

# HOUSE BILL No. 6054

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

A bill to amend 1986 PA 281, entitled "The local development financing act," by amending sections 4 and 16 (MCL 125.2154 and 125.2166), section 4 as amended by 2012 PA 290 and section 16 as amended by 2005 PA 15.

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

1           Sec. 4. (1) The governing body of a municipality may declare  
2 by resolution adopted by a majority of its members elected and  
3 serving its intention to create and provide for the operation of an  
4 authority.

5           (2) In the resolution of intent, the governing body proposing  
6 to create the authority shall set a date for holding a public  
7 hearing on the adoption of a proposed resolution creating the  
8 authority and designating the boundaries of the authority district

1 or districts. ~~Notice~~ **THROUGH DECEMBER 31, 2014, NOTICE** of the  
2 public hearing shall be published twice in a newspaper of general  
3 circulation in the municipality, not less than 20 nor more than 40  
4 days before the date of the hearing. **BEGINNING JANUARY 1, 2015, THE**  
5 **GOVERNING BODY SHALL PROVIDE TIER A PUBLIC NOTICE AS PROVIDED IN**  
6 **THE LOCAL GOVERNMENT PUBLIC NOTICE ACT NOT LESS THAN 20 OR MORE**  
7 **THAN 40 DAYS BEFORE THE DATE OF THE HEARING.** Except as otherwise  
8 provided in subsection (8), not less than 20 days before the  
9 hearing, the governing body proposing to create the authority shall  
10 also mail notice of the hearing to the property taxpayers of record  
11 in a proposed authority district and, for a public hearing to be  
12 held after February 15, 1994, to the governing body of each taxing  
13 jurisdiction levying taxes that would be subject to capture if the  
14 authority is established and a tax increment financing plan is  
15 approved. Beginning June 1, 2005, the notice of hearing within the  
16 time frame described in this subsection shall be mailed by  
17 certified mail to the governing body of each taxing jurisdiction  
18 levying taxes that would be subject to capture if the authority is  
19 established and a tax increment financing plan is approved. Failure  
20 of a property taxpayer to receive the notice shall not invalidate  
21 these proceedings. The notice shall state the date, time, and place  
22 of the hearing, and shall describe the boundaries of the proposed  
23 authority district or districts. At that hearing, a resident,  
24 taxpayer, or property owner from a taxing jurisdiction in which the  
25 proposed district is located or an official from a taxing  
26 jurisdiction with millage that would be subject to capture has the  
27 right to be heard in regard to the establishment of the authority

1 and the boundaries of that proposed authority district. The  
2 governing body of the municipality in which a proposed district is  
3 to be located shall not incorporate land into an authority district  
4 not included in the description contained in the notice of public  
5 hearing, but it may eliminate lands described in the notice of  
6 public hearing from an authority district in the final  
7 determination of the boundaries.

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

20 (4) Except as otherwise provided in subsection (8), not less  
21 than 60 days after the public hearing or a shorter period as  
22 determined by the governing body for a certified technology park or  
23 a certified alternative energy park, if the governing body creating  
24 the authority intends to proceed with the establishment of the  
25 authority, it shall adopt, by majority vote of its members elected  
26 and serving, a resolution establishing the authority and  
27 designating the boundaries of the authority district or districts

1 within which the authority shall exercise its powers. The adoption  
2 of the resolution is subject to any applicable statutory or charter  
3 provisions with respect to the approval or disapproval of  
4 resolutions by the chief executive officer of the municipality and  
5 the adoption of a resolution over his or her veto. This resolution  
6 shall be filed with the secretary of state promptly after its  
7 adoption and shall be published at least once in a newspaper of  
8 general circulation in the municipality.

9 (5) The governing body may alter or amend the boundaries of an  
10 authority district to include or exclude lands from that authority  
11 district or create new authority districts pursuant to the same  
12 requirements prescribed for adopting the resolution creating the  
13 authority.

14 (6) The validity of the proceedings establishing an authority  
15 shall be conclusive unless contested in a court of competent  
16 jurisdiction within 60 days after the last of the following takes  
17 place:

18 (a) Publication of the resolution creating the authority as  
19 adopted.

20 (b) Filing of the resolution creating the authority with the  
21 secretary of state.

