

**SUBSTITUTE FOR  
HOUSE BILL NO. 5766**

A bill to amend 1986 PA 281, entitled  
"The local development financing act,"  
by amending sections 2, 4, 10, and 12 (MCL 125.2152, 125.2154,  
125.2160, and 125.2162), section 2 as amended by 1998 PA 92 and  
sections 4, 10, and 12 as amended by 1993 PA 333, and by adding  
section 12a.

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

1       Sec. 2. As used in this act:

2       (a) "Advance" means a transfer of funds made by a municipal-  
3 ity to an authority or to another person on behalf of the author-  
4 ity in anticipation of repayment by the authority. Evidence of  
5 the intent to repay an advance may include, but is not limited  
6 to, an executed agreement to repay, provisions contained in a tax  
7 increment financing plan approved prior to the advance, or a  
8 resolution of the authority or the municipality.

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1 (b) "Assessed value" means 1 of the following:

2 (i) For valuations made before January 1, 1995, the state  
3 equalized valuation as determined under the general property tax  
4 act, 1893 PA 206, MCL 211.1 to 211.157.

5 (ii) For valuations made after December 31, 1994, the tax-  
6 able value as determined under section 27a of the general prop-  
7 erty tax act, 1893 PA 206, MCL 211.27a.

8 (c) "Authority" means a local development finance authority  
9 created pursuant to this act.

10 (d) "Authority district" means an area or areas within which  
11 an authority exercises its powers.

12 (e) "Board" means the governing body of an authority.

13 (F) "BUSINESS DEVELOPMENT AREA" MEANS AN AREA DESIGNATED AS  
14 A CERTIFIED INDUSTRIAL PARK UNDER THIS ACT PRIOR TO THE EFFECTIVE  
15 DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBDIVISION, OR AN  
16 AREA DESIGNATED IN THE TAX INCREMENT FINANCING PLAN THAT MEETS  
17 ALL OF THE FOLLOWING REQUIREMENTS:

18 (i) THE AREA IS ZONED TO ALLOW ITS USE FOR ELIGIBLE  
19 PROPERTY.

20 (ii) THE AREA HAS A SITE PLAN OR PLAT APPROVED BY THE CITY,  
21 VILLAGE, OR TOWNSHIP IN WHICH THE AREA IS LOCATED.

22 (iii) THE PARCELS OF LAND WITHIN THE AREA ARE CONTIGUOUS OR  
23 ADJACENT TO EACH OTHER, OR WOULD BE CONTIGUOUS OR ADJACENT IF NOT  
24 FOR RAILROAD LINES, STREETS, HIGHWAYS, WATERWAYS, NATURAL OR  
25 ARTIFICIAL BOUNDARIES, OR OTHER INFRASTRUCTURE THAT MAY BE COM-  
26 MONLY USED BY ELIGIBLE PROPERTY.

1 (G) "BUSINESS INCUBATOR" MEANS REAL AND PERSONAL PROPERTY  
2 THAT MEETS ALL OF THE FOLLOWING REQUIREMENTS:

3 (i) IS LOCATED IN A CERTIFIED TECHNOLOGY PARK.

4 (ii) IS SUBJECT TO AN AGREEMENT UNDER SECTION 12A.

5 (iii) IS DEVELOPED FOR THE PRIMARY PURPOSE OF ATTRACTING 1  
6 OR MORE OWNERS OR TENANTS WHO WILL ENGAGE IN ACTIVITIES THAT  
7 WOULD EACH SEPARATELY QUALIFY THE PROPERTY AS ELIGIBLE PROPERTY  
8 UNDER SUBDIVISION (P)(iii).

9 (H) ~~-(f)-~~ "Captured assessed value" means the amount in any  
10 1 year by which the current assessed value ~~-, as equalized,~~ of  
11 the eligible property identified in the tax increment financing  
12 plan OR, FOR A CERTIFIED TECHNOLOGY PARK, THE REAL AND PERSONAL  
13 PROPERTY INCLUDED IN THE TAX INCREMENT FINANCING PLAN, including  
14 the current assessed value of property for which specific local  
15 taxes are paid in lieu of property taxes as determined pursuant  
16 to subdivision ~~-(w)-~~ (BB), exceeds the initial assessed value.  
17 The state tax commission shall prescribe the method for calculat-  
18 ing captured assessed value.

19 (I) ~~-(g)-~~ "Certified ~~industrial~~ BUSINESS park" means ~~an~~  
20 ~~area of land designated by the Michigan jobs commission as meet-~~  
21 ~~ing all of the following requirements:-~~ A BUSINESS DEVELOPMENT  
22 AREA THAT HAS BEEN DESIGNATED BY THE MICHIGAN ECONOMIC DEVELOP-  
23 MENT CORPORATION AS MEETING CRITERIA ESTABLISHED BY THE MICHIGAN  
24 ECONOMIC DEVELOPMENT CORPORATION. THE CRITERIA SHALL ESTABLISH  
25 STANDARDS FOR BUSINESS DEVELOPMENT AREAS INCLUDING, BUT NOT  
26 LIMITED TO, USE, TYPES OF BUILDING MATERIALS, LANDSCAPING,  
27 SETBACKS, PARKING, STORAGE AREAS, AND MANAGEMENT.

- 1       ~~(i) It contains not less than 40 acres of land.~~
- 2       ~~(ii) It is zoned exclusively for use for eligible property.~~
- 3       ~~(iii) It has a site plan or plat approved by the city, vil-~~  
4 ~~lage, or township in which the land is located.~~
- 5       ~~(iv) The developer of the land agrees to comply with other~~  
6 ~~requirements, not inconsistent with subparagraphs (i) to (iii),~~  
7 ~~imposed upon property classified as a certified industrial park~~  
8 ~~by the Michigan jobs commission under the certified industrial~~  
9 ~~park program. Compliance with these other requirements is not a~~  
10 ~~prerequisite to meeting the requirement of this subparagraph.~~
- 11       (J) "CERTIFIED TECHNOLOGY PARK" MEANS THAT PORTION OF THE  
12 AUTHORITY DISTRICT DESIGNATED BY A WRITTEN AGREEMENT ENTERED INTO  
13 PURSUANT TO SECTION 12A BETWEEN THE AUTHORITY, THE MUNICIPALITY,  
14 AND THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION.
- 15       (K) ~~(h)~~ "Chief executive officer" means the mayor or city  
16 manager of a city, the president of a village, or, for other  
17 local units of government or school districts, the person charged  
18 by law with the supervision of the functions of the local unit of  
19 government or school district.
- 20       (l) ~~(i)~~ "Development plan" means that information and  
21 those requirements for a development set forth in section 15.
- 22       (M) ~~(j)~~ "Development program" means the implementation of  
23 a development plan.
- 24       (N) ~~(k)~~ "Eligible advance" means an advance made before  
25 August 19, 1993.
- 26       (O) ~~(t)~~ "Eligible obligation" means an obligation issued  
27 or incurred by an authority or by a municipality on behalf of an

1 authority before August 19, 1993 and its subsequent refunding by  
2 a qualified refunding obligation. Eligible obligation includes  
3 an authority's written agreement entered into before August 19,  
4 1993 to pay an obligation issued after August 18, 1993 and before  
5 December 31, 1996 by another entity on behalf of the authority.

6 (P) ~~-(m)-~~ "Eligible property" means land improvements,  
7 buildings, structures, and other real property, and machinery,  
8 equipment, furniture, and fixtures, or any part or accessory  
9 thereof whether completed or in the process of construction com-  
10 prising an integrated whole, located within an authority dis-  
11 trict, of which the primary purpose and use is OR WILL BE 1 of  
12 the following:

13 (i) The manufacture of goods or materials or the processing  
14 of goods or materials by physical or chemical change.

