

HOUSE BILL No. 5851

September 8, 2016, Introduced by Reps. Chatfield, Somerville, Price, Theis and Maturen and referred to the Committee on Local Government.

A bill to amend 1975 PA 197, entitled

"An act to provide for the establishment of a downtown development authority; to prescribe its powers and duties; to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans in the districts; to promote the economic growth of the districts; to create a board; to prescribe its powers and duties; to authorize the levy and collection of taxes; to authorize the issuance of bonds and other evidences of indebtedness; to authorize the use of tax increment financing; to reimburse downtown development authorities for certain losses of tax increment revenues; and to prescribe the powers and duties of certain state officials,"

by amending sections 1, 8, 15, and 31 (MCL 125.1651, 125.1658, 125.1665, and 125.1681), section 1 as amended by 2013 PA 66, section 8 as added by 1987 PA 66, section 15 as amended by 1993 PA 323, and section 31 as added by 1988 PA 425; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Advance" means a transfer of funds made by a municipality
3 to an authority or to another person on behalf of the authority in
4 anticipation of repayment by the authority. Evidence of the intent
5 to repay an advance may include, but is not limited to, an executed
6 agreement to repay, provisions contained in a tax increment
7 financing plan approved prior to the advance, or a resolution of
8 the authority or the municipality.

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

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

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

16 (c) "Authority" means a downtown development authority created
17 pursuant to this act.

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

19 (e) "Business district" means an area in the downtown of a
20 municipality zoned and used principally for business.

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

27 (g) "Catalyst development project" means a project that is

1 located in a municipality with a population greater than 600,000,
2 is designated by the authority as a catalyst development project,
3 and is expected to result in at least \$300,000,000.00 of capital
4 investment. There shall be no more than 1 catalyst development
5 project designated within each authority.

6 (h) "Chief executive officer" means the mayor or city manager
7 of a city, the president or village manager of a village, or the
8 supervisor of a township or, if designated by the township board
9 for purposes of this act, the township superintendent or township
10 manager of a township.

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

13 (j) "Development plan" means that information and those
14 requirements for a development plan set forth in section 17.

15 (k) "Development program" means the implementation of the
16 development plan.

17 (l) "Downtown district" means that part of an area in a
18 business district that is specifically designated by ordinance of
19 the governing body of the municipality pursuant to this act. A
20 downtown district may include 1 or more separate and distinct
21 geographic areas in a business district as determined by the
22 municipality if the municipality enters into an agreement with a
23 qualified township under section 3(7) or if the municipality is a
24 city that surrounds another city and that other city lies between
25 the 2 separate and distinct geographic areas. If the downtown
26 district contains more than 1 separate and distinct geographic area
27 in the downtown district, the separate and distinct geographic

1 areas shall be considered 1 downtown district.

2 (m) "Eligible advance" means an advance made before August 19,
3 1993.

4 (n) "Eligible obligation" means an obligation issued or
5 incurred by an authority or by a municipality on behalf of an
6 authority before August 19, 1993 and its subsequent refunding by a
7 qualified refunding obligation. Eligible obligation includes an
8 authority's written agreement entered into before August 19, 1993
9 to pay an obligation issued after August 18, 1993 and before
10 December 31, 1996 by another entity on behalf of the authority.

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

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

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

17 (r) "Initial assessed value" means the assessed value, as
18 equalized, of all the taxable property within the boundaries of the
19 development area at the time the ordinance establishing the tax
20 increment financing plan is approved, as shown by the most recent
21 assessment roll of the municipality for which equalization has been
22 completed at the time the resolution is adopted. Property exempt
23 from taxation at the time of the determination of the initial
24 assessed value shall be included as zero. For the purpose of
25 determining initial assessed value, property for which a specific
26 local tax is paid in lieu of a property tax shall not be considered
27 to be property that is exempt from taxation. The initial assessed

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

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

22 (t) "Obligation" means a written promise to pay, whether
23 evidenced by a contract, agreement, lease, sublease, bond, or note,
24 or a requirement to pay imposed by law. An obligation does not
25 include a payment required solely because of default upon an
26 obligation, employee salaries, or consideration paid for the use of
27 municipal offices. An obligation does not include those bonds that

1 have been economically defeased by refunding bonds issued under
2 this act. Obligation includes, but is not limited to, the
3 following:

4 (i) A requirement to pay proceeds derived from ad valorem
5 property taxes or taxes levied in lieu of ad valorem property
6 taxes.

7 (ii) A management contract or a contract for professional
8 services.

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

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

15 (v) A letter of credit, paying agent, transfer agent, bond
16 registrar, or trustee fee associated with a contract, agreement,
17 bond, or note.

