

**SUBSTITUTE FOR
HOUSE BILL NO. 5142**

A bill to amend 2005 PA 280, entitled
"Corridor improvement authority act,"
by amending sections 2, 4, 6, 8, and 11 (MCL 125.2872, 125.2874,
125.2876, 125.2878, and 125.2881), sections 2 and 6 as amended by
2008 PA 44 and section 11 as amended by 2007 PA 44.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. 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 the taxable value as determined

1 under section 27a of the general property tax act, 1893 PA 206, MCL
2 211.27a.

3 (c) "Authority" means a corridor improvement authority created
4 under ~~this act~~ **SECTION 4(1) OR A JOINT AUTHORITY CREATED UNDER**
5 **SECTION 4(2)**.

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

7 (e) "Business district" means an area of a municipality zoned
8 and used principally for business.

9 (f) "Captured assessed value" means the amount in any 1 year
10 by which the current assessed value of the development area,
11 including the assessed value of property for which specific local
12 taxes are paid in lieu of property taxes as determined in section
13 3(d), exceeds the initial assessed value. The state tax commission
14 shall prescribe the method for calculating captured assessed value.

15 (g) "Chief executive officer" means the mayor of a city, the
16 president of a village, or the supervisor of a township.

17 (h) "Development area" means that area described in section 5
18 to which a development plan is applicable.

19 (i) "Development plan" means that information and those
20 requirements for a development area set forth in section 21.

21 (j) "Development program" means the implementation of the
22 development plan.

23 (k) "Fiscal year" means the fiscal year of the authority.

24 (l) "Governing body" or "governing body of a municipality"
25 means the elected body of a municipality having legislative powers
26 **OR, FOR A JOINT AUTHORITY CREATED UNDER SECTION 4(2), THE ELECTED**
27 **BODY OF EACH MUNICIPALITY HAVING LEGISLATIVE POWERS THAT IS A**

1 **MEMBER OF THE JOINT AUTHORITY.**

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

15 (n) "Land use plan" means a plan prepared under former 1921 PA
16 207, former 1943 PA 184, or a site plan under the Michigan zoning
17 enabling act, 2006 PA 110, MCL 125.3101 to 125.3702.

18 (o) "Municipality" means 1 of the following:

19 (i) A city.

20 (ii) A village.

21 (iii) A township.

22 (iv) **A COMBINATION OF 2 OR MORE CITIES, VILLAGES, OR TOWNSHIPS**
23 **ACTING JOINTLY UNDER A JOINT AUTHORITY CREATED UNDER SECTION 4(2).**

24 Sec. 4. (1) Except as otherwise provided in this subsection, a
25 municipality may establish multiple authorities. A parcel of
26 property shall not be included in more than 1 authority created
27 under this act.

1 (2) A CITY, VILLAGE, OR TOWNSHIP MAY BY RESOLUTION JOIN WITH 1
2 OR MORE CITIES, VILLAGES, OR TOWNSHIPS TO CREATE A JOINT AUTHORITY
3 UNDER THIS ACT.

4 (3) ~~(2)~~An authority is a public body corporate which may sue
5 and be sued in any court of this state. An authority possesses all
6 the powers necessary to carry out its purpose. The enumeration of a
7 power in this act shall not be construed as a limitation upon the
8 general powers of an authority.

9 Sec. 6. (1) If the governing body of a municipality determines
10 that it is necessary for the best interests of the public to
11 redevelop its commercial corridors and to promote economic growth,
12 the governing body may, by resolution, ~~declare~~**DO 1 OF THE**
13 **FOLLOWING:**

14 (A) **DECLARE** its intention to create and provide for the
15 operation of an authority.

16 (B) **DECLARE ITS INTENTION TO JOINTLY CREATE AND PROVIDE FOR**
17 **THE OPERATION OF A JOINT AUTHORITY WITH 1 OR MORE OTHER CITIES,**
18 **VILLAGES, OR TOWNSHIPS.**

19 (2) In the resolution of intent, the governing body shall
20 state that the proposed development area meets the criteria in
21 section 5, set a date for a public hearing on the adoption of a
22 proposed resolution creating the authority, and designate the
23 boundaries of the development area. Notice of the public hearing
24 shall be published twice in a newspaper of general circulation in
25 the municipality, not less than 20 or more than 40 days before the
26 date of the hearing. Not less than 20 days before the hearing, the
27 governing body proposing to create the authority shall also mail

