

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 306**

A bill 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 1, 5, 10, 10b, 10c, 10e, 10f, 10g, 10h, 10j, 10k, and 10l (MCL 125.981, 125.985, 125.990, 125.990b, 125.990c, 125.990e, 125.990f, 125.990g, 125.990h, 125.990j, 125.990k, and 125.990l), sections 1 and 5 as amended by 2003 PA 209, sections 10, 10c, 10f, 10g, and 10k as amended by 2018 PA 262, sections 10b, 10e, 10h, and 10l as amended by 2013 PA 126, and section 10j as



added by 2001 PA 260.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) As used in this chapter:

2 (a) "Assessable property" means real property in a district
3 area other than all of the following:

4 (i) Property classified as residential real property under
5 section 34c of the general property tax act, 1893 PA 206, MCL
6 211.34c, **unless the local governmental unit expressly designates**
7 **property classified as residential real property as assessable**
8 **property as part of its special assessment proceedings.**

9 (ii) Property owned by the federal, a state, or a local unit of
10 government where property is exempt from the collection of taxes
11 under the general property tax act, 1893 PA 206, MCL 211.1 to
12 ~~211.157~~.**211.155.**

13 (iii) One or more classes of property owners whose property
14 meets all of the following conditions:

15 (A) Is exempt from the collection of taxes under the general
16 property tax act, 1893 PA 206, MCL 211.1 to ~~211.157~~, **211.155**, other
17 than property identified in subparagraph **(i) or (ii)**.

18 (B) As a class has been determined by the legislative body of
19 the local governmental unit not to be benefited by a project for
20 which special assessments are to be levied.

21 (b) "Business improvement district" means 1 or more portions
22 of a local governmental unit or combination of contiguous portions
23 of 2 or more local governmental units that are predominantly
24 commercial or industrial in use.

25 (c) "District" means a business improvement district or a
26 principal shopping district.

27 (d) "Highways" means public streets, highways, and alleys.



1 (e) "Local governmental unit" means a city, village, or urban
2 township.

3 (f) "Principal shopping district" means a portion of a local
4 governmental unit designated by the governing body of the local
5 governmental unit that is predominantly commercial and that
6 contains at least 10 retail businesses.

7 (g) "Urban township" means a township that is an urban
8 township as defined in section ~~2 of the local development financing~~
9 ~~act, 1986 PA 281, MCL 125.2152, 402 of the recodified tax increment~~
10 **financing act, 2018 PA 57, MCL 125.4402**, and is a township located
11 in a county with a population of more than 750,000.

12 (2) A local governmental unit with a master plan for the
13 physical development of the local governmental unit that includes
14 an urban design plan designating a principal shopping district or
15 includes the development or redevelopment of a principal shopping
16 district, or 1 or more local governmental units that establish a
17 business improvement district by resolution, may do 1 or more of
18 the following:

19 (a) Subject, where necessary, to approval of the governmental
20 entity that has jurisdiction over the highway, open, widen, extend,
21 realign, pave, maintain, or otherwise improve highways and
22 construct, reconstruct, maintain, or relocate pedestrian walkways.

23 (b) Subject, where necessary, to approval of the governmental
24 entity that has jurisdiction over the highway, prohibit or regulate
25 vehicular traffic where necessary to carry out the purposes of the
26 development or redevelopment project.

27 (c) Subject, where necessary, to approval of the governmental
28 entity that has jurisdiction over the highway, regulate or prohibit
29 vehicular parking on highways.



1 (d) Acquire, own, maintain, demolish, develop, improve, or
2 operate properties, off-street parking lots, or structures.

3 (e) Contract for the operation or maintenance by others of
4 off-street parking lots or structures owned by the local
5 governmental unit, or appoint agents for the operation or
6 maintenance.

7 (f) Construct, maintain, and operate malls with bus stops,
8 information centers, and other buildings that will serve the public
9 interest.

10 (g) Acquire by purchase, gift, or condemnation and own,
11 maintain, or operate real or personal property necessary to
12 implement this section.

13 (h) Promote economic activity in the district by undertakings
14 including, but not limited to, conducting market research and
15 public relations campaigns, developing, coordinating, and
16 conducting retail and institutional promotions, and sponsoring
17 special events and related activities. A business may prohibit the
18 use of its name or logo in a public relations campaign, promotion,
19 or special event or related activity for the district.

