

SENATE BILL NO. 1086

June 16, 2022, Introduced by Senator SANTANA and referred to the Committee on Economic and Small Business Development.

A bill to amend 2018 PA 57, entitled
"Recodified tax increment financing act,"
by amending sections 203, 303, 404, 618, 715, and 814 (MCL
125.4203, 125.4303, 125.4404, 125.4618, 125.4715, and 125.4814).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 203. (1) When the governing body of a municipality
2 determines that it is necessary for the best interests of the
3 public to halt property value deterioration and increase property
4 tax valuation where possible in its business district, to eliminate
5 the causes of that deterioration, and to promote economic growth,

1 the governing body may, by resolution, declare its intention to
2 create and provide for the operation of an authority.

3 (2) In the resolution of intent, the governing body shall set
4 a date for the holding of a public hearing on the adoption of a
5 proposed ordinance creating the authority and designating the
6 boundaries of the downtown district. Notice of the public hearing
7 shall be published twice in a newspaper of general circulation in
8 the municipality, not less than 20 or more than 40 days before the
9 date of the hearing. Not less than 20 days before the hearing, the
10 governing body proposing to create the authority shall also mail
11 notice of the hearing to the property taxpayers of record in the
12 proposed district and for a public hearing to be held after
13 February 15, 1994 to the governing body of each taxing jurisdiction
14 levying taxes that would be subject to capture if the authority is
15 established and a tax increment financing plan is approved.
16 Beginning June 1, 2005, the notice of hearing within the time frame
17 described in this subsection shall be mailed by certified mail to
18 the governing body of each taxing jurisdiction levying taxes that
19 would be subject to capture if the authority is established and a
20 tax increment financing plan is approved. Failure of a property
21 taxpayer to receive the notice shall not invalidate these
22 proceedings. Notice of the hearing shall be posted in at least 20
23 conspicuous and public places in the proposed downtown district not
24 less than 20 days before the hearing. The notice shall state the
25 date, time, and place of the hearing, and shall describe the
26 boundaries of the proposed downtown district. A citizen, taxpayer,
27 or property owner of the municipality or an official from a taxing
28 jurisdiction with millage that would be subject to capture has the
29 right to be heard in regard to the establishment of the authority

1 and the boundaries of the proposed downtown district. The governing
2 body of the municipality shall not incorporate land into the
3 downtown district not included in the description contained in the
4 notice of public hearing, but it may eliminate described lands from
5 the downtown district in the final determination of the boundaries.

6 (3) Not more than 60 days after a public hearing held after
7 February 15, 1994, the governing body of a taxing jurisdiction
8 levying ad valorem property taxes that would otherwise be subject
9 to capture may exempt its taxes from capture by adopting a
10 resolution to that effect and filing a copy with the clerk of the
11 municipality proposing to create the authority. The resolution
12 takes effect when filed with that clerk and remains effective until
13 a copy of a resolution rescinding that resolution is filed with
14 that clerk. If a separate millage for public library purposes was
15 levied before January 1, 2017, and all obligations and other
16 protected obligations of the authority are paid, then the levy is
17 exempt from capture under this part, unless the library board or
18 commission allows all or a portion of its taxes levied to be
19 included as tax increment revenues and subject to capture under
20 this part under the terms of a written agreement between the
21 library board or commission and the authority. The written
22 agreement shall be filed with the clerk of the municipality.
23 However, if a separate millage for public library purposes was
24 levied before January 1, 2017, and the authority alters or amends
25 the boundaries of a downtown district or extends the duration of
26 the existing finance plan, then the library board or commission
27 may, not later than 60 days after a public hearing is held under
28 this subsection, exempt all or a portion of its taxes from capture
29 by adopting a resolution to that effect and filing a copy with the

