

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5246**

A bill to amend 1986 PA 281, entitled
"The local development financing act,"
by amending sections 2, 3, 4, 11b, 12, 12a, 12c, and 12c (MCL
125.2152, 125.2153, 125.2154, 125.2161b, 125.2162, 125.2162a,
125.2162c, and 125.2162c[1]), section 2 as amended by 2010 PA 376,
sections 3, 4, and 12 as amended and section 12c as added by 2010
PA 276, section 11b as amended by 2010 PA 127, and section 12a as
amended and section 12c as added by 2009 PA 162.

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

1 to repay an advance may include, but is not limited to, an executed
2 agreement to repay, provisions contained in a tax increment
3 financing plan approved prior to the advance, or a resolution of
4 the authority or the municipality.

5 (b) "Alternative energy technology" means equipment, component
6 parts, materials, electronic devices, testing equipment, and
7 related systems that are specifically designed, specifically
8 fabricated, and used primarily for 1 or more of the following:

9 (i) The storage, generation, reformation, or distribution of
10 clean fuels integrated within an alternative energy system or
11 alternative energy vehicle, not including an anaerobic digester
12 energy system or a hydroelectric energy system, for use within the
13 alternative energy system or alternative energy vehicle.

14 (ii) The process of generating and putting into a usable form
15 the energy generated by an alternative energy system. Alternative
16 energy technology does not include those component parts of an
17 alternative energy system that are required regardless of the
18 energy source.

19 (iii) Research and development of an alternative energy vehicle.

20 (iv) Research, development, and manufacturing of an alternative
21 energy system.

22 (v) Research, development, and manufacturing of an anaerobic
23 digester energy system.

24 (vi) Research, development, and manufacturing of a
25 hydroelectric energy system.

26 (c) "Alternative energy technology business" means a business
27 engaged in the research, development, or manufacturing of

1 alternative energy technology OR A BUSINESS LOCATED IN AN AUTHORITY
2 DISTRICT THAT INCLUDES A MILITARY INSTALLATION THAT WAS OPERATED BY
3 THE UNITED STATES DEPARTMENT OF DEFENSE AND CLOSED AFTER 1980.

4 (d) "Assessed value" means 1 of the following:

5 (i) For valuations made before January 1, 1995, the state
6 equalized valuation as determined under the general property tax
7 act, 1893 PA 206, MCL 211.1 to 211.155.

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

11 (e) "Authority" means a local development finance authority
12 created pursuant to this act.

13 (f) "Authority district" means an area or areas within which
14 an authority exercises its powers.

15 (g) "Board" means the governing body of an authority.

16 (h) "Business development area" means an area designated as a
17 certified industrial park under this act prior to June 29, 2000, or
18 an area designated in the tax increment financing plan that meets
19 all of the following requirements:

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

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

23 (i) "Business incubator" means real and personal property that
24 meets all of the following requirements:

25 (i) Is located in a certified technology park or a certified
26 alternative energy park.

27 (ii) Is subject to an agreement under section 12a or 12c.

1 (iii) Is developed for the primary purpose of attracting 1 or
2 more owners or tenants who will engage in activities that would
3 each separately qualify the property as eligible property under
4 subdivision (s) (iii) .

5 (j) "Captured assessed value" means the amount in any 1 year
6 by which the current assessed value of the eligible property
7 identified in the tax increment financing plan or, for a certified
8 technology park, **A CERTIFIED ALTERNATIVE ENERGY PARK**, or a next
9 Michigan development area, the real and personal property included
10 in the tax increment financing plan, including the current assessed
11 value of property for which specific local taxes are paid in lieu
12 of property taxes as determined pursuant to subdivision (hh),
13 exceeds the initial assessed value. The state tax commission shall
14 prescribe the method for calculating captured assessed value.
15 Except as otherwise provided in this act, tax abated property in a
16 renaissance zone as defined under section 3 of the Michigan
17 renaissance zone act, 1996 PA 376, MCL 125.2683, shall be excluded
18 from the calculation of captured assessed value to the extent that
19 the property is exempt from ad valorem property taxes or specific
20 local taxes.

21 (k) "Certified alternative energy park" means that portion of
22 an authority district designated by a written agreement entered
23 into pursuant to section 12c between the authority, the
24 municipality or municipalities, and the Michigan economic
25 development corporation.

26 (l) "Certified business park" means a business development area
27 that has been designated by the Michigan economic development

1 corporation as meeting criteria established by the Michigan
2 economic development corporation. The criteria shall establish
3 standards for business development areas including, but not limited
4 to, use, types of building materials, landscaping, setbacks,
5 parking, storage areas, and management.

6 (m) "Certified technology park" means that portion of the
7 authority district designated by a written agreement entered into
8 pursuant to section 12a between the authority, the municipality,
9 and the Michigan economic development corporation.

10 (n) "Chief executive officer" means the mayor or city manager
11 of a city, the president of a village, or, for other local units of
12 government or school districts, the person charged by law with the
13 supervision of the functions of the local unit of government or
14 school district.

15 (o) "Development plan" means that information and those
16 requirements for a development set forth in section 15.

17 (p) "Development program" means the implementation of a
18 development plan.

19 (q) "Eligible advance" means an advance made before August 19,
20 1993.

21 (r) "Eligible obligation" means an obligation issued or
22 incurred by an authority or by a municipality on behalf of an
23 authority before August 19, 1993 and its subsequent refunding by a
24 qualified refunding obligation. Eligible obligation includes an
25 authority's written agreement entered into before August 19, 1993
26 to pay an obligation issued after August 18, 1993 and before
27 December 31, 1996 by another entity on behalf of the authority.