20 (i) Provide for or contract with other public or private
21 entities for the administration, maintenance, security, operation,
22 and provision of services that the board determines are a benefit
23 to a district within the local governmental unit.

24 (3) A local governmental unit that provides for ongoing
25 activities under subsection (2) (h) or (i) shall also provide for
26 the creation of a board for the management of those activities.

27 (4) One member of the board of the principal shopping district
28 shall be from the adjacent residential area, 1 member shall be a
29 representative of the local governmental unit, and a majority of



1 the members shall be nominees of individual businesses located
 2 within the principal shopping district. The board shall be
 3 appointed by the chief executive officer of the local governmental
 4 unit with the concurrence of the legislative body of the local
 5 governmental unit. However, if all of the following requirements
 6 are met, a business may appoint a member of the board of a
 7 principal shopping district, which member shall be counted toward
 8 the majority of members required to be nominees of businesses
 9 located within the principal shopping district:

10 (a) The business is located within the principal shopping
 11 district.

12 (b) The principal shopping district was designated by the
 13 governing body of a local governmental unit after July 14, 1992.

14 (c) The business is located within a special assessment
 15 district established under section 5.

16 (d) The special assessment district is divided into special
 17 assessment rate zones reflecting varying levels of special
 18 benefits.

19 (e) The business is located in the special assessment rate
 20 zone with the highest special assessment rates.

21 (f) The square footage of the business is greater than 5.0% of
 22 the total square footage of all businesses in that special
 23 assessment rate zone.

24 (5) If the boundaries of the principal shopping district are
 25 the same as those of a downtown district designated under ~~1975 PA~~
 26 ~~197, MCL 125.1651 to 125.1681,~~ **part 2 of the recodified tax**
 27 **increment financing act, 2018 PA 57, MCL 125.4201 to 125.4230,** the
 28 governing body may provide that the members of the board of the
 29 downtown development authority, which manages the downtown



1 district, shall compose the board of the principal shopping
 2 district, in which case subsection (4) does not apply.

3 (6) The members of the board of a business improvement
 4 district shall be determined by the local governmental unit as
 5 provided in this subsection. The board of a business improvement
 6 district shall consist of all of the following:

7 (a) One representative of the local governmental unit
 8 appointed by the chief executive officer of the local governmental
 9 unit with the concurrence of the legislative body of the local
 10 governmental unit in which the business improvement district is
 11 located. If the business improvement district is located in more
 12 than 1 local governmental unit, then 1 representative from each
 13 local governmental unit in which the business improvement district
 14 is located shall serve on the board as provided in this
 15 subdivision.

16 (b) Other members of the board shall be nominees of the
 17 businesses and property owners located within the business
 18 improvement district. If a class of business or property owners, as
 19 identified in the resolution described in subsection (8), is
 20 projected to pay more than 50% of the special assessment levied
 21 that benefits property in a business improvement district for the
 22 benefit of the business improvement district, the majority of the
 23 members of the board of the business improvement district shall be
 24 nominees of the business or property owners in that class. **The**
 25 **board shall include no less than 1 owner of residential real**
 26 **property if residential real property is determined assessable**
 27 **property by the local governmental unit under subsection (1).**

28 (7) A local governmental unit may create 1 or more business
 29 improvement districts.



1 (8) If 1 or more local governmental units establish a business
2 improvement district by resolution under subsection (2), the
3 resolution shall identify all of the following:

4 (a) The geographic boundaries of the business improvement
5 district.

6 (b) The number of board members in that business improvement
7 district.

8 (c) The different classes of property owners in the business
9 improvement district.

10 (d) The class of business or property owners, if any, who are
11 projected to pay more than 50% of the special assessment levied
12 that benefits property in that business improvement district.

13 Sec. 5. (1) If a local governmental unit elects to levy
14 special assessments to defray all or part of the cost of the
15 district project, then the special assessments shall be levied
16 pursuant to applicable statutory or charter provisions or, if there
17 are no applicable statutory or charter provisions, pursuant to
18 statutory or charter provisions applicable to local governmental
19 unit street improvements. If a local governmental unit charter does
20 not authorize special assessments for the purposes set forth in
21 this chapter, the charter provisions authorizing special
22 assessments for street improvements are made applicable to the
23 purposes set forth in this chapter, without amendment to the
24 charter. The total amount assessed for district purposes may be
25 made payable in not more than 20 annual installments as determined
26 by the governing body of the local governmental unit, the first
27 installment to be payable in not more than 18 months after the date
28 of the confirmation of the special assessment roll.

