

**SUBSTITUTE FOR
SENATE BILL NO. 428**

A bill to amend 1986 PA 281, entitled
"The local development financing act,"
by amending sections 2, 3, 12, and 12a (MCL 125.2152, 125.2153,
125.2162, and 125.2162a), section 2 as amended by 2007 PA 200,
sections 3 and 12 as amended by 2000 PA 248, and section 12a as
amended by 2008 PA 105, and by adding section 12c.

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 municipality
3 to an authority or to another person on behalf of the authority in
4 anticipation of repayment by the authority. Evidence of the intent
5 to repay an advance may include, but is not limited to, an executed
6 agreement to repay, provisions contained in a tax increment

1 financing plan approved prior to the advance, or a resolution of
2 the authority or the municipality.

3 (B) "ALTERNATIVE ENERGY TECHNOLOGY" MEANS EQUIPMENT, COMPONENT
4 PARTS, MATERIALS, ELECTRONIC DEVICES, TESTING EQUIPMENT, AND
5 RELATED SYSTEMS THAT ARE SPECIFICALLY DESIGNED, SPECIFICALLY
6 FABRICATED, AND USED PRIMARILY FOR 1 OR MORE OF THE FOLLOWING:

7 (i) THE STORAGE, GENERATION, REFORMATION, OR DISTRIBUTION OF
8 CLEAN FUELS INTEGRATED WITHIN AN ALTERNATIVE ENERGY SYSTEM OR
9 ALTERNATIVE ENERGY VEHICLE, NOT INCLUDING AN ANAEROBIC DIGESTER
10 ENERGY SYSTEM OR A HYDROELECTRIC ENERGY SYSTEM, FOR USE WITHIN THE
11 ALTERNATIVE ENERGY SYSTEM OR ALTERNATIVE ENERGY VEHICLE.

12 (ii) THE PROCESS OF GENERATING AND PUTTING INTO A USABLE FORM
13 THE ENERGY GENERATED BY AN ALTERNATIVE ENERGY SYSTEM. ALTERNATIVE
14 ENERGY TECHNOLOGY DOES NOT INCLUDE THOSE COMPONENT PARTS OF AN
15 ALTERNATIVE ENERGY SYSTEM THAT ARE REQUIRED REGARDLESS OF THE
16 ENERGY SOURCE.

17 (iii) RESEARCH AND DEVELOPMENT OF AN ALTERNATIVE ENERGY VEHICLE.

18 (iv) RESEARCH, DEVELOPMENT, AND MANUFACTURING OF AN ALTERNATIVE
19 ENERGY SYSTEM.

20 (v) RESEARCH, DEVELOPMENT, AND MANUFACTURING OF AN ANAEROBIC
21 DIGESTER ENERGY SYSTEM.

22 (vi) RESEARCH, DEVELOPMENT, AND MANUFACTURING OF A
23 HYDROELECTRIC ENERGY SYSTEM.

24 (C) "ALTERNATIVE ENERGY TECHNOLOGY BUSINESS" MEANS A BUSINESS
25 ENGAGED IN THE RESEARCH, DEVELOPMENT, OR MANUFACTURING OF
26 ALTERNATIVE ENERGY TECHNOLOGY.

27 (D) ~~(b)~~—"Assessed value" means 1 of the following:

1 (i) For valuations made before January 1, 1995, the state
 2 equalized valuation as determined under the general property tax
 3 act, 1893 PA 206, MCL 211.1 to ~~211.157~~ **211.155**.

4 (ii) For valuations made after December 31, 1994, the taxable
 5 value as determined under section 27a of the general property tax
 6 act, 1893 PA 206, MCL 211.27a.

7 (E) ~~(e)~~ "Authority" means a local development finance
 8 authority created pursuant to this act.

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

11 (G) ~~(e)~~ "Board" means the governing body of an authority.

12 (H) ~~(f)~~ "Business development area" means an area designated
 13 as a certified industrial park under this act prior to the
 14 effective date of the amendatory act that added this subdivision,
 15 or an area designated in the tax increment financing plan that
 16 meets all of the following requirements:

17 (i) The area is zoned to allow its use for eligible property.

18 (ii) The area has a site plan or plat approved by the city,
 19 village, or township in which the area is located.

20 (I) ~~(g)~~ "Business incubator" means real and personal property
 21 that meets all of the following requirements:

22 (i) Is located in a certified technology park **OR A CERTIFIED**
 23 **ALTERNATIVE ENERGY PARK.**

24 (ii) Is subject to an agreement under section 12a **OR 12C.**

25 (iii) Is developed for the primary purpose of attracting 1 or
 26 more owners or tenants who will engage in activities that would
 27 each separately qualify the property as eligible property under

1 subdivision ~~(p)(iii)~~ **(S) (iii)** .

2 **(J)** ~~(h)~~ "Captured assessed value" means the amount in any 1
 3 year by which the current assessed value of the eligible property
 4 identified in the tax increment financing plan or, for a certified
 5 technology park, the real and personal property included in the tax
 6 increment financing plan, including the current assessed value of
 7 property for which specific local taxes are paid in lieu of
 8 property taxes as determined pursuant to subdivision ~~(ee)~~ **(FF)** ,
 9 exceeds the initial assessed value. The state tax commission shall
 10 prescribe the method for calculating captured assessed value.

11 **(K) "CERTIFIED ALTERNATIVE ENERGY PARK" MEANS THAT PORTION OF**
 12 **AN AUTHORITY DISTRICT DESIGNATED BY A WRITTEN AGREEMENT ENTERED**
 13 **INTO PURSUANT TO SECTION 12C BETWEEN THE AUTHORITY, THE**
 14 **MUNICIPALITY OR MUNICIPALITIES, AND THE MICHIGAN ECONOMIC**
 15 **DEVELOPMENT CORPORATION.**

16 **(L)** ~~(i)~~ "Certified business park" means a business development
 17 area that has been designated by the Michigan economic development
 18 corporation as meeting criteria established by the Michigan
 19 economic development corporation. The criteria shall establish
 20 standards for business development areas including, but not limited
 21 to, use, types of building materials, landscaping, setbacks,
 22 parking, storage areas, and management.

23 **(M)** ~~(j)~~ "Certified technology park" means that portion of the
 24 authority district designated by a written agreement entered into
 25 pursuant to section 12a between the authority, the municipality,
 26 and the Michigan economic development corporation.