1 clerk of the municipality that created the authority. For ad
2 valorem property taxes or specific local taxes attributable to
3 those ad valorem property taxes levied for a separate millage for
4 public library purposes approved by the electors after December 31,
5 2016, a library board or commission may allow all or a portion of
6 its taxes levied to be included as tax increment revenues and
7 subject to capture under this part under the terms of a written
8 agreement between the library board or commission and the
9 authority. The written agreement shall be filed with the clerk of
10 the municipality. ~~However, if the library was created under section~~
11 ~~1 or 10a of 1877 PA 164, MCL 397.201 and 397.210a, or established~~
12 ~~under 1869 LA 233, then any action of the library board or~~
13 ~~commission under this subsection shall have the concurrence of the~~
14 ~~chief executive officer of the city that created the library to be~~
15 ~~effective, and, if the action of the library board or commission~~
16 ~~involves any bond issued by this state or a state agency, the~~
17 ~~concurrence of the state treasurer.~~

18 (4) Not less than 60 days after the public hearing, if the
19 governing body of the municipality intends to proceed with the
20 establishment of the authority, it shall adopt, by majority vote of
21 its members, an ordinance establishing the authority and
22 designating the boundaries of the downtown district within which
23 the authority shall exercise its powers. The adoption of the
24 ordinance is subject to any applicable statutory or charter
25 provisions in respect to the approval or disapproval by the chief
26 executive or other officer of the municipality and the adoption of
27 an ordinance over his or her veto. This ordinance shall be filed
28 with the secretary of state promptly after its adoption and shall
29 be published at least once in a newspaper of general circulation in

1 the municipality.

2 (5) The governing body of the municipality may alter or amend
3 the boundaries of the downtown district to include or exclude lands
4 from the downtown district pursuant to the same requirements for
5 adopting the ordinance creating the authority.

6 (6) A municipality that has created an authority may enter
7 into an agreement with an adjoining municipality that has created
8 an authority to jointly operate and administer those authorities
9 under an interlocal agreement under the urban cooperation act of
10 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

11 (7) A municipality that has created an authority may enter
12 into an agreement with a qualified township to operate its
13 authority in a downtown district in the qualified township under an
14 interlocal agreement under the urban cooperation act of 1967, 1967
15 (Ex Sess) PA 7, MCL 124.501 to 124.512. The interlocal agreement
16 between the municipality and the qualified township shall provide
17 for, but is not limited to, all of the following:

18 (a) Size and makeup of the board.

19 (b) Determination and modification of downtown district,
20 business district, and development area.

21 (c) Modification of development area and development plan.

22 (d) Issuance and repayment of obligations.

23 (e) Capture of taxes.

24 (f) Notice, hearing, and exemption of taxes from capture
25 provisions described in this section.

26 Sec. 303. (1) If the governing body of a municipality
27 determines that it is in the best interests of the public to halt a
28 decline in property values, increase property tax valuation,
29 eliminate the causes of the decline in property values, and to

1 promote growth in an area in the municipality, the governing body
2 of that municipality may declare by resolution its intention to
3 create and provide for the operation of an authority.

4 (2) In the resolution of intent, the governing body shall set
5 a date for the holding of a public hearing on the adoption of a
6 proposed resolution creating the authority and designating the
7 boundaries of the authority district. Notice of the public hearing
8 shall be published twice in a newspaper of general circulation in
9 the municipality, not less than 20 nor more than 40 days before the
10 date of the hearing. Notice shall also be mailed to the property
11 taxpayers of record in the proposed authority district not less
12 than 20 days before the hearing. Beginning June 1, 2005, the notice
13 of hearing within the time frame described in this subsection shall
14 be mailed by certified mail to the governing body of each taxing
15 jurisdiction levying taxes that would be subject to capture if the
16 authority is established and a tax increment financing plan is
17 approved. Failure to receive the notice shall not invalidate these
18 proceedings. The notice shall state the date, time, and place of
19 the hearing, and shall describe the boundaries of the proposed
20 authority district. At that hearing, a citizen, taxpayer, or
21 property owner of the municipality has the right to be heard in
22 regard to the establishment of the authority and the boundaries of
23 the proposed authority district. The governing body of the
24 municipality shall not incorporate land into the authority district
25 not included in the description contained in the notice of public
26 hearing, but it may eliminate described lands from the authority
27 district in the final determination of the boundaries.