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

1 by 1 or more of the following:

2 (i) A reimbursement agreement between the municipality and an
3 authority it established.

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

6 (iii) A resolution of the authority agreeing to make payments
7 to the incorporating unit.

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

10 (v) "Operations" means office maintenance, including salaries
11 and expenses of employees, office supplies, consultation fees,
12 design costs, and other expenses incurred in the daily management
13 of the authority and planning of its activities.

14 (w) "Other protected obligation" means:

15 (i) A qualified refunding obligation issued to refund an
16 obligation described in subparagraph (ii), (iii), or (iv), an
17 obligation that is not a qualified refunding obligation that is
18 issued to refund an eligible obligation, or a qualified refunding
19 obligation issued to refund an obligation described in this
20 subparagraph.

21 (ii) An obligation issued or incurred by an authority or by a
22 municipality on behalf of an authority after August 19, 1993, but
23 before December 31, 1994, to finance a project described in a tax
24 increment finance plan approved by the municipality in accordance
25 with this act before December 31, 1993, for which a contract for
26 final design is entered into by or on behalf of the municipality or
27 authority before March 1, 1994 or for which a written agreement

1 with a developer, titled preferred development agreement, was
2 entered into by or on behalf of the municipality or authority in
3 July 1993.

4 (iii) An obligation incurred by an authority or municipality
5 after August 19, 1993, to reimburse a party to a development
6 agreement entered into by a municipality or authority before August
7 19, 1993, for a project described in a tax increment financing plan
8 approved in accordance with this act before August 19, 1993, and
9 undertaken and installed by that party in accordance with the
10 development agreement.

11 (iv) An obligation incurred by the authority evidenced by or
12 to finance a contract to purchase real property within a
13 development area or a contract to develop that property within the
14 development area, or both, if all of the following requirements are
15 met:

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

17 (B) Before June 30, 1995, the authority enters a contract for
18 the development of the real property located within the development
19 area.

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

22 (I) The department of natural resources for site reclamation
23 of the real property.

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

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

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

5 (vi) A loan from a municipality to an authority if the loan
6 was approved by the legislative body of the municipality on April
7 18, 1994.

8 (vii) Funds expended to match a grant received by a
9 municipality on behalf of an authority for sidewalk improvements
10 from the Michigan department of transportation if the legislative
11 body of the municipality approved the grant application on April 5,
12 1993 and the grant was received by the municipality in June 1993.

13 (viii) For taxes captured in 1994, an obligation described in
14 this subparagraph issued or incurred to finance a project. An
15 obligation is considered issued or incurred to finance a project
16 described in this subparagraph only if all of the following are
17 met:

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

20 (B) The obligation was part of a development plan and the tax
21 increment financing plan was approved by a municipality on May 6,
22 1991.

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

26 (D) The authority or municipality captured school taxes during
27 1994.

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

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

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

24 (i) The obligation is issued to refund a qualified refunding
25 obligation issued in November 1997 and any subsequent refundings of
26 that obligation issued before January 1, 2010 or the obligation is
27 issued to refund a qualified refunding obligation issued on May 15,

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

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

17 (A) The net present value of the principal and interest to be
18 paid on the refunding obligation, including the cost of issuance,
19 will be less than the net present value of the principal and
20 interest to be paid on the obligation being refunded, as calculated
21 using a method approved by the department of treasury.

22 (B) The net present value of the sum of the tax increment
23 revenues described in subdivision (cc) (ii) and the distributions
24 under section 13b to repay the refunding obligation will not be
25 greater than the net present value of the sum of the tax increment
26 revenues described in subdivision (cc) (ii) and the distributions
27 under section 13b to repay the obligation being refunded, as

1 calculated using a method approved by the department of treasury.

2 (iii) The obligation is issued to refund an other protected
3 obligation issued as a capital appreciation bond delivered to the
4 Michigan municipal bond authority on December 21, 1994 and any
5 subsequent refundings of that obligation issued before January 1,
6 2012. Qualified refunding obligations issued under this
7 subparagraph are not subject to the requirements of section 305(2),
8 (3), (5), and (6), section 501, section 503, or section 611 of the
9 revised municipal finance act, 2001 PA 34, MCL 141.2305, 141.2501,
10 141.2503, and 141.2611, if issued before January 1, 2012. The
11 duration of the development program described in the tax increment
12 financing plan relating to the qualified refunding obligations
13 issued under this subparagraph is extended to 1 year after the
14 final date of maturity of the qualified refunding obligations. The
15 obligation may be payable through the year 2025 at an interest rate
16 not exceeding the maximum rate permitted by law, notwithstanding
17 the bond maturity dates contained in the notice of intent to issue
18 bonds published by the municipality. An obligation issued under
19 this subparagraph is a qualified refunding obligation only to the
20 extent that revenues described in subdivision (cc) (ii) and
21 distributions under section 13b to repay the qualified refunding
22 obligation do not exceed \$750,000.00.