27 **(N)** ~~(k)~~ "Chief executive officer" means the mayor or city

1 manager of a city, the president of a village, or, for other local
2 units of government or school districts, the person charged by law
3 with the supervision of the functions of the local unit of
4 government or school district.

5 (O) ~~(I)~~—"Development plan" means that information and those
6 requirements for a development set forth in section 15.

7 (P) ~~(M)~~—"Development program" means the implementation of a
8 development plan.

9 (Q) ~~(N)~~—"Eligible advance" means an advance made before August
10 19, 1993.

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

18 (S) ~~(F)~~—"Eligible property" means land improvements,
19 buildings, structures, and other real property, and machinery,
20 equipment, furniture, and fixtures, or any part or accessory
21 thereof whether completed or in the process of construction
22 comprising an integrated whole, located within an authority
23 district, of which the primary purpose and use is or will be 1 of
24 the following:

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

27 (ii) Agricultural processing.

1 (iii) A high technology activity.

2 (iv) The production of energy by the processing of goods or
3 materials by physical or chemical change by a small power
4 production facility as defined by the federal energy regulatory
5 commission pursuant to the public utility regulatory policies act
6 of 1978, Public Law 95-617, which facility is fueled primarily by
7 biomass or wood waste. This act does not affect a person's rights
8 or liabilities under law with respect to groundwater contamination
9 described in this subparagraph. This subparagraph applies only if
10 all of the following requirements are met:

11 (A) Tax increment revenues captured from the eligible property
12 will be used to finance, or will be pledged for debt service on tax
13 increment bonds used to finance, a public facility in or near the
14 authority district designed to reduce, eliminate, or prevent the
15 spread of identified soil and groundwater contamination, pursuant
16 to law.

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

21 (C) The municipality that created the authority establishes a
22 special assessment district whereby not less than 50% of the
23 operating expenses of the public facility described in this
24 subparagraph will be paid for by special assessments. Not less than
25 50% of the amount specially assessed against all parcels in the
26 special assessment district shall be assessed against parcels owned
27 by parties potentially responsible for the identified groundwater

1 contamination pursuant to law.

2 (v) A business incubator.

3 (vi) **AN ALTERNATIVE ENERGY TECHNOLOGY BUSINESS.**

4 (T) ~~(q)~~—"Fiscal year" means the fiscal year of the authority.

5 (U) ~~(r)~~—"Governing body" means the elected body having
6 legislative powers of a municipality creating an authority under
7 this act.

8 (V) ~~(s)~~—"High technology activity" means that term as defined
9 in section 3 of the Michigan economic growth authority act, 1995 PA
10 24, MCL 207.803.

11 (W) ~~(t)~~—"Initial assessed value" means the assessed value of
12 the eligible property identified in the tax increment financing
13 plan or, for a certified technology park, the assessed value of any
14 real and personal property included in the tax increment financing
15 plan, at the time the resolution establishing the tax increment
16 financing plan is approved as shown by the most recent assessment
17 roll for which equalization has been completed at the time the
18 resolution is adopted or, for property that becomes eligible
19 property in other than a certified technology park after the date
20 the plan is approved, at the time the property becomes eligible
21 property. Property exempt from taxation at the time of the
22 determination of the initial assessed value shall be included as
23 zero. Property for which a specific local tax is paid in lieu of
24 property tax shall not be considered exempt from taxation. The
25 initial assessed value of property for which a specific local tax
26 was paid in lieu of property tax shall be determined as provided in
27 subdivision ~~(ee)~~—**(FF)**.

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1 (X) ~~(u)~~—"Michigan economic development corporation" means the
 2 public body corporate created under section 28 of article VII of
 3 the state constitution of 1963 and the urban cooperation act of
 4 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by a contractual
 5 interlocal agreement effective April 5, 1999 between local
 6 participating economic development corporations formed under the
 7 economic development corporations act, 1974 PA 338, MCL 125.1601 to
 8 125.1636, and the Michigan strategic fund. If the Michigan economic
 9 development corporation is unable for any reason to perform its
 10 duties under this act, those duties may be exercised by the
 11 Michigan strategic fund.

12 (Y) ~~(v)~~—"Michigan strategic fund" means the Michigan strategic
 13 fund as described in the Michigan strategic fund act, 1984 PA 270,
 14 MCL 125.2001 to 125.2094.

15 (Z) ~~(w)~~—"Municipality" means a city, village, or urban
 16 township. <<HOWEVER, FOR PURPOSES OF CREATING AND OPERATING A CERTIFIED
 ALTERNATIVE ENERGY PARK, MUNICIPALITY INCLUDES TOWNSHIPS THAT ARE NOT
 URBAN TOWNSHIPS.>>

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

26 (i) A requirement to pay proceeds derived from ad valorem
 27 property taxes or taxes levied in lieu of ad valorem property

1 taxes.

2 (ii) A management contract or a contract for professional
3 services.

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

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

10 (v) A letter of credit, paying agent, transfer agent, bond
11 registrar, or trustee fee associated with a contract, agreement,
12 bond, or note.

13 **(BB)** ~~(y)~~—"On behalf of an authority", in relation to an
14 eligible advance made by a municipality or an eligible obligation
15 or other protected obligation issued or incurred by a municipality,
16 means in anticipation that an authority would transfer tax
17 increment revenues or reimburse the municipality from tax increment
18 revenues in an amount sufficient to fully make payment required by
19 the eligible advance made by a municipality, or eligible obligation
20 or other protected obligation issued or incurred by the
21 municipality, if the anticipation of the transfer or receipt of tax
22 increment revenues from the authority is pursuant to or evidenced
23 by 1 or more of the following:

24 (i) A reimbursement agreement between the municipality and an
25 authority it established.

26 (ii) A requirement imposed by law that the authority transfer
27 tax increment revenues to the municipality.

1 (iii) A resolution of the authority agreeing to make payments to
2 the incorporating unit.

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

5 (CC) ~~(z)~~—"Other protected obligation" means:

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

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

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

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

1 management or professional services contracts with the governing
2 body of the county, the last of which was entered into before
3 August 19, 1993.

4 (DD) ~~(aa)~~—"Public facility" means 1 or more of the following:

5 (i) A street, road, bridge, storm water or sanitary sewer,
6 sewage treatment facility, facility designed to reduce, eliminate,
7 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 type
11 of utility line or pipeline, or other similar or related structure
12 or improvement, together with necessary easements for the structure
13 or improvement. Except for rail lines, utility lines, or pipelines,
14 the structures or improvements described in this subparagraph shall
15 be either owned or used by a public agency, functionally connected
16 to similar or supporting facilities owned or used by a public
17 agency, or designed and dedicated to use by, for the benefit of, or
18 for the protection of the health, welfare, or safety of the public
19 generally, whether or not used by a single business entity. Any
20 road, street, or bridge shall be continuously open to public
21 access. A public facility shall be located on public property or in
22 a public, utility, or transportation easement or right-of-way.

