated the project area at the time this amendatory act takes effect shall be exempt from the requirement of payment of the prevailing wage and fringe benefit rates described in section 8(4)(h)."

125.1618 Finding and recommendations of project citizens district council; notice.

Sec. 18. Promptly after the public hearing provided in section 10 (2), the project citizens district council shall notify the governing body, in writing, of its findings and recommendations concerning the proposed project plan.

History: 1974, Act 338, Imd. Eff. Dec. 18, 1974;—Am. 1976, Act 175, Imd. Eff. June 29, 1976.

125.1619 Revision of boundaries of project district area.

Sec. 19. The boundaries of a project district area may be revised by the inclusion of additional area or by exclusion of existing area by the governing body by resolution.

History: 1974, Act 338, Imd. Eff. Dec. 18, 1974;—Am. 1976, Act 175, Imd. Eff. June 29, 1976.

125.1620 Situations not requiring project citizens district council; dissolution of council.

Sec. 20. A project citizens district council shall not be required and, if formed, shall be dissolved in any of the following situations:

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

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

(c) When the governing body determines that the objectives of the project plan have been substantially achieved. The determination shall not become effective until 20 days after notice is given, in writing, to the project citizens district council advising the project citizens district council of the determination. If, within the

20-day period, the project citizens district council notifies the governing body, in writing, of its disapproval of the determination, the determination shall not become effective unless thereafter approved by a 2/3 majority of the governing body more than 30 days after receipt of the notice of disapproval. During that period, the governing body shall consult with the project citizens district council concerning the objections of the project citizens district council to the determination.

(d) Upon termination of a project by resolution of the governing body.

(e) When the project plan does not include a zoning change and the implementation of the project plan does not require the taking of private property pursuant to section 22.

History: 1974, Act 338, Imd. Eff. Dec. 18, 1974;—Am. 1976, Act 175, Imd. Eff. June 29, 1976;—Am. 1980, Act 501, Imd. Eff. Jan. 22, 1981.

Compiler's note: Section 2 of Act 501 of 1980 provides: "This amendatory act shall not take effect in a city with a population of greater than 750,000 persons until a subsidiary corporation described under section 6a has been created by the corporation of that city. In addition, any project for which a corporation has designated the project area at the time this amendatory act takes effect shall be exempt from the requirement of payment of the prevailing wage and fringe benefit rates described in section 8(4)(h)."

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125.1621 Injunction, mandamus, or other appropriate remedy at law; equitable relief.

Sec. 21. A municipality may commence an action for an injunction, or any other appropriate remedy at law, against a corporation which has not substantially complied with the time limits established in its approved project plan, reasonable delays caused by unforeseen difficulties excepted, or which has failed to substantially perform its obligations. The corporation may commence an action for an injunction, mandamus, or any other appropriate remedy at law, against a municipality for failure to render a final decision on a project plan within 6 months after the date on which the plan was first submitted to the governing body for approval. A citizen residing in the project or district area whose interest is substantially affected by the project plan may bring an action against the corporation or municipality for an appropriate remedy at law or for equitable relief.

History: 1974, Act 338, Imd. Eff. Dec. 18, 1974.

125.1622 Condemnation.

Sec. 22. A municipality may take private property under Act No. 149 of the Public Acts of 1911, as amended, being sections 213.21 to 213.41 of the Michigan Compiled Laws, for the purpose of transfer to the corporation, and may transfer the property to the corporation for use in an approved project, on terms and conditions it deems appropriate, and the taking, transfer, and use shall be considered necessary for public purposes and for the benefit of the public.

History: 1974, Act 338, Imd. Eff. Dec. 18, 1974.

125.1623 Borrowing money and issuing revenue bonds or revenue notes; issuing refunding bonds; bonds or notes and interest exempt from taxation; exceptions; liability of municipality on notes or bonds; statement; investment in bonds and notes; deposit of bonds and notes; report; inspection of records and reports; publication and distribution of statement of revenues and expenditures.