29 (2) A special assessment shall be levied against assessable



1 property on the basis of the special benefits to that parcel from
2 the total project. There is a rebuttable presumption that a
3 district project specially benefits all assessable property located
4 within the district.

5 (3) This subsection applies to a principal shopping district
6 only if the principal shopping district is designated by the
7 governing body of a local governmental unit after July 14, 1992.
8 The special assessments annually levied on a parcel under this
9 chapter shall not exceed the product of \$10,000.00 and the number
10 of businesses on that parcel. A business located on a single parcel
11 shall not be responsible for a special assessment in excess of
12 \$10,000.00 annually. When the special assessment district is
13 created, a lessor of a parcel subject to a special assessment may
14 unilaterally revise an existing lease to a business located on that
15 parcel to recover from that business all or part of the special
16 assessment, as is proportionate considering the portion of the
17 parcel occupied by the business.

18 (4) The \$10,000.00 maximum amounts in subsection (3) shall be
19 adjusted each January 1, beginning January 1, 1994, pursuant to the
20 annual average percentage increase or decrease in the Detroit
21 ~~consumer price index~~ **Consumer Price Index** for all items as reported
22 by the United States ~~department of labor.~~ **Department of Labor.** The
23 adjustment for each year shall be made by comparing the Detroit
24 ~~consumer price index~~ **Consumer Price Index** for the 12-month period
25 ending the preceding October 31 with the corresponding Detroit
26 ~~consumer price index~~ **Consumer Price Index** of 1 year earlier. The
27 percentage increase or decrease shall then be multiplied by the
28 current amounts under subsection (3) authorized by this section.
29 The product shall be rounded up to the nearest multiple of 50 cents



1 and shall be the new amount.

2 (5) The local governmental unit may issue special assessment
3 bonds in anticipation of the collection of the special assessments
4 for a district project and, by action of its governing body, may
5 pledge its full faith and credit for the prompt payment of the
6 bonds. Special assessment bonds issued under this section are
7 subject to the revised municipal finance act, 2001 PA 34, MCL
8 141.2101 to 141.2821. The last maturity on the bonds shall be not
9 later than 2 years after the due date of the last installment on
10 the special assessments. Special assessment bonds may be issued
11 pursuant to statutory or charter provisions applicable to the
12 issuance by the local governmental unit of special assessment bonds
13 for the improvement or, if there are no applicable statutory or
14 charter provisions, pursuant to statutory or charter provisions
15 applicable to the issuance by the local governmental unit of
16 special assessment bonds for street improvements.

17 (6) If a district project in a district designated by the
18 governing body of a local governmental unit after July 14, 1992 is
19 financed by special assessments, the governing body of the local
20 governmental unit shall review the special assessments every 5
21 years, unless special assessment bonds are outstanding.

22 (7) Before a local governmental unit levies a special
23 assessment under this chapter that benefits property within a
24 business improvement district, the business improvement district
25 board shall develop a marketing and development plan that details
26 all of the following:

27 (a) The scope, nature, and duration of the business
28 improvement district project or projects.

29 (b) The different classes of property owners who are going to



1 be assessed and the projected amount of the special assessment on
2 the different classes.

3 (8) A local governmental unit that levies a special assessment
4 under this chapter that benefits property within a business
5 improvement district is considered to have approved the marketing
6 and development plan described in subsection (7).

7 (9) **Any notice required as part of the special assessment**
8 **process shall include a statement that a property owner of**
9 **residential real property within a business improvement district**
10 **may seek a homestead deferment for a special assessment under this**
11 **act in the same manner as provided in section 4 of 1976 PA 225, MCL**
12 **211.764.**

13 Sec. 10. As used in this chapter:

14 (a) "Assessable property" means real
15 property in a zone area other than ~~property classified as~~
16 ~~residential real property under section 34c of the general property~~
17 ~~tax act, 1893 PA 206, MCL 211.34c, or real property exempt from the~~
18 collection of taxes under the general property tax act, 1893 PA
19 206, MCL 211.1 to 211.155. **However, assessable property may include**
20 **real property in a zone area classified as residential real**
21 **property under section 34c of the general property tax act, 1893 PA**
22 **206, MCL 211.34c, only if the plan for the zone area designates**
23 **property classified as residential real property in the zone area**
24 **as assessable property as part of its assessment proceeding.**

25 (b) "Assessment" means an assessment imposed under this
26 chapter against assessable property for the benefit of the property
27 owners.