23 (ii) The acquisition and disposal of land that is proposed or
24 intended to be used in the development of eligible property or an
25 interest in that land, demolition of structures, site preparation,
26 and relocation costs.

27 (iii) All administrative and real and personal property

1 acquisition and disposal costs related to a public facility
2 described in subparagraphs (i) and (iv), including, but not limited
3 to, architect's, engineer's, legal, and accounting fees as
4 permitted by the district's development plan.

5 (iv) An improvement to a facility used by the public or a
6 public facility as those terms are defined in section 1 of 1966 PA
7 1, MCL 125.1351, which improvement is made to comply with the
8 barrier free design requirements of the state construction code
9 promulgated under the Stille-DeRossett-Hale single state
10 construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.

11 (v) All of the following costs approved by the Michigan
12 economic development corporation:

13 (A) Operational costs and the costs related to the
14 acquisition, improvement, preparation, demolition, disposal,
15 construction, reconstruction, remediation, rehabilitation,
16 restoration, preservation, maintenance, repair, furnishing, and
17 equipping of land and other assets that are or may become eligible
18 for depreciation under the internal revenue code of 1986 for a
19 business incubator located in a certified technology park **OR**
20 **CERTIFIED ALTERNATIVE ENERGY PARK.**

21 (B) Costs related to the acquisition, improvement,
22 preparation, demolition, disposal, construction, reconstruction,
23 remediation, rehabilitation, restoration, preservation,
24 maintenance, repair, furnishing, and equipping of land and other
25 assets that, if privately owned, would be eligible for depreciation
26 under the internal revenue code of 1986 for laboratory facilities,
27 research and development facilities, conference facilities,

1 teleconference facilities, testing, training facilities, and
2 quality control facilities that are or that support eligible
3 property under subdivision ~~(p) (iii)~~ **(S) (iii)**, that are owned by a
4 public entity, and that are located within a certified technology
5 park.

6 **(C) COSTS RELATED TO THE ACQUISITION, IMPROVEMENT,**
7 **PREPARATION, DEMOLITION, DISPOSAL, CONSTRUCTION, RECONSTRUCTION,**
8 **REMEDICATION, REHABILITATION, RESTORATION, PRESERVATION,**
9 **MAINTENANCE, REPAIR, FURNISHING, AND EQUIPPING OF LAND AND OTHER**
10 **ASSETS THAT, IF PRIVATELY OWNED, WOULD BE ELIGIBLE FOR DEPRECIATION**
11 **UNDER THE INTERNAL REVENUE CODE OF 1986 FOR FACILITIES THAT ARE OR**
12 **THAT WILL SUPPORT ELIGIBLE PROPERTY UNDER SUBDIVISION (S) (vi), THAT**
13 **HAVE BEEN OR WILL BE OWNED BY A PUBLIC ENTITY AT THE TIME SUCH**
14 **COSTS ARE INCURRED, THAT ARE LOCATED WITHIN A CERTIFIED ALTERNATIVE**
15 **ENERGY PARK, AND THAT HAVE BEEN OR WILL BE CONVEYED, BY GIFT OR**
16 **SALE, BY SUCH PUBLIC ENTITY TO AN ALTERNATIVE ENERGY TECHNOLOGY**
17 **BUSINESS.**

18 (vi) Operating and planning costs included in a plan pursuant
19 to section 12(1)(f), including costs of marketing property within
20 the district and attracting development of eligible property within
21 the district.

22 **(EE) ~~(bb)~~** "Qualified refunding obligation" means an obligation
23 issued or incurred by an authority or by a municipality on behalf
24 of an authority to refund an obligation if the refunding obligation
25 meets both of the following:

26 (i) The net present value of the principal and interest to be
27 paid on the refunding obligation, including the cost of issuance,

1 will be less than the net present value of the principal and
2 interest to be paid on the obligation being refunded, as calculated
3 using a method approved by the department of treasury.

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

12 **(FF)** ~~(ee)~~—"Specific local taxes" means a tax levied under 1974
13 PA 198, MCL 207.551 to 207.572, the obsolete property
14 rehabilitation act, 2000 PA 146, MCL 125.2781 to 125.2797, the
15 commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668,
16 the enterprise zone act, 1985 PA 224, MCL 125.2101 to 125.2123,
17 1953 PA 189, MCL 211.181 to 211.182, and the technology park
18 development act, 1984 PA 385, MCL 207.701 to 207.718. The initial
19 assessed value or current assessed value of property subject to a
20 specific local tax is the quotient of the specific local tax paid
21 divided by the ad valorem millage rate. However, after 1993, the
22 state tax commission shall prescribe the method for calculating the
23 initial assessed value and current assessed value of property for
24 which a specific local tax was paid in lieu of a property tax.

25 **(GG)** ~~(dd)~~—"State fiscal year" means the annual period
26 commencing October 1 of each year.

27 **(HH)** ~~(ee)~~—"Tax increment revenues" means the amount of ad

1 valorem property taxes and specific local taxes attributable to the
2 application of the levy of all taxing jurisdictions upon the
3 captured assessed value of eligible property within the district
4 or, for purposes of a certified technology park **OR A CERTIFIED**
5 **ALTERNATIVE ENERGY PARK**, real or personal property that is located
6 within the certified technology park and included within the tax
7 increment financing plan, subject to the 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 to
11 the state education tax act, 1993 PA 331, MCL 211.901 to 211.906,
12 and local or intermediate school districts, upon the captured
13 assessed value of real and personal property in the development
14 area for any purpose authorized by this act.

15 (ii) Tax increment revenues include ad valorem property taxes
16 and specific local taxes attributable to the application of the
17 levy of the state pursuant to the state education tax act, 1993 PA
18 331, MCL 211.901 to 211.906, and local or intermediate school
19 districts upon the captured assessed value of real and personal
20 property in the development area in an amount equal to the amount
21 necessary, without regard to subparagraph (i), for the following
22 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 or
26 on behalf of an authority to fund the cost of public facilities
27 related to or for the benefit of eligible property located within a

1 certified technology park **OR A CERTIFIED ALTERNATIVE ENERGY PARK** to
2 the extent the public facilities have been included in an agreement
3 under section 12a(3), not to exceed 50%, as determined by the state
4 treasurer, 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 treasurer
8 determines that the capture under this subparagraph is necessary to
9 reduce unemployment, promote economic growth, and increase capital
10 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 that are
14 excluded from and not made part of the tax increment financing
15 plan.