Sec. 23. (1) For the purpose of defraying all or part of its project costs, refunding or refunding in advance obligations authorized under this act or obligations authorized under the industrial development revenue bond act of 1963, 1963 PA 62, MCL 125.1251 to 125.1267, by a municipality incorporating a corporation under this act, a corporation may borrow money and issue its revenue bonds or revenue notes. Refunding bonds may be issued by the corporation whether the bonds to be refunded have or have not matured, are or are not redeemable on the date of issuance of the refunding bonds, or are or are not subject to redemption before maturity, and may be issued to pay principal, interest, redemption premiums, or any combination thereof of the obligations to be refunded. The bonds may be issued partly to refund bonds and partly for any other purpose authorized by this act. The refunding bonds may be issued in a principal amount greater than the principal amount of the bonds to be refunded as may be necessary to effect the refunding pursuant to the plan of refunding. The bonds or notes shall be exempt from all taxation except inheritance and transfer taxes and the interest on the bonds or notes shall be exempt from all taxation in the state of Michigan, notwithstanding that the interest may be subject to federal income tax.

(2) The municipality shall not be liable on notes or bonds of the corporation and the notes and bonds shall

not be a debt of the municipality. The notes and bonds shall contain on their face a statement to that effect.

(3) The bonds and notes of the corporation may be invested in by all public officers, state agencies and political subdivisions, insurance companies, banks, savings and loan associations, investment companies, and fiduciaries and trustees, and may be deposited with and received by all public officers and the agencies and political subdivisions of this state for any purpose for which the deposit of bonds is authorized.

(4) The corporation shall report to the governing body of the municipality for which the corporation is incorporated and the Michigan economic development corporation not less than once per year, which report shall fully describe the activities of the corporation including a statement of all revenues and expenditures since the previous report.

(5) The financial records, accountings, audit reports, and other reports of public money under the control of the corporation shall be public records and open to inspection. The corporation shall publish in a newspaper of general circulation in the incorporating municipality not more than 120 days after the conclusion of the corporation's operating year a statement of all of its revenues and expenditures for the year and shall distribute copies of the report upon request.

History: 1974, Act 338, Imd. Eff. Dec. 18, 1974;—Am. 1976, Act 175, Imd. Eff. June 29, 1976;—Am. 1980, Act 501, Imd. Eff. Jan. 22, 1981;—Am. 2002, Act 357, Imd. Eff. May 23, 2002.

Compiler's note: Section 2 of Act 501 of 1980 provides: "This amendatory act shall not take effect in a city with a population of greater than 750,000 persons until a subsidiary corporation described under section 6a has been created by the corporation of that city. In addition, any project for which a corporation has designated the project area at the time this amendatory act takes effect shall be exempt from the requirement of payment of the prevailing wage and fringe benefit rates described in section 8(4)(h)."

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For transfer of powers and duties in connection with reports filed by municipalities pursuant to MCL 125.1623(4) from the department of commerce to the chief executive officer of the Michigan jobs commission, see E.R.O. No. 1996-2, compiled at MCL 445.2001 of the Michigan Compiled Laws.

125.1624 Disposition of net earnings and property upon dissolution of corporation.

Sec. 24. Any net earnings of the corporation beyond that necessary for the retirement of indebtedness or to implement the public purposes or program of the municipality may not inure to the benefit of a person other than the municipality and, upon dissolution of the corporation shall belong to the municipality. Upon dissolution of the corporation title to all property owned by the corporation, subject to existing rights in other parties, shall vest in the municipality.

History: 1974, Act 338, Imd. Eff. Dec. 18, 1974;—Am. 1976, Act 175, Imd. Eff. June 29, 1976.

125.1625 Exemption of corporation and instruments of conveyance from taxation.

Sec. 25. The corporation shall be exempt from all taxation on its earnings or property. Instruments of conveyance to or from a corporation shall be exempt from all taxation including taxes imposed by Act No. 134 of the Public Acts of 1966, as amended, being sections 207.501 to 207.513 of the Michigan Compiled Laws.

History: 1974, Act 338, Imd. Eff. Dec. 18, 1974;—Am. 1976, Act 175, Imd. Eff. June 29, 1976;—Am. 1980, Act 501, Imd. Eff. Jan. 22, 1981.