15 (ii) Agricultural processing.

16 (iii) A high technology activity. ~~that has as its primary~~  
17 ~~purpose research, product development, engineering, laboratory~~  
18 ~~testing, or development of industrial technology. This subpara-~~  
19 ~~graph applies only to eligible property for which a tax increment~~  
20 ~~financing plan or development plan is adopted and bonds are~~  
21 ~~issued under this act before January 1, 1993.~~

22 (iv) The production of energy by the processing of goods or  
23 materials by physical or chemical change by a small power produc-  
24 tion facility as defined by the federal energy regulatory commis-  
25 sion pursuant to the public utility regulatory policies act of  
26 1978, Public Law 95-617, 92 Stat. 3117, which facility is fueled  
27 primarily by biomass or wood waste. This act does not affect a

1 person's rights or liabilities under law with respect to  
2 groundwater contamination described in this subparagraph. This  
3 subparagraph applies only if all of the following requirements  
4 are met:

5       (A) Tax increment revenues captured from the eligible prop-  
6 erty will be used to finance, or will be pledged for debt service  
7 on tax increment bonds used to finance, a public facility in or  
8 near the authority district designed to reduce, eliminate, or  
9 prevent the spread of identified soil and groundwater contamina-  
10 tion, pursuant to law.

11       (B) The board of the authority exercising powers within the  
12 authority district where the eligible property is located adopted  
13 an initial tax increment financing plan between January 1, 1991  
14 and May 1, 1991.

15       (C) The municipality that created the authority establishes  
16 a special assessment district whereby not less than 50% of the  
17 operating expenses of the public facility described in this sub-  
18 paragraph will be paid for by special assessments. Not less than  
19 50% of the amount specially assessed against all parcels in the  
20 special assessment district shall be assessed against parcels  
21 owned by parties potentially responsible for the identified  
22 groundwater contamination pursuant to law.

23       (v) A BUSINESS INCUBATOR.

24       (Q) ~~-(n)-~~ "Fiscal year" means the fiscal year of the  
25 authority.

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1       (R) ~~(O)~~ "Governing body" means the elected body having  
2 legislative powers of a municipality creating an authority under  
3 this act.

4       (S) "HIGH TECHNOLOGY ACTIVITY" MEANS THAT TERM AS DEFINED IN  
5 SECTION 3 OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY ACT, 1995 PA  
6 24, MCL 207.803.

7       (T) ~~(P)~~ "Initial assessed value" means the assessed value  
8 ~~, as equalized,~~ of the eligible property identified in the tax  
9 increment financing plan OR, FOR A CERTIFIED TECHNOLOGY PARK, THE  
10 ASSESSED VALUE OF ANY REAL AND PERSONAL PROPERTY INCLUDED IN THE  
11 TAX INCREMENT FINANCING PLAN, at the time the resolution estab-  
12 lishing the tax increment financing plan is approved as shown by  
13 the most recent assessment roll for which equalization has been  
14 completed at the time the resolution is adopted OR, FOR PROPERTY  
15 THAT BECOMES ELIGIBLE PROPERTY IN OTHER THAN A CERTIFIED TECHNOL-  
16 OGY PARK AFTER THE DATE THE PLAN IS APPROVED, AT THE TIME THE  
17 PROPERTY BECOMES ELIGIBLE PROPERTY. Property exempt from taxa-  
18 tion at the time of the determination of the initial assessed  
19 value shall be included as zero. Property for which a specific  
20 local tax is paid in lieu of property tax shall not be considered  
21 exempt from taxation. The initial assessed value of property for  
22 which a specific local tax was paid in lieu of property tax shall  
23 be determined as provided in subdivision ~~(w)~~ (BB).

24       (U) "MICHIGAN ECONOMIC DEVELOPMENT CORPORATION" MEANS THE  
25 PUBLIC BODY CORPORATE CREATED UNDER SECTION 28 OF ARTICLE VII OF  
26 THE STATE CONSTITUTION OF 1963 AND THE URBAN COOPERATION ACT OF  
27 1967, 1967 (EX SESS) PA 7, MCL 124.501 TO 124.512, BY A

1 CONTRACTUAL INTERLOCAL AGREEMENT EFFECTIVE APRIL 5, 1999 BETWEEN  
2 LOCAL PARTICIPATING ECONOMIC DEVELOPMENT CORPORATIONS FORMED  
3 UNDER THE ECONOMIC DEVELOPMENT CORPORATIONS ACT, 1974 PA 338, MCL  
4 125.1601 TO 125.1636, AND THE MICHIGAN STRATEGIC FUND. IF THE  
5 MICHIGAN ECONOMIC DEVELOPMENT CORPORATION IS UNABLE FOR ANY  
6 REASON TO PERFORM ITS DUTIES UNDER THIS ACT, THOSE DUTIES MAY BE  
7 EXERCISED BY THE MICHIGAN STRATEGIC FUND.

8 (V) "MICHIGAN STRATEGIC FUND" MEANS THE MICHIGAN STRATEGIC  
9 FUND AS DESCRIBED IN THE MICHIGAN STRATEGIC FUND ACT, 1984 PA  
10 270, MCL 125.2001 TO 125.2093.

11 (W) ~~(q)~~ "Municipality" means a city, village, or urban  
12 township.

13 (X) ~~(r)~~ "Obligation" means a written promise to pay,  
14 whether evidenced by a contract, agreement, lease, sublease,  
15 bond, or note, or a requirement to pay imposed by law. An obli-  
16 gation does not include a payment required solely because of  
17 default upon an obligation, employee salaries, or consideration  
18 paid for the use of municipal offices. An obligation does not  
19 include those bonds that have been economically defeased by  
20 refunding bonds issued under this act. Obligation includes, but  
21 is not limited to, the following:

22 (i) A requirement to pay proceeds derived from ad valorem  
23 property taxes or taxes levied in lieu of ad valorem property  
24 taxes.

25 (ii) A management contract or a contract for professional  
26 services.

1       (iii) A payment required on a contract, agreement, bond, or  
2 note if the requirement to make or assume the payment arose  
3 before August 19, 1993.

4       (iv) A requirement to pay or reimburse a person for the cost  
5 of insurance for, or to maintain, property subject to a lease,  
6 land contract, purchase agreement, or other agreement.

7       (v) A letter of credit, paying agent, transfer agent, bond  
8 registrar, or trustee fee associated with a contract, agreement,  
9 bond, or note.

10       (Y) ~~—(s)—~~ "On behalf of an authority", in relation to an  
11 eligible advance made by a municipality or an eligible obligation  
12 or other protected obligation issued or incurred by a municipali-  
13 ty, means in anticipation that an authority would transfer tax  
14 increment revenues or reimburse the municipality from tax incre-  
15 ment revenues in an amount sufficient to fully make payment  
16 required by the eligible advance made by a municipality, or eli-  
17 gible obligation or other protected obligation issued or incurred  
18 by the municipality, if the anticipation of the transfer or  
19 receipt of tax increment revenues from the authority is pursuant  
20 to or evidenced by 1 or more of the following:

21       (i) A reimbursement agreement between the municipality and  
22 an authority it established.

23       (ii) A requirement imposed by law that the authority trans-  
24 fer tax increment revenues to the municipality.

25       (iii) A resolution of the authority agreeing to make pay-  
26 ments to the incorporating unit.

1 (iv) Provisions in a tax increment financing plan describing  
2 the project for which the obligation was incurred.

3 (Z) ~~-(t)-~~ "Other protected obligation" means:

4 (i) A qualified refunding obligation issued to refund an  
5 obligation described in subparagraph (ii) or (iii), an obligation  
6 that is not a qualified refunding obligation that is issued to  
7 refund an eligible obligation, or a qualified refunding obliga-  
8 tion issued to refund an obligation described in this  
9 subparagraph.