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

21 (C) Ad valorem property taxes exempted from capture under
22 section 4(3) or specific local taxes attributable to such ad
23 valorem property taxes.

24 (D) Ad valorem property taxes specifically levied for the
25 payment of principal and interest of obligations approved by the
26 electors or obligations pledging the unlimited taxing power of the
27 local governmental unit or specific local taxes attributable to

1 such ad valorem property taxes.

2 (E) The amount of ad valorem property taxes or specific taxes
3 captured by a downtown development authority under 1975 PA 197, MCL
4 125.1651 to 125.1681, tax increment financing authority under the
5 tax increment finance authority act, 1980 PA 450, MCL 125.1801 to
6 125.1830, or brownfield redevelopment authority under the
7 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651
8 to 125.2672, if those taxes were captured by these other
9 authorities on the date that the initial assessed value of a parcel
10 of property was established under this act.

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

21 (A) The percentage that the total ad valorem taxes and
22 specific local taxes available for distribution by law to the
23 state, local school district, or intermediate school district,
24 respectively, bears to the aggregate amount of ad valorem millage
25 taxes and specific taxes available for distribution by law to the
26 state, each local school district, and each intermediate school
27 district.

1 (B) The maximum amount of ad valorem property taxes and
2 specific local taxes considered tax increment revenues under
3 subparagraph (ii).

4 (II) ~~(ff)~~—"Urban township" means a township that meets 1 or
5 more of the following:

6 (i) Meets all of the following requirements:

7 (A) Has a population of 20,000 or more, or has a population of
8 10,000 or more but is located in a county with a population of
9 400,000 or more.

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

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

13 (ii) Meets all of the following requirements:

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

15 (B) Is located in a county with a population of 250,000 or
16 more but less than 400,000, and that county is located in a
17 metropolitan statistical area.

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

22 (D) Establishes an authority before December 31, 1998.

23 (iii) Meets all of the following requirements:

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

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

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

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

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

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

8 (iv) Meets all of the following requirements:

9 (A) Has a population of 13,000 or more.

10 (B) Is located in a county with a population of 150,000 or
11 more.

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

13 (v) Meets all of the following requirements:

14 (A) Is located in a county with a population of 1,000,000 or
15 more.

16 (B) Has a written agreement with an adjoining township to
17 develop 1 or more public facilities on contiguous property located
18 in both townships.

19 (C) Has a master plan in effect.

20 (vi) Meets all of the following requirements:

21 (A) Has a population of less than 10,000.

22 (B) Has a state equalized valuation for all real and personal
23 property located in the township of more than \$280,000,000.00.

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

25 (D) Has within its boundaries a combination of parcels under
26 common ownership that is 199 acres or larger, is located within 1
27 mile of a limited access highway, and is located within 1 mile of

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1 an existing sewer line.

2 (E) Has rail service.

3 (F) Establishes an authority before May 7, 2009.

4 (vii) **HAS JOINED AN AUTHORITY UNDER SECTION 3(2) WHICH IS**
5 **SEEKING OR HAS ENTERED INTO AN AGREEMENT FOR A CERTIFIED**
6 **ALTERNATIVE ENERGY PARK.**

7 Sec. 3. (1) Except as otherwise provided by subsection (2), a
8 municipality may establish not more than 1 authority under the
9 provisions of this act. An authority established under this
10 subsection shall exercise its powers in all authority districts.

11 (2) In addition to an authority established under subsection
12 (1), a municipality may join with 1 or more other municipality
13 located within the same county to establish an authority under this
14 act. An authority created under this subsection may only exercise
15 its powers in a certified technology park designated in an
16 agreement made under section 12a **OR A CERTIFIED ALTERNATIVE ENERGY**
17 **PARK UNDER SECTION 12C.** A municipality shall not establish more
18 than 1 authority under this subsection <<**FOR A CERTIFIED TECHNOLOGY PARK**
AND NOT MORE THAN 1 AUTHORITY UNDER THIS SUBSECTION FOR A CERTIFIED
ALTERNATIVE ENERGY PARK>>.

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

26 Sec. 12. (1) If the board determines that it is necessary for
27 the achievement of the purposes of this act, the board shall

1 prepare and submit a tax increment financing plan to the governing
2 body. The plan shall be in compliance with section 13 and shall
3 include a development plan as provided in section 15. The plan
4 shall also contain the following:

5 (a) A statement of the reasons that the plan will result in
6 the development of captured assessed value that could not otherwise
7 be expected. The reasons may include, but are not limited to,
8 activities of the municipality, authority, or others undertaken
9 before formulation or adoption of the plan in reasonable
10 anticipation that the objectives of the plan would be achieved by
11 some means.

12 (b) An estimate of the captured assessed value for each year
13 of the plan. The plan may provide for the use of part or all of the
14 captured assessed value or, subject to subsection (3), of the tax
15 increment revenues attributable to the levy of any taxing
16 jurisdiction, but the portion intended to be used shall be clearly
17 stated in the plan. The board or the municipality creating the
18 authority may exclude from captured assessed value a percentage of
19 captured assessed value as specified in the plan or growth in
20 property value resulting solely from inflation. If excluded, the
21 plan shall set forth the method for excluding growth in property
22 value resulting solely from inflation.

23 (c) The estimated tax increment revenues for each year of the
24 plan.

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

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

1 (f) The amount of operating and planning expenditures of the
2 authority and municipality, the amount of advances extended by or
3 indebtedness incurred by the municipality, and the amount of
4 advances by others to be repaid from tax increment revenues.

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

7 (h) The duration of the development plan and the tax increment
8 plan.

9 (i) An estimate of the impact of tax increment financing on
10 the revenues of all taxing jurisdictions in which the eligible
11 property is or is anticipated to be located.

12 (j) A legal description of the eligible property to which the
13 tax increment financing plan applies or shall apply upon
14 qualification as eligible property.

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

17 (l) The proposed boundaries of a certified technology park to
18 be created under an agreement proposed to be entered into pursuant
19 to section 12a, an identification of the real property within the
20 certified technology park to be included in the tax increment
21 financing plan for purposes of determining tax increment revenues,
22 and whether personal property located in the certified technology
23 park is exempt from determining tax increment revenues.