1 (s) "Eligible property" means land improvements, buildings,
2 structures, and other real property, and machinery, equipment,
3 furniture, and fixtures, or any part or accessory thereof whether
4 completed or in the process of construction comprising an
5 integrated whole, located within an authority district, of which
6 the primary purpose and use is or will be 1 of the following:

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

9 (ii) Agricultural processing.

10 (iii) A high technology activity.

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

20 (A) Tax increment revenues captured from the eligible property
21 will be used to finance, or will be pledged for debt service on tax
22 increment bonds used to finance, a public facility in or near the
23 authority district designed to reduce, eliminate, or prevent the
24 spread of identified soil and groundwater contamination, pursuant
25 to law.

26 (B) The board of the authority exercising powers within the
27 authority district where the eligible property is located adopted

1 an initial tax increment financing plan between January 1, 1991 and
2 May 1, 1991.

3 (C) The municipality that created the authority establishes a
4 special assessment district whereby not less than 50% of the
5 operating expenses of the public facility described in this
6 subparagraph will be paid for by special assessments. Not less than
7 50% of the amount specially assessed against all parcels in the
8 special assessment district shall be assessed against parcels owned
9 by parties potentially responsible for the identified groundwater
10 contamination pursuant to law.

11 (v) A business incubator.

12 (vi) An alternative energy technology business.

13 (vii) A transit-oriented facility.

14 (viii) A transit-oriented development.

15 (ix) An eligible next Michigan business, as that term is
16 defined in section 3 of the Michigan economic growth authority act,
17 1995 PA 24, MCL 207.803, and other businesses within a next
18 Michigan development area, but only to the extent designated as
19 eligible property within a development plan approved by a next
20 Michigan development corporation.

21 (t) "Fiscal year" means the fiscal year of the authority.

22 (u) "Governing body" means, except as otherwise provided in
23 this subdivision, the elected body having legislative powers of a
24 municipality creating an authority under this act. For a next
25 Michigan development corporation, governing body means the
26 executive committee of the next Michigan development corporation,
27 unless otherwise provided in the interlocal agreement or articles

1 of incorporation creating the next Michigan development corporation
2 or the governing body of an eligible urban entity or its designee
3 as provided in the next Michigan development act, **2010 PA 275, MCL**
4 **125.2951 TO 125.2959.**

5 (v) "High-technology activity" means that term as defined in
6 section 3 of the Michigan economic growth authority act, 1995 PA
7 24, MCL 207.803.

8 (w) "Initial assessed value" means the assessed value of the
9 eligible property identified in the tax increment financing plan
10 or, for a certified technology park, **A CERTIFIED ALTERNATIVE ENERGY**
11 **PARK**, or a next Michigan development area, the assessed value of
12 any real and personal property included in the tax increment
13 financing plan, at the time the resolution establishing the tax
14 increment financing plan is approved as shown by the most recent
15 assessment roll for which equalization has been completed at the
16 time the resolution is adopted or, for property that becomes
17 eligible property in other than a certified technology park **OR A**
18 **CERTIFIED ALTERNATIVE ENERGY PARK** after the date the plan is
19 approved, at the time the property becomes eligible property.
20 Property exempt from taxation at the time of the determination of
21 the initial assessed value shall be included as zero. Property for
22 which a specific local tax is paid in lieu of property tax shall
23 not be considered exempt from taxation. The initial assessed value
24 of property for which a specific local tax was paid in lieu of
25 property tax shall be determined as provided in subdivision (hh).

26 (x) "Michigan economic development corporation" means the
27 public body corporate created under section 28 of article VII of

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

10 (y) "Michigan strategic fund" means the Michigan strategic
11 fund as described in the Michigan strategic fund act, 1984 PA 270,
12 MCL 125.2001 to 125.2094.

13 (z) "Municipality" means a city, village, or urban township.
14 However, for purposes of creating and operating a certified
15 alternative energy park **OR A CERTIFIED TECHNOLOGY PARK**,
16 municipality includes townships that are not urban townships.

17 (aa) "Next Michigan development area" means a portion of an
18 authority district designated by a next Michigan development
19 corporation under section ~~12e~~**12E** to which a development plan is
20 applicable.

21 (bb) "Next Michigan development corporation" means that term
22 as defined in section 3 of the next Michigan development act, **2010**
23 **PA 275, MCL 125.2953.**

24 (cc) "Obligation" means a written promise to pay, whether
25 evidenced by a contract, agreement, lease, sublease, bond, or note,
26 or a requirement to pay imposed by law. An obligation does not
27 include a payment required solely because of default upon an

1 obligation, employee salaries, or consideration paid for the use of
2 municipal offices. An obligation does not include those bonds that
3 have been economically defeased by refunding bonds issued under
4 this act. Obligation includes, but is not limited to, the
5 following:

6 (i) A requirement to pay proceeds derived from ad valorem
7 property taxes or taxes levied in lieu of ad valorem property
8 taxes.

9 (ii) A management contract or a contract for professional
10 services.

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

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

17 (v) A letter of credit, paying agent, transfer agent, bond
18 registrar, or trustee fee associated with a contract, agreement,
19 bond, or note.

20 (dd) "On behalf of an authority", in relation to an eligible
21 advance made by a municipality or an eligible obligation or other
22 protected obligation issued or incurred by a municipality, means in
23 anticipation that an authority would transfer tax increment
24 revenues or reimburse the municipality from tax increment revenues
25 in an amount sufficient to fully make payment required by the
26 eligible advance made by a municipality, or eligible obligation or
27 other protected obligation issued or incurred by the municipality,

1 if the anticipation of the transfer or receipt of tax increment
2 revenues from the authority is pursuant to or evidenced by 1 or
3 more of the following:

4 (i) A reimbursement agreement between the municipality and an
5 authority it established.

