

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5142**

A bill to amend 2005 PA 280, entitled
"Corridor improvement authority act,"
by amending sections 2, 4, 6, and 8 (MCL 125.2872, 125.2874,
125.2876, and 125.2878), sections 2 and 6 as amended by 2008 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 LOCATED IN A COUNTY WITH A
2 POPULATION OF MORE THAN 335,000 AND LESS THAN 415,000 AND THAT HAS
3 NOT LESS THAN 2 STATE PUBLIC UNIVERSITIES WITHIN ITS BOUNDARIES MAY
4 BY RESOLUTION JOIN WITH 1 OR MORE CITIES, VILLAGES, OR TOWNSHIPS
5 LOCATED IN A COUNTY WITH A POPULATION OF MORE THAN 335,000 AND LESS
6 THAN 415,000 AND THAT HAS NOT LESS THAN 2 STATE PUBLIC UNIVERSITIES
7 WITHIN ITS BOUNDARIES TO CREATE A JOINT AUTHORITY UNDER THIS ACT.

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

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

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

20 **(B) DECLARE ITS INTENTION TO JOINTLY CREATE AND PROVIDE FOR**
21 **THE OPERATION OF A JOINT AUTHORITY CREATED UNDER SECTION 4(2).**

22 (2) In the resolution of intent, the governing body shall
23 state that the proposed development area meets the criteria in
24 section 5, set a date for a public hearing on the adoption of a
25 proposed resolution creating the authority, and designate the
26 boundaries of the development area. Notice of the public hearing
27 shall be published twice in a newspaper of general circulation in

1 the municipality, not less than 20 or more than 40 days before the
2 date of the hearing. Not less than 20 days before the hearing, the
3 governing body proposing to create the authority shall also mail
4 notice of the hearing to the property taxpayers of record in the
5 proposed development area, to the governing body of each taxing
6 jurisdiction levying taxes that would be subject to capture if the
7 authority is established and a tax increment financing plan is
8 approved, and to the state tax commission. Failure of a property
9 taxpayer to receive the notice does not invalidate these
10 proceedings. Notice of the hearing shall be posted in at least 20
11 conspicuous and public places in the proposed development area not
12 less than 20 days before the hearing. The notice shall state the
13 date, time, and place of the hearing and shall describe the
14 boundaries of the proposed development area. A citizen, taxpayer,
15 or property owner of the municipality or an official from a taxing
16 jurisdiction with millage that would be subject to capture has the
17 right to be heard in regard to the establishment of the authority
18 and the boundaries of the proposed development area. The governing
19 body of the municipality shall not incorporate land into the
20 development area not included in the description contained in the
21 notice of public hearing, but it may eliminate described lands from
22 the development area in the final determination of the boundaries.

23 (3) Not less than 60 days after the public hearing, if the
24 governing body of the municipality intends to proceed with the
25 establishment of the authority it shall adopt, by majority vote of
26 its members, a resolution establishing the authority and
27 designating the boundaries of the development area within which the

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

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

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

26 Sec. 8. (1) Except as provided in subsection (7) **OR AS**
27 **OTHERWISE PROVIDED IN SUBSECTION (8)**, an authority shall be under

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

21 (2) Before assuming the duties of office, a member shall
22 qualify by taking and subscribing to the constitutional oath of
23 office.

24 (3) The proceedings and rules of the board are subject to the
25 open meetings act, 1976 PA 267, MCL 15.261 to 15.275. The board
26 shall adopt rules governing its procedure and the holding of
27 regular meetings, subject to the approval of the governing body.

1 Special meetings may be held if called in the manner provided in
2 the rules of the board.

3 (4) After having been given notice and an opportunity to be
4 heard, a member of the board may be removed for cause by the
5 governing body.

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

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

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

21 (8) IF 2 OR MORE CITIES, VILLAGES, OR TOWNSHIPS CREATE A JOINT
22 AUTHORITY UNDER SECTION 4(2), THE BOARD SHALL CONSIST OF UP TO 3
23 INDIVIDUALS APPOINTED BY THE CHIEF EXECUTIVE OFFICER OF EACH CITY,
24 VILLAGE, OR TOWNSHIP THAT IS A MEMBER OF THE JOINT AUTHORITY. EACH
25 OF THOSE INDIVIDUALS SHALL BE APPOINTED FOR INITIAL STAGGERED TERMS
26 OF 2 YEARS, 3 YEARS, OR 4 YEARS. A MEMBER SHALL HOLD OFFICE UNTIL
27 THE MEMBER'S SUCCESSOR IS APPOINTED. AFTER THE INITIAL APPOINTMENT,

1 EACH MEMBER SHALL SERVE FOR A TERM OF 4 YEARS. AN APPOINTMENT TO
2 FILL A VACANCY SHALL BE MADE BY THE CHIEF EXECUTIVE OFFICER OF THE
3 CITY, VILLAGE, OR TOWNSHIP FOR THE UNEXPIRED TERM ONLY. MEMBERS OF
4 THE BOARD SHALL SERVE WITHOUT COMPENSATION, BUT SHALL BE REIMBURSED
5 FOR ACTUAL AND NECESSARY EXPENSES. THE CHAIRPERSON OF THE BOARD
6 SHALL BE ELECTED BY THE BOARD.