24 **(M) THE PROPOSED BOUNDARIES OF A CERTIFIED ALTERNATIVE ENERGY**
25 **PARK TO BE CREATED UNDER AN AGREEMENT PROPOSED TO BE ENTERED INTO**
26 **PURSUANT TO SECTION 12C, AN IDENTIFICATION OF THE REAL PROPERTY**
27 **WITH THE CERTIFIED ALTERNATIVE ENERGY PARK TO BE INCLUDED IN THE**

1 **TAX INCREMENT FINANCING PLAN FOR PURPOSES OF DETERMINING TAX**
2 **INCREMENT REVENUES, AND WHETHER PERSONAL PROPERTY LOCATED IN THE**
3 **CERTIFIED ALTERNATIVE ENERGY PARK IS EXEMPT FROM DETERMINING TAX**
4 **INCREMENT REVENUES.**

5 (2) Except as provided in subsection (7), a tax increment
6 financing plan shall provide for the use of tax increment revenues
7 for public facilities for eligible property whose captured assessed
8 value produces the tax increment revenues or, to the extent the
9 eligible property is located within a business development area,
10 for other eligible property located in the business development
11 area. Public facilities for eligible property include the
12 development or improvement of access to and around, or within the
13 eligible property, of road facilities reasonably required by
14 traffic flow to be generated by the eligible property, and the
15 development or improvement of public facilities that are necessary
16 to service the eligible property, whether or not located on that
17 eligible property. If the eligible property identified in the tax
18 increment financing plan is property to which section ~~2(p)(iv)~~
19 **2(S)(iv)** applies, the tax increment financing plan shall not provide
20 for the use of tax increment revenues for public facilities other
21 than those described in the development plan as of April 1, 1991.
22 Whether or not provided in the tax increment financing plan, if the
23 eligible property identified in the tax increment financing plan is
24 property to which section ~~2(p)(iv)~~**2(S)(iv)** applies, then to the
25 extent that captured tax increment revenues are utilized for the
26 costs of cleanup of identified soil and groundwater contamination,
27 the captured tax increment revenues shall be first credited against

1 the shares of responsibility for the total costs of cleanup of
2 uncollectible parties who are responsible for the identified soil
3 and groundwater contamination pursuant to law, and then shall be
4 credited on a pro rata basis against the shares of responsibility
5 for the total costs of cleanup of other parties who are responsible
6 for the identified soil and groundwater contamination pursuant to
7 law.

8 (3) The percentage of taxes levied for school operating
9 purposes that is captured and used by the tax increment financing
10 plan and the tax increment financing plans under 1975 PA 197, MCL
11 125.1651 to 125.1681, the tax increment finance authority act, 1980
12 PA 450, MCL 125.1801 to 125.1830, and the brownfield redevelopment
13 financing act, 1996 PA 381, MCL 125.2651 to 125.2672, shall not be
14 greater than the percentage capture and use of taxes levied by a
15 municipality or county for operating purposes under the tax
16 increment financing plan and tax increment financing plans under
17 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance
18 authority act, 1980 PA 450, MCL 125.1801 to 125.1830, and the
19 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651
20 to 125.2672. For purposes of the previous sentence, taxes levied by
21 a county for operating purposes include only millage allocated for
22 county or charter county purposes under the property tax limitation
23 act, 1933 PA 62, MCL 211.201 to 211.217a.

24 (4) Except as otherwise provided by this subsection, approval
25 of the tax increment financing plan shall be in accordance with the
26 notice, hearing, disclosure, and approval provisions of sections 16
27 and 17. If the development plan is part of the tax increment

1 financing plan, only 1 hearing and approval procedure is required
2 for the 2 plans together. For a plan submitted by an authority
3 established by 2 or more municipalities under sections 3(2) and
4 4(7), the notice required by section 16 may be published jointly by
5 the municipalities in which the authority district is located. The
6 plan shall not be considered approved unless each governing body in
7 which the authority district is located makes the determinations
8 required by section 17 and approves the same plan, including the
9 same modifications, if any, made to the plan by any other governing
10 body.

11 (5) Before the public hearing on the tax increment financing
12 plan, the governing body shall provide a reasonable opportunity to
13 the taxing jurisdictions levying taxes subject to capture to
14 express their views and recommendations regarding the tax increment
15 financing plan. The authority shall fully inform the taxing
16 jurisdictions about the fiscal and economic implications of the
17 proposed tax increment financing plan. The taxing jurisdictions may
18 present their recommendations at the public hearing on the tax
19 increment financing plan. The authority may enter into agreements
20 with the taxing jurisdictions and the governing body of the
21 municipality in which the authority district is located to share a
22 portion of the captured assessed value of the district or to
23 distribute tax increment revenues among taxing jurisdictions. Upon
24 adoption of the plan, the collection and transmission of the amount
25 of tax increment revenues, as specified in this act, shall be
26 binding on all taxing units levying ad valorem property taxes or
27 specific local taxes against property located in the authority

1 district.

2 (6) Property qualified as a public facility under section
3 ~~2(aa)(ii)~~ **2(DD)(ii)** that is acquired by an authority may be sold,
4 conveyed, or otherwise disposed to any person, public or private,
5 for fair market value or reasonable monetary consideration
6 established by the authority with the concurrence of the Michigan
7 economic development corporation and the municipality in which the
8 eligible property is located based on a fair market value appraisal
9 from a fee appraiser only if the property is sold for fair market
10 value. Unless the property acquired by an authority was located
11 within a certified business park, ~~or~~ a certified technology park,
12 **OR A CERTIFIED ALTERNATIVE ENERGY PARK** at the time of disposition,
13 an authority shall remit all monetary proceeds received from the
14 sale or disposition of property that qualified as a public facility
15 under section ~~2(aa)(ii)~~ **2(DD)(ii)** and was purchased with tax
16 increment revenues to the taxing jurisdictions. Proceeds
17 distributed to taxing jurisdictions shall be remitted in proportion
18 to the amount of tax increment revenues attributable to each taxing
19 jurisdiction in the year the property was acquired. If the property
20 was acquired in part with funds other than tax increment revenues,
21 only that portion of the monetary proceeds received upon
22 disposition that represent the proportion of the cost of
23 acquisition paid with tax increment revenues is required to be
24 remitted to taxing jurisdictions. If the property is located within
25 a certified business park, ~~or~~ **A** certified technology park, **OR A**
26 **CERTIFIED ALTERNATIVE ENERGY PARK** at the time of disposition, the
27 monetary proceeds received from the sale or disposition of that

1 property may be retained by the authority for any purpose necessary
2 to further the development program for the certified business park
3 or certified technology park in accordance with the tax increment
4 financing plan.