28 (3) After the public hearing, if the governing body intends to
29 proceed with the establishment of the authority, it shall adopt, by

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

11 (4) The governing body may alter or amend the boundaries of
12 the authority district to include or exclude lands from the
13 authority district in accordance with the same requirements
14 prescribed for adopting the resolution creating the authority.

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

19 (a) Publication of the resolution as adopted.

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

21 (6) If a separate millage for public library purposes was
22 levied before January 1, 2017, and all obligations and other
23 protected obligations of the authority are paid, then the levy is
24 exempt from capture under this part, unless the library board or
25 commission allows all or a portion of its taxes levied to be
26 included as tax increment revenues and subject to capture under
27 this part under the terms of a written agreement between the
28 library board or commission and the authority. The written
29 agreement shall be filed with the clerk of the municipality.

1 However, if a separate millage for public library purposes was
 2 levied before January 1, 2017, and the authority alters or amends
 3 the boundaries of the authority district or extends the duration of
 4 the existing finance plan, then the library board or commission
 5 may, not later than 60 days after a public hearing is held under
 6 this subsection, exempt all or a portion of its taxes from capture
 7 by adopting a resolution to that effect and filing a copy with the
 8 clerk of the municipality that created the authority. For ad
 9 valorem property taxes or specific local taxes attributable to
 10 those ad valorem property taxes levied for a separate millage for
 11 public library purposes approved by the electors after December 31,
 12 2016, a library board or commission may allow all or a portion of
 13 its taxes levied to be included as tax increment revenues and
 14 subject to capture under this part under the terms of a written
 15 agreement between the library board or commission and the
 16 authority. The written agreement shall be filed with the clerk of
 17 the municipality. ~~However, if the library was created under section~~
 18 ~~1 or 10a of 1877 PA 164, MCL 397.201 and 397.210a, or established~~
 19 ~~under 1869 LA 233, then any action of the library board or~~
 20 ~~commission under this subsection shall have the concurrence of the~~
 21 ~~chief executive officer of the city that created the library to be~~
 22 ~~effective.~~

23 Sec. 404. (1) The governing body of a municipality may declare
 24 by resolution adopted by a majority of its members elected and
 25 serving its intention to create and provide for the operation of an
 26 authority.

27 (2) In the resolution of intent, the governing body proposing
 28 to create the authority shall set a date for holding a public
 29 hearing on the adoption of a proposed resolution creating the

1 authority and designating the boundaries of the authority district
2 or districts. Notice of the public hearing shall be published twice
3 in a newspaper of general circulation in the municipality, not less
4 than 20 nor more than 40 days before the date of the hearing.
5 Except as otherwise provided in subsection (8), not less than 20
6 days before the hearing, the governing body proposing to create the
7 authority shall also mail notice of the hearing to the property
8 taxpayers of record in a proposed authority district and, for a
9 public hearing to be held after February 15, 1994, to the governing
10 body of each taxing jurisdiction levying taxes that would be
11 subject to capture if the authority is established and a tax
12 increment financing plan is approved. Beginning June 1, 2005, the
13 notice of hearing within the time frame described in this
14 subsection shall be mailed by certified mail to the governing body
15 of each taxing jurisdiction levying taxes that would be subject to
16 capture if the authority is established and a tax increment
17 financing plan is approved. Failure of a property taxpayer to
18 receive the notice shall not invalidate these proceedings. The
19 notice shall state the date, time, and place of the hearing, and
20 shall describe the boundaries of the proposed authority district or
21 districts. At that hearing, a resident, taxpayer, or property owner
22 from a taxing jurisdiction in which the proposed district is
23 located or an official from a taxing jurisdiction with millage that
24 would be subject to capture has the right to be heard in regard to
25 the establishment of the authority and the boundaries of that
26 proposed authority district. The governing body of the municipality
27 in which a proposed district is to be located shall not incorporate
28 land into an authority district not included in the description
29 contained in the notice of public hearing, but it may eliminate

1 lands described in the notice of public hearing from an authority
2 district in the final determination of the boundaries.