28 (c) "Assessment revenues" means the money collected by a
29 business improvement zone from any assessments, including any



1 interest on the assessments.

2 (d) "Board" means the board of directors of a business
3 improvement zone.

4 (e) "Business improvement zone" means a business improvement
5 zone created under this chapter.

6 (f) "Nonprofit corporation" means a nonprofit corporation
7 organized under the nonprofit corporation act, 1982 PA 162, MCL
8 450.2101 to 450.3192, and that complies with all of the following:

9 (i) The articles of incorporation of the nonprofit corporation
10 provide that the nonprofit corporation may promote a business
11 improvement zone and may also provide management services related
12 to the implementation of a zone plan.

13 (ii) The nonprofit corporation is exempt from federal income
14 tax under section 501(c)(4) or ~~501(e)(6)~~ **(6)** of the internal
15 revenue code, 28 USC 501.

16 (g) "Person" means an individual, partnership, corporation,
17 limited liability company, association, or other legal entity.

18 (h) "Project" means any activity for the benefit of property
19 owners authorized by section 10a to enhance the business
20 environment within a zone area.

21 (i) "Property owner" means a person who owns, or an agent
22 authorized in writing by a person who owns, assessable property
23 according to the records of the treasurer of the city or village in
24 which the business improvement zone is located.

25 (j) "Qualifying period" means the period in which a business
26 improvement zone is authorized to operate and impose and collect
27 assessments, beginning on the date that the business improvement
28 zone is approved by the property owners voting on the question as
29 provided in section 10f and ending 7 to 10 calendar years after



1 that date as determined in the petition described in section 10c.
 2 The 10-year period or qualifying period of a business improvement
 3 zone that was created before ~~the date of the amendatory act that~~
 4 ~~added this sentence~~ **June 28, 2018** begins on the date that the
 5 business improvement zone was approved by the property owners
 6 voting on the question as provided in section 10f.

7 (k) "Zone area" means the area designated in the zone plan as
 8 the area to be served by the business improvement zone.

9 (l) "Zone plan" means a set of goals, strategies, objectives,
 10 and guidelines for the operation of a business improvement zone.

11 Sec. 10b. (1) One or more business improvement zones may be
 12 established within a city or village.

13 ~~(2) If the zone plan for the area provides a basis for~~
 14 ~~allocating assessments other than assessed value, the majority of~~
 15 ~~all parcels included in a zone area, both by area and by taxable~~
 16 ~~value, shall be assessable property. If the zone plan for the zone~~
 17 ~~area provides for allocation of assessments based upon assessed~~
 18 ~~value, the majority of all parcels included in a zone area, both by~~
 19 ~~area and assessed value, shall be assessable property. **The zone**~~
 20 **plan shall allocate assessments on the basis of the benefit to**
 21 **assessable property.** A zone area shall be contiguous, with the
 22 exception of public streets, alleys, parks, and other public
 23 rights-of-way.

24 (3) A business improvement zone may be established in a city
 25 or village even if the city or village has established a principal
 26 shopping district or business improvement district under chapter 1.
 27 Assessable property shall not be included in any of the following:

28 (a) More than 1 business improvement zone established under
 29 this chapter.



1 (b) Both a principal shopping district and a business
2 improvement district established under chapter 1.

3 Sec. 10c. A person may initiate the establishment of a
4 business improvement zone by the delivery of a petition to the
5 clerk of the city or village in which a proposed zone area is
6 located. The petition shall include all of the following:

7 (a) An attached map and description of the geographic
8 boundaries of the zone area sufficient to identify each assessable
9 property included.

10 (b) The signatures of property owners of parcels representing
11 not less than 30% of the property owners within the zone area. ~~7~~
12 ~~weighted as provided in section 10f(2).~~

13 (c) An attached listing, by tax parcel identification number,
14 of all parcels within the zone area, separately identifying
15 assessable property.