5 (7) The tax increment financing plan may provide for the use
6 of tax increment revenues from a certified technology park **OR A**
7 **CERTIFIED ALTERNATIVE ENERGY PARK** for public facilities for any
8 eligible property located in the certified technology park **OR A**
9 **CERTIFIED ALTERNATIVE ENERGY PARK**.

10 (8) If title to property qualified as a public facility under
11 section ~~2(aa)(ii)~~ **2 (DD) (ii)** and acquired by an authority with tax
12 increment revenues is sold, conveyed, or otherwise disposed of
13 pursuant to subsection (6) for less than fair market value, the
14 authority shall enter into an agreement relating to the use of the
15 property with the person to whom the property is sold, conveyed, or
16 disposed of, which agreement shall include a penalty provision
17 addressing repayment to the authority if any interest in the
18 property is sold, conveyed, or otherwise disposed of by the person
19 within 12 years after the person received title to the property
20 from the authority. This subsection shall not require enforcement
21 of a penalty provision for a conveyance incident to a merger,
22 acquisition, reorganization, sale-lease back transaction, employee
23 stock ownership plan, or other change in corporate or business form
24 or structure.

25 (9) The penalty provision described in subsection (8) shall
26 not be less than an amount equal to the difference between the fair
27 market value of the property when originally sold, conveyed, or

1 otherwise disposed of and the actual consideration paid by the
2 person to whom the property was originally sold, conveyed, or
3 otherwise disposed of.

4 Sec. 12a. (1) A municipality that has created an authority may
5 apply to the Michigan economic development corporation for
6 designation of all or a portion of the authority district as a
7 certified technology park and to enter into an agreement governing
8 the terms and conditions of the designation. The form of the
9 application shall be in a form specified by the Michigan economic
10 development corporation and shall include information the Michigan
11 economic development corporation determines necessary to make the
12 determinations required under this section.

13 (2) After receipt of an application, the Michigan economic
14 development corporation may designate, pursuant to an agreement
15 entered into under subsection (3), a certified technology park that
16 is determined by the Michigan economic development corporation to
17 satisfy 1 or more of the following criteria based on the
18 application:

19 (a) A demonstration of significant support from an institution
20 of higher education or a private research-based institute located
21 within the proximity of the proposed certified technology park, as
22 evidenced by, but not limited to, the following types of support:

23 (i) Grants of preferences for access to and commercialization
24 of intellectual property.

25 (ii) Access to laboratory and other facilities owned by or
26 under control of the institution of higher education or private
27 research-based institute.

1 (iii) Donations of services.

2 (iv) Access to telecommunication facilities and other
3 infrastructure.

4 (v) Financial commitments.

5 (vi) Access to faculty, staff, and students.

6 (vii) Opportunities for adjunct faculty and other types of
7 staff arrangements or affiliations.

8 (b) A demonstration of a significant commitment on behalf of
9 the institution of higher education or private research-based
10 institute to the commercialization of research produced at the
11 certified technology park, as evidenced by the intellectual
12 property and, if applicable, tenure policies that reward faculty
13 and staff for commercialization and collaboration with private
14 businesses.

15 (c) A demonstration that the proposed certified technology
16 park will be developed to take advantage of the unique
17 characteristics and specialties offered by the public and private
18 resources available in the area in which the proposed certified
19 technology park will be located.

20 (d) The existence of or proposed development of a business
21 incubator within the proposed certified technology park that
22 exhibits the following types of resources and organization:

23 (i) Significant financial and other types of support from the
24 public or private resources in the area in which the proposed
25 certified technology park will be located.

26 (ii) A business plan exhibiting the economic utilization and
27 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 full-time
4 manager to supervise the development and operation of the business
5 incubator.

6 (e) The existence of a business plan for the proposed
7 certified technology park that identifies its objectives in a
8 clearly focused and measurable fashion and that addresses the
9 following matters:

10 (i) A commitment to new business formation.

11 (ii) The clustering of businesses, technology, and research.

12 (iii) The opportunity for and costs of development of properties
13 under common ownership or control.

14 (iv) The availability of and method proposed for development of
15 infrastructure and other improvements, including telecommunications
16 technology, necessary for the development of the proposed certified
17 technology park.

18 (v) Assumptions of costs and revenues related to the
19 development of the proposed certified technology park.

20 (f) A demonstrable and satisfactory assurance that the
21 proposed certified technology park can be developed to principally
22 contain eligible property as defined by section ~~2(p)(iii) and (v)~~
23 **2(S)(iii) AND (v)**.

24 (3) An authority and a municipality that incorporated the
25 authority may enter into an agreement with the Michigan economic
26 development corporation establishing the terms and conditions
27 governing the certified technology park. Upon designation of the

1 certified technology park pursuant to the terms of the agreement,
2 the subsequent failure of any party to comply with the terms of the
3 agreement shall not result in the termination or rescission of the
4 designation of the area as a certified technology park. The
5 agreement shall include, but is not limited to, the following
6 provisions:

7 (a) A description of the area to be included within the
8 certified technology park.

9 (b) Covenants and restrictions, if any, upon all or a portion
10 of the properties contained within the certified technology park
11 and terms of enforcement of any covenants or restrictions.

12 (c) The financial commitments of any party to the agreement
13 and of any owner or developer of property within the certified
14 technology park.

15 (d) The terms of any commitment required from an institution
16 of higher education or private research-based institute for support
17 of the operations and activities at eligible properties within the
18 certified technology park.

19 (e) The terms of enforcement of the agreement, which may
20 include the definition of events of default, cure periods, legal
21 and equitable remedies and rights, and penalties and damages,
22 actual or liquidated, upon the occurrence of an event of default.

23 (f) The public facilities to be developed for the certified
24 technology park.

25 (g) The costs approved for public facilities under section
26 ~~2(aa)~~ 2 (DD) .

27 (4) If the Michigan economic development corporation has

1 determined that a sale price or rental value at below market rate
2 will assist in increasing employment or private investment in the
3 certified technology park, the authority and municipality have
4 authority to determine the sale price or rental value for public
5 facilities owned or developed by the authority and municipality in
6 the certified technology park at below market rate.

