HOUSE BILL No. 5179

September 6, 2007, Introduced by Reps. Sheltrown and Rick Jones and referred to the Committee on New Economy and Quality of Life.

A bill to amend 2005 PA 280, entitled

"Corridor improvement authority act,"

by amending section 18 (MCL 125.2888), as amended by 2007 PA 44.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1   Sec. 18. (1) If the authority determines that it is necessary

2 for the achievement of the purposes of this act, the authority

3 shall prepare and submit a tax increment financing plan to the

4 governing body of the municipality. The plan shall include a

5 development plan as provided in section 21, a detailed explanation

6 of the tax increment procedure, the maximum amount of bonded

7 indebtedness to be incurred, and the duration of the program, and

8 shall be in compliance with section 19. The plan shall contain a

9 statement of the estimated impact of tax increment financing on the

10 assessed values of all taxing jurisdictions in which the

1 development area is located. The plan may provide for the use of

2 part or all of the captured assessed value, but the portion

3 intended to be used by the authority shall be clearly stated in the

4 tax increment financing plan. The authority or municipality may

5 exclude from captured assessed value growth in property value

6 resulting solely from inflation. The plan shall set forth the

7 method for excluding growth in property value resulting solely from

8 inflation.

9   (2) Approval of the tax increment financing plan shall comply

10 with the notice, hearing, and disclosure provisions of section 22.

11 If the development plan is part of the tax increment financing

12 plan, only 1 hearing and approval procedure is required for the 2

13 plans together.

14   (3) Before the public hearing on the tax increment financing

15 plan, the governing body shall provide a reasonable opportunity to

16 the taxing jurisdictions levying taxes subject to capture to meet

17 with the governing body. The authority shall fully inform the

18 taxing jurisdictions of the fiscal and economic implications of the

19 proposed development area. The taxing jurisdictions may present

20 their recommendations at the public hearing on the tax increment

21 financing plan. The authority may enter into agreements with the

22 taxing jurisdictions and the governing body of the municipality in

23 which the development area is located to share a portion of the

24 captured assessed value of the development area.

25   (4) A tax increment financing plan may be modified if the

26 modification is approved by the governing body upon notice and

27 after public hearings and agreements as are required for approval

1 of the original plan.

2   (5) Except for a development area located in a qualified

3 development area **OR AS OTHERWISE PROVIDED IN THIS SUBSECTION**, not

4 more than 60 days after the public hearing, the governing body in a

5 taxing jurisdiction levying ad valorem property taxes that would

6 otherwise be subject to capture may exempt its taxes from capture

7 by adopting a resolution to that effect and filing a copy with the

8 clerk of the municipality proposing to create the authority. ~~The~~

9 **BEGINNING WITH A PUBLIC HEARING HELD ON OR AFTER JANUARY 1, 2008 BY**

10 **A GOVERNING BODY ON THE TAX INCREMENT FINANCING PLAN, IF THE**

11 **GOVERNING BODY APPROVES THE TAX INCREMENT FINANCING PLAN, THEN ONLY**

12 **THE AD VALOREM PROPERTY TAXES OF THAT MUNICIPALITY ARE SUBJECT TO**

13 **CAPTURE UNDER THIS ACT. THE TAXES OF THE OTHER TAXING JURISDICTIONS**

14 **LEVYING AD VALOREM PROPERTY TAXES LOCATED INSIDE THE BOUNDARIES OF**

15 **THE AUTHORITY ARE SUBJECT TO CAPTURE ONLY IF THE GOVERNING BODY OF**

16 **THE TAXING JURISDICTION CONSENTS TO THE CAPTURE BY ADOPTING A**

17 **RESOLUTION TO THAT EFFECT AND FILING A COPY WITH THE CLERK OF THE**

18 **MUNICIPALITY CREATING THE AUTHORITY. A** resolution **DESCRIBED IN THIS**

19 **SUBSECTION** shall take effect when filed with the clerk and remains

20 effective until a copy of a resolution rescinding that resolution

21 is filed with that clerk.