3 (3) Except as otherwise provided in subsection (8), not more
4 than 60 days after a public hearing held after February 15, 1994,
5 the governing body of a taxing jurisdiction with millage that would
6 otherwise be subject to capture may exempt its taxes from capture
7 by adopting a resolution to that effect and filing a copy with the
8 clerk of the municipality proposing to create the authority.
9 However, a resolution by a governing body of a taxing jurisdiction
10 to exempt its taxes from capture is not effective for the capture
11 of taxes that are used for a certified technology park or a
12 certified alternative energy park. The resolution takes effect when
13 filed with that clerk and remains effective until a copy of a
14 resolution rescinding that resolution is filed with that clerk. If
15 a separate millage for public library purposes was levied before
16 January 1, 2017, and all obligations and other protected
17 obligations of the authority are paid, then the levy is exempt from
18 capture under this part, unless the library board or commission
19 allows all or a portion of its taxes levied to be included as tax
20 increment revenues and subject to capture under this part under the
21 terms of a written agreement between the library board or
22 commission and the authority. The written agreement shall be filed
23 with the clerk of the municipality. However, if a separate millage
24 for public library purposes was levied before January 1, 2017, and
25 the authority alters or amends the boundaries of the authority
26 district or extends the duration of the existing finance plan, then
27 the library board or commission may, not later than 60 days after a
28 public hearing is held under this subsection, exempt all or a
29 portion of its taxes from capture by adopting a resolution to that

1 effect and filing a copy with the clerk of the municipality that
2 created the authority. For ad valorem property taxes or specific
3 local taxes attributable to those ad valorem property taxes levied
4 for a separate millage for public library purposes approved by the
5 electors after December 31, 2016, a library board or commission may
6 allow all or a portion of its taxes levied to be included as tax
7 increment revenues and subject to capture under this part under the
8 terms of a written agreement between the library board or
9 commission and the authority. The written agreement shall be filed
10 with the clerk of the municipality. ~~However, if the library was~~
11 ~~created under section 1 or 10a of 1877 PA 164, MCL 397.201 and~~
12 ~~397.210a, or established under 1869 LA 233, then any action of the~~
13 ~~library board or commission under this subsection shall have the~~
14 ~~concurrence of the chief executive officer of the city that created~~
15 ~~the library to be effective.~~

16 (4) Except as otherwise provided in subsection (8), not less
17 than 60 days after the public hearing or a shorter period as
18 determined by the governing body for a certified technology park or
19 a certified alternative energy park, if the governing body creating
20 the authority intends to proceed with the establishment of the
21 authority, it shall adopt, by majority vote of its members elected
22 and serving, a resolution establishing the authority and
23 designating the boundaries of the authority district or districts
24 within which the authority shall exercise its powers. The adoption
25 of the resolution is subject to any applicable statutory or charter
26 provisions with respect to the approval or disapproval of
27 resolutions by the chief executive officer of the municipality and
28 the adoption of a resolution over his or her veto. This resolution
29 shall be filed with the secretary of state promptly after its

1 adoption and shall be published at least once in a newspaper of
2 general circulation in the municipality.

3 (5) The governing body may alter or amend the boundaries of an
4 authority district to include or exclude lands from that authority
5 district or create new authority districts pursuant to the same
6 requirements prescribed for adopting the resolution creating the
7 authority.

8 (6) The validity of the proceedings establishing an authority
9 shall be conclusive unless contested in a court of competent
10 jurisdiction within 60 days after the last of the following takes
11 place:

12 (a) Publication of the resolution creating the authority as
13 adopted.

14 (b) Filing of the resolution creating the authority with the
15 secretary of state.