7 (5) If public facilities developed pursuant to an agreement
8 entered into under this section are conveyed or leased at less than
9 fair market value or at below market rates, the terms of the
10 conveyance or lease shall include legal and equitable remedies and
11 rights to assure the public facilities are used as eligible
12 property. Legal and equitable remedies and rights may include
13 penalties and actual or liquidated damages.

14 (6) Except as otherwise provided in this section, an agreement
15 designating a certified technology park may not be made after
16 December 31, 2002, but any agreement made on or before December 31,
17 2002 may be amended after that date. However, the Michigan economic
18 development corporation may enter into an agreement with a
19 municipality after December 31, 2002 and on or before December 31,
20 2005 if that municipality has adopted a resolution of interest to
21 create a certified technology park before December 31, 2002.

22 (7) The Michigan economic development corporation shall market
23 the certified technology parks and the certified business parks.
24 The Michigan economic development corporation and an authority may
25 contract with each other or any third party for these marketing
26 services.

27 (8) Except as otherwise provided in subsections (9) and (10),

1 the Michigan economic development corporation shall not designate
2 more than 10 certified technology parks. For purposes of this
3 subsection only, 2 certified technology parks located in a county
4 that contains a city with a population of more than 750,000, shall
5 be counted as 1 certified technology park. Not more than 7 of the
6 certified technology parks designated under this section may not
7 include a firm commitment from at least 1 business engaged in a
8 high technology activity creating a significant number of jobs.

9 (9) The Michigan economic development corporation may
10 designate an additional 5 certified technology parks after November
11 1, 2002 and before December 31, 2007. The Michigan economic
12 development corporation shall not accept applications for the
13 additional certified technology parks under this subsection until
14 after November 1, 2002.

15 (10) The Michigan economic development corporation may
16 designate an additional 3 certified technology parks after February
17 1, 2008 and before December 31, 2008. The Michigan economic
18 development corporation shall not accept applications for the
19 additional certified technology parks under this subsection until
20 after February 1, 2008.

21 (11) The Michigan economic development corporation shall give
22 priority to applications that include new business activity.

23 (12) For an authority established by 2 or more municipalities
24 under sections 3(2) and 4(7), each municipality in which the
25 authority district is located by a majority vote of the members of
26 its governing body may make a limited tax pledge to support the
27 authority's tax increment bonds issued under section 14 or, if

1 authorized by the voters of the municipality, may pledge its full
2 faith and credit for the payment of the principal of and interest
3 on the bonds. The municipalities that have made a pledge to support
4 the authority's tax increment bonds may approve by resolution an
5 agreement among themselves establishing obligations each may have
6 to the other party or parties to the agreement for reimbursement of
7 all or any portion of a payment made by a municipality related to
8 its pledge to support the authority's tax increment bonds.

9 (13) Not including certified technology parks designated under
10 subsection (8), but for certified technology parks designated under
11 subsections (9) and (10) only, this state shall do all of the
12 following:

13 (a) Reimburse intermediate school districts each year for all
14 tax revenue lost that was captured by an authority for a certified
15 technology park designated by the Michigan economic development
16 corporation after October 3, 2002.

17 (b) Reimburse local school districts each year for all tax
18 revenue lost that was captured by an authority for a certified
19 technology park designated by the Michigan economic development
20 corporation after October 3, 2002.

21 (c) Reimburse the school aid fund from funds other than those
22 appropriated in section 11 of the state school aid act of 1979,
23 1979 PA 94, MCL 388.1611, for an amount equal to the reimbursement
24 calculations under subdivisions (a) and (b) and for all revenue
25 lost that was captured by an authority for a certified technology
26 park designated by the Michigan economic development corporation
27 after October 3, 2002. Foundation allowances calculated under

1 section 20 of the state school aid act of 1979, 1979 PA 94, MCL
2 388.1620, shall not be reduced as a result of tax revenue lost that
3 was captured by an authority for a certified technology park
4 designated by the Michigan economic development corporation under
5 subsection (9) or (10) after October 3, 2002.

6 SEC. 12C. (1) A MUNICIPALITY THAT HAS CREATED AN AUTHORITY MAY
7 APPLY TO THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION FOR
8 DESIGNATION OF ALL OR A PORTION OF THE AUTHORITY DISTRICT AS A
9 CERTIFIED ALTERNATIVE ENERGY PARK AND TO ENTER INTO AN AGREEMENT
10 GOVERNING THE TERMS AND CONDITIONS OF THE DESIGNATION. THE FORM OF
11 THE APPLICATION SHALL BE IN A FORM SPECIFIED BY THE MICHIGAN
12 ECONOMIC DEVELOPMENT CORPORATION AND SHALL INCLUDE INFORMATION THE
13 MICHIGAN ECONOMIC DEVELOPMENT CORPORATION DETERMINES NECESSARY TO
14 MAKE THE DETERMINATIONS REQUIRED UNDER THIS SECTION.

15 (2) AFTER RECEIPT OF AN APPLICATION, THE MICHIGAN ECONOMIC
16 DEVELOPMENT CORPORATION MAY DESIGNATE, PURSUANT TO AN AGREEMENT
17 ENTERED INTO UNDER SUBSECTION (3), A CERTIFIED ALTERNATIVE ENERGY
18 PARK THAT IS DETERMINED BY THE MICHIGAN ECONOMIC DEVELOPMENT
19 CORPORATION TO SATISFY 1 OR MORE OF THE FOLLOWING CRITERIA BASED ON
20 THE APPLICATION:

21 (A) A DEMONSTRATION THAT THE PROPOSED ALTERNATIVE ENERGY PARK
22 WILL BE DEVELOPED TO TAKE ADVANTAGE OF THE UNIQUE CHARACTERISTICS
23 AND SPECIALTIES OFFERED BY PUBLIC AND PRIVATE RESOURCES AVAILABLE
24 IN THE AREA IN WHICH THE PROPOSED CERTIFIED ALTERNATIVE ENERGY PARK
25 WILL BE LOCATED.

26 (B) THE EXISTENCE OF OR STRONG LIKELIHOOD OF ATTRACTING
27 ALTERNATIVE ENERGY TECHNOLOGY BUSINESSES TO THE PROPOSED

1 ALTERNATIVE ENERGY PARK BY EXHIBITING THE FOLLOWING TYPES OF
2 RESOURCES AND ORGANIZATION:

3 (i) SIGNIFICANT FINANCIAL AND OTHER TYPES OF SUPPORT FROM THE
4 PUBLIC OR PRIVATE RESOURCES IN THE AREA.