Compiler's note: Section 2 of Act 501 of 1980 provides: "This amendatory act shall not take effect in a city with a population of greater than 750,000 persons until a subsidiary corporation described under section 6a has been created by the corporation of that city. In addition, any project for which a corporation has designated the project area at the time this amendatory act takes effect shall be exempt from the requirement of payment of the prevailing wage and fringe benefit rates described in section 8(4)(h)."

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125.1626 Repealed. 1976, Act 175, Imd. Eff. June 29, 1976.

Compiler's note: The repealed section pertained to disposition of property and assets on dissolution of corporation.

125.1627 Powers of public bodies.

Sec. 27. (1) Any municipality and any agency or department thereof, or any other official public body, may do any of the following:

- (a) Anything necessary or convenient to aid in the planning and execution of a project plan.
- (b) Lend, grant, transfer, or contribute funds to the corporation in furtherance of its public purposes.
- (c) Use any funds within its control, including funds derived from the sale or furnishing of property, service, or facilities to the corporation, in the purchase of bonds or other obligations of the corporation, and to exercise any rights connected with such bonds or other obligations of the corporation which it holds.
- (d) Enter into agreements up to 50 years with the corporation regarding action it will take pursuant to the provisions of this section.
- (e) Arrange for economic and business development on a consumer cooperative basis for the citizens to participate in the development of their own housing as an integral part of the commercial, industrial, and residential development under this act.
- (f) Lend, grant, transfer, or convey funds received from the federal or state government or from any nongovernmental entity in aid of the purposes described in section 2, and the corporation may accept these funds.

(2) Any state agency or department may do any of the following:

- (a) Lend cooperation and assistance to the municipality and its economic development corporation.
- (b) Disburse funds to an economic development corporation in accordance with the terms and condition of any grant or transfer of funds from the federal government or its agencies or any nongovernmental entity.

History: 1974, Act 338, Imd. Eff. Dec. 18, 1974;—Am. 1976, Act 175, Imd. Eff. June 29, 1976.

125.1628 Incorporation of economic development corporation; name of corporation.

Sec. 28. Any number of persons, not less than 3, may incorporate, as provided in this act, an economic development corporation for the purpose of implementing or furthering the public purposes stated in section 2 through the exercise of some or all of the powers created in section 7. The name of the corporation shall be "the economic development corporation of the (name of municipality)".

History: Add. 1976, Act 175, Imd. Eff. June 29, 1976.

125.1629 Articles of incorporation; approval by resolution; contents.

Sec. 29. The incorporation of the corporation shall be accomplished by the approval of articles of incorporation by resolution of the municipality. The articles of incorporation shall set forth the name of the corporation; the purpose for which the corporation is created; the number, terms, and manner of selection of its officers and their powers and duties; the date upon which the corporation shall become effective; the name of the newspaper in which the articles of incorporation shall be published; the manner of adopting bylaws; and other matters expedient to be incorporated in the articles.

History: Add. 1976, Act 175, Imd. Eff. June 29, 1976;—Am. 1978, Act 467, Imd. Eff. Oct. 16, 1978.

125.1630 Amendment of articles of incorporation.

Sec. 30. The articles of incorporation of the corporation may be amended by resolution of the municipality which resolution shall be filed with the secretary of state. The effect of an amendment may include the alteration or changing of the structure, organization, programs, or activities of the corporation including the power to terminate the existence of the corporation. However, an amendment shall not impair the obligation of a bond or contract.

History: Add. 1976, Act 175, Imd. Eff. June 29, 1976;—Am. 1978, Act 467, Imd. Eff. Oct. 16, 1978;—Am. 1980, Act 501, Imd. Eff. Jan. 22, 1981.

Compiler's note: Section 2 of Act 501 of 1980 provides: "This amendatory act shall not take effect in a city with a population of greater than 750,000 persons until a subsidiary corporation described under section 6a has been created by the corporation of that city. In addition, any project for which a corporation has designated the project area at the time this amendatory act takes effect shall be exempt from the requirement of payment of the prevailing wage and fringe benefit rates described in section 8(4)(h)."