23 (iv) The obligation is issued to refund a qualified refunding
24 obligation issued on February 13, 2008, and any subsequent
25 refundings of that obligation, issued before December 31, 2018.
26 Qualified refunding obligations issued under this subparagraph are
27 not subject to the requirements of section 305(2), (3), (5), and

1 (6), 501, 503, or 611 of the revised municipal finance act, 2001 PA
2 34, MCL 141.2305, 141.2501, 141.2503, and 141.2611. The duration of
3 the development program described in the tax increment financing
4 plan relating to the qualified refunding obligations issued under
5 this subparagraph is extended to 1 year after the final date of
6 maturity of the qualified refunding obligations. Revenues described
7 in subdivision (cc) (ii) and distributions made under section 13b in
8 excess of the amount needed for current year debt service on an
9 obligation issued under this subparagraph may be paid to the
10 authority to the extent necessary to pay future years' debt service
11 on the obligation as determined by the board.

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

14 (i) Was not eligible to create an authority prior to January
15 3, 2005.

16 (ii) Adjoins a municipality that previously created an
17 authority.

18 (iii) Along with the adjoining municipality that previously
19 created an authority, is a member of the same joint planning
20 commission under the joint municipal planning act, 2003 PA 226, MCL
21 125.131 to 125.143.

22 (aa) "Specific local tax" means a tax levied under 1974 PA
23 198, MCL 207.551 to 207.572, the commercial redevelopment act, 1978
24 PA 255, MCL 207.651 to 207.668, the technology park development
25 act, 1984 PA 385, MCL 207.701 to 207.718, **SECTION 5 OF THE STATE**
26 **ESSENTIAL SERVICES ASSESSMENT ACT, 2014 PA 92, MCL 211.1055,**
27 **SECTION 5 OF THE ALTERNATIVE STATE ESSENTIAL SERVICES ASSESSMENT**

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

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

11 (cc) "Tax increment revenues" means the amount of ad valorem
12 property taxes and specific local taxes attributable to the
13 application of the levy of all taxing jurisdictions upon the
14 captured assessed value of real and personal property in the
15 development area, subject to the following requirements:

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

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

1 property in the development area in an amount equal to the amount
2 necessary, without regard to subparagraph (i), to repay eligible
3 advances, eligible obligations, and other protected obligations.

4 (iii) Tax increment revenues do not include any of the
5 following:

6 (A) Ad valorem property taxes attributable either to a portion
7 of the captured assessed value shared with taxing jurisdictions
8 within the jurisdictional area of the authority or to a portion of
9 value of property that may be excluded from captured assessed value
10 or specific local taxes attributable to such ad valorem property
11 taxes.

12 (B) Ad valorem property taxes excluded by the tax increment
13 financing plan of the authority from the determination of the
14 amount of tax increment revenues to be transmitted to the authority
15 or specific local taxes attributable to such ad valorem property
16 taxes.

17 (C) Ad valorem property taxes exempted from capture under
18 section 3(3) or specific local taxes attributable to such ad
19 valorem property taxes.

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

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

25 (II) The art institute authorities act, 2010 PA 296, MCL
26 123.1201 to 123.1229.

27 **(E) AD VALOREM PROPERTY TAXES OR SPECIFIC LOCAL TAXES LEVIED**

1 FOR A MILLAGE APPROVED BY THE ELECTORS AFTER DECEMBER 31, 2016,
2 EXCEPT FOR 1 OR MORE OF THE FOLLOWING:

3 (I) A MILLAGE APPROVED BY THE ELECTORS UNDER SECTION 34D(11)
4 OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.34D.

5 (II) A RENEWAL OF A MILLAGE THAT WAS AUTHORIZED ON OR BEFORE
6 DECEMBER 31, 2016.

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

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

25 (B) The maximum amount of ad valorem property taxes and
26 specific local taxes considered tax increment revenues under
27 subparagraph (ii) or (v).

