

SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 5766

A bill to amend 1986 PA 281, entitled "An act to encourage local development to prevent conditions of unemployment and promote economic growth; to provide for the establishment of local development finance authorities and to prescribe their powers and duties; to provide for the creation of a board to govern an authority and to prescribe its powers and duties; to provide for the creation and implementation of development plans; to authorize the acquisition and disposal of interests in real and personal property; to permit the issuance of bonds and other evidences of indebtedness by an authority; to prescribe powers and duties of certain state officers and agencies; to reimburse authorities for certain losses of tax increment revenues; and to authorize and permit the use of tax increment financing" by amending the title and sections 2, 3, 4, 10, and 12 (MCL 125.2152, 125.2153, 125.2154, 125.2160, and 125.2162), the title and sections 4, 10, and 12 as amended by 1993 PA 333, and section 2 as amended by 1998 PA 92, section 3 as added by 1986 PA 281, and by adding section 12a.

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

1

TITLE

2

An act to encourage local development to prevent conditions

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of unemployment and promote economic growth; to provide for the

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establishment of local development finance authorities and to

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prescribe their powers and duties; to provide for the creation of

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a board to govern an authority and to prescribe its powers and

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duties; to provide for the creation and implementation of

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development plans; to authorize the acquisition and disposal of

1 interests in real and personal property; to permit the issuance  
2 of bonds and other evidences of indebtedness by an authority; to  
3 prescribe powers and duties of certain PUBLIC ENTITIES AND state  
4 officers and agencies; to reimburse authorities for certain  
5 losses of tax increment revenues; and to authorize and permit the  
6 use of tax increment financing.

7       Sec. 2. As used in this act:

8       (a) "Advance" means a transfer of funds made by a municipal-  
9 ity to an authority or to another person on behalf of the author-  
10 ity in anticipation of repayment by the authority. Evidence of  
11 the intent to repay an advance may include, but is not limited  
12 to, an executed agreement to repay, provisions contained in a tax  
13 increment financing plan approved prior to the advance, or a res-  
14 olution of the authority or the municipality.

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

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

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

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

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

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

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

6 (i) THE AREA IS ZONED TO ALLOW ITS USE FOR ELIGIBLE  
7 PROPERTY.

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

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

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

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

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

18 (H) ~~-(f)-~~ "Captured assessed value" means the amount in any  
19 1 year by which the current assessed value ~~—, as equalized,~~ of  
20 the eligible property identified in the tax increment financing  
21 plan OR, FOR A CERTIFIED TECHNOLOGY PARK, THE REAL AND PERSONAL  
22 PROPERTY INCLUDED IN THE TAX INCREMENT FINANCING PLAN, including  
23 the current assessed value of property for which specific local  
24 taxes are paid in lieu of property taxes as determined pursuant  
25 to subdivision ~~-(w)-~~ (BB), exceeds the initial assessed value.  
26 The state tax commission shall prescribe the method for  
27 calculating captured assessed value.

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1       (I) ~~(g)~~ "Certified ~~industrial~~ BUSINESS park" means ~~an~~  
2 ~~area of land designated by the Michigan jobs commission as meet-~~  
3 ~~ing all of the following requirements:~~ A BUSINESS DEVELOPMENT  
4 AREA THAT HAS BEEN DESIGNATED BY THE MICHIGAN ECONOMIC DEVELOP-  
5 MENT CORPORATION AS MEETING CRITERIA ESTABLISHED BY THE MICHIGAN  
6 ECONOMIC DEVELOPMENT CORPORATION. THE CRITERIA SHALL ESTABLISH  
7 STANDARDS FOR BUSINESS DEVELOPMENT AREAS INCLUDING, BUT NOT  
8 LIMITED TO, USE, TYPES OF BUILDING MATERIALS, LANDSCAPING, SET-  
9 BACKS, PARKING, STORAGE AREAS, AND MANAGEMENT.

10       ~~(i) It contains not less than 40 acres of land.~~

11       ~~(ii) It is zoned exclusively for use for eligible property.~~

12       ~~(iii) It has a site plan or plat approved by the city, vil-~~  
13 ~~lage, or township in which the land is located.~~

14       ~~(iv) The developer of the land agrees to comply with other~~  
15 ~~requirements, not inconsistent with subparagraphs (i) to (iii),~~  
16 ~~imposed upon property classified as a certified industrial park~~  
17 ~~by the Michigan jobs commission under the certified industrial~~  
18 ~~park program. Compliance with these other requirements is not a~~  
19 ~~prerequisite to meeting the requirement of this subparagraph.~~

20       (J) "CERTIFIED TECHNOLOGY PARK" MEANS THAT PORTION OF THE  
21 AUTHORITY DISTRICT DESIGNATED BY A WRITTEN AGREEMENT ENTERED INTO  
22 PURSUANT TO SECTION 12A BETWEEN THE AUTHORITY, THE MUNICIPALITY,  
23 AND THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION.

24       (K) ~~(h)~~ "Chief executive officer" means the mayor or city  
25 manager of a city, the president of a village, or, for other  
26 local units of government or school districts, the person charged

1 by law with the supervision of the functions of the local unit of  
2 government or school district.

3 (I) ~~-(i)-~~ "Development plan" means that information and  
4 those requirements for a development set forth in section 15.

5 (M) ~~-(j)-~~ "Development program" means the implementation of  
6 a development plan.

7 (N) ~~-(k)-~~ "Eligible advance" means an advance made before  
8 August 19, 1993.

9 (O) ~~-(l)-~~ "Eligible obligation" means an obligation issued  
10 or incurred by an authority or by a municipality on behalf of an  
11 authority before August 19, 1993 and its subsequent refunding by  
12 a qualified refunding obligation. Eligible obligation includes  
13 an authority's written agreement entered into before August 19,  
14 1993 to pay an obligation issued after August 18, 1993 and before  
15 December 31, 1996 by another entity on behalf of the authority.

16 (P) ~~-(m)-~~ "Eligible property" means land improvements,  
17 buildings, structures, and other real property, and machinery,  
18 equipment, furniture, and fixtures, or any part or accessory  
19 thereof whether completed or in the process of construction com-  
20 prising an integrated whole, located within an authority dis-  
21 trict, of which the primary purpose and use is OR WILL BE 1 of  
22 the following:

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

25 (ii) Agricultural processing.

26 (iii) A high technology activity. ~~that has as its primary~~  
27 ~~purpose research, product development, engineering, laboratory~~

1 ~~testing, or development of industrial technology. This~~  
2 ~~subparagraph applies only to eligible property for which a tax~~  
3 ~~increment financing plan or development plan is adopted and bonds~~  
4 ~~are issued under this act before January 1, 1993.~~

5 (iv) The production of energy by the processing of goods or  
6 materials by physical or chemical change by a small power produc-  
7 tion facility as defined by the federal energy regulatory commis-  
8 sion pursuant to the public utility regulatory policies act of  
9 1978, Public Law 95-617, 92 Stat. 3117, which facility is fueled  
10 primarily by biomass or wood waste. This act does not affect a  
11 person's rights or liabilities under law with respect to ground-  
12 water contamination described in this subparagraph. This sub-  
13 paragraph applies only if all of the following requirements are  
14 met:

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

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

25 (C) The municipality that created the authority establishes  
26 a special assessment district whereby not less than 50% of the  
27 operating expenses of the public facility described in this

1 subparagraph will be paid for by special assessments. Not less  
2 than 50% of the amount specially assessed against all parcels in  
3 the special assessment district shall be assessed against parcels  
4 owned by parties potentially responsible for the identified  
5 groundwater contamination pursuant to law.