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

8 (iii) A resolution of the authority agreeing to make payments to
9 the incorporating unit.

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

12 (ee) "Other protected obligation" means:

13 (i) A qualified refunding obligation issued to refund an
14 obligation described in subparagraph (ii) or (iii), an obligation that
15 is not a qualified refunding obligation that is issued to refund an
16 eligible obligation, or a qualified refunding obligation issued to
17 refund an obligation described in this subparagraph.

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

25 (iii) An obligation incurred by an authority or municipality
26 after August 19, 1993, to reimburse a party to a development
27 agreement entered into by a municipality or authority before August

1 19, 1993, for a project described in a tax increment financing plan
2 approved in accordance with this act before August 19, 1993, and
3 undertaken and installed by that party in accordance with the
4 development agreement.

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

11 (ff) "Public facility" means 1 or more of the following:

12 (i) A street, road, bridge, storm water or sanitary sewer,
13 sewage treatment facility, facility designed to reduce, eliminate,
14 or prevent the spread of identified soil or groundwater
15 contamination, drainage system, retention basin, pretreatment
16 facility, waterway, waterline, water storage facility, rail line,
17 electric, gas, telephone or other communications, or any other type
18 of utility line or pipeline, transit-oriented facility, transit-
19 oriented development, or other similar or related structure or
20 improvement, together with necessary easements for the structure or
21 improvement. Except for rail lines, utility lines, or pipelines,
22 the structures or improvements described in this subparagraph shall
23 be either owned or used by a public agency, functionally connected
24 to similar or supporting facilities owned or used by a public
25 agency, or designed and dedicated to use by, for the benefit of, or
26 for the protection of the health, welfare, or safety of the public
27 generally, whether or not used by a single business entity. Any

1 road, street, or bridge shall be continuously open to public
2 access. A public facility shall be located on public property or in
3 a public, utility, or transportation easement or right-of-way.

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

8 (iii) All administrative and real and personal property
9 acquisition and disposal costs related to a public facility
10 described in subparagraphs (i) and (iv), including, but not limited
11 to, architect's, engineer's, legal, and accounting fees as
12 permitted by the district's development plan.

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

19 (v) All of the following costs approved by the Michigan
20 economic development corporation:

21 (A) Operational costs and the costs related to the
22 acquisition, improvement, preparation, demolition, disposal,
23 construction, reconstruction, remediation, rehabilitation,
24 restoration, preservation, maintenance, repair, furnishing, and
25 equipping of land and other assets that are or may become eligible
26 for depreciation under the internal revenue code of 1986 for a
27 business incubator located in a certified technology park or

1 certified alternative energy park.

2 (B) Costs related to the acquisition, improvement,
3 preparation, demolition, disposal, construction, reconstruction,
4 remediation, rehabilitation, restoration, preservation,
5 maintenance, repair, furnishing, and equipping of land and other
6 assets that, if privately owned, would be eligible for depreciation
7 under the internal revenue code of 1986 for laboratory facilities,
8 research and development facilities, conference facilities,
9 teleconference facilities, testing, training facilities, and
10 quality control facilities that are or that support eligible
11 property under subdivision (s) (iii), that are owned by a public
12 entity, and that are located within a certified technology park.

13 (C) Costs related to the acquisition, improvement,
14 preparation, demolition, disposal, construction, reconstruction,
15 remediation, rehabilitation, restoration, preservation,
16 maintenance, repair, furnishing, and equipping of land and other
17 assets that, if privately owned, would be eligible for depreciation
18 under the internal revenue code of 1986 for facilities that are or
19 that will support eligible property under subdivision (s) (vi), that
20 have been or will be owned by a public entity at the time such
21 costs are incurred, that are located within a certified alternative
22 energy park, and that have been or will be conveyed, by gift or
23 sale, by such public entity to an alternative energy technology
24 business.

25 (vi) Operating and planning costs included in a plan pursuant
26 to section 12(1) (f), including costs of marketing property within
27 the district and attracting development of eligible property within

1 the district.

2 (gg) "Qualified refunding obligation" means an obligation
3 issued or incurred by an authority or by a municipality on behalf
4 of an authority to refund an obligation if the refunding obligation
5 meets both of the following:

6 (i) The net present value of the principal and interest to be
7 paid on the refunding obligation, including the cost of issuance,
8 will be less than the net present value of the principal and
9 interest to be paid on the obligation being refunded, as calculated
10 using a method approved by the department of treasury.

11 (ii) The net present value of the sum of the tax increment
12 revenues described in subdivision (jj) (ii) and the distributions
13 under section 11a to repay the refunding obligation will not be
14 greater than the net present value of the sum of the tax increment
15 revenues described in subdivision (jj) (ii) and the distributions
16 under section 11a to repay the obligation being refunded, as
17 calculated using a method approved by the department of treasury.

18 (hh) "Specific local taxes" means a tax levied under 1974 PA
19 198, MCL 207.551 to 207.572, the obsolete property rehabilitation
20 act, 2000 PA 146, MCL 125.2781 to 125.2797, the commercial
21 redevelopment act, 1978 PA 255, MCL 207.651 to 207.668, the
22 enterprise zone act, 1985 PA 224, MCL 125.2101 to 125.2123, 1953 PA
23 189, MCL 211.181 to 211.182, and the technology park development
24 act, 1984 PA 385, MCL 207.701 to 207.718. The initial assessed
25 value or current assessed value of property subject to a specific
26 local tax is the quotient of the specific local tax paid divided by
27 the ad valorem millage rate. However, after 1993, the state tax

1 commission shall prescribe the method for calculating the initial
2 assessed value and current assessed value of property for which a
3 specific local tax was paid in lieu of a property tax.

