

**SUBSTITUTE FOR
HOUSE BILL NO. 5463**

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 section 4 (MCL 125.1654), as amended by 2006 PA 279,
and by adding section 28a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. (1) Except as provided in subsections (7), (8), and
2 (9), an authority shall be under the supervision and control of a
3 board consisting of the chief executive officer of the municipality

1 and not less than 8 or more than 12 members as determined by the
2 governing body of the municipality. Members shall be appointed by
3 the chief executive officer of the municipality, subject to
4 approval by the governing body of the municipality. Not less than a
5 majority of the members shall be persons having an interest in
6 property located in the downtown district or officers, members,
7 trustees, principals, or employees of a legal entity having an
8 interest in property located in the downtown district. Not less
9 than 1 of the members shall be a resident of the downtown district,
10 if the downtown district has 100 or more persons residing within
11 it. Of the members first appointed, an equal number of the members,
12 as near as is practicable, shall be appointed for 1 year, 2 years,
13 3 years, and 4 years. A member shall hold office until the member's
14 successor is appointed. Thereafter, each member shall serve for a
15 term of 4 years. An appointment to fill a vacancy shall be made by
16 the chief executive officer of the municipality for the unexpired
17 term only. Members of the board shall serve without compensation,
18 but shall be reimbursed for actual and necessary expenses. The
19 chairperson of the board shall be elected by the board. **THE RULES**
20 **OF PROCEDURE OR THE BYLAWS OF THE AUTHORITY MAY PROVIDE THAT A**
21 **PERSON BE APPOINTED TO THE BOARD IN HIS OR HER CAPACITY AS A PUBLIC**
22 **OFFICIAL, WHETHER APPOINTED OR ELECTED. THE RULES OF PROCEDURE OR**
23 **BYLAWS MAY ALSO PROVIDE THAT THE PUBLIC OFFICIAL'S TERM SHALL**
24 **EXPIRE UPON EXPIRATION OF HIS OR HER SERVICE AS A PUBLIC OFFICIAL.**
25 **IN ADDITION, THE PUBLIC OFFICIAL'S MEMBERSHIP ON THE BOARD EXPIRES**
26 **ON HIS OR HER RESIGNATION FROM OFFICE AS A PUBLIC OFFICIAL.**

27 (2) Before assuming the duties of office, a member shall

1 qualify by taking and subscribing to the constitutional oath of
2 office.

3 (3) The business which the board may perform shall be
4 conducted at a public meeting of the board held in compliance with
5 the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. Public
6 notice of the time, date, and place of the meeting shall be given
7 in the manner required by the open meetings act, 1976 PA 267, MCL
8 15.261 to 15.275. The board shall adopt rules consistent with the
9 open meetings act, 1976 PA 267, MCL 15.261 to 15.275, governing its
10 procedure and the holding of regular meetings, subject to the
11 approval of the governing body. Special meetings may be held if
12 called in the manner provided in the rules of the board.

13 (4) Pursuant to notice and after having been given an
14 opportunity to be heard, a member of the board may be removed for
15 cause by the governing body. Removal of a member is subject to
16 review by the circuit court.

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

20 (6) In addition to the items and records prescribed in
21 subsection (5), a writing prepared, owned, used, in the possession
22 of, or retained by the board in the performance of an official
23 function shall be made available to the public in compliance with
24 the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

25 (7) By resolution of its governing body, a municipality having
26 more than 1 authority may establish a single board to govern all
27 authorities in the municipality. The governing body may designate

1 the board of an existing authority as the board for all authorities
2 or may establish by resolution a new board in the same manner as
3 provided in subsection (1). A member of a board governing more than
4 1 authority may be a resident of or have an interest in property in
5 any of the downtown districts controlled by the board in order to
6 meet the requirements of this section.

7 (8) By ordinance, the governing body of a municipality that
8 has a population of less than 5,000 may have the municipality's
9 planning commission created pursuant to **FORMER** 1931 PA 285, ~~MCL~~
10 ~~125.31 to 125.45,~~ **OR THE MICHIGAN PLANNING ENABLING ACT, 2008 PA**
11 **33, MCL 125.3801 TO 125.3885,** serve as the board provided for in
12 subsection (1).

13 (9) If a municipality enters into an agreement with a
14 qualified township under section 3(7), the membership of the board
15 may be modified by the interlocal agreement described in section
16 3(7).

17 **SEC. 28A. BEGINNING JANUARY 1, 2010, THE AUTHORITY SHALL BE**
18 **EXEMPT FROM ALL TAXATION ON ITS EARNINGS OR PROPERTY. INSTRUMENTS**
19 **OF CONVEYANCE FROM AN AUTHORITY ARE EXEMPT FROM TRANSFER TAXES**
20 **UNDER 1966 PA 134, MCL 207.501 TO 207.513, AND THE STATE REAL**
21 **ESTATE TRANSFER TAX ACT, 1993 PA 330, MCL 207.521 TO 207.537.**