6 (v) A BUSINESS INCUBATOR.

7 (Q) ~~(n)~~ "Fiscal year" means the fiscal year of the  
8 authority.

9 (R) ~~(o)~~ "Governing body" means the elected body having  
10 legislative powers of a municipality creating an authority under  
11 this act.

12 (S) "HIGH TECHNOLOGY ACTIVITY" MEANS THAT TERM AS DEFINED IN  
13 SECTION 3 OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY ACT, 1995 PA  
14 24, MCL 207.803.

15 (T) ~~(p)~~ "Initial assessed value" means the assessed value  
16 ~~, as equalized,~~ of the eligible property identified in the tax  
17 increment financing plan OR, FOR A CERTIFIED TECHNOLOGY PARK, THE  
18 ASSESSED VALUE OF ANY REAL AND PERSONAL PROPERTY INCLUDED IN THE  
19 TAX INCREMENT FINANCING PLAN, at the time the resolution estab-  
20 lishing the tax increment financing plan is approved as shown by  
21 the most recent assessment roll for which equalization has been  
22 completed at the time the resolution is adopted OR, FOR PROPERTY  
23 THAT BECOMES ELIGIBLE PROPERTY IN OTHER THAN A CERTIFIED TECHNOL-  
24 OGY PARK AFTER THE DATE THE PLAN IS APPROVED, AT THE TIME THE  
25 PROPERTY BECOMES ELIGIBLE PROPERTY. Property exempt from taxa-  
26 tion at the time of the determination of the initial assessed  
27 value shall be included as zero. Property for which a specific

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1 local tax is paid in lieu of property tax shall not be considered  
2 exempt from taxation. The initial assessed value of property for  
3 which a specific local tax was paid in lieu of property tax shall  
4 be determined as provided in subdivision ~~-(w)-~~ (BB).

5 (U) "MICHIGAN ECONOMIC DEVELOPMENT CORPORATION" MEANS THE  
6 PUBLIC BODY CORPORATE CREATED UNDER SECTION 28 OF ARTICLE VII OF  
7 THE STATE CONSTITUTION OF 1963 AND THE URBAN COOPERATION ACT OF  
8 1967, 1967 (EX SESS) PA 7, MCL 124.501 TO 124.512, BY A CONTRAC-  
9 TUAL INTERLOCAL AGREEMENT EFFECTIVE APRIL 5, 1999 BETWEEN LOCAL  
10 PARTICIPATING ECONOMIC DEVELOPMENT CORPORATIONS FORMED UNDER THE  
11 ECONOMIC DEVELOPMENT CORPORATIONS ACT, 1974 PA 338, MCL 125.1601  
12 TO 125.1636, AND THE MICHIGAN STRATEGIC FUND. IF THE MICHIGAN  
13 ECONOMIC DEVELOPMENT CORPORATION IS UNABLE FOR ANY REASON TO PER-  
14 FORM ITS DUTIES UNDER THIS ACT, THOSE DUTIES MAY BE EXERCISED BY  
15 THE MICHIGAN STRATEGIC FUND.

16 (V) "MICHIGAN STRATEGIC FUND" MEANS THE MICHIGAN STRATEGIC  
17 FUND AS DESCRIBED IN THE MICHIGAN STRATEGIC FUND ACT, 1984 PA  
18 270, MCL 125.2001 TO 125.2093.

19 (W) ~~-(q)-~~ "Municipality" means a city, village, or urban  
20 township.

21 (X) ~~-(r)-~~ "Obligation" means a written promise to pay,  
22 whether evidenced by a contract, agreement, lease, sublease,  
23 bond, or note, or a requirement to pay imposed by law. An obli-  
24 gation does not include a payment required solely because of  
25 default upon an obligation, employee salaries, or consideration  
26 paid for the use of municipal offices. An obligation does not  
27 include those bonds that have been economically defeased by



1 refunding bonds issued under this act. Obligation includes, but  
2 is not limited to, the following:

3 (i) A requirement to pay proceeds derived from ad valorem  
4 property taxes or taxes levied in lieu of ad valorem property  
5 taxes.

6 (ii) A management contract or a contract for professional  
7 services.

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

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

14 (v) A letter of credit, paying agent, transfer agent, bond  
15 registrar, or trustee fee associated with a contract, agreement,  
16 bond, or note.

17 (Y) ~~(S)~~ "On behalf of an authority", in relation to an  
18 eligible advance made by a municipality or an eligible obligation  
19 or other protected obligation issued or incurred by a municipali-  
20 ty, means in anticipation that an authority would transfer tax  
21 increment revenues or reimburse the municipality from tax incre-  
22 ment revenues in an amount sufficient to fully make payment  
23 required by the eligible advance made by a municipality, or eli-  
24 gible obligation or other protected obligation issued or incurred  
25 by the municipality, if the anticipation of the transfer or  
26 receipt of tax increment revenues from the authority is pursuant  
27 to or evidenced by 1 or more of the following:

1       (i) A reimbursement agreement between the municipality and  
2 an authority it established.

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

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

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

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

10       (i) A qualified refunding obligation issued to refund an  
11 obligation described in subparagraph (ii) or (iii), an obligation  
12 that is not a qualified refunding obligation that is issued to  
13 refund an eligible obligation, or a qualified refunding obliga-  
14 tion issued to refund an obligation described in this  
15 subparagraph.

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

23       (iii) An obligation incurred by an authority or municipality  
24 after August 19, 1993, to reimburse a party to a development  
25 agreement entered into by a municipality or authority before  
26 August 19, 1993, for a project described in a tax increment  
27 financing plan approved in accordance with this act before

1 August 19, 1993, and undertaken and installed by that party in  
2 accordance with the development agreement.

3 (iv) An ongoing management or professional services contract  
4 with the governing body of a county ~~which~~ THAT was entered into  
5 before March 1, 1994 and ~~which~~ THAT was preceded by a series of  
6 limited term management or professional services contracts with  
7 the governing body of the county, the last of which was entered  
8 into before August 19, 1993.

9 (AA) ~~(u)~~ "Public facility" means 1 or more of the  
10 following:

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

1 access. ~~and that other facilities shall be located in public~~  
2 ~~easements or rights-of-way and sized to accommodate reasonably~~  
3 ~~foreseeable development of eligible property in adjoining areas.~~

4 A PUBLIC FACILITY SHALL BE LOCATED ON PUBLIC PROPERTY OR IN A  
5 PUBLIC, UTILITY, OR TRANSPORTATION EASEMENT OR RIGHT-OF-WAY.

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

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

17 (iv) ~~(iii)~~ An improvement to a facility used by the public  
18 or a public facility as those terms are defined in section 1 of  
19 1966 PA 1, MCL 125.1351, which improvement is made to comply with  
20 the barrier free design requirements of the state construction  
21 code promulgated under the state construction code act of 1972,  
22 1972 PA 230, MCL 125.1501 to 125.1531.