16 (7) Except as otherwise provided by this subsection, if 2 or
17 more municipalities desire to establish an authority under section
18 403(2), each municipality in which the authority district will be
19 located shall comply with the procedures prescribed by this part.
20 The notice required by subsection (2) may be published jointly by
21 the municipalities establishing the authority. The resolutions
22 establishing the authority shall include, or shall approve an
23 agreement including, provisions governing the number of members on
24 the board, the method of appointment, the members to be represented
25 by governmental units or agencies, the terms of initial and
26 subsequent appointments to the board, the manner in which a member
27 of the board may be removed for cause before the expiration of his
28 or her term, the manner in which the authority may be dissolved,
29 and the disposition of assets upon dissolution. An authority

1 described in this subsection shall not be considered established
2 unless all of the following conditions are satisfied:

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

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

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

12 (8) For an authority created under section 403(3), except as
13 otherwise provided by this subsection, the Next Michigan
14 development corporation shall comply with the procedures prescribed
15 for a municipality by subsections (1) and (2) and this subsection.
16 The provisions of subsections (3) and (4) shall not apply to an
17 authority exercising its powers under section 403(3). The notice
18 required by subsection (2) may be published by the Next Michigan
19 development corporation in a newspaper or newspapers of general
20 circulation within the municipalities which are constituent members
21 of the Next Michigan development corporation, and notice shall not
22 be required to be mailed to the property taxpayers of record in the
23 proposed authority district. The governing body of the Next
24 Michigan development corporation shall be the governing body of the
25 authority. A taxing jurisdiction levying ad valorem taxes within
26 the authority district that would otherwise be subject to capture
27 which is not a party to the intergovernmental agreement may exempt
28 its taxes from capture by adopting a resolution to that effect and
29 filing a copy not more than 60 days after the public hearing with

1 the recording officer of the Next Michigan development corporation.
2 The Next Michigan development corporation shall mail notice of the
3 public hearing to the governing body of each taxing jurisdiction
4 which is not a party to the intergovernmental agreement not less
5 than 20 days before the hearing. Following the public hearing, the
6 governing body of the Next Michigan development corporation shall
7 adopt a resolution designating the boundaries of the authority
8 district within which the authority shall exercise its powers,
9 which may include any certified technology park within the proposed
10 authority district in accordance with this subsection and may
11 include property adjacent to or within 1,500 feet of a road
12 classified as an arterial or collector according to the Federal
13 Highway Administration manual "Highway Functional Classification -
14 Concepts, Criteria and Procedures" or of another road in the
15 discretion of the Next Michigan development corporation, and
16 property adjacent to that property within the territory of the Next
17 Michigan development corporation, as provided in the resolution.
18 The resolution shall be effective when adopted, shall be filed with
19 the secretary of state and the president of the Michigan strategic
20 fund promptly after its adoption, and shall be published at least
21 once in a newspaper of general circulation in the territory of the
22 Next Michigan development corporation. If an authority district
23 designated under this subsection or subsequently amended includes a
24 certified technology park which is within the authority district of
25 another authority and which is subject to an existing development
26 plan or tax increment financing plan, then that certified
27 technology park may be considered to be under the jurisdiction of
28 the authority established under section 403(3) if so provided in a
29 resolution of the authority established under section 403(3) and if

1 approved by resolution of the governing body of the municipality
2 which created the other authority, and by the president of the
3 Michigan strategic fund. If so provided and approved, then the
4 development plan and tax increment financing plan applicable to the
5 certified technology park, including all assets and obligations
6 under the plans, shall be considered assigned and transferred from
7 the other authority to the authority created under section 403(3),
8 and the initial assessed value of the certified technology park
9 prior to the transfer shall remain the initial assessed value of
10 the certified technology park following the transfer. The transfer
11 shall be effective as of the later of the effective date of the
12 resolution of the authority established under section 403(3), the
13 resolution approved by the governing body of the municipality which
14 created the other authority, and the approval of the president of
15 the Michigan strategic fund.