10 (ii) An obligation issued or incurred by an authority or by  
11 a municipality on behalf of an authority after August 19, 1993,  
12 but before December 31, 1994, to finance a project described in a  
13 tax increment finance plan approved by the municipality in  
14 accordance with this act before August 19, 1993, for which a con-  
15 tract for final design is entered into by the municipality or  
16 authority before March 1, 1994.

17 (iii) An obligation incurred by an authority or municipality  
18 after August 19, 1993, to reimburse a party to a development  
19 agreement entered into by a municipality or authority before  
20 August 19, 1993, for a project described in a tax increment  
21 financing plan approved in accordance with this act before  
22 August 19, 1993, and undertaken and installed by that party in  
23 accordance with the development agreement.

24 (iv) An ongoing management or professional services contract  
25 with the governing body of a county ~~which~~ THAT was entered into  
26 before March 1, 1994 and ~~which~~ THAT was preceded by a series of  
27 limited term management or professional services contracts with

1 the governing body of the county, the last of which was entered  
2 into before August 19, 1993.

3 (AA) ~~-(u)-~~ "Public facility" means 1 or more of the  
4 following:

5 (i) A street, road, bridge, STORM WATER OR SANITARY sewer,  
6 sewage treatment facility, facility designed to reduce, elimi-  
7 nate, or prevent the spread of identified soil or groundwater  
8 contamination, drainage system, RETENTION BASIN, PRETREATMENT  
9 FACILITY, waterway, waterline, water storage facility, rail line,  
10 ELECTRIC, GAS, TELEPHONE OR OTHER COMMUNICATIONS, OR ANY OTHER  
11 TYPE OF utility line or pipeline, or other similar or related  
12 structure or improvement, together with necessary easements for  
13 the structure or improvement. ~~—, EXCEPT FOR RAIL LINES, UTILITY~~  
14 ~~LINES, OR PIPELINES, THE STRUCTURES OR IMPROVEMENTS DESCRIBED IN~~  
15 ~~THIS SUBPARAGRAPH SHALL BE EITHER owned or used by a public~~  
16 ~~agency, ~~or~~ functionally connected to similar or supporting~~  
17 ~~facilities owned or used by a public agency, or designed and ded-~~  
18 ~~icated to use by, for the benefit of, or for the protection of~~  
19 ~~the health, welfare, or safety of the public generally, whether~~  
20 ~~or not used by a single business entity. ~~, provided that any~~~~  
21 ~~ANY road, street, or bridge shall be continuously open to public~~  
22 ~~access. ~~and that other facilities shall be located in public~~~~  
23 ~~easements or rights-of-way and sized to accommodate reasonably~~  
24 ~~foreseeable development of eligible property in adjoining areas.~~  
25 A PUBLIC FACILITY SHALL BE LOCATED ON PUBLIC PROPERTY OR IN A  
26 PUBLIC, UTILITY, OR TRANSPORTATION EASEMENT OR RIGHT-OF-WAY.

1       (ii) The acquisition and disposal of ~~real and personal~~  
2 ~~property~~ LAND THAT IS PROPOSED OR INTENDED TO BE USED IN THE  
3 DEVELOPMENT OF ELIGIBLE PROPERTY or an interest in that  
4 ~~property~~ LAND, demolition of structures, site preparation, AND  
5 relocation costs. ~~, building rehabilitation and all~~

6       (iii) ALL administrative AND REAL AND PERSONAL PROPERTY  
7 ACQUISITION AND DISPOSAL costs related to a public facility  
8 DESCRIBED IN SUBPARAGRAPHS (i) AND (iv), including, but not  
9 limited to, architect's, engineer's, legal, and accounting fees  
10 as ~~contained in the resolution establishing~~ PERMITTED BY the  
11 district's development plan.

12       (iv) ~~(iii)~~ An improvement to a facility used by the public  
13 or a public facility as those terms are defined in section 1 of  
14 1966 PA 1, MCL 125.1351, which improvement is made to comply with  
15 the barrier free design requirements of the state construction  
16 code promulgated under the state construction code act of 1972,  
17 1972 PA 230, MCL 125.1501 to 125.1531.

18       (v) ALL OF THE FOLLOWING COSTS APPROVED BY THE MICHIGAN ECO-  
19 NOMIC DEVELOPMENT CORPORATION:

20       (A) OPERATIONAL COSTS AND THE COSTS RELATED TO THE ACQUISI-  
21 TION, IMPROVEMENT, PREPARATION, DEMOLITION, DISPOSAL, CONSTRUC-  
22 TION, RECONSTRUCTION, REMEDIATION, REHABILITATION, RESTORATION,  
23 PRESERVATION, MAINTENANCE, REPAIR, FURNISHING, AND EQUIPPING OF  
24 LAND AND OTHER ASSETS THAT ARE OR MAY BECOME ELIGIBLE FOR DEPRE-  
25 CIATION UNDER THE INTERNAL REVENUE CODE OF 1986 FOR A BUSINESS  
26 INCUBATOR LOCATED IN A CERTIFIED TECHNOLOGY PARK.

1 (B) COSTS RELATED TO THE ACQUISITION, IMPROVEMENT,  
2 PREPARATION, DEMOLITION, DISPOSAL, CONSTRUCTION, RECONSTRUCTION,  
3 REMEDIATION, REHABILITATION, RESTORATION, PRESERVATION, MAINTENANCE,  
4 REPAIR, FURNISHING, AND EQUIPPING OF LAND AND OTHER ASSETS  
5 THAT, IF PRIVATELY OWNED, WOULD BE ELIGIBLE FOR DEPRECIATION  
6 UNDER THE INTERNAL REVENUE CODE OF 1986 FOR LABORATORY FACILITIES,  
7 RESEARCH AND DEVELOPMENT FACILITIES, CONFERENCE FACILITIES,  
8 TELECONFERENCE FACILITIES, TESTING, TRAINING FACILITIES, AND  
9 QUALITY CONTROL FACILITIES THAT ARE OR THAT SUPPORT ELIGIBLE  
10 PROPERTY UNDER SUBDIVISION (P)(iii), THAT ARE OWNED BY A PUBLIC  
11 ENTITY, AND THAT ARE LOCATED WITHIN A CERTIFIED TECHNOLOGY PARK.

12 (vi) OPERATING AND PLANNING COSTS INCLUDED IN A PLAN PURSUANT  
13 TO SECTION 12(1)(F), INCLUDING COSTS OF MARKETING PROPERTY  
14 WITHIN THE DISTRICT AND ATTRACTING DEVELOPMENT OF ELIGIBLE PROPERTY  
15 WITHIN THE DISTRICT.

16 (BB) ~~(v)~~ "Qualified refunding obligation" means an obligation  
17 issued or incurred by an authority or by a municipality on  
18 behalf of an authority to refund an obligation if the refunding  
19 obligation meets both of the following:

20 (i) The net present value of the principal and interest to  
21 be paid on the refunding obligation, including the cost of issuance,  
22 will be less than the net present value of the principal  
23 and interest to be paid on the obligation being refunded, as calculated  
24 using a method approved by the department of treasury.

25 (ii) The net present value of the sum of the tax increment  
26 revenues described in subdivision ~~(y)(ii)~~ (EE)(ii) and the  
27 distributions under section 11a to repay the refunding obligation

1 will not be greater than the net present value of the sum of the  
2 tax increment revenues described in subdivision ~~(y)(ii)~~  
3 (EE)(ii) and the distributions under section 11a to repay the  
4 obligation being refunded, as calculated using a method approved  
5 by the department of treasury.