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

25 (A) OPERATIONAL COSTS AND THE COSTS RELATED TO THE ACQUISSI-  
26 TION, IMPROVEMENT, PREPARATION, DEMOLITION, DISPOSAL,  
27 CONSTRUCTION, RECONSTRUCTION, REMEDIATION, REHABILITATION,

1 RESTORATION, PRESERVATION, MAINTENANCE, REPAIR, FURNISHING, AND  
2 EQUIPPING OF LAND AND OTHER ASSETS THAT ARE OR MAY BECOME ELIGI-  
3 BLE FOR DEPRECIATION UNDER THE INTERNAL REVENUE CODE OF 1986 FOR  
4 A BUSINESS INCUBATOR LOCATED IN A CERTIFIED TECHNOLOGY PARK.

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

16 (vi) OPERATING AND PLANNING COSTS INCLUDED IN A PLAN PURSU-  
17 ANT TO SECTION 12(1)(F), INCLUDING COSTS OF MARKETING PROPERTY  
18 WITHIN THE DISTRICT AND ATTRACTING DEVELOPMENT OF ELIGIBLE PROP-  
19 ERTY WITHIN THE DISTRICT.

20 (BB) ~~-(v)-~~ "Qualified refunding obligation" means an obliga-  
21 tion issued or incurred by an authority or by a municipality on  
22 behalf of an authority to refund an obligation if the refunding  
23 obligation meets both of the following:

24 (i) The net present value of the principal and interest to  
25 be paid on the refunding obligation, including the cost of issu-  
26 ance, will be less than the net present value of the principal  
27 and interest to be paid on the obligation being refunded, as

1 calculated using a method approved by the department of  
2 treasury.

3       (ii) The net present value of the sum of the tax increment  
4 revenues described in subdivision ~~(y)(ii)~~ (EE)(ii) and the dis-  
5 tributions under section 11a to repay the refunding obligation  
6 will not be greater than the net present value of the sum of the  
7 tax increment revenues described in subdivision ~~(y)(ii)~~  
8 (EE)(ii) and the distributions under section 11a to repay the  
9 obligation being refunded, as calculated using a method approved  
10 by the department of treasury.

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

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

26       (EE) ~~(y)~~ "Tax increment revenues" means the amount of ad  
27 valorem property taxes and specific local taxes attributable to

1 the application of the levy of all taxing jurisdictions upon the  
2 captured assessed value of ~~real and personal property in the~~  
3 ~~development area~~ ELIGIBLE PROPERTY WITHIN THE DISTRICT OR, FOR  
4 PURPOSES OF A CERTIFIED TECHNOLOGY PARK, REAL OR PERSONAL PROP-  
5 ERTY THAT IS LOCATED WITHIN THE CERTIFIED TECHNOLOGY PARK AND  
6 INCLUDED WITHIN THE TAX INCREMENT FINANCING PLAN, subject to the  
7 following requirements:

8       (i) Tax increment revenues include ad valorem property taxes  
9 and specific local taxes attributable to the application of the  
10 levy of all taxing jurisdictions, other than the state pursuant  
11 to the state education tax act, 1993 PA 331, MCL 211.901 to  
12 211.906, and local or intermediate school districts, upon the  
13 captured assessed value of real and personal property in the  
14 development area for any purpose authorized by this act.

15       (ii) Tax increment revenues include ad valorem property  
16 taxes and specific local taxes attributable to the application of  
17 the levy of the state pursuant to the state education tax act,  
18 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate  
19 school districts upon the captured assessed value of real and  
20 personal property in the development area in an amount equal to  
21 the amount necessary, without regard to subparagraph (i), ~~to~~  
22 FOR THE FOLLOWING PURPOSES:

23       (A) TO repay eligible advances, eligible obligations, and  
24 other protected obligations.

25       (B) TO FUND OR TO REPAY AN ADVANCE OR OBLIGATION ISSUED BY  
26 OR ON BEHALF OF AN AUTHORITY TO FUND THE COST OF PUBLIC  
27 FACILITIES RELATED TO OR FOR THE BENEFIT OF ELIGIBLE PROPERTY

1 LOCATED WITHIN A CERTIFIED TECHNOLOGY PARK TO THE EXTENT THE  
2 PUBLIC FACILITIES HAVE BEEN INCLUDED IN AN AGREEMENT UNDER SEC-  
3 TION 12A(3), NOT TO EXCEED 50%, AS DETERMINED BY THE STATE TREA-  
4 SURER, OF THE AMOUNTS LEVIED BY THE STATE PURSUANT TO THE STATE  
5 EDUCATION TAX ACT, 1993 PA 331, MCL 211.901 TO 211.906, AND LOCAL  
6 AND INTERMEDIATE SCHOOL DISTRICTS FOR A PERIOD NOT TO EXCEED 15  
7 YEARS, AS DETERMINED BY THE STATE TREASURER, IF THE STATE TREA-  
8 SURER DETERMINES THAT THE CAPTURE UNDER THIS SUBPARAGRAPH IS NEC-  
9 ESSARY TO REDUCE UNEMPLOYMENT, PROMOTE ECONOMIC GROWTH, AND  
10 INCREASE CAPITAL INVESTMENT IN THE MUNICIPALITY.

11 (iii) Tax increment revenues do not include any of the  
12 following:

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

19 (B) Ad valorem property taxes and specific local taxes  
20 attributable to ad valorem property taxes excluded by the tax  
21 increment financing plan of the authority from the determination  
22 of the amount of tax increment revenues to be transmitted to the  
23 authority.

24 (C) Ad valorem property taxes exempted from capture under  
25 section 4(3) or specific local taxes attributable to such ad  
26 valorem property taxes.



1 (D) Ad valorem property taxes specifically levied for the  
2 payment of principal and interest of obligations approved by the  
3 electors or obligations pledging the unlimited taxing power of  
4 the local governmental unit or specific local taxes attributable  
5 to such ad valorem property taxes.

6 (E) THE AMOUNT OF AD VALOREM PROPERTY TAXES OR SPECIFIC  
7 TAXES CAPTURED BY A DOWNTOWN DEVELOPMENT AUTHORITY UNDER 1975  
8 PA 197, MCL 125.1651 TO 125.1681, TAX INCREMENT FINANCING AUTHOR-  
9 ITY UNDER THE TAX INCREMENT FINANCE AUTHORITY ACT, 1980 PA 450,  
10 MCL 125.1801 TO 125.1830, OR BROWNFIELD REDEVELOPMENT AUTHORITY  
11 UNDER THE BROWNFIELD REDEVELOPMENT FINANCING ACT, 1996 PA 381,  
12 MCL 125.2651 TO 125.2672, IF THOSE TAXES WERE CAPTURED BY THESE  
13 OTHER AUTHORITIES ON THE DATE THAT THE INITIAL ASSESSED VALUE OF  
14 A PARCEL OF PROPERTY WAS ESTABLISHED UNDER THIS ACT.