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

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

1 Sec. 8. (1) ~~If a board created under this act serves as the~~
2 ~~planning commission under section 2 of Act No. 285 of the Public~~
3 ~~Acts of 1931, being section 125.32 of the Michigan Compiled Laws,~~
4 ~~the board shall include planning commission business in its agenda.~~

5 **THE MUNICIPALITY CREATING THE AUTHORITY SHALL ENSURE THAT A WEBSITE**
6 **IS CREATED, OPERATED, AND REGULARLY MAINTAINED WITH ALL AUTHORITY**
7 **RECORDS AND DOCUMENTS, FOR THE IMMEDIATELY PRECEDING 5 FISCAL**
8 **YEARS, INCLUDING ALL OF THE FOLLOWING:**

9 (A) MINUTES OF ALL BOARD MEETINGS.

10 (B) ANNUAL BUDGET.

11 (C) ANNUAL AUDITS.

12 (D) CURRENTLY ADOPTED DEVELOPMENT PLAN.

13 (E) CURRENTLY ADOPTED TAX INCREMENT FINANCE PLAN.

14 (F) LIST OF ALL AUTHORITY SPONSORED AND MANAGED EVENTS.

15 (G) CURRENT AUTHORITY STAFF CONTACT INFORMATION.

16 (H) ALL PROMOTIONAL AND MARKETING MATERIALS.

17 (I) AMOUNT OF TAX INCREMENT REVENUES CAPTURED FOR EACH TAXING
18 JURISDICTION THAT LEVIES AD VALOREM PROPERTY TAXES OR SPECIFIC
19 LOCAL TAXES WITHIN THE BOUNDARIES OF THE AUTHORITY.

20 (J) CURRENT CONTRACTS AND OTHER DOCUMENTS RELATED TO
21 MANAGEMENT OF THE AUTHORITY.

22 (2) SUBJECT TO SUBSECTION (3), THE REQUIREMENTS IN SUBSECTION
23 (1) ARE REQUIRED FOR RECORDS AND DOCUMENTS RELATED TO FISCAL YEARS
24 STARTING THE FISCAL YEAR OF THE DATE OF ENACTMENT OF THE AMENDATORY
25 ACT THAT ADDED THIS SUBSECTION.

26 (3) THE RECORDS AND DOCUMENTS DESCRIBED IN SUBSECTION (1) (F) ,
27 (G) , (H) , AND (J) SHALL BE REQUIRED FOR 2 FISCAL YEARS IMMEDIATELY

1 PRECEDING THE DATE OF ENACTMENT OF THE AMENDATORY ACT THAT ADDED
2 THIS SUBSECTION.

3 (4) THE REQUIREMENTS OF THIS SECTION SHALL NOT TAKE EFFECT
4 UNTIL 60 DAYS AFTER THE END OF AN AUTHORITY'S CURRENT FISCAL YEAR
5 AS OF THE DATE OF ENACTMENT OF THE AMENDATORY ACT THAT ADDED THIS
6 SUBSECTION.

7 (5) EACH YEAR, THE BOARD SHALL HOLD NOT FEWER THAN 1
8 INFORMATIONAL MEETING. THE PURPOSE OF THE INFORMATIONAL MEETING
9 WILL BE TO HIGHLIGHT THE INFORMATION DESCRIBED IN SUBSECTION (1) (A)
10 TO (J). NOTICE OF AN INFORMATIONAL MEETING SHALL BE POSTED ON THE
11 MUNICIPALITY'S OR AUTHORITY'S WEBSITE NOT LESS THAN 20 DAYS BEFORE
12 THE DATE OF THE INFORMATIONAL MEETING. NOT LESS THAN 20 DAYS BEFORE
13 THE INFORMATIONAL MEETING, THE BOARD SHALL MAIL NOTICE OF THE
14 INFORMATIONAL MEETING TO THE GOVERNING BODY OF EACH TAXING
15 JURISDICTION LEVYING TAXES THAT ARE SUBJECT TO CAPTURE BY THE
16 AUTHORITY.

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

19 (2) The authority shall expend the tax increment revenues
20 received for the development program only pursuant to the tax
21 increment financing plan. Surplus funds shall revert
22 proportionately to the respective taxing bodies. These revenues
23 shall not be used to circumvent existing property tax limitations.
24 The governing body of the municipality may abolish the tax
25 increment financing plan when it finds that the purposes for which
26 it was established are accomplished. However, the tax increment
27 financing plan shall not be abolished, **ALLOWED TO EXPIRE, OR**

1 **OTHERWISE TERMINATE**, until the principal of, and interest on, bonds
 2 issued pursuant to section 16 have been paid or funds sufficient to
 3 make the payment have been segregated.

4 (3) Annually the authority shall submit to the governing body
 5 of the municipality, **THE GOVERNING BODY OF A TAXING UNIT LEVYING**
 6 **TAXES SUBJECT TO CAPTURE BY AN AUTHORITY**, and the state tax
 7 commission a report on the status of the tax increment financing
 8 account. The report shall be published in a newspaper of general
 9 circulation in the municipality **OR ON A WEBSITE OF THE AUTHORITY OR**
 10 **THE MUNICIPALITY** and shall include the following:

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

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

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

14 (d) The amount of principal and interest on any outstanding
 15 bonded indebtedness.