Act 86 of 1984 amended enacting section 2 of Act No. 501 of 1980 to read as follows: "Section 2. Except for the issuance of bonds and entry into loan agreements by a corporation to refund bonds issued before January 21, 1981, under Act No. 62 of the Public Acts of 1963, being sections 125.1251 to 125.1267 of the Michigan Compiled Laws, this amendatory act shall not take effect in a city with a population of greater than 750,000 persons until a subsidiary corporation described under section 6a has been created by the corporation of that city. In addition, any project for which a corporation has designated the project area at the time this amendatory act takes effect shall be exempt from the requirement of payment of the prevailing wage and fringe benefit rates described in section 8(4)(h)."

125.1631 Articles of incorporation; execution; delivery; filing; publication; statement of right to question incorporation; certificate; effective date and validity of incorporation.

Sec. 31. (1) The articles of incorporation shall be executed in duplicate and delivered to the county clerk who shall file 1 copy in his or her office and the other with the recording officer of the corporation when a recording officer is selected. The municipality's clerk shall cause a copy of the articles of incorporation to be published once in a newspaper designated in the articles of incorporation and circulating within the

municipality accompanied by a statement that the right exists to question the incorporation in court as provided in this section.

(2) The county clerk shall file 1 printed copy of the articles of incorporation with the secretary of state and 1 printed copy in his or her office, attached to each of which printed copies shall be his or her certificate setting forth that the same is a true and complete copy of the original articles of incorporation on file in his or her office.

(3) The corporation shall become effective at the time provided in the articles of incorporation.

(4) The validity of the incorporation shall be conclusively presumed unless questioned in a court of competent jurisdiction within 60 days after the filing of a certified copy with the secretary of state.

History: Add. 1976, Act 175, Imd. Eff. June 29, 1976;—Am. 1980, Act 501, Imd. Eff. Jan. 22, 1981.

Compiler's note: Section 2 of Act 501 of 1980 provides: "This amendatory act shall not take effect in a city with a population of greater than 750,000 persons until a subsidiary corporation described under section 6a has been created by the corporation of that city. In addition, any project for which a corporation has designated the project area at the time this amendatory act takes effect shall be exempt from the requirement of payment of the prevailing wage and fringe benefit rates described in section 8(4)(h)."

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125.1632 Corporation as body corporate; powers.

Sec. 32. The corporation shall be a body corporate with power to sue and be sued in any court of this state. The corporation shall possess all the powers necessary to carry out the purpose of its incorporation and those incident thereto. The enumeration of any powers in this act shall not be construed as a limitation upon the general powers of the corporation.

History: Add. 1976, Act 175, Imd. Eff. June 29, 1976.

125.1632a Personal liability of board members; insurance.

Sec. 32a. The members of the board of directors of any corporation organized pursuant to this act or any person executing any revenue bond or revenue note on behalf of a corporation shall not be liable personally on the revenue bond or revenue note, or be subject to any personal liability or accountability by reason of the issuance of the revenue bond or revenue note, by reason of acquisition, construction, ownership, or operation of a project, or by reason of any other action taken or omitted by the board of directors. By resolution the board of directors of any corporation organized pursuant to this act may provide for the purchase of insurance indemnifying the members of the board from and against any and all personal liability or accountability described in this section or any loss or expense related thereto.

History: Add. 1980, Act 501, Imd. Eff. Jan. 22, 1981.

Compiler's note: Section 2 of Act 501 of 1980 provides: "This amendatory act shall not take effect in a city with a population of greater than 750,000 persons until a subsidiary corporation described under section 6a has been created by the corporation of that city. In addition, any project for which a corporation has designated the project area at the time this amendatory act takes effect shall be exempt from the requirement of payment of the prevailing wage and fringe benefit rates described in section 8(4)(h)."

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125.1633 Dissolution of corporation; referendum on continued existence of corporation.

Sec. 33. (1) A corporation which has completed the purposes for which it was organized shall be dissolved by the adoption of a resolution by a 2/3 majority of its directors, which resolution shall be approved by a majority of the governing body of the municipality and filed with the secretary of state.

