

Act No. 80
Public Acts of 2023
Approved by the Governor
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**STATE OF MICHIGAN
102ND LEGISLATURE
REGULAR SESSION OF 2023**

Introduced by Reps. Tyrone Carter, Scott, Morgan, Hoskins, Wilson, Grant, Dievendorf, Young, Farhat, Edwards and Skaggs

ENROLLED HOUSE BILL No. 4454

AN ACT to amend 1961 PA 120, entitled “An act to authorize the development or redevelopment of principal shopping districts and business improvement districts; to permit the creation of certain boards; to provide for the operation of principal shopping districts and business improvement districts; to provide for the creation, operation, and dissolution of business improvement zones; and to authorize the collection of revenue and the bonding of certain local governmental units for the development or redevelopment projects,” by amending sections 10g, 10h, 10j, 10k, and 10l (MCL 125.990g, 125.990h, 125.990j, 125.990k, and 125.990l), as amended by 2020 PA 91.

The People of the State of Michigan enact:

Sec. 10g. (1) The board shall manage the activities of the business improvement zone and implementation of the zone plan.

(2) The board must consist of an odd number of directors and must not be smaller than 5 and not larger than 15 in number. The board may include 1 director nominated by the chief executive of the city or village and confirmed by the governing body of the city or village. A nomination not disapproved by a governing body within 60 days stands confirmed.

(3) The duties and responsibilities of the board must be prescribed in the zone plan and to the extent applicable must include all of the following duties and responsibilities:

- (a) Developing administrative procedures relating to the implementation of the zone plan.
- (b) Recommending amendments to the zone plan.
- (c) Scheduling and conducting an annual meeting of the property owners.
- (d) Developing a zone plan for the next qualifying period.

(4) Members of the board shall serve without compensation. However, members of the board may be reimbursed for their actual and necessary expenses incurred in the performance of their official duties as members of the board.

Sec. 10h. (1) A business improvement zone may be funded in whole or in part by 1 or more assessments on assessable property, as provided in the zone plan. An assessment under this chapter is in addition to any taxes or special assessments otherwise imposed on assessable property. The business improvement zone, with the approval of the board, may enter into agreements with 1 or more property owners in the city or village providing for the provision of business zone activities or services to the property owner or owners by the business

improvement zone in exchange for monetary contributions to the business improvement zone from the property owner or owners. An agreement providing for the provision of business zone activities or services described in this subsection must be in writing and must be made available to all property owners of assessable property in the zone area.

(2) An assessment may be imposed against assessable property only on the basis of the benefits to assessable property afforded by the zone plan. There is a rebuttable presumption that a zone plan and any project specially benefits all assessable property in a zone area.

(3) If a zone plan provides for an assessment, the treasurer of the city or village in which the zone area is located as an agent of the business improvement zone shall collect the assessment imposed by the board under the zone plan on all assessable property within the zone area in the amount authorized by the zone plan.

(4) The treasurer of the city or village in which the zone area is located, as an agent of the business improvement zone, shall collect the assessments from each property owner within the zone area and promptly remit the assessments collected to the business improvement zone. Assessment revenue is the property of the business improvement zone and not the city or village in which the business improvement zone is located. However, all payments to the treasurer shall be entirely applied first to the balance of any property taxes owed to the city or village and only then any remaining payment amount shall be considered assessment revenue belonging to the business improvement zone and applied to the assessment levied under this chapter. The business improvement zone may, at the option and under the direction of the treasurer, assist the treasurer of the city or village in collecting the assessment to minimize the expenses of collecting the assessment incurred by the city or village.

(5) The business improvement zone may institute a civil action to collect any delinquent assessment and interest.

(6) An assessment is delinquent if it has not been paid within 90 days after it was due as provided under the zone plan imposed under this chapter. Except as otherwise provided in subsection (7), the business improvement zone shall collect delinquent assessments. Delinquent assessments accrue interest at a rate of 1.5% per month until paid.