5 (ii) PROPOSED OR ACTUAL OWNERSHIP OF LAND IN SUFFICIENT
6 QUANTITY AS TO ATTRACT 1 OR MORE MAJOR ALTERNATIVE ENERGY
7 TECHNOLOGY BUSINESSES.

8 (C) THE EXISTENCE OF A BUSINESS PLAN FOR THE PROPOSED
9 CERTIFIED ALTERNATIVE ENERGY PARK THAT IDENTIFIES ITS OBJECTIVES IN
10 A CLEARLY FOCUSED AND MEASURABLE FASHION AND THAT ADDRESSES THE
11 FOLLOWING MATTERS:

12 (i) A COMMITMENT TO NEW BUSINESS FORMATION OR MAJOR BUSINESS
13 ATTRACTION.

14 (ii) THE CLUSTERING OF BUSINESSES, TECHNOLOGY, AND RESEARCH
15 WITHIN THE REGION.

16 (iii) THE OPPORTUNITY FOR AND COSTS OF DEVELOPMENT OF PROPERTIES
17 UNDER COMMON OWNERSHIP OR CONTROL.

18 (iv) THE AVAILABILITY OF AND METHOD PROPOSED FOR DEVELOPMENT
19 AND SALE OR CONVEYANCE OF SHOVEL-READY SITES TO INCLUDE
20 INFRASTRUCTURE AND OTHER IMPROVEMENTS, INCLUDING TELECOMMUNICATIONS
21 TECHNOLOGY, NECESSARY FOR THE SUCCESSFUL DEVELOPMENT OF THE
22 PROPOSED CERTIFIED ALTERNATIVE ENERGY PARK.

23 (v) ASSUMPTIONS OF COSTS AND REVENUES RELATED TO THE
24 DEVELOPMENT OF THE PROPOSED CERTIFIED ALTERNATIVE ENERGY PARK.

25 (F) A DEMONSTRABLE AND SATISFACTORY ASSURANCE THAT THE
26 PROPOSED CERTIFIED ALTERNATIVE ENERGY PARK CAN BE DEVELOPED TO
27 PRINCIPALLY CONTAIN ELIGIBLE PROPERTY AS DEFINED BY SECTION 2(S)(v)

1 AND (vi) .

2 (3) AN AUTHORITY AND A MUNICIPALITY THAT INCORPORATED THE
3 AUTHORITY MAY ENTER INTO AN AGREEMENT WITH THE MICHIGAN ECONOMIC
4 DEVELOPMENT CORPORATION ESTABLISHING THE TERMS AND CONDITIONS
5 GOVERNING THE CERTIFIED ALTERNATIVE ENERGY PARK. UPON DESIGNATION
6 OF THE CERTIFIED ALTERNATIVE ENERGY PARK PURSUANT TO THE TERMS OF
7 THE AGREEMENT, THE SUBSEQUENT FAILURE OF ANY PARTY TO COMPLY WITH
8 THE TERMS OF THE AGREEMENT SHALL NOT RESULT IN THE TERMINATION OR
9 RESCISSION OF THE DESIGNATION OF THE AREA AS A CERTIFIED
10 ALTERNATIVE ENERGY PARK. THE AGREEMENT SHALL INCLUDE, BUT IS NOT
11 LIMITED TO, THE FOLLOWING PROVISIONS:

12 (A) A DESCRIPTION OF THE AREA TO BE INCLUDED WITHIN THE
13 CERTIFIED ALTERNATIVE ENERGY PARK.

14 (B) COVENANTS AND RESTRICTIONS, IF ANY, UPON ALL OR A PORTION
15 OF THE PROPERTIES CONTAINED WITHIN THE CERTIFIED ALTERNATIVE ENERGY
16 PARK AND TERMS OF ENFORCEMENT OF ANY COVENANTS OR RESTRICTIONS.

17 (C) THE FINANCIAL COMMITMENTS OF ANY PARTY TO THE AGREEMENT
18 AND OF ANY OWNER OR DEVELOPER OF PROPERTY, INCLUDING SALE OR
19 TRANSFER OF OWNERSHIP OR OPTIONS THERETO UPON DESIGNATION OF A
20 CERTIFIED ALTERNATIVE ENERGY PARK FOR PROPERTY WITHIN THE CERTIFIED
21 ALTERNATIVE ENERGY PARK.

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

26 (E) PROPOSED METHOD OF OWNERSHIP OF THE LAND WITHIN THE
27 CERTIFIED ALTERNATIVE ENERGY PARK.

1 (F) THE COSTS APPROVED FOR PUBLIC FACILITIES UNDER SECTION
2 2 (DD) .

3 (G) PROPOSED METHOD OF OPERATING THE CERTIFIED ALTERNATIVE
4 ENERGY PARK.

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

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

20 (6) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, AN AGREEMENT
21 DESIGNATING A CERTIFIED ALTERNATIVE ENERGY PARK MAY NOT BE MADE
22 AFTER DECEMBER 31, 2011, BUT ANY AGREEMENT MADE ON OR BEFORE
23 DECEMBER 31, 2011 MAY BE AMENDED AFTER THAT DATE.

24 (7) THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION SHALL NOT
25 DESIGNATE MORE THAN 10 CERTIFIED ALTERNATIVE ENERGY PARKS. FOR
26 PURPOSES OF THIS SUBSECTION ONLY, CERTIFIED ALTERNATIVE ENERGY
27 PARKS LOCATED IN THE SAME COUNTY SHALL BE COUNTED AS 1 CERTIFIED

1 ALTERNATIVE ENERGY PARK.

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

15 (9) UPON APPROVAL OF THE MICHIGAN ECONOMIC DEVELOPMENT
16 CORPORATION, THE CERTIFIED ALTERNATIVE ENERGY PARK MAY BE OWNED AND
17 OPERATED BY AN ECONOMIC DEVELOPMENT CORPORATION CREATED UNDER THE
18 ECONOMIC DEVELOPMENT CORPORATIONS ACT, 1974 PA 338, MCL 125.1601 TO
19 125.1636, OR OTHER PUBLIC BODY AGREEABLE TO ALL MEMBERS.

20 Enacting section 1. This amendatory act does not take effect
21 unless all of the following bills of the 95th Legislature are
22 enacted into law:

- 23 (a) Senate Bill No. 358.
24 (b) Senate Bill No. 493.
25 (c) House Bill No. 4674.