22 (7) Except as otherwise provided by this subsection, if 2 or  
23 more municipalities desire to establish an authority under section  
24 3(2), each municipality in which the authority district will be  
25 located shall comply with the procedures prescribed by this act.  
26 The notice required by subsection (2) may be published jointly by  
27 the municipalities establishing the authority. The resolutions

1 establishing the authority shall include, or shall approve an  
2 agreement including, provisions governing the number of members on  
3 the board, the method of appointment, the members to be represented  
4 by governmental units or agencies, the terms of initial and  
5 subsequent appointments to the board, the manner in which a member  
6 of the board may be removed for cause before the expiration of his  
7 or her term, the manner in which the authority may be dissolved,  
8 and the disposition of assets upon dissolution. An authority  
9 described in this subsection shall not be considered established  
10 unless all of the following conditions are satisfied:

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

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

17 (c) The governing body of the county in which a majority of  
18 the authority district will be located has approved by resolution  
19 the creation of the authority.

20 (8) For an authority created under section 3(3), except as  
21 otherwise provided by this subsection, the next Michigan  
22 development corporation shall comply with the procedures prescribed  
23 for a municipality by subsections (1) and (2) and this subsection.  
24 The provisions of subsections (3) and (4) shall not apply to an  
25 authority exercising its powers under section 3(3). The notice  
26 required by subsection (2) may be published by the next Michigan  
27 development corporation in a newspaper or newspapers of general

1 circulation within the municipalities which are constituent members  
2 of the next Michigan development corporation, and notice shall not  
3 be required to be mailed to the property taxpayers of record in the  
4 proposed authority district. The governing body of the next  
5 Michigan development corporation shall be the governing body of the  
6 authority. A taxing jurisdiction levying ad valorem taxes within  
7 the authority district that would otherwise be subject to capture  
8 which is not a party to the intergovernmental agreement may exempt  
9 its taxes from capture by adopting a resolution to that effect and  
10 filing a copy not more than 60 days after the public hearing with  
11 the recording officer of the next Michigan development corporation.  
12 The next Michigan development corporation shall mail notice of the  
13 public hearing to the governing body of each taxing jurisdiction  
14 which is not a party to the intergovernmental agreement not less  
15 than 20 days before the hearing. Following the public hearing, the  
16 governing body of the next Michigan development corporation shall  
17 adopt a resolution designating the boundaries of the authority  
18 district within which the authority shall exercise its powers,  
19 which may include any certified technology park within the proposed  
20 authority district in accordance with this subsection and may  
21 include property adjacent to or within 1,500 feet of a road  
22 classified as an arterial or collector according to the federal  
23 highway administration manual "Highway Functional Classification -  
24 Concepts, Criteria and Procedures" or of another road in the  
25 discretion of the next Michigan development corporation, and  
26 property adjacent to that property within the territory of the next  
27 Michigan development corporation, as provided in the resolution.

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

1           Sec. 16. (1) Before adoption of a resolution approving or  
2 amending a development plan or approving or amending a tax  
3 increment financing plan, the governing body shall hold a public  
4 hearing on the development plan. ~~Notice~~**THROUGH DECEMBER 31, 2014,**  
5 **NOTICE** of the time and place of the hearing shall be given by  
6 publication twice in a newspaper of general circulation designated  
7 by the municipality, the first of which shall not be less than 20  
8 days before the date set for the hearing. **BEGINNING JANUARY 1,**  
9 **2015, THE GOVERNING BODY SHALL PROVIDE TIER A PUBLIC NOTICE AS**  
10 **PROVIDED IN THE LOCAL GOVERNMENT PUBLIC NOTICE ACT NOT LESS THAN 20**  
11 **DAYS BEFORE THE DATE SET FOR THE HEARING.** Beginning June 1, 2005,  
12 the notice of hearing within the time frame described in this  
13 subsection shall be mailed by certified mail to the governing body  
14 of each taxing jurisdiction levying taxes that would be subject to  
15 capture if the development plan or the tax increment financing plan  
16 is approved or amended.

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

19           (a) A description of the property to which the plan applies in  
20 relation to highways, streets, streams, or otherwise.

21           (b) A statement that maps, plats, and a description of the  
22 development plan, including the method of relocating families and  
23 individuals who may be displaced from the area, are available for  
24 public inspection at a place designated in the notice, and that all  
25 aspects of the development plan will be open for discussion at the  
26 public hearing.

27           (c) Other information that the governing body considers



1 appropriate.

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

10 Enacting section 1. This amendatory act does not take effect  
11 unless Senate Bill No. \_\_\_ or House Bill No. 5560 (request no.  
12 03796'13) of the 97th Legislature is enacted into law.