1 notice of the hearing to the property taxpayers of record in the
2 proposed development area, to the governing body of each taxing
3 jurisdiction levying taxes that would be subject to capture if the
4 authority is established and a tax increment financing plan is
5 approved, and to the state tax commission. Failure of a property
6 taxpayer to receive the notice does not invalidate these
7 proceedings. Notice of the hearing shall be posted in at least 20
8 conspicuous and public places in the proposed development area not
9 less than 20 days before the hearing. The notice shall state the
10 date, time, and place of the hearing and shall describe the
11 boundaries of the proposed development area. A citizen, taxpayer,
12 or property owner of the municipality or an official from a taxing
13 jurisdiction with millage that would be subject to capture has the
14 right to be heard in regard to the establishment of the authority
15 and the boundaries of the proposed development area. The governing
16 body of the municipality shall not incorporate land into the
17 development area not included in the description contained in the
18 notice of public hearing, but it may eliminate described lands from
19 the development area in the final determination of the boundaries.

20 (3) Not less than 60 days after the public hearing, if the
21 governing body of the municipality intends to proceed with the
22 establishment of the authority it shall adopt, by majority vote of
23 its members, a resolution establishing the authority and
24 designating the boundaries of the development area within which the
25 authority shall exercise its powers. The adoption of the resolution
26 is subject to any applicable statutory or charter provisions in
27 respect to the approval or disapproval by the chief executive or

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

6 (4) The governing body of the municipality may alter or amend
7 the boundaries of the development area to include or exclude lands
8 from the development area in the same manner as adopting the
9 resolution creating the authority.

10 (5) A municipality that has created an authority may enter
11 into an agreement with an adjoining municipality that has created
12 an authority to jointly operate and administer those authorities
13 under an interlocal agreement under the urban cooperation act of
14 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512. The interlocal
15 agreement shall include, but is not limited to, a plan to
16 coordinate and expedite local inspections and permit approvals, a
17 plan to address contradictory zoning requirements, and a date
18 certain to implement all provisions of these plans. If a
19 municipality enters into an interlocal agreement under this
20 subsection, the municipality shall provide a copy of that
21 interlocal agreement to the state tax commission within 60 days of
22 entering into the interlocal agreement.

23 Sec. 8. (1) Except as provided in subsection (7) **OR AS**
24 **OTHERWISE PROVIDED IN SUBSECTION (8)**, an authority shall be under
25 the supervision and control of a board consisting of the chief
26 executive officer of the municipality or his or her assignee and
27 not less than 5 or more than 9 members as determined by the

1 governing body of the municipality. Members shall be appointed by
2 the chief executive officer of the municipality, subject to
3 approval by the governing body of the municipality. Not less than a
4 majority of the members shall be persons having an ownership or
5 business interest in property located in the development area. At
6 least 1 of the members shall be a resident of the development area
7 or of an area within 1/2 mile of any part of the development area.
8 Of the members first appointed, an equal number of the members, as
9 near as is practicable, shall be appointed for 1 year, 2 years, 3
10 years, and 4 years. A member shall hold office until the member's
11 successor is appointed. After the initial appointment, each member
12 shall serve for a term of 4 years. An appointment to fill a vacancy
13 shall be made by the chief executive officer of the municipality
14 for the unexpired term only. Members of the board shall serve
15 without compensation, but shall be reimbursed for actual and
16 necessary expenses. The chairperson of the board shall be elected
17 by the board.

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

21 (3) The proceedings and rules of the board are subject to the
22 open meetings act, 1976 PA 267, MCL 15.261 to 15.275. The board
23 shall adopt rules governing its procedure and the holding of
24 regular meetings, subject to the approval of the governing body.
25 Special meetings may be held if called in the manner provided in
26 the rules of the board.

27 (4) After having been given notice and an opportunity to be

1 heard, a member of the board may be removed for cause by the
2 governing body.

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

6 (6) A writing prepared, owned, used, in the possession of, or
7 retained by the board in the performance of an official function is
8 subject to the freedom of information act, 1976 PA 442, MCL 15.231
9 to 15.246.

10 (7) If the boundaries of the development area are the same as
11 those of a business improvement district established under 1961 PA
12 120, MCL 125.981 to 125.990m, the governing body of the
13 municipality may provide that the members of the board of the
14 authority shall be the members of the board of the business
15 improvement district and 1 person shall be a resident of the
16 development area or of an area within 1/2 mile of any part of the
17 development area.