15 (iv) The amount of tax increment revenues authorized to be  
16 included under subparagraph (ii), and required to be transmitted  
17 to the authority under section 13(1), from ad valorem property  
18 taxes and specific local taxes attributable to the application of  
19 the levy of the state education tax act, 1993 PA 331, MCL 211.901  
20 to 211.906, OR a local school district or an intermediate school  
21 district upon the captured assessed value of real and personal  
22 property in a development area shall be determined separately for  
23 the levy by the state, each school district, and each intermedi-  
24 ate school district as the product of sub-subparagraphs (A) and  
25 (B):

26 (A) The percentage ~~which~~ THAT the total ad valorem taxes  
27 and specific local taxes available for distribution by law to the

1 state, local school district, or intermediate school district,  
2 respectively, bears to the aggregate amount of ad valorem millage  
3 taxes and specific taxes available for distribution by law to the  
4 state, each local school district, and each intermediate school  
5 district.

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

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

11 (i) Meets all of the following requirements:

12 (A) Has a population of 20,000 or more, or has a population  
13 of 10,000 or more but is located in a county with a population of  
14 400,000 or more.

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

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

18 (ii) Meets all of the following requirements:

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

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

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

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1 (D) ~~-(d)-~~ Establishes an authority before December 31,  
2 1998.

3 (iii) Meets all of the following requirements:

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

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

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

8 (D) Is a charter township under the charter township act,  
9 1947 PA 359, MCL 42.1 to 42.34.

10 (E) Has within its boundaries a combination of parcels under  
11 common ownership that is 800 acres or larger, is immediately  
12 adjacent to a limited access highway, is capable of being served  
13 by a railroad, and is immediately adjacent to an existing sewer  
14 line.

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

Sec. 3. (1) ~~A~~ EXCEPT AS OTHERWISE PROVIDED BY SUBSECTION  
(2). A municipality may establish not more than 1 authority under  
the provisions of this act. An authority ESTABLISHED UNDER THIS  
SUBSECTION shall exercise its powers in all authority districts.

(2) IN ADDITION TO AN AUTHORITY ESTABLISHED UNDER SUBSECTION  
(1), A MUNICIPALITY MAY JOIN WITH 1 OR MORE OTHER MUNICIPALITY  
LOCATED WITHIN THE SAME COUNTY TO ESTABLISH AN AUTHORITY UNDER THIS  
ACT. AN AUTHORITY CREATED UNDER THIS SUBSECTION MAY ONLY EXERCISE  
ITS POWERS IN A CERTIFIED TECHNOLOGY PARK DESIGNATED IN AN AGREEMENT  
MADE UNDER SECTION 12A. A MUNICIPALITY SHALL NOT ESTABLISH MORE  
THAN 1 AUTHORITY UNDER THIS SUBSECTION.

(3) ~~-(2)-~~ The authority shall be a public body corporate which  
may sue and be sued in any court of this state. The authority  
possesses all the powers necessary to carry out the purpose of its  
incorporation. The enumeration of a power in this act shall not be  
construed as a limitation upon the general powers of the authority.  
The powers granted in this act to an authority may be exercised  
notwithstanding that bonds are not issued by the authority.

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

20 (2) In the resolution of intent, the governing body propos-  
21 ing to create the authority shall set a date for holding a public  
22 hearing on the adoption of a proposed resolution creating the  
23 authority and designating the boundaries of the authority dis-  
24 trict or districts. Notice of the public hearing shall be pub-  
25 lished twice in a newspaper of general circulation in the munici-  
26 pality, not less than 20 nor more than 40 days before the date of  
27 the hearing. Not less than 20 days before the hearing, the  
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1 governing body proposing to create the authority shall also mail  
2 notice of the hearing to the property taxpayers of record in a  
3 proposed authority district and, for a public hearing to be held  
4 after February 15, 1994, to the governing body of each taxing  
5 jurisdiction levying taxes that would be subject to capture if  
6 the authority is established and a tax increment financing plan  
7 is approved. Failure of a property taxpayer to receive the  
8 notice shall not invalidate these proceedings. The notice shall  
9 state the date, time, and place of the hearing, and shall  
10 describe the boundaries of the proposed authority district or  
11 districts. At that hearing, a resident, taxpayer, or property  
12 owner from a taxing jurisdiction in which the proposed district  
13 is located or an official from a taxing jurisdiction with millage  
14 that would be subject to capture has the right to be heard in  
15 regard to the establishment of the authority and the boundaries  
16 of that proposed authority district. The governing body of the  
17 municipality in which a proposed district is to be located shall  
18 not incorporate land into an authority district not included in  
19 the description contained in the notice of public hearing, but it  
20 may eliminate lands described in the notice of public hearing  
21 from an authority district in the final determination of the  
22 boundaries.

23 (3) Not more than 60 days after a public hearing held after  
24 February 15, 1994, the governing body of a taxing jurisdiction  
25 [REDACTED]  
26 [REDACTED]  
27 [REDACTED] with millage that would otherwise be

1 subject to capture may exempt its taxes from capture by adopting  
2 a resolution to that effect and filing a copy with the clerk of  
3 the municipality proposing to create the authority. HOWEVER, A  
4 RESOLUTION BY A GOVERNING BODY OF A TAXING JURISDICTION  
5 TO  
6 EXEMPT ITS TAXES FROM CAPTURE IS NOT EFFECTIVE FOR THE CAPTURE OF  
7 TAXES THAT ARE USED FOR A CERTIFIED TECHNOLOGY PARK. The resolu-  
8 tion takes effect when filed with that clerk and remains effec-  
9 tive until a copy of a resolution rescinding that resolution is  
10 filed with that clerk.

11 (4) Not less than 60 days after the public hearing, if the  
12 governing body creating the authority intends to proceed with the  
13 establishment of the authority, it shall adopt, by majority vote  
14 of its members elected and serving, a resolution establishing the  
15 authority and designating the boundaries of the authority dis-  
16 trict or districts within which the authority shall exercise its  
17 powers. The adoption of the resolution is subject to any appli-  
18 cable statutory or charter provisions with respect to the  
19 approval or disapproval of resolutions by the chief executive  
20 officer of the municipality and the adoption of a resolution over  
21 his or her veto. This resolution shall be filed with the secre-  
22 tary of state promptly after its adoption and shall be published  
23 at least once in a newspaper of general circulation in the  
24 municipality.

25 (5) The governing body may alter or amend the boundaries of  
26 an authority district to include or exclude lands from that  
27 authority district or create new authority districts pursuant to

1 the same requirements prescribed for adopting the resolution  
2 creating the authority.

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

7 (a) Publication of the resolution creating the authority as  
8 adopted.

9 (b) Filing of the resolution creating the authority with the  
10 secretary of state.