6 (CC) ~~(w)~~ "Specific local taxes" means a tax levied under  
7 1974 PA 198, MCL 207.551 to 207.572, THE OBSOLETE PROPERTY REHA-  
8 BILITATION ACT, the commercial redevelopment act, 1978 PA 255,  
9 MCL 207.651 to 207.668, the enterprise zone act, 1985 PA 224, MCL  
10 125.2101 to 125.2123, 1953 PA 189, MCL 211.181 to 211.182, and  
11 the technology park development act, 1984 PA 385, MCL 207.701 to  
12 207.718. The initial assessed value or current assessed value of  
13 property subject to a specific local tax is the quotient of the  
14 specific local tax paid divided by the ad valorem millage rate.  
15 However, after 1993, the state tax commission shall prescribe the  
16 method for calculating the initial assessed value and current  
17 assessed value of property for which a specific local tax was  
18 paid in lieu of a property tax.

19 (DD) ~~(x)~~ "State fiscal year" means the annual period com-  
20 mencing October 1 of each year.

21 (EE) ~~(y)~~ "Tax increment revenues" means the amount of ad  
22 valorem property taxes and specific local taxes attributable to  
23 the application of the levy of all taxing jurisdictions upon the  
24 captured assessed value of ~~real and personal property in the~~  
25 ~~development area~~ ELIGIBLE PROPERTY WITHIN THE DISTRICT OR, FOR  
26 PURPOSES OF A CERTIFIED TECHNOLOGY PARK, REAL OR PERSONAL  
27 PROPERTY THAT IS LOCATED WITHIN THE CERTIFIED TECHNOLOGY PARK AND

1 INCLUDED WITHIN THE TAX INCREMENT FINANCING PLAN, subject to the  
2 following requirements:

3       (i) Tax increment revenues include ad valorem property taxes  
4 and specific local taxes attributable to the application of the  
5 levy of all taxing jurisdictions, other than the state pursuant  
6 to the state education tax act, 1993 PA 331, MCL 211.901 to  
7 211.906, and local or intermediate school districts, upon the  
8 captured assessed value of real and personal property in the  
9 development area for any purpose authorized by this act.

10       (ii) Tax increment revenues include ad valorem property  
11 taxes and specific local taxes attributable to the application of  
12 the levy of the state pursuant to the state education tax act,  
13 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate  
14 school districts upon the captured assessed value of real and  
15 personal property in the development area in an amount equal to  
16 the amount necessary, without regard to subparagraph (i), ~~to~~  
17 FOR THE FOLLOWING PURPOSES:

18       (A) TO repay eligible advances, eligible obligations, and  
19 other protected obligations.

20       (B) TO FUND OR TO REPAY AN ADVANCE OR OBLIGATION ISSUED BY  
21 OR ON BEHALF OF AN AUTHORITY TO FUND THE COST OF PUBLIC FACILI-  
22 TIES RELATED TO OR FOR THE BENEFIT OF ELIGIBLE PROPERTY LOCATED  
23 WITHIN A CERTIFIED TECHNOLOGY PARK TO THE EXTENT THE PUBLIC  
24 FACILITIES HAVE BEEN INCLUDED IN AN AGREEMENT UNDER SECTION  
25 12A(3).

26       (iii) Tax increment revenues do not include any of the  
27 following:

1 (A) Ad valorem property taxes or specific local taxes  
2 ~~attributable either to a portion of the captured assessed value~~  
3 ~~shared with taxing jurisdictions within the jurisdictional area~~  
4 ~~of the authority or to a portion of value of property that may be~~  
5 ~~excluded from captured assessed value~~ THAT ARE EXCLUDED FROM AND  
6 NOT MADE PART OF THE TAX INCREMENT FINANCING PLAN.

7 (B) Ad valorem property taxes and specific local taxes  
8 attributable to ad valorem property taxes excluded by the tax  
9 increment financing plan of the authority from the determination  
10 of the amount of tax increment revenues to be transmitted to the  
11 authority.

12 (C) Ad valorem property taxes exempted from capture under  
13 section 4(3) or specific local taxes attributable to such ad  
14 valorem property taxes.

15 (D) Ad valorem property taxes specifically levied for the  
16 payment of principal and interest of obligations approved by the  
17 electors or obligations pledging the unlimited taxing power of  
18 the local governmental unit or specific local taxes attributable  
19 to such ad valorem property taxes.

20 (E) THE AMOUNT OF AD VALOREM PROPERTY TAXES OR SPECIFIC  
21 TAXES CAPTURED BY A DOWNTOWN DEVELOPMENT AUTHORITY UNDER 1975  
22 PA 197, MCL 125.1651 TO 125.1681, TAX INCREMENT FINANCING AUTHOR-  
23 ITY UNDER THE TAX INCREMENT FINANCE AUTHORITY ACT, 1980 PA 450,  
24 MCL 125.1801 TO 125.1830, OR BROWNFIELD REDEVELOPMENT AUTHORITY  
25 UNDER THE BROWNFIELD REDEVELOPMENT FINANCING ACT, 1996 PA 381,  
26 MCL 125.2651 TO 125.2672, IF THOSE TAXES WERE CAPTURED BY THESE

1 OTHER AUTHORITIES ON THE DATE THAT THE INITIAL ASSESSED VALUE OF  
2 A PARCEL OF PROPERTY WAS ESTABLISHED UNDER THIS ACT.

3       (iv) The amount of tax increment revenues authorized to be  
4 included under subparagraph (ii), and required to be transmitted  
5 to the authority under section 13(1), from ad valorem property  
6 taxes and specific local taxes attributable to the application of  
7 the levy of the state education tax act, 1993 PA 331, MCL 211.901  
8 to 211.906, OR a local school district or an intermediate school  
9 district upon the captured assessed value of real and personal  
10 property in a development area shall be determined separately for  
11 the levy by the state, each school district, and each intermedi-  
12 ate school district as the product of sub-subparagraphs (A) and  
13 (B):

14       (A) The percentage ~~which~~ THAT the total ad valorem taxes  
15 and specific local taxes available for distribution by law to the  
16 state, local school district, or intermediate school district,  
17 respectively, bears to the aggregate amount of ad valorem millage  
18 taxes and specific taxes available for distribution by law to the  
19 state, each local school district, and each intermediate school  
20 district.

21       (B) The maximum amount of ad valorem property taxes and spe-  
22 cific local taxes considered tax increment revenues under sub-  
23 paragraph (ii).

24       (FF) ~~-(z)-~~ "Urban township" means a township that meets 1 or  
25 more of the following:

26       (i) Meets all of the following requirements:

1 (A) Has a population of 20,000 or more, or has a population  
2 of 10,000 or more but is located in a county with a population of  
3 400,000 or more.

4 (B) Adopted a master zoning plan before February 1, 1987.

5 (C) Provides sewer, water, and other public services to all  
6 or a part of the township.

7 (ii) Meets all of the following requirements:

8 (A) Has a population of less than 20,000.

9 (B) Is located in a county with a population of 250,000 or  
10 more but less than 400,000, and that county is located in a met-  
11 ropolitan statistical area.

12 (C) Has within its boundaries a parcel of property under  
13 common ownership that is 800 acres or larger and is capable of  
14 being served by a railroad, and located within 3 miles of a  
15 limited access highway.

16 (D) ~~-(d)-~~ Establishes an authority before December 31,  
17 1998.

18 (iii) Meets all of the following requirements:

19 (A) Has a population of less than 20,000.

20 (B) Has a state equalized value for all real and personal  
21 property located in the township of more than \$200,000,000.00.

22 (C) Adopted a master zoning plan before February 1, 1987.

23 (D) Is a charter township under the charter township act,  
24 1947 PA 359, MCL 42.1 to 42.34.

25 (E) Has within its boundaries a combination of parcels under  
26 common ownership that is 800 acres or larger, is immediately  
27 adjacent to a limited access highway, is capable of being served

1 by a railroad, and is immediately adjacent to an existing sewer  
2 line.