16 (d) An attached zone plan, which shall include all of the
17 following:

18 (i) The proposed initial board of directors for the zone,
19 **including no less than 1 owner of residential real property if**
20 **residential real property is determined assessable property by the**
21 **local governmental unit under section 10**, except for a member of
22 the board of directors who may be appointed by the city or village
23 under section 10g(2).

24 (ii) The method for removal, appointment, and replacement of
25 the board.

26 (iii) A description of projects planned during the qualifying
27 period, including the scope, nature, and duration of the projects.

28 (iv) An estimate of the total amount of expenditures for
29 projects planned during the qualifying period.



1 (v) The proposed source or sources of financing for the
2 projects.

3 (vi) If the proposed financing includes assessments, the
4 projected amount or rate of the assessments for each year and the
5 ~~basis upon which the assessments are~~ **formula to be used in**
6 **allocating the assessment** to be imposed on ~~assessable property~~.**the**
7 **basis of the benefit to assessable property.**

8 (vii) A plan of dissolution for the business improvement zone.

9 (viii) Beginning on the effective date of the amendatory act
10 that added this subparagraph, the number of calendar years in the
11 qualifying period, not more than 10 calendar years and not less
12 than 7 calendar years.

13 (e) A ~~basis~~ **formula** for allocating assessments in the zone
14 area, ~~including, but not limited to, assessments based upon~~
15 ~~taxable value or assessments based upon assessed value~~.**that is**
16 **based on the benefit to assessable property.**

17 Sec. 10e. (1) If a petition is delivered to the clerk of the
18 city or village in accordance with section 10c, the governing body
19 of the city or village shall within 28 days schedule a public
20 hearing of the governing body to review the zone plan and any
21 proposed assessment and to receive public comment. The clerk shall
22 notify all owners of parcels within the zone area of the public
23 hearing by first-class mail.

24 (2) At the public hearing required under subsection (1), or at
25 the next regularly scheduled meeting of the governing body of the
26 city or village, the governing body shall approve or reject the
27 establishment of the business improvement zone and the zone plan
28 attached to the petition under section 10c. If the governing body
29 rejects the establishment of the business improvement zone and the



1 zone plan, the clerk shall notify all property owners within the
 2 proposed zone of a meeting of the property owners within the
 3 proposed zone, which shall be held not sooner than 7 days or later
 4 than 21 days after the date of the rejection by the governing body.
 5 The notice shall be sent by first-class mail to the property owners
 6 not less than 7 days prior to the scheduled date of the meeting and
 7 shall include the specific location and the scheduled date and time
 8 of the meeting, as determined by the person initiating the
 9 establishment of the business improvement zone under section
 10 10c(1). **Any notice required as part of the assessment process shall**
 11 **include a statement that a property owner of residential real**
 12 **property within a business improvement zone may seek a homestead**
 13 **deferment for an assessment under this act in the same manner as**
 14 **provided in section 4 of 1976 PA 225, MCL 211.764.**

15 (3) At the meeting, the property owners may amend the zone
 16 plan if approved by a majority of the property owners voting at the
 17 meeting. ~~The votes of the property owners at the meeting shall be~~
 18 ~~weighted in the manner indicated in section 10f(2).~~ The amended
 19 zone plan may be resubmitted to the clerk of the city or village
 20 without the requirement of a new petition under section 10c for
 21 approval or rejection at a meeting of the governing body of the
 22 city or village not later than 28 days after the amended zone plan
 23 is resubmitted to the clerk. If a zone plan is not rejected within
 24 56 days of the date the amended zone plan is resubmitted to the
 25 clerk, the amended zone plan is considered approved by the
 26 governing body of the city or village. If the amended zone plan is
 27 rejected by the governing body, then the amended zone plan may not
 28 be resubmitted without the delivery of a new petition under section
 29 10c.



1 (4) ~~(3)~~—A governing body of a city or village shall consider
 2 the establishment of a business improvement zone and a zone plan
 3 for the business improvement zone under ~~subsection (2)~~ **this section**
 4 if all of the following apply:

5 (a) The zone plan complies with the requirements of section
 6 10c.