(7) EXCEPT AS OTHERWISE PROVIDED BY THIS SUBSECTION, IF 2 OR MORE MUNICIPALITIES DESIRE TO ESTABLISH AN AUTHORITY UNDER SECTION 3(2), EACH MUNICIPALITY IN WHICH THE AUTHORITY DISTRICT WILL BE LOCATED SHALL COMPLY WITH THE PROCEDURES PRESCRIBED BY THIS ACT. THE NOTICE REQUIRED BY SUBSECTION (2) MAY BE PUBLISHED JOINTLY BY THE MUNICIPALITIES ESTABLISHING THE AUTHORITY. THE RESOLUTIONS ESTABLISHING THE AUTHORITY SHALL INCLUDE, OR SHALL APPROVE AN AGREEMENT INCLUDING, PROVISIONS GOVERNING THE NUMBER OF MEMBERS ON THE BOARD, THE METHOD OF APPOINTMENT, THE MEMBERS TO BE REPRESENTED BY GOVERNMENTAL UNITS OR AGENCIES. THE TERMS OF INITIAL AND SUBSEQUENT APPOINTMENTS TO THE BOARD, THE MANNER IN WHICH A MEMBER OF THE BOARD MAY BE REMOVED FOR CAUSE BEFORE THE EXPIRATION OF HIS OR HER TERM, THE MANNER IN WHICH THE AUTHORITY MAY BE DISSOLVED, AND THE DISPOSITION OF ASSETS UPON DISSOLUTION. AN AUTHORITY DESCRIBED IN THIS SUBSECTION SHALL NOT BE CONSIDERED ESTABLISHED UNLESS ALL OF THE FOLLOWING CONDITIONS ARE SATISFIED:

(A) A RESOLUTION IS APPROVED AND FILED WITH THE SECRETARY OF STATE BY EACH MUNICIPALITY IN WHICH THE AUTHORITY DISTRICT WILL BE LOCATED.

(B) THE SAME BOUNDARIES HAVE BEEN APPROVED FOR THE AUTHORITY DISTRICT BY THE GOVERNING BODY OF EACH MUNICIPALITY IN WHICH THE AUTHORITY DISTRICT WILL BE LOCATED.

(C) THE GOVERNING BODY OF THE COUNTY IN WHICH A MAJORITY OF THE AUTHORITY DISTRICT WILL BE LOCATED HAS APPROVED BY RESOLUTION THE CREATION OF THE AUTHORITY.

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

13 (a) Contributions to the authority for the performance of  
14 its functions.

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

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

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

23 (e) Proceeds of revenue bonds issued pursuant to section

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24 11.

25 (f) Money obtained from any other legal source approved by  
26 the governing body of the municipality or otherwise authorized by

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1 law for use by the authority or the municipality to finance a  
2 development program.

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

4 (H) LOANS FROM THE MICHIGAN STRATEGIC FUND OR THE MICHIGAN  
5 ECONOMIC DEVELOPMENT CORPORATION.

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

12 (a) A statement of the reasons that the plan will result in  
13 the development of captured assessed value that could not other-  
14 wise be expected. The reasons may include, but are not limited  
15 to, activities of the municipality, authority, or others under-  
16 taken before formulation or adoption of the plan in reasonable  
17 anticipation that the objectives of the plan would be achieved by  
18 some means.

19 (b) An estimate of the captured assessed value for each year  
20 of the plan. The plan may provide for the use of part or all of  
21 the captured assessed value OR, SUBJECT TO SUBSECTION (3), OF THE  
22 TAX INCREMENT REVENUES ATTRIBUTABLE TO THE LEVY OF ANY TAXING  
23 JURISDICTION, but the portion intended to be used shall be  
24 clearly stated in the plan. The board or the municipality creat-  
25 ing the authority may exclude from captured assessed value a per-  
26 centage of captured assessed value as specified in the plan or  
27 growth in property value resulting solely from inflation. If



1 excluded, the plan shall set forth the method for excluding  
2 growth in property value resulting solely from inflation.

3 (c) The estimated tax increment revenues for each year of  
4 the plan.

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

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

8 (f) The amount of operating and planning expenditures of the  
9 authority and municipality, the amount of advances extended by or  
10 indebtedness incurred by the municipality, and the amount of  
11 advances by others to be repaid from tax increment revenues.

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

14 (h) The duration of the development plan and the tax incre-  
15 ment plan.

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

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

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

24 (l) THE PROPOSED BOUNDARIES OF A CERTIFIED TECHNOLOGY PARK  
25 TO BE CREATED UNDER AN AGREEMENT PROPOSED TO BE ENTERED INTO PUR-  
26 SUANT TO SECTION 12A, AN IDENTIFICATION OF THE REAL PROPERTY  
27 WITHIN THE CERTIFIED TECHNOLOGY PARK TO BE INCLUDED IN THE TAX

1 INCREMENT FINANCING PLAN FOR PURPOSES OF DETERMINING TAX  
2 INCREMENT REVENUES, AND WHETHER PERSONAL PROPERTY LOCATED IN THE  
3 CERTIFIED TECHNOLOGY PARK IS EXEMPT FROM DETERMINING TAX INCRE-  
4 MENT REVENUES.

5 (2) ~~A~~ EXCEPT AS PROVIDED IN SUBSECTION (7), A tax incre-  
6 ment financing plan shall ~~only~~ provide for the use of tax  
7 increment revenues for public facilities for eligible property  
8 whose captured assessed value produces the tax increment revenues  
9 or, to the extent the eligible property is located within a  
10 ~~certified industrial park~~ BUSINESS DEVELOPMENT AREA, for other  
11 eligible property located in the ~~certified industrial park~~  
12 BUSINESS DEVELOPMENT AREA. Public facilities for eligible prop-  
13 erty include the development or improvement of access to and  
14 around, or within the eligible property, of road facilities rea-  
15 sonably required by traffic flow to be generated by the eligible  
16 property, and the development or improvement of public facilities  
17 that are necessary to service the eligible property, whether or  
18 not located on that eligible property. If the eligible property  
19 identified in the tax increment financing plan is property to  
20 which section ~~2(l)(iv)~~ 2(P)(iv) applies, the tax increment  
21 financing plan shall not provide for the use of tax increment  
22 revenues for public facilities other than those described in the  
23 development plan as of April 1, 1991. Whether or not ~~so~~ pro-  
24 vided in the tax increment financing plan, if the eligible prop-  
25 erty identified in the tax increment financing plan is property  
26 to which section ~~2(l)(iv)~~ 2(P)(iv) applies, then to the extent  
27 that captured tax increment revenues are utilized for the costs

1 of cleanup of identified soil and groundwater contamination, the  
2 captured tax increment revenues shall be first credited against  
3 the shares of responsibility for the total costs of cleanup of  
4 uncollectible parties who are responsible for the identified soil  
5 and groundwater contamination pursuant to law, and then shall be  
6 credited on a pro rata basis against the shares of responsibility  
7 for the total costs of cleanup of other parties who are responsi-  
8 ble for the identified soil and groundwater contamination pursu-  
9 ant to law.

10 (3) The percentage of taxes levied for school operating pur-  
11 poses that is captured and used by the tax increment financing  
12 plan AND THE TAX INCREMENT FINANCING PLANS UNDER 1975 PA 197, MCL  
13 125.1651 TO 125.1681, THE TAX INCREMENT FINANCE AUTHORITY ACT,  
14 1980 PA 450, MCL 125.1801 TO 125.1380, AND THE BROWNFIELD REDE-  
15 VELOPMENT FINANCING ACT, 1996 PA 381, MCL 125.2651 TO 125.2672,  
16 shall not be greater than the ~~plan's~~ percentage capture and use  
17 of taxes levied by a municipality or county for operating pur-  
18 poses UNDER THE TAX INCREMENT FINANCING PLAN AND TAX INCREMENT  
19 FINANCING PLANS UNDER 1975 PA 197, MCL 125.1651 TO 125.1681, THE  
20 TAX INCREMENT FINANCE AUTHORITY ACT, 1980 PA 450, MCL 125.1801 TO  
21 125.1830, AND THE BROWNFIELD REDEVELOPMENT FINANCING ACT, 1996  
22 PA 381, MCL 125.2651 TO 125.2672. For purposes of the previous  
23 sentence, taxes levied by a county for operating purposes include  
24 only millage allocated for county or charter county purposes  
25 under the property tax limitation act, ~~Act No. 62 of the Public~~  
26 ~~Acts of 1933, being sections 211.201 to 211.217a of the Michigan~~  
27 ~~Compiled Laws~~ 1933 PA 62, MCL 211.201 TO 211.217A.