16 (e) The initial assessed value of the ~~project~~ **DEVELOPMENT**
 17 area.

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

19 (g) The tax increment revenues received.

20 ~~———— (h) The number of jobs created as a result of the~~
 21 ~~implementation of the tax increment financing plan.~~

22 **(H) THE TOTAL NEW PUBLIC INVESTMENT BY THE AUTHORITY IN EACH**
 23 **OF THE DEVELOPMENT AREAS.**

24 **(I) THE TOTALS RECEIVED BY THE AUTHORITY OR CONTRIBUTIONS MADE**
 25 **BY SPONSORSHIPS, CASH, AND IN-KIND SERVICES FOR EVENTS, PROGRAMS,**
 26 **AND PROJECTS WITHIN EACH DEVELOPMENT AREA.**

27 **(J) THE AMOUNTS OF ANY FUNDS OTHER THAN TAX INCREMENTS**

1 REVENUES USED BY THE AUTHORITY FOR ANY PROJECTS OR ACTIVITIES IN
2 THE DEVELOPMENT AREAS.

3 (K) THE CURRENT ASSESSED VALUE OF THE DEVELOPMENT AREA.

4 (L) THE CAPTURED ASSESSED VALUE RETAINED BY THE AUTHORITY FOR
5 EACH TAXING JURISDICTION.

6 (M) THE AMOUNT OF TAX INCREMENT REVENUES USED FOR THE
7 OPERATION OF THE AUTHORITY.

8 (N) ~~(i)~~ Any additional information the governing body or the
9 state tax commission considers necessary.

10 (4) TAX INCREMENT REVENUES SHALL BE EXPENDED WITHIN 5 YEARS OF
11 THEIR RECEIPT. HOWEVER, TAX INCREMENT REVENUES MAY BE ACCUMULATED
12 FOR A PERIOD LONGER THAN 5 YEARS, PROVIDED THE TAX INCREMENT
13 FINANCING PLAN SPECIFICALLY PROVIDES FOR ALL OF THE FOLLOWING:

14 (A) THE REASONS FOR ACCUMULATING THOSE FUNDS.

15 (B) A TIME FRAME WHEN THE FUND WILL BE EXPENDED.

16 (C) THE USES FOR WHICH THE FUND WILL BE EXPENDED.

17 Sec. 31. (1) The state tax commission may institute
18 proceedings to compel enforcement of this act **AND SHALL SEND**
19 **WRITTEN NOTIFICATION TO AN AUTHORITY FAILING TO COMPLY WITH THIS**
20 **ACT AND THE GOVERNING BODY OF THE MUNICIPALITY THAT ESTABLISHED THE**
21 **AUTHORITY OF A VIOLATION OF ANY PROVISION OF THIS ACT.**

22 (2) The state tax commission may promulgate rules necessary
23 for the administration of this act pursuant to the administrative
24 procedures act of 1969, ~~Act No. 306 of the Public Acts of 1969,~~
25 ~~being sections 24.201 to 24.328 of the Michigan Compiled Laws.1969~~
26 **PA 306, MCL 24.201 TO 24.328.**

27 (3) IF THE STATE TAX COMMISSION NOTIFIES AN AUTHORITY IN

1 WRITING THAT THE AUTHORITY FAILED TO COMPLY WITH ANY PROVISION OF
2 THIS ACT, THAT AUTHORITY SHALL NOT CAPTURE ANY TAX INCREMENT
3 REVENUES THAT ARE IN EXCESS OF AMOUNTS NECESSARY TO PAY BONDED
4 INDEBTEDNESS OR OTHER OBLIGATIONS FOR THE PERIOD OF NONCOMPLIANCE
5 AS DETERMINED BY THE STATE TAX COMMISSION. ANY EXCESS FUNDS
6 CAPTURED SHALL BE RETURNED TO THE TAXING JURISDICTION FROM WHICH
7 THEY WERE CAPTURED AS PROVIDED IN SECTION 15(2).

8 Enacting section 1. The following acts are repealed:

9 (a) The historic neighborhood tax increment finance authority
10 act, 2004 PA 530, MCL 125.2841 to 125.2866.

11 (b) The neighborhood improvement authority act, 2007 PA 61,
12 MCL 125.2911 to 125.2932.

13 (c) The private investment infrastructure funding act, 2010 PA
14 250, MCL 125.1871 to 125.1883.