3 (F) Establishes an authority before March 1, 1999.

4 Sec. 4. (1) The governing body of a municipality may  
5 declare by resolution adopted by a majority of its members  
6 elected and serving its intention to create and provide for the  
7 operation of an authority.

8 (2) In the resolution of intent, the governing body propos-  
9 ing to create the authority shall set a date for holding a public  
10 hearing on the adoption of a proposed resolution creating the  
11 authority and designating the boundaries of the authority dis-  
12 trict or districts. Notice of the public hearing shall be pub-  
13 lished twice in a newspaper of general circulation in the munici-  
14 pality, not less than 20 nor more than 40 days before the date of  
15 the hearing. Not less than 20 days before the hearing, the gov-  
16 erning body proposing to create the authority shall also mail  
17 notice of the hearing to the property taxpayers of record in a  
18 proposed authority district and, for a public hearing to be held  
19 after February 15, 1994, to the governing body of each taxing  
20 jurisdiction levying taxes that would be subject to capture if  
21 the authority is established and a tax increment financing plan  
22 is approved. Failure of a property taxpayer to receive the  
23 notice shall not invalidate these proceedings. The notice shall  
24 state the date, time, and place of the hearing, and shall  
25 describe the boundaries of the proposed authority district or  
26 districts. At that hearing, a resident, taxpayer, or property  
27 owner from a taxing jurisdiction in which the proposed district

1 is located or an official from a taxing jurisdiction with millage  
2 that would be subject to capture has the right to be heard in  
3 regard to the establishment of the authority and the boundaries  
4 of that proposed authority district. The governing body of the  
5 municipality in which a proposed district is to be located shall  
6 not incorporate land into an authority district not included in  
7 the description contained in the notice of public hearing, but it  
8 may eliminate lands described in the notice of public hearing  
9 from an authority district in the final determination of the  
10 boundaries.

11 (3) Not more than 60 days after a public hearing held after  
12 February 15, 1994, the governing body of a taxing jurisdiction,  
13 OTHER THAN THIS STATE AND A LOCAL SCHOOL DISTRICT EXCEPT FOR  
14 MILLS LEVIED UNDER SECTION 1212 OF THE REVISED SCHOOL CODE, 1976  
15 PA 451, MCL 380.1212, with millage that would otherwise be  
16 subject to capture may exempt its taxes from capture by adopting  
17 a resolution to that effect and filing a copy with the clerk of  
18 the municipality proposing to create the authority. HOWEVER, A  
19 RESOLUTION BY A GOVERNING BODY OF A TAXING JURISDICTION, OTHER  
20 THAN A SCHOOL DISTRICT OR AN INTERMEDIATE SCHOOL DISTRICT, TO  
21 EXEMPT ITS TAXES FROM CAPTURE IS NOT EFFECTIVE FOR THE CAPTURE OF  
22 TAXES THAT ARE USED FOR A CERTIFIED TECHNOLOGY PARK. The resolu-  
23 tion takes effect when filed with that clerk and remains effec-  
24 tive until a copy of a resolution rescinding that resolution is  
25 filed with that clerk.

26 (4) Not less than 60 days after the public hearing, if the  
27 governing body creating the authority intends to proceed with the

1 establishment of the authority, it shall adopt, by majority vote  
2 of its members elected and serving, a resolution establishing the  
3 authority and designating the boundaries of the authority dis-  
4 trict or districts within which the authority shall exercise its  
5 powers. The adoption of the resolution is subject to any appli-  
6 cable statutory or charter provisions with respect to the  
7 approval or disapproval of resolutions by the chief executive  
8 officer of the municipality and the adoption of a resolution over  
9 his or her veto. This resolution shall be filed with the secre-  
10 tary of state promptly after its adoption and shall be published  
11 at least once in a newspaper of general circulation in the  
12 municipality.

13       (5) The governing body may alter or amend the boundaries of  
14 an authority district to include or exclude lands from that  
15 authority district or create new authority districts pursuant to  
16 the same requirements prescribed for adopting the resolution cre-  
17 ating the authority.

18       (6) The validity of the proceedings establishing an author-  
19 ity shall be conclusive unless contested in a court of competent  
20 jurisdiction within 60 days after the last of the following takes  
21 place:

22       (a) Publication of the resolution creating the authority as  
23 adopted.

24       (b) Filing of the resolution creating the authority with the  
25 secretary of state.

26       Sec. 10. The activities of the authority shall be financed  
27 from 1 or more of the following sources:

1 (a) Contributions to the authority for the performance of  
2 its functions.

3 (b) Revenues from any property, building, or facility owned,  
4 leased, licensed, or operated by the authority or under its con-  
5 trol, subject to the limitations imposed upon the authority by  
6 trusts or other agreements.

7 (c) Tax increment revenues received pursuant to a tax incre-  
8 ment financing plan established under sections 12 to 14.

9 (d) Proceeds of tax increment bonds issued pursuant to sec-  
10 tion 14.

11 (e) Proceeds of revenue bonds issued pursuant to section  
12 11.

13 (f) Money obtained from any other legal source approved by  
14 the governing body of the municipality or otherwise authorized by  
15 law for use by the authority or the municipality to finance a  
16 development program.

17 (g) Money obtained pursuant to section 11a.

18 (H) LOANS FROM THE MICHIGAN STRATEGIC FUND OR THE MICHIGAN  
19 ECONOMIC DEVELOPMENT CORPORATION.

20 Sec. 12. (1) If the board determines that it is necessary  
21 for the achievement of the purposes of this act, the board shall  
22 prepare and submit a tax increment financing plan to the govern-  
23 ing body. The plan shall be in compliance with section 13 and  
24 shall include a development plan as provided in section 15. The  
25 plan shall also contain the following:

26 (a) A statement of the reasons that the plan will result in  
27 the development of captured assessed value that could not

1 otherwise be expected. The reasons may include, but are not  
2 limited to, activities of the municipality, authority, or others  
3 undertaken before formulation or adoption of the plan in reason-  
4 able anticipation that the objectives of the plan would be  
5 achieved by some means.

6 (b) An estimate of the captured assessed value for each year  
7 of the plan. The plan may provide for the use of part or all of  
8 the captured assessed value OR, SUBJECT TO SUBSECTION (3), OF THE  
9 TAX INCREMENT REVENUES ATTRIBUTABLE TO THE LEVY OF ANY TAXING  
10 JURISDICTION, but the portion intended to be used shall be  
11 clearly stated in the plan. The board or the municipality creat-  
12 ing the authority may exclude from captured assessed value a per-  
13 centage of captured assessed value as specified in the plan or  
14 growth in property value resulting solely from inflation. If  
15 excluded, the plan shall set forth the method for excluding  
16 growth in property value resulting solely from inflation.

17 (c) The estimated tax increment revenues for each year of  
18 the plan.

19 (d) A detailed explanation of the tax increment procedure.

20 (e) The maximum amount of note or bonded indebtedness to be  
21 incurred, if any.

22 (f) The amount of operating and planning expenditures of the  
23 authority and municipality, the amount of advances extended by or  
24 indebtedness incurred by the municipality, and the amount of  
25 advances by others to be repaid from tax increment revenues.

26 (g) The costs of the plan anticipated to be paid from tax  
27 increment revenues as received.

1 (h) The duration of the development plan and the tax  
2 increment plan.

3 (i) An estimate of the impact of tax increment financing on  
4 the revenues of all taxing jurisdictions in which the eligible  
5 property is OR IS ANTICIPATED TO BE located.

6 (j) A legal description of the eligible property to which  
7 the tax increment financing plan applies OR SHALL APPLY UPON  
8 QUALIFICATION AS ELIGIBLE PROPERTY.

9 (k) An estimate of the number of jobs to be created as a  
10 result of implementation of the tax increment financing plan.

