

# HOUSE BILL NO. 5768

February 17, 2022, Introduced by Rep. Wendzel and referred to the Committee on Local Government and Municipal Finance.

A bill to amend 2018 PA 57, entitled  
"Recodified tax increment financing act,"  
by amending sections 215 and 413 (MCL 125.4215 and 125.4413).

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

1           Sec. 215. (1) The municipal and county treasurers shall  
2 transmit to the authority tax increment revenues.  
3           (2) The authority shall expend the tax increment revenues  
4 received for the development program only pursuant to the tax  
5 increment financing plan ~~. Surplus funds or development plan.~~ **Tax**  
6 **increment revenues in excess of the estimated tax increment**

1 revenues or of the actual costs of the tax increment financing plan  
2 or development plan to be paid by the tax increment revenues may be  
3 retained by the authority only for purposes, that by resolution of  
4 the board, are determined to further the development program in  
5 accordance with the tax increment financing plan or development  
6 plan. The excess tax increment revenues not so used shall revert  
7 proportionately to the respective taxing bodies. These revenues  
8 shall not be used to circumvent existing property tax limitations.  
9 The governing body of the municipality may abolish the tax  
10 increment financing plan or development plan when it finds that the  
11 purposes for which it was established are accomplished. However,  
12 the tax increment financing plan or development plan shall not be  
13 abolished, allowed to expire, or otherwise terminate until the  
14 principal of, and interest on, bonds issued pursuant to section 216  
15 have been paid or funds sufficient to make the payment have been  
16 segregated.

17 Sec. 413. (1) The city, village, township, school district,  
18 and county treasurers shall transmit to the authority tax increment  
19 revenues.

20 (2) The authority shall expend the tax increment revenues  
21 received for the development program only in accordance with the  
22 tax increment financing plan or development plan. Tax increment  
23 revenues in excess of the estimated tax increment revenues or of  
24 the actual costs of the tax increment financing plan or development  
25 plan to be paid by the tax increment revenues may be retained by  
26 the authority only for purposes, that by resolution of the board,  
27 are determined to further the development program in accordance  
28 with the tax increment financing plan or development plan. The  
29 excess tax increment revenues not so used shall revert

1 proportionately to the respective taxing jurisdictions. These  
2 revenues shall not be used to circumvent existing property tax laws  
3 or a local charter that provides a maximum authorized rate for the  
4 levy of property taxes. The governing body may abolish the tax  
5 increment financing plan **or development plan** if it finds that the  
6 purposes for which the **tax increment financing plan or development**  
7 plan was established are accomplished. However, the tax increment  
8 financing plan **or development plan** may not be abolished, allowed to  
9 expire, or otherwise terminate until the principal of, and interest  
10 on, bonds issued pursuant to section 414 have been paid or funds  
11 sufficient to make that payment have been segregated and placed in  
12 an irrevocable trust for the benefit of the holders of the bonds.