1       ~~-(4) If the construction of eligible property has, or may~~  
2 ~~reasonably be expected to have, the effect of transferring~~  
3 ~~employment of 50 or more full-time jobs from 1 or more local gov=~~  
4 ~~ernmental units of this state to the municipality in which the~~  
5 ~~eligible property is located, that eligible property shall be~~  
6 ~~considered excluded from the authority district or districts~~  
7 ~~unless the legislative body of each local governmental unit from~~  
8 ~~which 50 or more full-time jobs are to be transferred consents,~~  
9 ~~by resolution, to the inclusion of that eligible property in the~~  
10 ~~authority district for purposes of the tax increment financing~~  
11 ~~plan.~~

12       (4) ~~-(5)- Approval~~ EXCEPT AS OTHERWISE PROVIDED BY THIS  
13 SUBSECTION, APPROVAL of the tax increment financing plan shall  
14 be in accordance with the notice, hearing, disclosure, and  
15 approval provisions of sections 16 and 17. If the development  
16 and approval procedure is required for the 2 plans together. FOR A  
PLAN SUBMITTED BY AN AUTHORITY ESTABLISHED BY 2 OR MORE  
MUNICIPALITIES UNDER SECTIONS 3(2) AND 4(7). THE NOTICE REQUIRED BY  
SECTION 16 MAY BE PUBLISHED JOINTLY BY THE MUNICIPALITIES IN WHICH  
THE AUTHORITY DISTRICT IS LOCATED. THE PLAN SHALL NOT BE CONSIDERED  
APPROVED UNLESS EACH GOVERNING BODY IN WHICH THE AUTHORITY DISTRICT  
IS LOCATED MAKES THE DETERMINATIONS REQUIRED BY SECTION 17 AND  
APPROVES THE SAME PLAN. INCLUDING THE SAME MODIFICATIONS, IF ANY,  
MADE TO THE PLAN BY ANY OTHER GOVERNING BODY.

17       (5) ~~-(6)-~~ Before the public hearing on the tax increment  
18 financing plan, the governing body shall provide a reasonable  
19 opportunity to the taxing jurisdictions levying taxes subject to  
20 capture to express their views and recommendations regarding the  
21 tax increment financing plan. The authority shall fully inform  
22 the taxing jurisdictions about the fiscal and economic implica-  
23 tions of the proposed tax increment financing plan. The taxing  
24 jurisdictions may present their recommendations at the public  
25 hearing on the tax increment financing plan. The authority may  
26 enter into agreements with the taxing jurisdictions and the  
27 governing body of the municipality in which the authority

1 district is located to share a portion of the captured assessed  
2 value of the district OR TO DISTRIBUTE TAX INCREMENT REVENUES  
3 AMONG TAXING JURISDICTIONS. Upon adoption of the plan, the col-  
4 lection and transmission of the amount of tax increment revenues,  
5 as specified in this act, shall be binding on all taxing units  
6 levying ad valorem property taxes or specific local taxes against  
7 property located in the authority district.

8 (6) PROPERTY QUALIFIED AS A PUBLIC FACILITY UNDER SECTION  
9 2(AA)(ii) THAT IS ACQUIRED BY AN AUTHORITY MAY BE SOLD, CONVEYED,  
10 OR OTHERWISE DISPOSED TO ANY PERSON, PUBLIC OR PRIVATE, FOR  
11 FAIR MARKET VALUE OR REASONABLE MONETARY CONSIDERATION ESTABLISHED  
12 BY THE AUTHORITY WITH THE CONCURRENCE OF THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION  
13 AND THE MUNICIPALITY IN WHICH THE ELIGIBLE PROPERTY IS LOCATED BASED  
14 ON A FAIR MARKET VALUE APPRAISAL FROM A FEE APPRAISER ONLY IF THE  
15 PROPERTY IS SOLD FOR FAIR MARKET VALUE.  
16 UNLESS THE PROPERTY ACQUIRED BY AN AUTHORITY WAS LOCATED WITHIN A  
17 CERTIFIED BUSINESS PARK OR A CERTIFIED TECHNOLOGY PARK AT THE  
18 TIME OF DISPOSITION, AN AUTHORITY SHALL REMIT ALL MONETARY PRO-  
19 CEEDS RECEIVED FROM THE SALE OR DISPOSITION OF PROPERTY THAT  
20 QUALIFIED AS A PUBLIC FACILITY UNDER SECTION 2(AA)(ii) AND WAS  
21 PURCHASED WITH TAX INCREMENT REVENUES TO THE TAXING  
22 JURISDICTIONS. PROCEEDS DISTRIBUTED TO TAXING JURISDICTIONS  
23 SHALL BE REMITTED IN PROPORTION TO THE AMOUNT OF TAX INCREMENT  
24 REVENUES ATTRIBUTABLE TO EACH TAXING JURISDICTION IN THE YEAR THE  
25 PROPERTY WAS ACQUIRED. IF THE PROPERTY WAS ACQUIRED IN PART WITH  
26 FUNDS OTHER THAN TAX INCREMENT REVENUES, ONLY THAT PORTION OF THE  
27 MONETARY PROCEEDS RECEIVED UPON DISPOSITION THAT REPRESENT THE  
PROPORTION OF THE COST OF ACQUISITION PAID WITH TAX INCREMENT  
REVENUES IS REQUIRED TO BE REMITTED TO TAXING JURISDICTIONS. IF

1 THE PROPERTY IS LOCATED WITHIN A CERTIFIED BUSINESS PARK OR  
2 CERTIFIED TECHNOLOGY PARK AT THE TIME OF DISPOSITION, THE MONE-  
3 TARY PROCEEDS RECEIVED FROM THE SALE OR DISPOSITION OF THAT PROP-  
4 ERTY MAY BE RETAINED BY THE AUTHORITY FOR ANY PURPOSE NECESSARY  
5 TO FURTHER THE DEVELOPMENT PROGRAM FOR THE CERTIFIED BUSINESS  
6 PARK OR CERTIFIED TECHNOLOGY PARK IN ACCORDANCE WITH THE TAX  
7 INCREMENT FINANCING PLAN.

8 (7) THE TAX INCREMENT FINANCING PLAN MAY PROVIDE FOR THE USE  
9 OF TAX INCREMENT REVENUES FROM A CERTIFIED TECHNOLOGY PARK FOR  
10 PUBLIC FACILITIES FOR ANY ELIGIBLE PROPERTY LOCATED IN THE CERTI-  
11 FIED TECHNOLOGY PARK.

