

# HOUSE BILL No. 5178

September 6, 2007, Introduced by Reps. Rick Jones and Sheltroun and referred to the Committee on New Economy and Quality of Life.

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 3 (MCL 125.1653), as amended by 2005 PA 115.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 3. (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

1 tax valuation where possible in its business district, to eliminate  
2 the causes of that deterioration, and to promote economic growth,  
3 the governing body may, by resolution, declare its intention to  
4 create and provide for the operation of an authority.

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

1 boundaries of the proposed downtown district. A citizen, taxpayer,  
2 or property owner of the municipality or an official from a taxing  
3 jurisdiction with millage that would be subject to capture has the  
4 right to be heard in regard to the establishment of the authority  
5 and the boundaries of the proposed downtown district. The governing  
6 body of the municipality shall not incorporate land into the  
7 downtown district not included in the description contained in the  
8 notice of public hearing, but it may eliminate described lands from  
9 the downtown district in the final determination of the boundaries.

10 (3) ~~Not~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, NOT**  
11 more than 60 days after a public hearing held after February 15,  
12 1994, the governing body of a taxing jurisdiction levying ad  
13 valorem property taxes that would otherwise be subject to capture  
14 may exempt its taxes from capture by adopting a resolution to that  
15 effect and filing a copy with the clerk of the municipality  
16 proposing to create the authority. ~~The~~ **BEGINNING WITH A PUBLIC**  
17 **HEARING HELD ON OR AFTER JANUARY 1, 2008 BY A GOVERNING BODY TO**  
18 **CREATE AN AUTHORITY, IF THE GOVERNING BODY CREATES THE AUTHORITY,**  
19 **THEN ONLY THE AD VALOREM PROPERTY TAXES OF THAT MUNICIPALITY ARE**  
20 **SUBJECT TO CAPTURE UNDER THIS ACT. THE TAXES OF THE OTHER TAXING**  
21 **JURISDICTIONS LEVYING AD VALOREM PROPERTY TAXES LOCATED INSIDE THE**  
22 **BOUNDARIES OF THE AUTHORITY ARE SUBJECT TO CAPTURE ONLY IF THE**  
23 **GOVERNING BODY OF THE TAXING JURISDICTION CONSENTS TO THE CAPTURE**  
24 **BY ADOPTING A RESOLUTION TO THAT EFFECT AND FILING A COPY WITH THE**  
25 **CLERK OF THE MUNICIPALITY CREATING THE AUTHORITY. A resolution**  
26 **DESCRIBED IN THIS SUBSECTION** takes effect when filed with that  
27 clerk and remains effective until a copy of a resolution rescinding

1 that resolution is filed with that clerk.

2 (4) Not less than 60 days after the public hearing, if the  
3 governing body of the municipality intends to proceed with the  
4 establishment of the authority, it shall adopt, by majority vote of  
5 its members, an ordinance establishing the authority and  
6 designating the boundaries of the downtown district within which  
7 the authority shall exercise its powers. The adoption of the  
8 ordinance is subject to any applicable statutory or charter  
9 provisions in respect to the approval or disapproval by the chief  
10 executive or other officer of the municipality and the adoption of  
11 an ordinance over his or her veto. This ordinance shall be filed  
12 with the secretary of state promptly after its adoption and shall  
13 be published at least once in a newspaper of general circulation in  
14 the municipality.

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

19 (6) A municipality that has created an authority may enter  
20 into an agreement with an adjoining municipality that has created  
21 an authority to jointly operate and administer those authorities  
22 under an interlocal agreement under the urban cooperation act of  
23 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

24 (7) A municipality that has created an authority may enter  
25 into an agreement with a qualified township to operate its  
26 authority in a downtown district in the qualified township under an  
27 interlocal agreement under the urban cooperation act of 1967, 1967

1 (Ex Sess) PA 7, MCL 124.501 to 124.512. The interlocal agreement  
2 between the municipality and the qualified township shall provide  
3 for, but is not limited to, all of the following:

4 (a) Size and makeup of the board.

5 (b) Determination and modification of downtown district,  
6 business district, and development area.

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

8 (d) Issuance and repayment of obligations.

9 (e) Capture of taxes.

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