18 **(8) IF 2 OR MORE CITIES, VILLAGES, OR TOWNSHIPS CREATE A JOINT**
19 **AUTHORITY UNDER SECTION 4(2), THE BOARD SHALL CONSIST OF UP TO 3**
20 **INDIVIDUALS APPOINTED BY THE CHIEF EXECUTIVE OFFICER OF EACH CITY,**
21 **VILLAGE, OR TOWNSHIP THAT IS A MEMBER OF THE JOINT AUTHORITY. EACH**
22 **OF THOSE INDIVIDUALS SHALL BE APPOINTED FOR TERMS OF 2 YEARS, 3**
23 **YEARS, AND 4 YEARS.**

24 Sec. 11. (1) The board may do ~~any~~**1 OR MORE** of the following:

25 (a) Prepare an analysis of economic changes taking place in
26 the development area.

27 (b) Study and analyze the impact of metropolitan growth upon

1 the development area.

2 (c) Plan and propose the construction, renovation, repair,
3 remodeling, rehabilitation, restoration, preservation, or
4 reconstruction of a public facility, an existing building, or a
5 multiple-family dwelling unit which may be necessary or appropriate
6 to the execution of a plan which, in the opinion of the board, aids
7 in the economic growth of the development area.

8 (d) Plan, propose, and implement an improvement to a public
9 facility within the development area to comply with the barrier
10 free design requirements of the state construction code promulgated
11 under the Stille-DeRossett-Hale single state construction code act,
12 1972 PA 230, MCL 125.1501 to 125.1531.

13 (e) Develop long-range plans, in cooperation with the agency
14 that is chiefly responsible for planning in the municipality,
15 designed to halt the deterioration of property values in the
16 development area and to promote the economic growth of the
17 development area, and take steps as may be necessary to persuade
18 property owners to implement the plans to the fullest extent
19 possible.

20 (f) Implement any plan of development in the development area
21 necessary to achieve the purposes of this act in accordance with
22 the powers of the authority granted by this act.

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

25 (h) On terms and conditions and in a manner and for
26 consideration the authority considers proper or for no
27 consideration, acquire by purchase or otherwise, or own, convey, or

1 otherwise dispose of, or lease as lessor or lessee, land and other
2 property, real or personal, or rights or interests in the property,
3 that the authority determines is reasonably necessary to achieve
4 the purposes of this act, and to grant or acquire licenses,
5 easements, and options.

6 (i) Improve land and construct, reconstruct, rehabilitate,
7 restore and preserve, equip, improve, maintain, repair, and operate
8 any building, including multiple-family dwellings, and any
9 necessary or desirable appurtenances to those buildings, within the
10 development area for the use, in whole or in part, of any public or
11 private person or corporation, or a combination thereof.

12 (j) Fix, charge, and collect fees, rents, and charges for the
13 use of any facility, building, or property under its control or any
14 part of the facility, building, or property, and pledge the fees,
15 rents, and charges for the payment of revenue bonds issued by the
16 authority. **FEES, RENTS, AND CHARGES SHALL NOT INCLUDE THE ADDING OF**
17 **A TOLL OR EMPLOYMENT OF NEW USER FEES FOR ANY MOTOR VEHICLE ACCESS**
18 **TO A NEW OR EXISTING HIGHWAY, ROAD, STREET, HIGHWAY RAMP, OR**
19 **BRIDGE.**

20 (k) Lease, in whole or in part, any facility, building, or
21 property under its control.

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

24 (m) Acquire and construct public facilities.

25 (n) Conduct market research and public relations campaigns,
26 develop, coordinate, and conduct retail and institutional
27 promotions, and sponsor special events and related activities.

1 (o) Contract for broadband service and wireless technology
2 service in a development area.

3 (2) Notwithstanding any other provision of this act, in a
4 qualified development area the board may, in addition to the powers
5 enumerated in subsection (1), do 1 or more of the following:

6 (a) Perform any necessary or desirable site improvements to
7 the land, including, but not limited to, installation of temporary
8 or permanent utilities, temporary or permanent roads and driveways,
9 silt fences, perimeter construction fences, curbs and gutters,
10 sidewalks, pavement markings, water systems, gas distribution
11 lines, concrete, including, but not limited to, building pads,
12 storm drainage systems, sanitary sewer systems, parking lot paving
13 and light fixtures, electrical service, communications systems,
14 including broadband and high-speed internet, site signage, and
15 excavation, backfill, grading of site, landscaping and irrigation,
16 within the development area for the use, in whole or in part, of
17 any public or private person or business entity, or a combination
18 of these.

19 (b) Incur expenses and expend funds to pay or reimburse a
20 public or private person for costs associated with any of the
21 improvements described in subdivision (a).

22 (c) Make and enter into financing arrangements with a public
23 or private person for the purposes of implementing the board's
24 powers described in this section, including, but not limited to,
25 lease purchase agreements, land contracts, installment sales
26 agreements, sale leaseback agreements, and loan agreements.