11 (l) THE PROPOSED BOUNDARIES OF A CERTIFIED TECHNOLOGY PARK  
12 TO BE CREATED UNDER AN AGREEMENT PROPOSED TO BE ENTERED INTO PUR-  
13 SUANT TO SECTION 12A, AN IDENTIFICATION OF THE REAL PROPERTY  
14 WITHIN THE CERTIFIED TECHNOLOGY PARK TO BE INCLUDED IN THE TAX  
15 INCREMENT FINANCING PLAN FOR PURPOSES OF DETERMINING TAX INCRE-  
16 MENT REVENUES, AND WHETHER PERSONAL PROPERTY LOCATED IN THE CER-  
17 TIFIED TECHNOLOGY PARK IS EXEMPT FROM DETERMINING TAX INCREMENT  
18 REVENUES.

19 (2) ~~A~~ EXCEPT AS PROVIDED IN SUBSECTION (7), A tax incre-  
20 ment financing plan shall ~~only~~ provide for the use of tax  
21 increment revenues for public facilities for eligible property  
22 whose captured assessed value produces the tax increment revenues  
23 or, to the extent the eligible property is located within a  
24 ~~certified industrial park~~ BUSINESS DEVELOPMENT AREA, for other  
25 eligible property located in the ~~certified industrial park~~  
26 BUSINESS DEVELOPMENT AREA. Public facilities for eligible  
27 property include the development or improvement of access to and

1 around, or within the eligible property, of road facilities  
2 reasonably required by traffic flow to be generated by the eligi-  
3 ble property, and the development or improvement of public facil-  
4 ities that are necessary to service the eligible property,  
5 whether or not located on that eligible property. If the eligi-  
6 ble property identified in the tax increment financing plan is  
7 property to which section ~~2(l)(iv)~~ 2(P)(iv) applies, the tax  
8 increment financing plan shall not provide for the use of tax  
9 increment revenues for public facilities other than those  
10 described in the development plan as of April 1, 1991. Whether  
11 or not ~~so~~ provided in the tax increment financing plan, if the  
12 eligible property identified in the tax increment financing plan  
13 is property to which section ~~2(l)(iv)~~ 2(P)(iv) applies, then to  
14 the extent that captured tax increment revenues are utilized for  
15 the costs of cleanup of identified soil and groundwater contami-  
16 nation, the captured tax increment revenues shall be first cred-  
17 ited against the shares of responsibility for the total costs of  
18 cleanup of uncollectible parties who are responsible for the  
19 identified soil and groundwater contamination pursuant to law,  
20 and then shall be credited on a pro rata basis against the shares  
21 of responsibility for the total costs of cleanup of other parties  
22 who are responsible for the identified soil and groundwater con-  
23 tamination pursuant to law.

24 (3) The percentage of taxes levied for school operating pur-  
25 poses that is captured and used by the tax increment financing  
26 plan AND THE TAX INCREMENT FINANCING PLANS UNDER 1975 PA 197, MCL  
27 125.1651 TO 125.1681, THE TAX INCREMENT FINANCE AUTHORITY ACT,

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26

1 1980 PA 450, MCL 125.1801 TO 125.1380, AND THE BROWNFIELD  
2 REDEVELOPMENT FINANCING ACT, 1996 PA 381, MCL 125.2651 TO  
3 125.2672, shall not be greater than the ~~plan's~~ percentage cap-  
4 ture and use of taxes levied by a municipality or county for  
5 operating purposes UNDER THE TAX INCREMENT FINANCING PLAN AND TAX  
6 INCREMENT FINANCING PLANS UNDER 1975 PA 197, MCL 125.1651 TO  
7 125.1681, THE TAX INCREMENT FINANCE AUTHORITY ACT, 1980 PA 450,  
8 MCL 125.1801 TO 125.1830, AND THE BROWNFIELD REDEVELOPMENT  
9 FINANCING ACT, 1996 PA 381, MCL 125.2651 TO 125.2672. For pur-  
10 poses of the previous sentence, taxes levied by a county for  
11 operating purposes include only millage allocated for county or  
12 charter county purposes under the property tax limitation act,  
13 ~~Act No. 62 of the Public Acts of 1933, being sections 211.201 to~~  
14 ~~211.217a of the Michigan Compiled Laws~~ 1933 PA 62, MCL 211.201  
15 TO 211.217A.

16 ~~-(4) If the construction of eligible property has, or may~~  
17 ~~reasonably be expected to have, the effect of transferring~~  
18 ~~employment of 50 or more full-time jobs from 1 or more local gov-~~  
19 ~~ernmental units of this state to the municipality in which the~~  
20 ~~eligible property is located, that eligible property shall be~~  
21 ~~considered excluded from the authority district or districts~~  
22 ~~unless the legislative body of each local governmental unit from~~  
23 ~~which 50 or more full-time jobs are to be transferred consents,~~  
24 ~~by resolution, to the inclusion of that eligible property in the~~  
25 ~~authority district for purposes of the tax increment financing~~  
26 ~~plan.~~

1       (4) ~~—(5)—~~ Approval of the tax increment financing plan shall  
2 be in accordance with the notice, hearing, disclosure, and  
3 approval provisions of sections 16 and 17. If the development  
4 plan is part of the tax increment financing plan, only 1 hearing  
5 and approval procedure is required for the 2 plans together.

6       (5) ~~—(6)—~~ Before the public hearing on the tax increment  
7 financing plan, the governing body shall provide a reasonable  
8 opportunity to the taxing jurisdictions levying taxes subject to  
9 capture to express their views and recommendations regarding the  
10 tax increment financing plan. The authority shall fully inform  
11 the taxing jurisdictions about the fiscal and economic implica-  
12 tions of the proposed tax increment financing plan. The taxing  
13 jurisdictions may present their recommendations at the public  
14 hearing on the tax increment financing plan. The authority may  
15 enter into agreements with the taxing jurisdictions and the gov-  
16 erning body of the municipality in which the authority district  
17 is located to share a portion of the captured assessed value of  
18 the district OR TO DISTRIBUTE TAX INCREMENT REVENUES AMONG TAXING  
19 JURISDICTIONS. Upon adoption of the plan, the collection and  
20 transmission of the amount of tax increment revenues, as speci-  
21 fied in this act, shall be binding on all taxing units levying ad  
22 valorem property taxes or specific local taxes against property  
23 located in the authority district.

24       (6) PROPERTY QUALIFIED AS A PUBLIC FACILITY UNDER SECTION  
25 2(AA)(ii) THAT IS ACQUIRED BY AN AUTHORITY MAY BE SOLD, CONVEYED,  
26 OR OTHERWISE DISPOSED TO ANY PERSON, PUBLIC OR PRIVATE, FOR ANY  
27 CONSIDERATION ESTABLISHED BY THE AUTHORITY WITH THE CONCURRENCE