(2) At any time during the existence of a corporation, the voters of the municipality for which the corporation was organized shall have the right of referendum on the continued existence of the corporation. A referendum on the continued existence of a corporation shall be conducted pursuant to the laws of the municipality which provide for the referendum of ordinances generally. If a majority of those voting approve the rescission of the resolution approving the articles of incorporation, the dissolution of the corporation shall be effective 90 days after certification of a majority of the votes cast. Provided however, that if the corporation has, prior to the date it is to be dissolved pursuant to this section entered into contracts or issued bonds or notes the corporation shall remain in existence after the date it would otherwise be dissolved but

only for purpose of carrying out its obligations under such contracts, bonds or notes. A certification of the referendum vote shall be filed with the secretary of state. Another corporation may not be incorporated for a municipality within 5 years after the effective date of a corporation's dissolution by referendum under this section.

History: Add. 1976, Act 175, Imd. Eff. June 29, 1976;—Am. 1980, Act 501, Imd. Eff. Jan. 22, 1981.

Compiler's note: Section 2 of Act 501 of 1980 provides: "This amendatory act shall not take effect in a city with a population of greater than 750,000 persons until a subsidiary corporation described under section 6a has been created by the corporation of that city. In addition, any project for which a corporation has designated the project area at the time this amendatory act takes effect shall be exempt from the requirement of payment of the prevailing wage and fringe benefit rates described in section 8(4)(h)."

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125.1634 Corporations organized and incorporated pursuant to MCL 450.62 to 450.192; validation, force, and effect of prior actions.

Sec. 34. A corporation organized and incorporated pursuant to section 5 and Act No. 327 of the Public Acts of 1931, as amended, being sections 450.62 to 450.192 of the Michigan Compiled Laws, before the effective date of this section, is subject to this act, as amended, without formal reorganization and the corporation shall be deemed to exist solely under this act, as amended. Actions taken under this act by a person, municipality, or corporation in good faith before the effective date of this section and which would have been valid under this act before sections 28 to 36 were added are hereby validated and shall have the same force and effect as if those actions were taken under this act, as amended by the act which added this section.

History: Add. 1976, Act 175, Imd. Eff. June 29, 1976.

125.1634a Corporation deemed validly incorporated; validity of action taken by corporation under act; validity and legality of evidences of indebtedness and related instruments.

Sec. 34a. (1) Notwithstanding any other provision of this act, a corporation for which a copy of articles of incorporation is on file with the secretary of state on or before the effective date of this section shall be deemed validly incorporated under this act from the date on which the articles of incorporation were filed, whether or not the articles of incorporation were adopted, executed, printed, certified, or filed in accordance with this act as in effect at the time of filing.

(2) Any action taken by the corporation under this act, which at the time of the taking of the action the corporation would have been empowered to take, is deemed valid from the date the action was taken.

(3) Any bond, note, or other evidence of indebtedness of any corporation and any instrument relating thereto authorized, issued, or delivered prior to the effective date of this section, is valid and legal for all purposes.

History: Add. 1980, Act 501, Imd. Eff. Jan. 22, 1981.

Compiler's note: Section 2 of Act 501 of 1980 provides: "This amendatory act shall not take effect in a city with a population of greater than 750,000 persons until a subsidiary corporation described under section 6a has been created by the corporation of that city. In addition, any project for which a corporation has designated the project area at the time this amendatory act takes effect shall be exempt from the requirement of payment of the prevailing wage and fringe benefit rates described in section 8(4)(h)."

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125.1635 Liberal construction.

Sec. 35. This act, being necessary for and to secure the performance of essential public purposes and functions for the state and its municipalities shall be liberally construed to effect the purposes of this act.

History: Add. 1976, Act 175, Imd. Eff. June 29, 1976.

125.1636 Authority cumulative.

Sec. 36. The authority given by this act shall be in addition to and not in derogation of any power existing in any of the municipalities under any statutory or charter provisions.

History: Add. 1976, Act 175, Imd. Eff. June 29, 1976.