

SENATE BILL NO. 1128

May 12, 1998, Introduced by Senator MC MANUS and referred to the Committee on Finance.

A bill to amend 1941 PA 250, entitled "Urban redevelopment corporations law," by amending section 12 (MCL 125.912) and by adding sections 12a and 12b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 12. (1) ~~1.~~ A local legislative body is ~~hereby~~
2 authorized by the adoption or enactment of an ordinance or local
3 law to exempt real property ~~held~~ LOCATED WITHIN THE CITY OR
4 TOWNSHIP OWNED by A redevelopment ~~corporations~~ CORPORATION OR A
5 QUALIFIED ENTITY during a maximum exemption period ~~which~~ THAT
6 shall not exceed ~~10~~ 40 years from any increase in assessed
7 value over the maximum assessed value. ~~, after~~ AFTER the adop-
8 tion or enactment of ~~such an~~ THE ordinance or local law, every
9 parcel of real property ~~held~~ OWNED by any redevelopment
10 corporation OR A QUALIFIED ENTITY in a development shall be

1 exempt during the maximum exemption period from any increase in
2 assessed value over or in excess of the maximum assessed value.
3 ~~Such~~ AN exemption DESCRIBED IN THIS SUBSECTION shall not, how-
4 ever, apply to any improvement made upon ~~such~~ THE real property
5 after the beginning of the maximum exemption period but the local
6 legislative body may, by appropriate legislative action, estab-
7 lish a maximum assessed value and maximum exemption period, not
8 to exceed ~~10~~ 40 years, for ~~such~~ THOSE subsequent
9 improvements.

10 (2) ~~2.~~ For the purpose of fixing the date of commencement
11 of the maximum exemption period for a group of parcels of real
12 property in a development area, the city OR TOWNSHIP is ~~hereby~~
13 authorized with the approval of its local legislative body to
14 contract with a redevelopment corporation to place in 1 or more
15 groups the various parcels of real property ~~therein~~ IN A DEVEL-
16 OPMENT AREA. ~~Such a~~ A contract DESCRIBED IN THIS SUBSECTION
17 may provide that all the parcels in each group shall be ~~deemed~~
18 CONSIDERED to have a common stated date of completion of the
19 development by the redevelopment corporation OR QUALIFIED
20 ENTITY.

21 (3) A DEVELOPMENT PLAN MAY INCLUDE PROPERTY LOCATED IN A
22 TOWNSHIP ONLY IF THAT PROPERTY WAS PREVIOUSLY USED BY THIS STATE
23 FOR AN OFFICE, HOSPITAL, PRISON, INSTITUTION OF HIGHER EDUCATION,
24 OR OTHER STATE FACILITY.

25 (4) FOR PURPOSES OF THIS SECTION, "QUALIFIED ENTITY" MEANS
26 EITHER OF THE FOLLOWING:

1 (A) A MICHIGAN NONPROFIT CORPORATION OR A MICHIGAN LIMITED
2 PARTNERSHIP HAVING A MICHIGAN NONPROFIT CORPORATION AS ITS SOLE
3 GENERAL PARTNER, IF 1 OR MORE OF THE FOLLOWING APPLY:

4 (i) A MAJORITY OF EACH CLASS OF STOCK IN THE NONPROFIT COR-
5 PORATION IS OWNED BY THE REDEVELOPMENT CORPORATION.

6 (ii) A MAJORITY OF THE MEMBERS OF THE BOARD OF DIRECTORS OF
7 THE NONPROFIT CORPORATION ARE ELECTED AND REMOVABLE BY THE REDE-
8 VELOPMENT CORPORATION.

9 (iii) THE REDEVELOPMENT CORPORATION IS THE SOLE MEMBER OF
10 THE NONPROFIT CORPORATION.