(7) If any portion of the assessment has not been paid within 90 days after it was due, that portion of the unpaid assessment is a lien on the property. The lien amount is for the unpaid portion of the assessment and includes any applicable interest. Alternatively, a delinquent and unpaid assessment may, at the request of the business improvement zone, be returned as delinquent by the treasurer of the city or village and collected in the same manner as a delinquent tax special assessment along with any associated interest, fees, and costs under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155. However, property is not subject to forfeiture, foreclosure, and sale under sections 78 to 79a of the general property tax act, 1893 PA 206, MCL 211.78 to 211.79a, for nonpayment of an assessment under this chapter unless the property also is subject to forfeiture, foreclosure, and sale under sections 78 to 79a of the general property tax act, 1893 PA 206, MCL 211.78 to 211.79a, for delinquent property taxes. If a parcel of assessable property that has a delinquent and unpaid assessment is sold to a purchaser who is not related or affiliated to the seller, as determined by the board, the board may reduce or eliminate any delinquent and unpaid assessment on that parcel of assessable property if the property is not subject to forfeiture, foreclosure, and sale under sections 78 to 79a of the general property tax act, 1893 PA 206, MCL 211.78 to 211.79a. If the delinquent property taxes are paid, the property may not be forfeited, foreclosed, and sold for an unpaid assessment under this chapter.

Sec. 10j. A zone plan may be amended. Amendments are effective if approved by a majority of the property owners voting on the amendment at the annual meeting of property owners or a special meeting called for that purpose, using proportional voting if applicable under the zone plan. A zone plan amendment changing any assessment is effective only if also approved by the governing body of the city or village in which the business improvement zone is located.

Sec. 10k. (1) Before the expiration of any qualifying period, the board shall notify the property owners within the business improvement zone of a special meeting by first-class mail not less than 14 days before the scheduled date of the meeting to approve a new zone plan for the next qualifying period. Notice under this section must include the specific location, scheduled date, and time of the meeting.

(2) Approval of the new zone plan at the special meeting by more than 60% of the property owners of assessable property voting at that meeting, using proportional voting if applicable under the zone plan, constitutes reauthorization of the business improvement zone for an additional qualifying period, commencing as of the expiration of the qualifying period then in effect. If the new zone plan reflects any new assessment, or reflects an

extension of any assessment beyond the period previously approved by the city or village in which the business improvement zone is located, the new or extended assessment is effective only with the approval of the governing body of the city or village.

Sec. 10l. (1) Upon written petition duly signed by 30% of the property owners of assessable property within a zone area and submitted no sooner than 2 years following the adoption of the business improvement zone and zone plan, the board shall place on the agenda of the next annual meeting, if the next annual meeting is to be held not later than 63 days after receipt of the written petition or a special meeting not to be held later than 63 days after receipt of the written petition, the issue of dissolution of the business improvement zone. Notice of the next annual meeting or special meeting described in this subsection must be provided to all property owners by first-class mail not less than 14 days before the date of the annual or special meeting. The notice must include the specific location and the scheduled date and time of the meeting.

(2) The business improvement zone is dissolved upon a vote of more than 50% of the property owners of assessable property voting at the meeting, using proportional voting if applicable under the zone plan. A dissolution does not take effect until the later of the end of the second calendar year after the vote for dissolution or all contractual liabilities of the business improvement zone have been paid and discharged.

(3) Upon dissolution of a business improvement zone, the board shall dispose of the remaining physical assets of the business improvement zone. The proceeds of any physical assets disposed of by the business improvement zone and all money collected through assessments that is not required to defray the expenses of the business improvement zone must be refunded on a pro rata basis to persons from whom assessments were collected. If the board finds that the refundable amount is so small as to make impracticable the computation and refunding of the money, it may be transferred to the treasurer of the city or village in which the business improvement zone is located for deposit in the treasury of the city or village to the credit of the general fund.

(4) Upon dissolution of a business improvement zone, any remaining assets of the business improvement zone must be transferred to the treasurer of the city or village in which the business improvement zone is located for deposit in the treasury of the city or village to the credit of the general fund.



Clerk of the House of Representatives



Secretary of the Senate

Approved _____

Governor