(8) IF TITLE TO PROPERTY QUALIFIED AS A PUBLIC FACILITY UNDER SECTION 2(AA)(ii) AND ACQUIRED BY AN AUTHORITY WITH TAX INCREMENT REVENUES IS SOLD, CONVEYED, OR OTHERWISE DISPOSED OF PURSUANT TO SUBSECTION (6) FOR LESS THAN FAIR MARKET VALUE, THE AUTHORITY SHALL ENTER INTO AN AGREEMENT RELATING TO THE USE OF THE PROPERTY WITH THE PERSON TO WHOM THE PROPERTY IS SOLD, CONVEYED, OR DISPOSED OF, WHICH AGREEMENT SHALL INCLUDE A PENALTY PROVISION ADDRESSING REPAYMENT TO THE AUTHORITY IF ANY INTEREST IN THE PROPERTY IS SOLD, CONVEYED, OR OTHERWISE DISPOSED OF BY THE PERSON WITHIN 12 YEARS AFTER THE PERSON RECEIVED TITLE TO THE PROPERTY FROM THE AUTHORITY. THIS SUBSECTION SHALL NOT REQUIRE ENFORCEMENT OF A PENALTY PROVISION FOR A CONVEYANCE INCIDENT TO A MERGER, ACQUISITION, REORGANIZATION, SALE-LEASE BACK TRANSACTION, EMPLOYEE STOCK OWNERSHIP PLAN, OR OTHER CHANGE IN CORPORATE OR BUSINESS FORM OR STRUCTURE.

(9) THE PENALTY PROVISION DESCRIBED IN SUBSECTION (8) SHALL NOT BE LESS THAN AN AMOUNT EQUAL TO THE DIFFERENCE BETWEEN THE FAIR MARKET VALUE OF THE PROPERTY WHEN ORIGINALLY SOLD, CONVEYED, OR OTHERWISE DISPOSED OF AND THE ACTUAL CONSIDERATION PAID BY THE PERSON TO WHOM THE PROPERTY WAS ORIGINALLY SOLD, CONVEYED, OR OTHERWISE DISPOSED OF.

12 SEC. 12A. (1) A MUNICIPALITY THAT HAS CREATED AN AUTHORITY  
13 MAY APPLY TO THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION FOR  
14 DESIGNATION OF ALL OR A PORTION OF THE AUTHORITY DISTRICT AS A  
15 CERTIFIED TECHNOLOGY PARK AND TO ENTER INTO AN AGREEMENT GOVERN-  
16 ING THE TERMS AND CONDITIONS OF THE DESIGNATION. THE FORM OF THE  
17 APPLICATION SHALL BE IN A FORM SPECIFIED BY THE MICHIGAN ECONOMIC  
18 DEVELOPMENT CORPORATION AND SHALL INCLUDE INFORMATION THE  
19 MICHIGAN ECONOMIC DEVELOPMENT CORPORATION DETERMINES NECESSARY TO  
20 MAKE THE DETERMINATIONS REQUIRED UNDER THIS SECTION.

21 (2) AFTER RECEIPT OF AN APPLICATION, THE MICHIGAN ECONOMIC  
22 DEVELOPMENT CORPORATION MAY DESIGNATE, PURSUANT TO AN AGREEMENT  
23 ENTERED INTO UNDER SUBSECTION (3), A CERTIFIED TECHNOLOGY PARK  
24 THAT IS DETERMINED BY THE MICHIGAN ECONOMIC DEVELOPMENT CORPORA-  
25 TION TO SATISFY 1 OR MORE OF THE FOLLOWING CRITERIA BASED ON THE  
26 APPLICATION:

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1 (A) A DEMONSTRATION OF SIGNIFICANT SUPPORT FROM AN  
2 INSTITUTION OF HIGHER EDUCATION OR A PRIVATE RESEARCH-BASED  
3 INSTITUTE LOCATED WITHIN THE PROXIMITY OF THE PROPOSED CERTIFIED  
4 TECHNOLOGY PARK, AS EVIDENCED BY, BUT NOT LIMITED TO, THE FOLLOW-  
5 ING TYPES OF SUPPORT:

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

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

11 (iii) DONATIONS OF SERVICES.

12 (iv) ACCESS TO TELECOMMUNICATION FACILITIES AND OTHER  
13 INFRASTRUCTURE.

14 (v) FINANCIAL COMMITMENTS.

15 (vi) ACCESS TO FACULTY, STAFF, AND STUDENTS.

16 (vii) OPPORTUNITIES FOR ADJUNCT FACULTY AND OTHER TYPES OF  
17 STAFF ARRANGEMENTS OR AFFILIATIONS.

18 (B) A DEMONSTRATION OF A SIGNIFICANT COMMITMENT ON BEHALF OF  
19 THE INSTITUTION OF HIGHER EDUCATION OR PRIVATE RESEARCH-BASED  
20 INSTITUTE TO THE COMMERCIALIZATION OF RESEARCH PRODUCED AT THE  
21 CERTIFIED TECHNOLOGY PARK, AS EVIDENCED BY THE INTELLECTUAL PROP-  
22 ERTY AND, IF APPLICABLE, TENURE POLICIES THAT REWARD FACULTY AND  
23 STAFF FOR COMMERCIALIZATION AND COLLABORATION WITH PRIVATE  
24 BUSINESSES.

25 (C) A DEMONSTRATION THAT THE PROPOSED CERTIFIED TECHNOLOGY  
26 PARK WILL BE DEVELOPED TO TAKE ADVANTAGE OF THE UNIQUE  
27 CHARACTERISTICS AND SPECIALTIES OFFERED BY THE PUBLIC AND PRIVATE

1 RESOURCES AVAILABLE IN THE AREA IN WHICH THE PROPOSED CERTIFIED  
2 TECHNOLOGY PARK WILL BE LOCATED.

3 (D) THE EXISTENCE OF OR PROPOSED DEVELOPMENT OF A BUSINESS  
4 INCUBATOR WITHIN THE PROPOSED CERTIFIED TECHNOLOGY PARK THAT  
5 EXHIBITS THE FOLLOWING TYPES OF RESOURCES AND ORGANIZATION:

6 (i) SIGNIFICANT FINANCIAL AND OTHER TYPES OF SUPPORT FROM  
7 THE PUBLIC OR PRIVATE RESOURCES IN THE AREA IN WHICH THE PROPOSED  
8 CERTIFIED TECHNOLOGY PARK WILL BE LOCATED.

9 (ii) A BUSINESS PLAN EXHIBITING THE ECONOMIC UTILIZATION AND  
10 AVAILABILITY OF RESOURCES AND A LIKELIHOOD OF SUCCESSFUL DEVELOP-  
11 MENT OF TECHNOLOGIES AND RESEARCH INTO VIABLE BUSINESS  
12 ENTERPRISES.

13 (iii) A COMMITMENT TO THE EMPLOYMENT OF A QUALIFIED  
14 FULL-TIME MANAGER TO SUPERVISE THE DEVELOPMENT AND OPERATION OF  
15 THE BUSINESS INCUBATOR.

16 (E) THE EXISTENCE OF A BUSINESS PLAN FOR THE PROPOSED CERTI-  
17 FIED TECHNOLOGY PARK THAT IDENTIFIES ITS OBJECTIVES IN A CLEARLY  
18 FOCUSED AND MEASURABLE FASHION AND THAT ADDRESSES THE FOLLOWING  
19 MATTERS:

20 (i) A COMMITMENT TO NEW BUSINESS FORMATION.