11 (B) A FOR-PROFIT CORPORATION, PARTNERSHIP, OR LIMITED
12 LIABILITY COMPANY FORMED OR INCORPORATED BY THE REDEVELOPMENT
13 CORPORATION FOR THE SOLE PURPOSE OF SYNDICATING HISTORIC TAX
14 CREDITS OR LOW-INCOME HOUSING TAX CREDITS IN CONNECTION WITH THE
15 REDEVELOPMENT OF A PROPERTY THAT HAS BEEN OWNED BY THE REDEVELOP-
16 MENT CORPORATION, IF THE REDEVELOPMENT CORPORATION MAINTAINS
17 OVERSIGHT RESPONSIBILITY FOR THE MANAGEMENT AND OPERATION OF THE
18 PROPERTY FOR WHICH HISTORIC TAX CREDITS OR LOW-INCOME HOUSING TAX
19 CREDITS WERE SYNDICATED AND THE FOR-PROFIT ENTITY DOES NOT ENGAGE
20 IN ANY OTHER BUSINESS ACTIVITY UNRELATED TO THE PROPERTY.

21 SEC. 12A. EXCEPT AS OTHERWISE PROVIDED IN THIS ACT, A REDE-
22 VELOPMENT CORPORATION MAY DO ALL OF THE FOLLOWING:

23 (A) FORM OR INCORPORATE NONPROFIT CORPORATIONS UNDER THE
24 LAWS OF THIS STATE FOR ANY PURPOSE NOT INCONSISTENT WITH THE PUR-
25 POSES FOR WHICH THE REDEVELOPMENT CORPORATION WAS FORMED.

26 (B) SERVE AS A SHAREHOLDER OR MEMBER OF A QUALIFIED
27 NONPROFIT CORPORATION ORGANIZED UNDER THE LAWS OF THIS STATE.

1 (C) AUTHORIZE, APPROVE, EXECUTE, AND FILE WITH THE MICHIGAN
2 DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES THOSE DOCUMENTS THAT
3 ARE APPROPRIATE TO FORM AND CONTINUE 1 OR MORE NONPROFIT
4 CORPORATIONS.

5 (D) FORM OR INCORPORATE FOR-PROFIT CORPORATIONS, PARTNER-
6 SHIPS, AND LIMITED LIABILITY COMPANIES UNDER THE LAWS OF THIS
7 STATE FOR ANY PURPOSE NOT INCONSISTENT WITH THE PURPOSES FOR
8 WHICH THE REDEVELOPMENT CORPORATION WAS FORMED.

9 SEC. 12B. (1) FUNDS FOR THE OPERATION OF A REDEVELOPMENT
10 CORPORATION MAY BE LOANED OR GRANTED BY THE CITY OR TOWNSHIP,
11 THIS STATE, THE FEDERAL GOVERNMENT, OR ANY AGENCY OR POLITICAL
12 SUBDIVISION OF THIS STATE OR THE FEDERAL GOVERNMENT. THE CITY OR
13 TOWNSHIP, THROUGH ITS LOCAL LEGISLATIVE BODY, MAY CONDITION THE
14 PROVISION OF FUNDS TO THE REDEVELOPMENT CORPORATION UPON AN
15 AGREEMENT THAT THE REDEVELOPMENT CORPORATION SHALL AS SOON AS
16 POSSIBLE REIMBURSE THE CITY OR TOWNSHIP FOR ALL MONEY EXPENDED BY
17 IT FOR THE REDEVELOPMENT CORPORATION FROM REVENUES RECEIVED FROM
18 OTHER SOURCES.

19 (2) A REDEVELOPMENT CORPORATION MAY SOLICIT, ACCEPT, AND
20 ENTER INTO AGREEMENTS RELATING TO GRANTS FROM ANY PUBLIC OR PRI-
21 VATE SOURCE, INCLUDING THIS STATE, THE FEDERAL GOVERNMENT, OR ANY
22 AGENCY OR POLITICAL SUBDIVISION OF THIS STATE OR THE FEDERAL GOV-
23 ERNMENT, AND MAY CARRY OUT ANY FEDERAL OR STATE PROGRAM RELATED
24 TO THE PURPOSES FOR WHICH THE REDEVELOPMENT CORPORATION IS
25 CREATED.