16 Sec. 618. (1) If the authority determines that it is necessary
17 for the achievement of the purposes of this part, the authority
18 shall prepare and submit a tax increment financing plan to the
19 governing body of the municipality. The plan shall include a
20 development plan as provided in section 621, a detailed explanation
21 of the tax increment procedure, the maximum amount of bonded
22 indebtedness to be incurred, and the duration of the program, and
23 shall be in compliance with section 619. The plan shall contain a
24 statement of the estimated impact of tax increment financing on the
25 assessed values of all taxing jurisdictions in which the
26 development area is located. The plan may provide for the use of
27 part or all of the captured assessed value, but the portion
28 intended to be used by the authority shall be clearly stated in the
29 tax increment financing plan. The authority or municipality may

1 exclude from captured assessed value growth in property value
2 resulting solely from inflation. The plan shall set forth the
3 method for excluding growth in property value resulting solely from
4 inflation.

5 (2) Approval of the tax increment financing plan shall comply
6 with the notice, hearing, and disclosure provisions of section 622.
7 If the development plan is part of the tax increment financing
8 plan, only 1 hearing and approval procedure is required for the 2
9 plans together.

10 (3) Before the public hearing on the tax increment financing
11 plan, the governing body shall provide a reasonable opportunity to
12 the taxing jurisdictions levying taxes subject to capture to meet
13 with the governing body. The authority shall fully inform the
14 taxing jurisdictions of the fiscal and economic implications of the
15 proposed development area. The taxing jurisdictions may present
16 their recommendations at the public hearing on the tax increment
17 financing plan. The authority may enter into agreements with the
18 taxing jurisdictions and the governing body of the municipality in
19 which the development area is located to share a portion of the
20 captured assessed value of the development area.

21 (4) A tax increment financing plan may be modified if the
22 modification is approved by the governing body upon notice and
23 after public hearings and agreements as are required for approval
24 of the original plan.

25 (5) Except for a development area located in a qualified
26 development area, not more than 60 days after the public hearing on
27 the tax increment financing plan, the governing body in a taxing
28 jurisdiction levying ad valorem property taxes that would otherwise
29 be subject to capture may exempt its taxes from capture by adopting

1 a resolution to that effect and filing a copy with the clerk of the
2 municipality proposing to create the authority. The resolution
3 shall take effect when filed with the clerk and remains effective
4 until a copy of a resolution rescinding that resolution is filed
5 with that clerk. If a separate millage for public library purposes
6 was levied before January 1, 2017, and all obligations of the
7 authority are paid, then the levy is exempt from capture under this
8 part, unless the library board or commission allows all or a
9 portion of its taxes levied to be included as tax increment
10 revenues and subject to capture under this part under the terms of
11 a written agreement between the library board or commission and the
12 authority. The written agreement shall be filed with the clerk of
13 the municipality. However, if a separate millage for public library
14 purposes was levied before January 1, 2017, and the authority
15 alters or amends the boundaries of the development area or extends
16 the duration of the existing finance plan, then the library board
17 or commission may, not later than 60 days after a public hearing is
18 held under this subsection, exempt all or a portion of its taxes
19 from capture by adopting a resolution to that effect and filing a
20 copy with the clerk of the municipality that created the authority.
21 For ad valorem property taxes or specific local taxes attributable
22 to those ad valorem property taxes levied for a separate millage
23 for public library purposes approved by the electors after December
24 31, 2016, a library board or commission may allow all or a portion
25 of its taxes levied to be included as tax increment revenues and
26 subject to capture under this part under the terms of a written
27 agreement between the library board or commission and the
28 authority. The written agreement shall be filed with the clerk of
29 the municipality. ~~However, if the library was created under section~~

1 ~~1 or 10a of 1877 PA 164, MCL 397.201 and 397.210a, or established~~
 2 ~~under 1869 LA 233, then any action of the library board or~~
 3 ~~commission under this subsection shall have the concurrence of the~~
 4 ~~chief executive officer of the city that created the library to be~~
 5 ~~effective.~~