7 (b) The zone plan for the business improvement zone provides
 8 that the services to be provided by the business improvement zone
 9 and the projects under the zone plan would be supplemental to the
 10 services, projects, and functions of the city or village.

11 (c) The zone plan provides a basis for allocating assessments
 12 that complies with this chapter.

13 (5) ~~(4)~~—Approval of the business improvement zone and zone
 14 plan shall serve as a determination by the city or village that any
 15 assessment set forth in the zone plan, including the basis for
 16 allocating the assessment, is appropriate, subject only to the
 17 approval of the business improvement zone and the zone plan by the
 18 property owners in accordance with section 10f.

19 (6) ~~(5)~~—If the governing body of the city or village approves
 20 the business improvement zone and zone plan or if the amended zone
 21 plan is considered approved under subsection ~~(2)~~, ~~(3)~~, the clerk of
 22 the city or village shall set an election pursuant to section 10f
 23 not more than 49 days following the approval.

24 (7) ~~(6)~~—The clerk of the city or village shall send to the
 25 property owners notice by first-class mail of the election not less
 26 than 28 days before the election and publish the notice at least
 27 once in a newspaper of general circulation in the city or village
 28 in which the zone area is located not less than 7 days or more than
 29 21 days prior to the date scheduled for the election. **Any notice**



1 required as part of the assessment process shall include a
 2 statement that a property owner of residential real property within
 3 a business improvement zone may seek a homestead deferment for an
 4 assessment under this act in the same manner as provided in section
 5 4 of 1976 PA 225, MCL 211.764.

6 (8) ~~(7)~~—The election described in this section and section 10f
 7 is not an election subject to the Michigan election law, 1954 PA
 8 116, MCL 168.1 to 168.992.

9 (9) ~~(8)~~—The person who filed the petition under section 10c,
 10 the proposed board members, and the property owners may, at the
 11 option and under the direction of the clerk, assist the clerk of
 12 the city or village in conducting the election to keep the expenses
 13 of the election at a minimum.

14 Sec. 10f. (1) All property owners as of the date of the
 15 delivery of the petition as provided in section 10c are eligible to
 16 participate in the election. The election shall be conducted by
 17 mail. The question to be voted on by the property owners is the
 18 adoption of the zone plan and the establishment of the business
 19 improvement zone, including the identity of the initial board.

20 ~~(2) If the zone plan for the zone area provides a basis for~~
 21 ~~allocating assessments based upon taxable value, the votes of~~
 22 ~~property owners shall be weighted in proportion to the amount that~~
 23 ~~the taxable value of their respective real property for the~~
 24 ~~preceding calendar year bears to the taxable value of all~~
 25 ~~assessable property in the zone area. If the zone plan for the zone~~
 26 ~~area provides for allocation of assessments based upon assessed~~
 27 ~~value, the votes of property owners shall be weighted in proportion~~
 28 ~~to the amount that the assessed value of their respective real~~
 29 ~~property for the preceding calendar year bears to the assessed~~



1 ~~value of all assessable property in the zone area. If the zone plan~~
 2 ~~for the zone area provides a basis for allocating assessments other~~
 3 ~~than taxable value or assessed value, the votes of property owners~~
 4 ~~shall be weighted in proportion to the amount that the weighted~~
 5 ~~value for their respective real property bears to the total~~
 6 ~~weighted value of all assessable property in the zone area. In no~~
 7 ~~case shall the total number of votes assigned to any 1 property~~
 8 ~~owner be equal to more than 25% of the total number of votes~~
 9 ~~eligible to be cast in the election.~~

10 (2) ~~(3)~~—A zone plan and the proposal for the establishment of
 11 a business improvement zone, including the identity of the initial
 12 board, shall be considered adopted upon the approval of more than
 13 60% of the property owners voting in the election. ~~, with votes~~
 14 ~~weighted as provided in subsection (2).~~

15 (3) ~~(4)~~—Upon acceptance or rejection of a business improvement
 16 zone and zone plan by the property owners, the resulting business
 17 improvement zone or the person filing the petition under section
 18 10c shall, at the request of the city or village, reimburse the
 19 city or village for all or a portion of the reasonable expenses
 20 incurred to comply with this chapter. The governing body of the
 21 city or village may forgive and choose not to collect all or a
 22 portion of the reasonable expenses incurred to comply with this
 23 chapter.