4 (ii) "State fiscal year" means the annual period commencing
5 October 1 of each year.

6 (jj) "Tax increment revenues" means the amount of ad valorem
7 property taxes and specific local taxes attributable to the
8 application of the levy of all taxing jurisdictions upon the
9 captured assessed value of eligible property within the district
10 or, for purposes of a certified technology park, a next Michigan
11 development area, or a certified alternative energy park, real or
12 personal property that is located within the certified technology
13 park, a next Michigan development area, or a certified alternative
14 energy park and included within the tax increment financing plan,
15 subject to the following requirements:

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

23 (ii) Tax increment revenues include ad valorem property taxes
24 and specific local taxes attributable to the application of the
25 levy of the state pursuant to the state education tax act, 1993 PA
26 331, MCL 211.901 to 211.906, and local or intermediate school
27 districts upon the captured assessed value of real and personal

1 property in the development area in an amount equal to the amount
2 necessary, without regard to subparagraph (i), for the following
3 purposes:

4 (A) To repay eligible advances, eligible obligations, and
5 other protected obligations.

6 (B) To fund or to repay an advance or obligation issued by or
7 on behalf of an authority to fund the cost of public facilities
8 related to or for the benefit of eligible property located within a
9 certified technology park or a certified alternative energy park to
10 the extent the public facilities have been included in an agreement
11 under section 12a(3), **12B, OR 12C(3)**, not to exceed 50%, as
12 determined by the state treasurer, of the amounts levied by the
13 state pursuant to the state education tax act, 1993 PA 331, MCL
14 211.901 to 211.906, and local and intermediate school districts for
15 a period, **EXCEPT AS OTHERWISE PROVIDED IN THIS SUB-SUBPARAGRAPH**,
16 not to exceed 15 years, as determined by the state treasurer, if
17 the state treasurer determines that the capture under this
18 ~~subparagraph~~ **SUB-SUBPARAGRAPH** is necessary to reduce unemployment,
19 promote economic growth, and increase capital investment in the
20 municipality. **HOWEVER, UPON APPROVAL OF THE STATE TREASURER AND THE**
21 **PRESIDENT OF THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION, A**
22 **CERTIFIED TECHNOLOGY PARK MAY CAPTURE UNDER THIS SUB-SUBPARAGRAPH**
23 **FOR AN ADDITIONAL PERIOD OF 5 YEARS IF THE AUTHORITY AGREES TO**
24 **ADDITIONAL REPORTING REQUIREMENTS AND MODIFIES ITS TAX INCREMENT**
25 **FINANCING PLAN TO INCLUDE REGIONAL COLLABORATION AS DETERMINED BY**
26 **THE STATE TREASURER AND THE PRESIDENT OF THE MICHIGAN ECONOMIC**
27 **DEVELOPMENT CORPORATION. IN ADDITION, UPON APPROVAL OF THE STATE**

1 TREASURER AND THE PRESIDENT OF THE MICHIGAN ECONOMIC DEVELOPMENT
2 CORPORATION, IF A MUNICIPALITY THAT HAS CREATED A CERTIFIED
3 TECHNOLOGY PARK THAT HAS ENTERED INTO AN AGREEMENT WITH ANOTHER
4 AUTHORITY THAT DOES NOT CONTAIN A CERTIFIED TECHNOLOGY PARK TO
5 DESIGNATE A DISTINCT GEOGRAPHIC AREA UNDER SECTION 12B, THAT
6 AUTHORITY THAT HAS CREATED THE CERTIFIED TECHNOLOGY PARK AND THE
7 ASSOCIATED DISTINCT GEOGRAPHIC AREA MAY BOTH CAPTURE UNDER THIS
8 SUB-SUBPARAGRAPH FOR AN ADDITIONAL PERIOD OF 15 YEARS AS DETERMINED
9 BY THE STATE TREASURER AND THE PRESIDENT OF THE MICHIGAN ECONOMIC
10 DEVELOPMENT CORPORATION.

11 (C) To fund the cost of public facilities related to or for
12 the benefit of eligible property located within a next Michigan
13 development area to the extent that the public facilities have been
14 included in a development plan, not to exceed 50%, as determined by
15 the state treasurer, of the amounts levied by the state pursuant to
16 the state education tax act, 1993 PA 331, MCL 211.901 to 211.906,
17 and local and intermediate school districts for a period not to
18 exceed 15 years, as determined by the state treasurer, if the state
19 treasurer determines that the capture under this sub-subparagraph
20 is necessary to reduce unemployment, promote economic growth, and
21 increase capital investment in the authority district.

22 (iii) Tax increment revenues do not include any of the
23 following:

24 (A) Ad valorem property taxes or specific local taxes that are
25 excluded from and not made part of the tax increment financing
26 plan. **AD VALOREM PERSONAL PROPERTY TAXES OR SPECIFIC LOCAL TAXES**
27 **ASSOCIATED WITH PERSONAL PROPERTY MAY BE EXCLUDED FROM AND MAY NOT**

1 **BE PART OF THE TAX INCREMENT FINANCING PLAN.**

2 (B) Ad valorem property taxes and specific local taxes
3 attributable to ad valorem property taxes excluded by the tax
4 increment financing plan of the authority from the determination of
5 the amount of tax increment revenues to be transmitted to the
6 authority.

7 (C) Ad valorem property taxes exempted from capture under
8 section 4(3) or specific local taxes attributable to such ad
9 valorem property taxes.