1 OF THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION AND THE  
2 MUNICIPALITY IN WHICH THE ELIGIBLE PROPERTY IS LOCATED, WHICH MAY  
3 BE PAYABLE IN CASH OR NONCASH CONSIDERATION. UNLESS THE PROPERTY  
4 ACQUIRED BY AN AUTHORITY WAS LOCATED WITHIN A CERTIFIED BUSINESS  
5 PARK OR A CERTIFIED TECHNOLOGY PARK AT THE TIME OF DISPOSITION,  
6 AN AUTHORITY SHALL REMIT ALL MONETARY PROCEEDS RECEIVED FROM THE  
7 SALE OR DISPOSITION OF PROPERTY THAT QUALIFIED AS A PUBLIC FACIL-  
8 ITY UNDER SECTION 2(AA)(ii) AND WAS PURCHASED WITH TAX INCREMENT  
9 REVENUES TO THE TAXING JURISDICTIONS. PROCEEDS DISTRIBUTED TO  
10 TAXING JURISDICTIONS SHALL BE REMITTED IN PROPORTION TO THE  
11 AMOUNT OF TAX INCREMENT REVENUES ATTRIBUTABLE TO EACH TAXING  
12 JURISDICTION IN THE YEAR THE PROPERTY WAS ACQUIRED. IF THE PROP-  
13 ERTY WAS ACQUIRED IN PART WITH FUNDS OTHER THAN TAX INCREMENT  
14 REVENUES, ONLY THAT PORTION OF THE MONETARY PROCEEDS RECEIVED  
15 UPON DISPOSITION THAT REPRESENT THE PROPORTION OF THE COST OF  
16 ACQUISITION PAID WITH TAX INCREMENT REVENUES IS REQUIRED TO BE  
17 REMITTED TO TAXING JURISDICTIONS. IF THE PROPERTY IS LOCATED  
18 WITHIN A CERTIFIED BUSINESS PARK OR CERTIFIED TECHNOLOGY PARK AT  
19 THE TIME OF DISPOSITION, THE MONETARY PROCEEDS RECEIVED FROM THE  
20 SALE OR DISPOSITION OF THAT PROPERTY MAY BE RETAINED BY THE  
21 AUTHORITY FOR ANY PURPOSE NECESSARY TO FURTHER THE DEVELOPMENT  
22 PROGRAM FOR THE CERTIFIED BUSINESS PARK OR CERTIFIED TECHNOLOGY  
23 PARK IN ACCORDANCE WITH THE TAX INCREMENT FINANCING PLAN.  
24 (7) THE TAX INCREMENT FINANCING PLAN MAY PROVIDE FOR THE USE  
25 OF TAX INCREMENT REVENUES FROM A CERTIFIED TECHNOLOGY PARK FOR  
26 PUBLIC FACILITIES FOR ANY ELIGIBLE PROPERTY LOCATED IN THE  
27 CERTIFIED TECHNOLOGY PARK.

1        SEC. 12A. (1) A MUNICIPALITY THAT HAS CREATED AN AUTHORITY  
2 MAY APPLY TO THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION FOR  
3 DESIGNATION OF ALL OR A PORTION OF THE AUTHORITY DISTRICT AS A  
4 CERTIFIED TECHNOLOGY PARK AND TO ENTER INTO AN AGREEMENT GOVERN-  
5 ING THE TERMS AND CONDITIONS OF THE DESIGNATION. THE FORM OF THE  
6 APPLICATION SHALL BE IN A FORM SPECIFIED BY THE MICHIGAN ECONOMIC  
7 DEVELOPMENT CORPORATION AND SHALL INCLUDE INFORMATION THE  
8 MICHIGAN ECONOMIC DEVELOPMENT CORPORATION DETERMINES NECESSARY TO  
9 MAKE THE DETERMINATIONS REQUIRED UNDER THIS SECTION.

10        (2) AFTER RECEIPT OF AN APPLICATION, THE MICHIGAN ECONOMIC  
11 DEVELOPMENT CORPORATION MAY DESIGNATE, PURSUANT TO AN AGREEMENT  
12 ENTERED INTO UNDER SUBSECTION (3), A CERTIFIED TECHNOLOGY PARK  
13 THAT IS DETERMINED BY THE MICHIGAN ECONOMIC DEVELOPMENT CORPORA-  
14 TION TO SATISFY 1 OR MORE OF THE FOLLOWING CRITERIA BASED ON THE  
15 APPLICATION:

16        (A) A DEMONSTRATION OF SIGNIFICANT SUPPORT FROM AN INSTITU-  
17 TION OF HIGHER EDUCATION OR A PRIVATE RESEARCH-BASED INSTITUTE  
18 LOCATED WITHIN THE PROXIMITY OF THE PROPOSED CERTIFIED TECHNOLOGY  
19 PARK, AS EVIDENCED BY, BUT NOT LIMITED TO, THE FOLLOWING TYPES OF  
20 SUPPORT:

21        (i) GRANTS OF PREFERENCES FOR ACCESS TO AND COMMERCIALIZ-  
22 ATION OF INTELLECTUAL PROPERTY.

23        (ii) ACCESS TO LABORATORY AND OTHER FACILITIES OWNED BY OR  
24 UNDER CONTROL OF THE INSTITUTION OF HIGHER EDUCATION OR PRIVATE  
25 RESEARCH-BASED INSTITUTE.

26        (iii) DONATIONS OF SERVICES.

1           (iv) ACCESS TO TELECOMMUNICATION FACILITIES AND OTHER  
2 INFRASTRUCTURE.  
3           (v) FINANCIAL COMMITMENTS.  
4           (vi) ACCESS TO FACULTY, STAFF, AND STUDENTS.  
5           (vii) OPPORTUNITIES FOR ADJUNCT FACULTY AND OTHER TYPES OF  
6 STAFF ARRANGEMENTS OR AFFILIATIONS.  
7           (B) A DEMONSTRATION OF A SIGNIFICANT COMMITMENT ON BEHALF OF  
8 THE INSTITUTION OF HIGHER EDUCATION OR PRIVATE RESEARCH-BASED  
9 INSTITUTE TO THE COMMERCIALIZATION OF RESEARCH PRODUCED AT THE  
10 CERTIFIED TECHNOLOGY PARK, AS EVIDENCED BY THE INTELLECTUAL PROP-  
11 ERTY AND, IF APPLICABLE, TENURE POLICIES THAT REWARD FACULTY AND  
12 STAFF FOR COMMERCIALIZATION AND COLLABORATION WITH PRIVATE  
13 BUSINESSES.  
14           (C) A DEMONSTRATION THAT THE PROPOSED CERTIFIED TECHNOLOGY  
15 PARK WILL BE DEVELOPED TO TAKE ADVANTAGE OF THE UNIQUE CHARACTER-  
16 ISTICS AND SPECIALTIES OFFERED BY THE PUBLIC AND PRIVATE  
17 RESOURCES AVAILABLE IN THE AREA IN WHICH THE PROPOSED CERTIFIED  
18 TECHNOLOGY PARK WILL BE LOCATED.  
19           (D) THE EXISTENCE OF OR PROPOSED DEVELOPMENT OF A BUSINESS  
20 INCUBATOR WITHIN THE PROPOSED CERTIFIED TECHNOLOGY PARK THAT  
21 EXHIBITS THE FOLLOWING TYPES OF RESOURCES AND ORGANIZATION:  
22           (i) SIGNIFICANT FINANCIAL AND OTHER TYPES OF SUPPORT FROM  
23 THE PUBLIC OR PRIVATE RESOURCES IN THE AREA IN WHICH THE PROPOSED  
24 CERTIFIED TECHNOLOGY PARK WILL BE LOCATED.  
25           (ii) A BUSINESS PLAN EXHIBITING THE ECONOMIC UTILIZATION AND  
26 AVAILABILITY OF RESOURCES AND A LIKELIHOOD OF SUCCESSFUL

1 DEVELOPMENT OF TECHNOLOGIES AND RESEARCH INTO VIABLE BUSINESS  
2 ENTERPRISES.

3       (iii) A COMMITMENT TO THE EMPLOYMENT OF A QUALIFIED  
4 FULL-TIME MANAGER TO SUPERVISE THE DEVELOPMENT AND OPERATION OF  
5 THE BUSINESS INCUBATOR.

6       (E) THE EXISTENCE OF A BUSINESS PLAN FOR THE PROPOSED CERTI-  
7 FIED TECHNOLOGY PARK THAT IDENTIFIES ITS OBJECTIVES IN A CLEARLY  
8 FOCUSED AND MEASURABLE FASHION AND THAT ADDRESSES THE FOLLOWING  
9 MATTERS:

10       (i) A COMMITMENT TO NEW BUSINESS FORMATION.