24 (4) ~~(5)~~—Adoption of a business improvement zone and zone plan
 25 under this section authorizes the creation of the business
 26 improvement zone and the implementation of the zone plan for the
 27 qualifying period.

28 (5) ~~(6)~~—Adoption of a business improvement zone and zone plan
 29 under this section and the creation of the business improvement



1 zone does not relieve the business improvement zone from following,
 2 or does not waive any rights of the city or village to enforce, any
 3 applicable laws, statutes, or ordinances. A business improvement
 4 zone created under this chapter shall comply with all applicable
 5 state and federal laws.

6 (6) ~~(7)~~—To the extent not protected by the immunity conferred
 7 by 1964 PA 170, MCL 691.1401 to 691.1419, a city or village that
 8 approves a business improvement zone within its boundaries is
 9 immune from civil or administrative liability arising from any
 10 actions of that business improvement zone.

11 Sec. 10g. (1) The day-to-day activities of the business
 12 improvement zone and implementation of the zone plan shall be
 13 managed by a board of directors.

14 (2) The board shall consist of an odd number of directors and
 15 shall not be smaller than 5 and not larger than 15 in number. The
 16 board may include 1 director nominated by the chief executive of
 17 the city or village and confirmed by the governing body of the city
 18 or village. **The board shall include no less than 1 owner of**
 19 **residential real property if residential real property is**
 20 **determined assessable property by the local governmental unit under**
 21 **section 10.** A nomination not disapproved by a governing body within
 22 60 days shall stand confirmed.

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

26 (a) Developing administrative procedures relating to the
 27 implementation of the zone plan.

28 (b) Recommending amendments to the zone plan.

29 (c) Scheduling and conducting an annual meeting of the



1 property owners.

2 (d) Developing a zone plan for the next qualifying period.

3 (4) Members of the board shall serve without compensation.

4 However, members of the board may be reimbursed for their actual
5 and necessary expenses incurred in the performance of their
6 official duties as members of the board.

7 Sec. 10h. (1) A business improvement zone may be funded in
8 whole or in part by 1 or more assessments on assessable property,
9 as provided in the zone plan. An assessment under this chapter
10 shall be in addition to any taxes or special assessments otherwise
11 imposed on assessable property. The business improvement zone, with
12 the approval of the board, may enter into agreements with 1 or more
13 property owners in the city or village providing for the provision
14 of business zone activities or services to the property owner or
15 owners by the business improvement zone in exchange for monetary
16 contributions to the business improvement zone from the property
17 owner or owners. An agreement providing for the provision of
18 business zone activities or services described in this subsection
19 shall be in writing and shall be made available to all property
20 owners of assessable property in the zone area.

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

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



1 within the zone area in the amount authorized by the zone plan.

2 (4) Except as provided in subsection (6), assessments shall be
3 collected by the treasurer of the city or village as an agent of
4 the business improvement zone from each property owner and remitted
5 promptly to the business improvement zone. ~~Assessment~~ **Except as**
6 **otherwise provided in this subsection, assessment** revenue is the
7 property of the business improvement zone and not the city or
8 village in which the business improvement zone is located. **However,**
9 **all payments to the treasurer shall be entirely applied first to**
10 **the balance of any property taxes owed to the city or village and**
11 **only then any remaining payment amount shall be considered**
12 **assessment revenue belonging to the business improvement zone and**
13 **applied to the assessment levied under this chapter.** The business
14 improvement zone may, at the option and under the direction of the
15 treasurer, assist the treasurer of the city or village in
16 collecting the assessment to keep the expenses of collecting the
17 assessment at a minimum.

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

20 (6) An assessment is delinquent if it has not been paid within
21 90 days after it was due as provided under the zone plan imposed
22 under this chapter. Delinquent assessments shall be collected by
23 the business improvement zone. Delinquent assessments shall accrue
24 interest at a rate of 1.5% per month until paid.