10 (D) Ad valorem property taxes specifically levied for the
11 payment of principal and interest of obligations approved by the
12 electors or obligations pledging the unlimited taxing power of the
13 local governmental unit or specific local taxes attributable to
14 such ad valorem property taxes.

15 (E) The amount of ad valorem property taxes or specific taxes
16 captured by a downtown development authority under 1975 PA 197, MCL
17 125.1651 to 125.1681, tax increment financing authority under the
18 tax increment finance authority act, 1980 PA 450, MCL 125.1801 to
19 125.1830, or brownfield redevelopment authority under the
20 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651
21 to 125.2672, if those taxes were captured by these other
22 authorities on the date that the initial assessed value of a parcel
23 of property was established under this act.

24 (iv) The amount of tax increment revenues authorized to be
25 included under subparagraph (ii), and required to be transmitted to
26 the authority under section 13(1), from ad valorem property taxes
27 and specific local taxes attributable to the application of the

1 levy of the state education tax act, 1993 PA 331, MCL 211.901 to
2 211.906, or a local school district or an intermediate school
3 district upon the captured assessed value of real and personal
4 property in a development area shall be determined separately for
5 the levy by the state, each school district, and each intermediate
6 school district as the product of sub-subparagraphs (A) and (B):

7 (A) The percentage that the total ad valorem taxes and
8 specific local taxes available for distribution by law to the
9 state, local school district, or intermediate school district,
10 respectively, bears to the aggregate amount of ad valorem millage
11 taxes and specific taxes available for distribution by law to the
12 state, each local school district, and each intermediate school
13 district.

14 (B) The maximum amount of ad valorem property taxes and
15 specific local taxes considered tax increment revenues under
16 subparagraph (ii).

17 (kk) "Transit-oriented development" means infrastructure
18 improvements that are located within 1/2 mile of a transit station
19 or transit-oriented facility that promotes transit ridership or
20 passenger rail use as determined by the board and approved by the
21 municipality in which it is located.

22 (ll) "Transit-oriented facility" means a facility that houses a
23 transit station in a manner that promotes transit ridership or
24 passenger rail use.

25 (mm) "Urban township" means a township that meets 1 or more of
26 the following:

27 (i) Meets all of the following requirements:

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

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

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

7 (ii) Meets all of the following requirements:

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

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

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

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

17 (iii) Meets all of the following requirements:

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

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

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

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

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

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

2 (iv) Meets all of the following requirements:

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

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

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

7 (v) Meets all of the following requirements:

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

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

13 (C) Has a master plan in effect.

14 (vi) Meets all of the following requirements:

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

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

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

19 (D) Has within its boundaries a combination of parcels under
20 common ownership that is 199 acres or larger, is located within 1
21 mile of a limited access highway, and is located within 1 mile of
22 an existing sewer line.

23 (E) Has rail service.

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

25 (vii) Has joined an authority under section 3(2) which is
26 seeking or has entered into an agreement for a certified
27 ~~alternative energy~~ **TECHNOLOGY** park.

1 (viii) HAS ESTABLISHED AN AUTHORITY WHICH IS SEEKING OR HAS
2 ENTERED INTO AN AGREEMENT FOR A CERTIFIED ALTERNATIVE ENERGY PARK.

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

7 (2) In addition to an authority established under subsection
8 (1), a municipality may join with 1 or more other ~~municipality~~
9 **MUNICIPALITIES** located within the same county to establish an
10 authority under this act. An authority created under this
11 subsection may only exercise its powers in a certified technology
12 park designated in an agreement made under section 12a **OR 12B OR IN**
13 **A CERTIFIED ALTERNATIVE ENERGY PARK DESIGNATED IN AN AGREEMENT**
14 **UNDER SECTION 12C.** A municipality shall not establish more than 1
15 authority under this subsection.

16 (3) A next Michigan development corporation may establish not
17 more than 1 authority under the provisions of this act. An
18 authority established under this subsection shall exercise its
19 powers within its authority district and in all next Michigan
20 development areas. The authority district in which the authority
21 may exercise its powers shall include all or part of the territory
22 of a next Michigan development corporation, as determined by the
23 governing body of the next Michigan development corporation.

24 (4) The authority shall be a public body corporate which may
25 sue and be sued in any court of this state. The authority possesses
26 all the powers necessary to carry out the purpose of its
27 incorporation. The enumeration of a power in this act shall not be

1 construed as a limitation upon the general powers of the authority.
2 The powers granted in this act to an authority may be exercised
3 notwithstanding that bonds are not issued by the authority.

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

8 (2) In the resolution of intent, the governing body proposing
9 to create the authority shall set a date for holding a public
10 hearing on the adoption of a proposed resolution creating the
11 authority and designating the boundaries of the authority district
12 or districts. Notice of the public hearing shall be published twice
13 in a newspaper of general circulation in the municipality, not less
14 than 20 nor more than 40 days before the date of the hearing.
15 Except as otherwise provided in subsection (8), not less than 20
16 days before the hearing, the governing body proposing to create the
17 authority shall also mail notice of the hearing to the property
18 taxpayers of record in a proposed authority district and, for a
19 public hearing to be held after February 15, 1994, to the governing
20 body of each taxing jurisdiction levying taxes that would be
21 subject to capture if the authority is established and a tax
22 increment financing plan is approved. Beginning June 1, 2005, the
23 notice of hearing within the time frame described in this
24 subsection shall be mailed by certified mail to the governing body
25 of each taxing jurisdiction levying taxes that would be subject to
26 capture if the authority is established and a tax increment
27 financing plan is approved. Failure of a property taxpayer to

1 receive the notice shall not invalidate these proceedings. The
2 notice shall state the date, time, and place of the hearing, and
3 shall describe the boundaries of the proposed authority district or
4 districts. At that hearing, a resident, taxpayer, or property owner
5 from a taxing jurisdiction in which the proposed district is
6 located or an official from a taxing jurisdiction with millage that
7 would be subject to capture has the right to be heard in regard to
8 the establishment of the authority and the boundaries of that
9 proposed authority district. The governing body of the municipality
10 in which a proposed district is to be located shall not incorporate
11 land into an authority district not included in the description
12 contained in the notice of public hearing, but it may eliminate
13 lands described in the notice of public hearing from an authority
14 district in the final determination of the boundaries.