6 Sec. 715. (1) If the authority determines that it is necessary
 7 for the achievement of the purposes of this part, the authority
 8 shall prepare and submit a tax increment financing plan to the
 9 governing body of the municipality. The plan shall include a
 10 development plan as provided in section 718, a detailed explanation
 11 of the tax increment procedure, the maximum amount of bonded
 12 indebtedness to be incurred, and the duration of the program, and
 13 shall be in compliance with section 716. The plan shall contain a
 14 statement of the estimated impact of tax increment financing on the
 15 assessed values of all taxing jurisdictions in which the
 16 development area is located. The plan may provide for the use of
 17 part or all of the captured assessed value, but the portion
 18 intended to be used by the authority shall be clearly stated in the
 19 tax increment financing plan. The authority or municipality may
 20 exclude from captured assessed value growth in property value
 21 resulting solely from inflation. The plan shall set forth the
 22 method for excluding growth in property value resulting solely from
 23 inflation.

24 (2) Approval of the tax increment financing plan shall comply
 25 with the notice, hearing, and disclosure provisions of section ~~821.~~
 26 **719.** If the development plan is part of the tax increment financing
 27 plan, only 1 hearing and approval procedure is required for the 2
 28 plans together.

29 (3) Before the public hearing on the tax increment financing

1 plan, the governing body shall provide a reasonable opportunity to
2 the taxing jurisdictions levying taxes subject to capture to meet
3 with the governing body. The authority shall fully inform the
4 taxing jurisdictions of the fiscal and economic implications of the
5 proposed development area. The taxing jurisdictions may present
6 their recommendations at the public hearing on the tax increment
7 financing plan. The authority may enter into agreements with the
8 taxing jurisdictions and the governing body of the municipality in
9 which the development area is located to share a portion of the
10 captured assessed value of the development area.

11 (4) A tax increment financing plan may be modified if the
12 modification is approved by the governing body upon notice and
13 after public hearings and agreements as are required for approval
14 of the original plan.

15 (5) Not more than 60 days after the public hearing, the
16 governing body in a taxing jurisdiction levying ad valorem property
17 taxes that would otherwise be subject to capture may exempt its
18 taxes from capture by adopting a resolution to that effect and
19 filing a copy with the clerk of the municipality proposing to
20 create the authority. In the event that the governing body levies a
21 separate millage for public library purposes, at the request of the
22 public library board, that separate millage shall be exempt from
23 the capture. The resolution shall take effect when filed with the
24 clerk and remains effective until a copy of a resolution rescinding
25 that resolution is filed with that clerk. If a separate millage for
26 public library purposes was levied before January 1, 2017, and all
27 obligations of the authority are paid, then the levy is exempt from
28 capture under this part, unless the library board or commission
29 allows all or a portion of its taxes levied to be included as tax

1 increment revenues and subject to capture under this part under the
2 terms of a written agreement between the library board or
3 commission and the authority. The written agreement shall be filed
4 with the clerk of the municipality. However, if a separate millage
5 for public library purposes was levied before January 1, 2017, and
6 the authority alters or amends the boundaries of the district or
7 extends the duration of the existing finance plan, then the library
8 board or commission may, not later than 60 days after a public
9 hearing is held under this subsection, exempt all or a portion of
10 its taxes from capture by adopting a resolution to that effect and
11 filing a copy with the clerk of the municipality that created the
12 authority. For ad valorem property taxes or specific local taxes
13 attributable to those ad valorem property taxes levied for a
14 separate millage for public library purposes approved by the
15 electors after December 31, 2016, a library board or commission may
16 allow all or a portion of its taxes levied to be included as tax
17 increment revenues and subject to capture under this part under the
18 terms of a written agreement between the library board or
19 commission and the authority. The written agreement shall be filed
20 with the clerk of the municipality. ~~However, if the library was
21 created under section 1 or 10a of 1877 PA 164, MCL 397.201 and
22 397.210a, or established under 1869 LA 233, then any action of the
23 library board or commission under this subsection shall have the
24 concurrence of the chief executive officer of the city that created
25 the library to be effective.~~