21 (ii) THE CLUSTERING OF BUSINESSES, TECHNOLOGY, AND  
22 RESEARCH.

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

25 (iv) THE AVAILABILITY OF AND METHOD PROPOSED FOR DEVELOPMENT  
26 OF INFRASTRUCTURE AND OTHER IMPROVEMENTS, INCLUDING



1 TELECOMMUNICATIONS TECHNOLOGY, NECESSARY FOR THE DEVELOPMENT OF  
2 THE PROPOSED CERTIFIED TECHNOLOGY PARK.

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

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

9 (3) AN AUTHORITY AND A MUNICIPALITY THAT INCORPORATED THE  
10 AUTHORITY MAY ENTER INTO AN AGREEMENT WITH THE MICHIGAN ECONOMIC  
11 DEVELOPMENT CORPORATION ESTABLISHING THE TERMS AND CONDITIONS  
12 GOVERNING THE CERTIFIED TECHNOLOGY PARK. UPON DESIGNATION OF THE  
13 CERTIFIED TECHNOLOGY PARK PURSUANT TO THE TERMS OF THE AGREEMENT,  
14 THE SUBSEQUENT FAILURE OF ANY PARTY TO COMPLY WITH THE TERMS OF  
15 THE AGREEMENT SHALL NOT RESULT IN THE TERMINATION OR RESCISSION  
16 OF THE DESIGNATION OF THE AREA AS A CERTIFIED TECHNOLOGY PARK.  
17 THE AGREEMENT SHALL INCLUDE, BUT IS NOT LIMITED TO, THE FOLLOWING  
18 PROVISIONS:

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

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

24 (C) THE FINANCIAL COMMITMENTS OF ANY PARTY TO THE AGREEMENT  
25 AND OF ANY OWNER OR DEVELOPER OF PROPERTY WITHIN THE CERTIFIED  
26 TECHNOLOGY PARK.

1 (D) THE TERMS OF ANY COMMITMENT REQUIRED FROM AN INSTITUTION  
2 OF HIGHER EDUCATION OR PRIVATE RESEARCH BASED INSTITUTE FOR  
3 SUPPORT OF THE OPERATIONS AND ACTIVITIES AT ELIGIBLE PROPERTIES  
4 WITHIN THE CERTIFIED TECHNOLOGY PARK.

5 (E) THE TERMS OF ENFORCEMENT OF THE AGREEMENT, WHICH MAY  
6 INCLUDE THE DEFINITION OF EVENTS OF DEFAULT, CURE PERIODS, LEGAL  
7 AND EQUITABLE REMEDIES AND RIGHTS, AND PENALTIES AND DAMAGES,  
8 ACTUAL OR LIQUIDATED, UPON THE OCCURRENCE OF AN EVENT OF  
9 DEFAULT.

10 (F) THE PUBLIC FACILITIES TO BE DEVELOPED FOR THE CERTIFIED  
11 TECHNOLOGY PARK.

12 (G) THE COSTS APPROVED FOR PUBLIC FACILITIES UNDER SECTION  
13 2(AA).

14 (4) IF THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION HAS  
15 DETERMINED THAT A SALE PRICE OR RENTAL VALUE AT BELOW MARKET RATE  
16 WILL ASSIST IN INCREASING EMPLOYMENT OR PRIVATE INVESTMENT IN THE  
17 CERTIFIED TECHNOLOGY PARK, THE AUTHORITY AND MUNICIPALITY HAVE  
18 AUTHORITY TO DETERMINE THE SALE PRICE OR RENTAL VALUE FOR PUBLIC  
19 FACILITIES OWNED OR DEVELOPED BY THE AUTHORITY AND MUNICIPALITY  
20 IN THE CERTIFIED TECHNOLOGY PARK AT BELOW MARKET RATE.

21 (5) IF PUBLIC FACILITIES DEVELOPED PURSUANT TO AN AGREEMENT  
22 ENTERED INTO UNDER THIS SECTION ARE CONVEYED OR LEASED AT LESS  
23 THAN FAIR MARKET VALUE OR AT BELOW MARKET RATES, THE TERMS OF THE  
24 CONVEYANCE OR LEASE SHALL INCLUDE LEGAL AND EQUITABLE REMEDIES  
25 AND RIGHTS TO ASSURE THE PUBLIC FACILITIES ARE USED AS ELIGIBLE  
26 PROPERTY. LEGAL AND EQUITABLE REMEDIES AND RIGHTS MAY INCLUDE  
27 PENALTIES AND ACTUAL OR LIQUIDATED DAMAGES.

1       (6) AN AGREEMENT DESIGNATING A CERTIFIED TECHNOLOGY PARK MAY  
2 NOT BE MADE AFTER DECEMBER 31, 2002, BUT ANY AGREEMENT MADE ON OR  
3 BEFORE DECEMBER 31, 2002 MAY BE AMENDED AFTER THAT DATE.

4       (7) THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION SHALL  
5 MARKET THE CERTIFIED TECHNOLOGY PARKS AND THE CERTIFIED BUSINESS  
6 PARKS. THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION AND AN  
7 AUTHORITY MAY CONTRACT WITH EACH OTHER OR ANY THIRD PARTY FOR  
8 THESE MARKETING SERVICES.

9       (8) THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION SHALL NOT  
10 DESIGNATE MORE THAN 10 CERTIFIED TECHNOLOGY PARKS. NOT MORE THAN  
11 7 OF THE CERTIFIED TECHNOLOGY PARKS DESIGNATED UNDER THIS SECTION  
12 MAY NOT INCLUDE A FIRM COMMITMENT FROM AT LEAST 1 BUSINESS  
13 ENGAGED IN A HIGH TECHNOLOGY ACTIVITY CREATING A SIGNIFICANT  
14 NUMBER OF JOBS.

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

      (10) FOR AN AUTHORITY ESTABLISHED BY 2 OR MORE MUNICIPALITIES  
UNDER SECTIONS 3(2) AND 4(7), EACH MUNICIPALITY IN WHICH THE  
AUTHORITY DISTRICT IS LOCATED BY A MAJORITY VOTE OF THE MEMBERS OF  
ITS GOVERNING BODY MAY MAKE A LIMITED TAX PLEDGE TO SUPPORT THE  
AUTHORITY'S TAX INCREMENT BONDS ISSUED UNDER SECTION 14 OR, IF  
AUTHORIZED BY THE VOTERS OF THE MUNICIPALITY, MAY PLEDGE ITS FULL  
FAITH AND CREDIT FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON  
THE BONDS. THE MUNICIPALITIES THAT HAVE MADE A PLEDGE TO SUPPORT  
THE AUTHORITY'S TAX INCREMENT BONDS MAY APPROVE BY RESOLUTION AN  
AGREEMENT AMONG THEMSELVES ESTABLISHING OBLIGATIONS EACH MAY HAVE TO  
THE OTHER PARTY OR PARTIES TO THE AGREEMENT FOR REIMBURSEMENT OF ALL  
OR ANY PORTION OF A PAYMENT MADE BY A MUNICIPALITY RELATED TO ITS  
PLEDGE TO SUPPORT THE AUTHORITY'S TAX INCREMENT BONDS.

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