15 (3) Except as otherwise provided in subsection (8), not more
16 than 60 days after a public hearing held after February 15, 1994,
17 the governing body of a taxing jurisdiction with millage that would
18 otherwise be subject to capture may exempt its taxes from capture
19 by adopting a resolution to that effect and filing a copy with the
20 clerk of the municipality proposing to create the authority.
21 However, a resolution by a governing body of a taxing jurisdiction
22 to exempt its taxes from capture is not effective for the capture
23 of taxes that are used for a certified technology park **OR A**
24 **CERTIFIED ALTERNATIVE ENERGY PARK**. The resolution takes effect when
25 filed with that clerk and remains effective until a copy of a
26 resolution rescinding that resolution is filed with that clerk.

27 (4) Except as otherwise provided in subsection (8), not less

1 than 60 days after the public hearing **OR A SHORTER PERIOD AS**
2 **DETERMINED BY THE GOVERNING BODY FOR A CERTIFIED TECHNOLOGY PARK OR**
3 **A CERTIFIED ALTERNATIVE ENERGY PARK**, if the governing body creating
4 the authority intends to proceed with the establishment of the
5 authority, it shall adopt, by majority vote of its members elected
6 and serving, a resolution establishing the authority and
7 designating the boundaries of the authority district or districts
8 within which the authority shall exercise its powers. The adoption
9 of the resolution is subject to any applicable statutory or charter
10 provisions with respect to the approval or disapproval of
11 resolutions by the chief executive officer of the municipality and
12 the adoption of a resolution over his or her veto. This resolution
13 shall be filed with the secretary of state promptly after its
14 adoption and shall be published at least once in a newspaper of
15 general circulation in the municipality.

16 (5) The governing body may alter or amend the boundaries of an
17 authority district to include or exclude lands from that authority
18 district or create new authority districts pursuant to the same
19 requirements prescribed for adopting the resolution creating the
20 authority.

21 (6) The validity of the proceedings establishing an authority
22 shall be conclusive unless contested in a court of competent
23 jurisdiction within 60 days after the last of the following takes
24 place:

25 (a) Publication of the resolution creating the authority as
26 adopted.

27 (b) Filing of the resolution creating the authority with the

1 secretary of state.

2 (7) Except as otherwise provided by this subsection, if 2 or
3 more municipalities desire to establish an authority under section
4 3(2), each municipality in which the authority district will be
5 located shall comply with the procedures prescribed by this act.
6 The notice required by subsection (2) may be published jointly by
7 the municipalities establishing the authority. The resolutions
8 establishing the authority shall include, or shall approve an
9 agreement including, provisions governing the number of members on
10 the board, the method of appointment, the members to be represented
11 by governmental units or agencies, the terms of initial and
12 subsequent appointments to the board, the manner in which a member
13 of the board may be removed for cause before the expiration of his
14 or her term, the manner in which the authority may be dissolved,
15 and the disposition of assets upon dissolution. An authority
16 described in this subsection shall not be considered established
17 unless all of the following conditions are satisfied:

18 (a) A resolution is approved and filed with the secretary of
19 state by each municipality in which the authority district will be
20 located.

21 (b) The same boundaries have been approved for the authority
22 district by the governing body of each municipality in which the
23 authority district will be located.

24 (c) The governing body of the county in which a majority of
25 the authority district will be located has approved by resolution
26 the creation of the authority.

27 (8) For an authority created under section 3(3), except as

1 otherwise provided by this subsection, the next Michigan
2 development corporation shall comply with the procedures prescribed
3 for a municipality by subsections (1) and (2) and this subsection.
4 The provisions of subsections (3) and (4) shall not apply to an
5 authority exercising its powers under section 3(3). The notice
6 required by subsection (2) may be published by the next Michigan
7 development corporation in a newspaper or newspapers of general
8 circulation within the municipalities which are constituent members
9 of the next Michigan development corporation, and notice shall not
10 be required to be mailed to the property taxpayers of record in the
11 proposed authority district. The governing body of the next
12 Michigan development corporation shall be the governing body of the
13 authority. A taxing jurisdiction levying ad valorem taxes within
14 the authority district that would otherwise be subject to capture
15 which is not a party to the intergovernmental agreement may exempt
16 its taxes from capture by adopting a resolution to that effect and
17 filing a copy not more than 60 days after the public hearing with
18 the recording officer of the next Michigan development corporation.
19 The next Michigan development corporation shall mail notice of the
20 public hearing to the governing body of each taxing jurisdiction
21 which is not a party to the intergovernmental agreement not less
22 than 20 days before the hearing. Following the public hearing, the
23 governing body of the next Michigan development corporation shall
24 adopt a resolution designating the boundaries of the authority
25 district within which the authority shall exercise its powers,
26 which may include any certified technology park within the proposed
27 authority district in accordance with this subsection and may