25 (7) If any portion of the assessment has not been paid within
26 90 days after it was due, that portion of the unpaid assessment
27 shall constitute a lien on the property. The lien amount shall be
28 for the unpaid portion of the assessment and shall include any
29 applicable interest. Alternatively, a delinquent and unpaid



1 assessment may, at the request of the business improvement zone, be
2 returned as delinquent by the treasurer of the city or village and
3 collected in the same manner as a delinquent tax special assessment
4 along with any associated interest, fees, and costs under the
5 general property tax act, 1893 PA 206, MCL 211.1 to 211.155.
6 However, property is not subject to forfeiture, foreclosure, and
7 sale under sections 78 to 79a of the general property tax act, 1893
8 PA 206, MCL 211.78 to 211.79a, for nonpayment of an assessment
9 under this chapter unless the property also is subject to
10 forfeiture, foreclosure, and sale under sections 78 to 79a of the
11 general property tax act, 1893 PA 206, MCL 211.78 to 211.79a, for
12 delinquent property taxes. If a parcel of assessable property that
13 has a delinquent and unpaid assessment is sold to a purchaser who
14 is not related or affiliated to the seller, as determined by the
15 board, the board may reduce or eliminate any delinquent and unpaid
16 assessment on that parcel of assessable property if the property is
17 not subject to forfeiture, foreclosure, and sale under sections 78
18 to 79a of the general property tax act, 1893 PA 206, MCL 211.78 to
19 211.79a. If the delinquent property taxes are paid, the property
20 may not be forfeited, foreclosed, and sold for an unpaid assessment
21 under this chapter.

22 Sec. 10j. A zone plan may be amended. Amendments shall be
23 effective if approved by a majority of the property owners voting
24 on the amendment at the annual meeting of property owners or a
25 special meeting called for that purpose. ~~, with the votes of the~~
26 ~~property owners weighted in accordance with section 10f(2).~~ A zone
27 plan amendment changing any assessment is effective only if also
28 approved by the governing body of the city or village in which the
29 business improvement zone is located.



1 Sec. 10k. (1) Prior to the expiration of any qualifying
 2 period, the board shall notify the property owners within the
 3 business improvement zone of a special meeting by first-class mail
 4 at least 14 days prior to the scheduled date of the meeting to
 5 approve a new zone plan for the next qualifying period. Notice
 6 under this section shall include the specific location, scheduled
 7 date, and time of the meeting **and shall include a statement that a**
 8 **property owner of residential real property within a business**
 9 **improvement zone may seek a homestead deferment for an assessment**
 10 **under this act in the same manner as provided in section 4 of 1976**
 11 **PA 225, MCL 211.764.**

12 (2) Approval of the new zone plan at the special meeting by
 13 more than 60% of the property owners of assessable property voting
 14 at that meeting ~~, with the vote of the property owners being~~
 15 ~~weighted in accordance with section 10f(2),~~ constitutes
 16 reauthorization of the business improvement zone for an additional
 17 qualifying period, commencing as of the expiration of the
 18 qualifying period then in effect. If the new zone plan reflects any
 19 new assessment, or reflects an extension of any assessment beyond
 20 the period previously approved by the city or village in which the
 21 business improvement zone is located, the new or extended
 22 assessment shall be effective only with the approval of the
 23 governing body of the city or village.

24 Sec. 10l. (1) Upon written petition duly signed by 30% of the
 25 property owners of assessable property within a zone area and
 26 submitted no sooner than 2 years following the adoption of the
 27 business improvement zone and zone plan, the board shall place on
 28 the agenda of the next annual meeting, if the next annual meeting
 29 is to be held not later than 63 days after receipt of the written



1 petition or a special meeting not to be held later than 63 days
2 after receipt of the written petition, the issue of dissolution of
3 the business improvement zone. Notice of the next annual meeting or
4 special meeting described in this subsection shall be made to all
5 property owners by first-class mail not less than 14 days prior to
6 the date of the annual or special meeting. The notice shall include
7 the specific location and the scheduled date and time of the
8 meeting.

9 (2) The business improvement zone shall be dissolved upon a
10 vote of more than 50% of the property owners of assessable property
11 voting at the meeting. ~~with the votes of the property owners~~
12 ~~weighted in accordance with section 10f(2).~~ A dissolution shall not
13 take effect until the later of the end of the second calendar year
14 after the vote for dissolution or all contractual liabilities of
15 the business improvement zone have been paid and discharged.

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

28 (4) Upon dissolution of a business improvement zone, any
29 remaining assets of the business improvement zone shall be



1 transferred to the treasurer of the city or village in which the
2 business improvement zone is located for deposit in the treasury of
3 the city or village to the credit of the general fund.