26 Sec. 814. (1) If the authority determines that it is necessary
27 for the achievement of the purposes of this part, the authority
28 shall prepare and submit a tax increment financing plan to the
29 governing body of the municipality. The plan shall include a

1 development plan as provided in section ~~816~~, **817**, a detailed
2 explanation of the tax increment procedure, the maximum amount of
3 bonded indebtedness to be incurred, and the duration of the
4 program, and shall be in compliance with section 815. The plan
5 shall contain a statement of the estimated impact of tax increment
6 financing on the assessed values of all taxing jurisdictions in
7 which the development area is located. The plan may provide for the
8 use of part or all of the captured assessed value, but the portion
9 intended to be used by the authority shall be clearly stated in the
10 tax increment financing plan. The authority or municipality may
11 exclude from captured assessed value growth in property value
12 resulting solely from inflation. The plan shall set forth the
13 method for excluding growth in property value resulting solely from
14 inflation.

15 (2) Approval of the tax increment financing plan shall comply
16 with the notice, hearing, and disclosure provisions of section 818.
17 If the development plan is part of the tax increment financing
18 plan, only 1 hearing and approval procedure is required for the 2
19 plans together.

20 (3) Before the public hearing on the tax increment financing
21 plan, the governing body shall provide a reasonable opportunity to
22 the taxing jurisdictions levying taxes subject to capture to meet
23 with the governing body. The authority shall fully inform the
24 taxing jurisdictions of the fiscal and economic implications of the
25 proposed development area. The taxing jurisdictions may present
26 their recommendations at the public hearing on the tax increment
27 financing plan. The authority may enter into agreements with the
28 taxing jurisdictions and the governing body of the municipality in
29 which the development area is located to share a portion of the

1 captured assessed value of the development area.

2 (4) A tax increment financing plan may be modified if the
3 modification is approved by the governing body upon notice and
4 after public hearings and agreements as are required for approval
5 of the original plan.

6 (5) Not more than 60 days after the public hearing, the
7 governing body in a taxing jurisdiction levying ad valorem property
8 taxes that would otherwise be subject to capture may exempt its
9 taxes from capture by adopting a resolution to that effect and
10 filing a copy with the clerk of the municipality proposing to
11 create the authority. In the event that the governing body levies a
12 separate millage for public library purposes, at the request of the
13 public library board, that separate millage shall be exempt from
14 the capture. The resolution shall take effect when filed with the
15 clerk and remains effective until a copy of a resolution rescinding
16 that resolution is filed with that clerk. If a separate millage for
17 public library purposes was levied before January 1, 2017, and all
18 obligations of the authority are paid, then the levy is exempt from
19 capture under this part, unless the library board or commission
20 allows all or a portion of its taxes levied to be included as tax
21 increment revenues and subject to capture under this part under the
22 terms of a written agreement between the library board or
23 commission and the authority. The written agreement shall be filed
24 with the clerk of the municipality. However, if a separate millage
25 for public library purposes was levied before January 1, 2017, and
26 the authority alters or amends the boundaries of a development area
27 or extends the duration of the existing finance plan, then the
28 library board or commission may, not later than 60 days after a
29 public hearing is held under this subsection, exempt all or a

1 portion of its taxes from capture by adopting a resolution to that
2 effect and filing a copy with the clerk of the municipality that
3 created the authority. For ad valorem property taxes or specific
4 local taxes attributable to those ad valorem property taxes levied
5 for a separate millage for public library purposes approved by the
6 electors after December 31, 2016, a library board or commission may
7 allow all or a portion of its taxes levied to be included as tax
8 increment revenues and subject to capture under this part under the
9 terms of a written agreement between the library board or
10 commission and the authority. The written agreement shall be filed
11 with the clerk of the municipality. ~~However, if the library was~~
12 ~~created under section 1 or 10a of 1877 PA 164, MCL 397.201 and~~
13 ~~397.210a, or established under 1869 LA 233, then any action of the~~
14 ~~library board or commission under this subsection shall have the~~
15 ~~concurrence of the chief executive officer of the city that created~~
16 ~~the library to be effective.~~