1 include property adjacent to or within 1,500 feet of a road
2 classified as an arterial or collector according to the federal
3 highway administration manual "Highway Functional Classification -
4 Concepts, Criteria and Procedures" or of another road in the
5 discretion of the next Michigan development corporation, and
6 property adjacent to that property within the territory of the next
7 Michigan development corporation, as provided in the resolution.
8 The resolution shall be effective when adopted, shall be filed with
9 the secretary of state and the president of the Michigan strategic
10 fund promptly after its adoption, and shall be published at least
11 once in a newspaper of general circulation in the territory of the
12 next Michigan development corporation. If an authority district
13 designated under this subsection or subsequently amended includes a
14 certified technology park which is within the authority district of
15 another authority and which is subject to an existing development
16 plan or tax increment financing plan, then that certified
17 technology park may be considered to be under the jurisdiction of
18 the authority established under section 3(3) if so provided in a
19 resolution of the authority established under section 3(3) and if
20 approved by resolution of the governing body of the municipality
21 which created the other authority, and by the president of the
22 Michigan strategic fund. If so provided and approved, then the
23 development plan and tax increment financing plan applicable to the
24 certified technology park, including all assets and obligations
25 under the plans, shall be considered assigned and transferred from
26 the other authority to the authority created under section 3(3),
27 and the initial assessed value of the certified technology park

1 prior to the transfer shall remain the initial assessed value of
2 the certified technology park following the transfer. The transfer
3 shall be effective as of the later of the effective date of the
4 resolution of the authority established under section 3(3), the
5 resolution approved by the governing body of the municipality which
6 created the other authority, and the approval of the president of
7 the Michigan strategic fund.

8 Sec. 11b. (1) If the amount of tax increment revenues lost as
9 a result of the personal property tax exemptions provided by
10 section 1211(4) of the revised school code, 1976 PA 451, MCL
11 380.1211, section 3 of the state education tax act, 1993 PA 331,
12 MCL 211.903, section 14(4) of 1974 PA 198, MCL 207.564, and section
13 9k of the general property tax act, 1893 PA 206, MCL 211.9k, will
14 reduce the allowable school tax capture received in a fiscal year,
15 then, notwithstanding any other provision of this act, the
16 authority, with approval of the department of treasury under
17 subsection (3), may request the local tax collecting treasurer to
18 retain and pay to the authority taxes levied under the state
19 education tax act, 1993 PA 331, MCL 211.901 to 211.906, to be used
20 for the following:

21 (a) To repay an eligible advance.

22 (b) To repay an eligible obligation.

23 (c) To repay an other protected obligation.

24 (d) To pay an advance or an obligation identified in a
25 development plan, or an amendment to that plan for property located
26 in a certified technology park approved by board of the authority
27 not later than 90 days after ~~the effective date of the amendatory~~

1 ~~act that added this section~~ **JULY 19, 2010** if the plan contains all
 2 of the following and the plan for the capture of school taxes has
 3 been approved within 1 year after ~~the effective date of the~~
 4 ~~amendatory act that added this section~~: **JULY 19, 2010:**

5 (i) A detailed description of the project.

6 (ii) A statement of the estimated cost of the project.

7 (iii) The specific location of the project.

8 (iv) The name of any developer of the project.

9 **(E) TO PAY AN ADVANCE OR AN OBLIGATION IDENTIFIED IN A**
 10 **DEVELOPMENT PLAN, OR AN AMENDMENT TO THAT PLAN FOR PROPERTY LOCATED**
 11 **IN A CERTIFIED ALTERNATIVE ENERGY PARK APPROVED BY THE BOARD OF THE**
 12 **AUTHORITY IF THE PLAN CONTAINS ALL OF THE FOLLOWING AND THE PLAN**
 13 **FOR THE CAPTURE OF SCHOOL TAXES HAS BEEN APPROVED NOT LATER THAN**
 14 **DECEMBER 31, 2012:**

15 (i) **A DETAILED DESCRIPTION OF THE PROJECT.**

16 (ii) **A STATEMENT OF THE ESTIMATED COST OF THE PROJECT.**

17 (iii) **THE SPECIFIC LOCATION OF THE PROJECT.**

18 (iv) **THE NAME OF ANY DEVELOPER OF THE PROJECT.**

19 (2) Not later than June 15, 2008, not later than September 30,
 20 2009, and not later than June 1 of each subsequent year, an
 21 authority eligible under subsection (1) to have taxes levied under
 22 the state education tax act, 1993 PA 331, MCL 211.901 to 211.906,
 23 retained and paid to the authority under this section, shall apply
 24 for approval with the department of treasury. The application for
 25 approval shall include the following information:

26 (a) The property tax millage rates expected to be levied by
 27 local school districts within the jurisdictional area of the

1 authority for school operating purposes for that fiscal year.

2 (b) The tax increment revenues estimated to be received by the
3 authority for that fiscal year based upon actual property tax
4 levies of all taxing jurisdictions within the jurisdictional area
5 of the authority.

6 (c) The tax increment revenues the authority estimates it
7 would have received for that fiscal year if the personal property
8 tax exemptions described in subsection (1) were not in effect.

9 (d) A list of eligible obligations, eligible advances, other
10 protected obligations, and advances and obligations described in
11 subsection (1)(d) for expenditures authorized in a certified
12 technology park **OR DESCRIBED IN SUBSECTION (1)(E) FOR EXPENDITURES**
13 **AUTHORIZED IN A CERTIFIED ALTERNATIVE ENERGY PARK**; the payments due
14 on each of those in that fiscal year; and the total amount of
15 payments due on all of those in that fiscal year.