11       (ii) THE CLUSTERING OF BUSINESSES, TECHNOLOGY, AND  
12 RESEARCH.

13       (iii) THE OPPORTUNITY FOR AND COSTS OF DEVELOPMENT OF PROP-  
14 ERTIES UNDER COMMON OWNERSHIP OR CONTROL.

15       (iv) THE AVAILABILITY OF AND METHOD PROPOSED FOR DEVELOPMENT  
16 OF INFRASTRUCTURE AND OTHER IMPROVEMENTS, INCLUDING TELECOMMUNI-  
17 CATIONS TECHNOLOGY, NECESSARY FOR THE DEVELOPMENT OF THE PROPOSED  
18 CERTIFIED TECHNOLOGY PARK.

19       (v) ASSUMPTIONS OF COSTS AND REVENUES RELATED TO THE DEVEL-  
20 OPMENT OF THE PROPOSED CERTIFIED TECHNOLOGY PARK.

21       (F) A DEMONSTRABLE AND SATISFACTORY ASSURANCE THAT THE PRO-  
22 POSED CERTIFIED TECHNOLOGY PARK CAN BE DEVELOPED TO PRINCIPALLY  
23 CONTAIN ELIGIBLE PROPERTY AS DEFINED BY SECTION 2(P)(iii) AND  
24 (v).

25       (3) AN AUTHORITY AND A MUNICIPALITY THAT INCORPORATED THE  
26 AUTHORITY MAY ENTER INTO AN AGREEMENT WITH THE MICHIGAN ECONOMIC  
27 DEVELOPMENT CORPORATION ESTABLISHING THE TERMS AND CONDITIONS

1 GOVERNING THE CERTIFIED TECHNOLOGY PARK. UPON DESIGNATION OF THE  
2 CERTIFIED TECHNOLOGY PARK PURSUANT TO THE TERMS OF THE AGREEMENT,  
3 THE SUBSEQUENT FAILURE OF ANY PARTY TO COMPLY WITH THE TERMS OF  
4 THE AGREEMENT SHALL NOT RESULT IN THE TERMINATION OR RESCISSION  
5 OF THE DESIGNATION OF THE AREA AS A CERTIFIED TECHNOLOGY PARK.  
6 THE AGREEMENT SHALL INCLUDE, BUT IS NOT LIMITED TO, THE FOLLOWING  
7 PROVISIONS:

8 (A) A DESCRIPTION OF THE AREA TO BE INCLUDED WITHIN THE CER-  
9 TIFIED TECHNOLOGY PARK.

10 (B) COVENANTS AND RESTRICTIONS, IF ANY, UPON ALL OR A POR-  
11 TION OF THE PROPERTIES CONTAINED WITHIN THE CERTIFIED TECHNOLOGY  
12 PARK AND TERMS OF ENFORCEMENT OF ANY COVENANTS OR RESTRICTIONS.

13 (C) THE FINANCIAL COMMITMENTS OF ANY PARTY TO THE AGREEMENT  
14 AND OF ANY OWNER OR DEVELOPER OF PROPERTY WITHIN THE CERTIFIED  
15 TECHNOLOGY PARK.

16 (D) THE TERMS OF ANY COMMITMENT REQUIRED FROM AN INSTITUTION  
17 OF HIGHER EDUCATION OR PRIVATE RESEARCH BASED INSTITUTE FOR SUP-  
18 PORT OF THE OPERATIONS AND ACTIVITIES AT ELIGIBLE PROPERTIES  
19 WITHIN THE CERTIFIED TECHNOLOGY PARK.

20 (E) THE TERMS OF ENFORCEMENT OF THE AGREEMENT, WHICH MAY  
21 INCLUDE THE DEFINITION OF EVENTS OF DEFAULT, CURE PERIODS, LEGAL  
22 AND EQUITABLE REMEDIES AND RIGHTS, AND PENALTIES AND DAMAGES,  
23 ACTUAL OR LIQUIDATED, UPON THE OCCURRENCE OF AN EVENT OF  
24 DEFAULT.

25 (F) THE PUBLIC FACILITIES TO BE DEVELOPED FOR THE CERTIFIED  
26 TECHNOLOGY PARK.

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1 (G) THE COSTS APPROVED FOR PUBLIC FACILITIES UNDER SECTION  
2 2(AA).

3 (4) IF THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION HAS  
4 DETERMINED THAT A SALE PRICE OR RENTAL VALUE AT BELOW MARKET RATE  
5 WILL ASSIST IN INCREASING EMPLOYMENT OR PRIVATE INVESTMENT IN THE  
6 CERTIFIED TECHNOLOGY PARK, THE AUTHORITY [AND] MUNICIPALITY HAS  
7 AUTHORITY TO DETERMINE THE SALE PRICE OR RENTAL VALUE FOR PUBLIC  
8 FACILITIES OWNED OR DEVELOPED BY THE AUTHORITY [AND] MUNICIPALITY IN  
9 THE CERTIFIED TECHNOLOGY PARK AT BELOW MARKET RATE.

10 (5) IF PUBLIC FACILITIES DEVELOPED PURSUANT TO AN AGREEMENT  
11 ENTERED INTO UNDER THIS SECTION ARE CONVEYED OR LEASED AT LESS  
12 THAN FAIR MARKET VALUE OR AT BELOW MARKET RATES, THE TERMS OF THE  
13 CONVEYANCE OR LEASE SHALL INCLUDE LEGAL AND EQUITABLE REMEDIES  
14 AND RIGHTS TO ASSURE THE PUBLIC FACILITIES ARE USED AS ELIGIBLE  
15 PROPERTY. LEGAL AND EQUITABLE REMEDIES AND RIGHTS MAY INCLUDE  
16 PENALTIES AND ACTUAL OR LIQUIDATED DAMAGES.

17 (6) AN AGREEMENT DESIGNATING A CERTIFIED TECHNOLOGY PARK MAY  
18 NOT BE MADE AFTER DECEMBER 31, 2003, BUT ANY AGREEMENT MADE ON OR  
19 BEFORE DECEMBER 31, 2003 MAY BE AMENDED AFTER THAT DATE.

20 (7) THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION SHALL  
21 MARKET THE CERTIFIED TECHNOLOGY PARKS AND THE CERTIFIED BUSINESS  
22 PARKS. THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION AND AN  
23 AUTHORITY MAY CONTRACT WITH EACH OTHER OR ANY THIRD PARTY FOR  
24 THESE MARKETING SERVICES.

25 (8) THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION SHALL NOT  
26 DESIGNATE MORE THAN 10 CERTIFIED TECHNOLOGY PARKS. NOT MORE THAN  
27 7 OF THE CERTIFIED TECHNOLOGY PARKS DESIGNATED UNDER THIS SECTION

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1 MAY NOT INCLUDE A FIRM COMMITMENT FROM AT LEAST 1 BUSINESS  
2 ENGAGED IN A HIGH TECHNOLOGY ACTIVITY CREATING A SIGNIFICANT  
3 NUMBER OF JOBS.

4 (9) THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION SHALL GIVE  
5 PRIORITY TO APPLICATIONS THAT INCLUDE NEW BUSINESS ACTIVITY.

6 (10) EACH YEAR, THIS STATE SHALL REIMBURSE THE STATE SCHOOL  
7 AID FUND ESTABLISHED UNDER SECTION 11 OF ARTICLE IX OF THE STATE  
8 CONSTITUTION OF 1963 FOR ALL LOST REVENUE DUE TO THE CREATION AND  
9 FINANCING OF A CERTIFIED TECHNOLOGY PARK.

10 Enacting section 1. This amendatory act does not take  
11 effect unless House Bill No. 5443 of the 90th Legislature is  
12 enacted into law.