

Act No. 385
Public Acts of 1998
Approved by the Governor
October 22, 1998
Filed with the Secretary of State
October 23, 1998
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STATE OF MICHIGAN
89TH LEGISLATURE
REGULAR SESSION OF 1998

Introduced by Senator McManus

ENROLLED SENATE BILL No. 1128

AN ACT to amend 1941 PA 250, entitled "An act to provide for the creation of urban redevelopment corporations for the purpose of clearing, replanning, rehabilitating, modernizing, beautifying, and reconstructing substandard and insanitary areas; to provide for the powers and duties of urban redevelopment corporations and certain local units of government; to grant limited tax exemptions and powers of condemnation; and to provide for certain regulations and control by public agencies," by amending section 12 (MCL 125.912) and by adding sections 12a and 12b.

The People of the State of Michigan enact:

Sec. 12. (1) A local legislative body is authorized by the adoption or enactment of an ordinance or local law to exempt real property located within the city or township owned by a redevelopment corporation or a qualified entity during a maximum exemption period that shall not exceed 40 years from any increase in assessed value over the maximum assessed value. After the adoption or enactment of the ordinance or local law, every parcel of real property owned by any redevelopment corporation or a qualified entity in a development shall be exempt during the maximum exemption period from any increase in assessed value over or in excess of the maximum assessed value. An exemption described in this subsection shall not, however, apply to any improvement made upon the real property after the beginning of the maximum exemption period but the local legislative body may, by appropriate legislative action, establish a maximum assessed value and maximum exemption period, not to exceed 40 years, for those subsequent improvements.

(2) For the purpose of fixing the date of commencement of the maximum exemption period for a group of parcels of real property in a development area, the city or township is authorized with the approval of its local legislative body to contract with a redevelopment corporation to place in 1 or more groups the various parcels of real property in a development area. A contract described in this subsection may provide that all the parcels in each group shall be considered to have a common stated date of completion of the development by the redevelopment corporation or qualified entity.

(3) A development plan may include property located in a township only if that property was previously used by this state for an office, hospital, prison, institution of higher education, or other state facility.

(4) For purposes of this section, "qualified entity" means either of the following:

(a) A Michigan nonprofit corporation or a Michigan limited partnership having a Michigan nonprofit corporation as its sole general partner, if 1 or more of the following apply:

(i) A majority of each class of stock in the nonprofit corporation is owned by the redevelopment corporation.

(ii) A majority of the members of the board of directors of the nonprofit corporation are elected and removable by the redevelopment corporation.

(iii) The redevelopment corporation is the sole member of the nonprofit corporation.

(b) A for-profit corporation, partnership, or limited liability company formed or incorporated by the redevelopment corporation for the sole purpose of syndicating historic tax credits or low-income housing tax credits in connection with the redevelopment of a property that has been owned by the redevelopment corporation, if the redevelopment corporation maintains oversight responsibility for the management and operation of the property for which historic tax credits or low-income housing tax credits were syndicated and the for-profit entity does not engage in any other business activity unrelated to the property.

Sec. 12a. Except as otherwise provided in this act, a redevelopment corporation may do all of the following:

(a) Form or incorporate nonprofit corporations under the laws of this state for any purpose not inconsistent with the purposes for which the redevelopment corporation was formed.

(b) Serve as a shareholder or member of a qualified nonprofit corporation organized under the laws of this state.

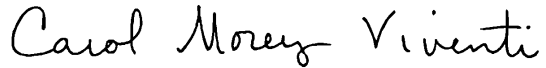
(c) Authorize, approve, execute, and file with the Michigan department of consumer and industry services those documents that are appropriate to form and continue 1 or more nonprofit corporations.

(d) Form or incorporate for-profit corporations, partnerships, and limited liability companies under the laws of this state for any purpose not inconsistent with the purposes for which the redevelopment corporation was formed.

Sec. 12b. (1) Funds for the operation of a redevelopment corporation may be loaned or granted by the city or township, this state, the federal government, or any agency or political subdivision of this state or the federal government. The city or township, through its local legislative body, may condition the provision of funds to the redevelopment corporation upon an agreement that the redevelopment corporation shall as soon as possible reimburse the city or township for all money expended by it for the redevelopment corporation from revenues received from other sources.

(2) A redevelopment corporation may solicit, accept, and enter into agreements relating to grants from any public or private source, including this state, the federal government, or any agency or political subdivision of this state or the federal government, and may carry out any federal or state program related to the purposes for which the redevelopment corporation is created.

This act is ordered to take immediate effect.



Secretary of the Senate.



Clerk of the House of Representatives.

Approved _____

Governor.