16 (e) The amount of money, other than tax increment revenues,
17 estimated to be received in that fiscal year by the authority that
18 is primarily pledged to, and to be used for, the payment of an
19 eligible obligation, the repayment of an eligible advance, the
20 payment of another protected obligation, ~~or~~ the payment of
21 obligations or advances described in subsection (1)(d) for
22 expenditures authorized in a certified technology park, **OR THE**
23 **PAYMENT OF OBLIGATIONS OR ADVANCES DESCRIBED IN SUBSECTION (1)(E)**
24 **FOR EXPENDITURES AUTHORIZED IN A CERTIFIED ALTERNATIVE ENERGY PARK.**
25 That amount shall not include excess tax increment revenues of the
26 authority that are permitted by law to be retained by the authority
27 for purposes that further the development program. However, that

1 amount shall include money to be obtained from sources authorized
2 by law, which law is enacted on or after December 1, 1993, for use
3 by the municipality or authority to finance a development plan.

4 (f) The amount of a distribution received pursuant to this act
5 for a fiscal year in excess of or less than the distribution that
6 would have been required if calculated upon actual tax increment
7 revenues received for that fiscal year.

8 (3) Not later than August 15, 2008; for 2009 only, not later
9 than 30 days after the effective date of the amendatory act that
10 amended this sentence; and not later than August 15 of each
11 subsequent year, based on the calculations under subsection (5),
12 the department of treasury shall approve, modify, or deny the
13 application for approval to have taxes levied under the state
14 education tax act, 1993 PA 331, MCL 211.901 to 211.906, retained
15 and paid to the authority under this section. If the application
16 for approval contains the information required under subsection
17 (2)(a) through (f) and appears to be in substantial compliance with
18 the provisions of this section, then the department of treasury
19 shall approve the application. If the application is denied by the
20 department of treasury, then the department of treasury shall
21 provide the opportunity for a representative of the authority to
22 discuss the denial within 21 days after the denial occurs and shall
23 sustain or modify its decision within 30 days after receiving
24 information from the authority. If the application for approval is
25 approved or modified by the department of treasury, the local tax
26 collecting treasurer shall retain and pay to the authority the
27 amount described in subsection (5) as approved by the department.

1 If the department of treasury denies the authority's application
2 for approval, the local tax collecting treasurer shall not retain
3 or pay to the authority the taxes levied under the state education
4 tax act, 1993 PA 331, MCL 211.901 to 211.906. An approval by the
5 department does not prohibit a subsequent audit of taxes retained
6 in accordance with the procedures currently authorized by law.

7 (4) Each year, the legislature shall appropriate and
8 distribute an amount sufficient to pay each authority the
9 following:

10 (a) If the amount to be retained and paid under subsection (3)
11 is less than the amount calculated under subsection (5), the
12 difference between those amounts.

13 (b) If the application for approval is denied by the
14 department of treasury, an amount verified by the department equal
15 to the amount calculated under subsection (5).

16 (5) Subject to subsection (6), the aggregate amount under this
17 section shall be the sum of the amounts determined under
18 subdivisions (a) and (b) minus the amount determined under
19 subdivision (c), as follows:

20 (a) The amount by which the tax increment revenues the
21 authority would have received and retained for the fiscal year,
22 excluding taxes exempt under section 7ff of the general property
23 tax act, 1893 PA 206, MCL 211.7ff, if the personal property tax
24 exemptions described in subsection (1) were not in effect, exceed
25 the tax increment revenues the authority actually received for the
26 fiscal year.

27 (b) A shortfall required to be reported under subsection

1 (2) (f) that had not previously increased a distribution.

2 (c) An excess amount required to be reported under subsection
3 (2) (f) that had not previously decreased a distribution.

4 (6) A distribution or taxes retained under this section
5 replacing tax increment revenues pledged by an authority or a
6 municipality are subject to any lien of the pledge described in
7 subsection (1), whether or not there has been physical delivery of
8 the distribution.

9 (7) Obligations for which distributions are made under this
10 section are not a debt or liability of this state; do not create or
11 constitute an indebtedness, liability, or obligation of this state;
12 and are not and do not constitute a pledge of the faith and credit
13 of this state.

14 (8) Not later than September 15 of each year, the authority
15 shall provide a copy of the application for approval approved by
16 the department of treasury to the local tax collecting treasurer
17 and provide the amount of the taxes retained and paid to the
18 authority under subsection (5).

19 (9) Calculations of amounts retained and paid and
20 appropriations to be distributed under this section shall be made
21 on the basis of each development area of the authority.

22 (10) The state tax commission may provide that the
23 reimbursement calculations under this section and the calculation
24 of allowable capture of school taxes shall be made for each
25 calendar year's tax increment revenues using a 12-month debt
26 payment period used by the authority and approved by the state tax
27 commission.

1 (11) It is the intent of the legislature that, to the extent
2 that the total amount of taxes levied under the state education tax
3 act, 1993 PA 331, MCL 211.901 to 211.906, that are allowed to be
4 retained under this section and section 15a of the brownfield
5 redevelopment financing act, 1996 PA 381, MCL 125.2665a, section
6 12b of the tax increment financing act, 1980 PA 450, MCL 125.1812b,
7 and section 13c of 1975 PA 197, MCL 125.1663c, exceeds the
8 difference of the total school aid fund revenue for the tax year
9 minus the estimated amount of revenue the school aid fund would
10 have received for the tax year had the tax exemptions described in
11 subsection (1) and the earmark created by section 515 of the
12 Michigan business tax act, 2007 PA 36, MCL 208.1515, not taken
13 effect, the general fund shall reimburse the school aid fund the
14 difference.

15 Sec. 12. (1) If the board determines that it is necessary for
16 the achievement of the purposes of this act, the board shall
17 prepare and submit a tax increment financing plan to the governing
18 body. The plan shall be in compliance with section 13 and shall
19 include a development plan as provided in section 15. The plan
20 shall also contain the following:

21 (a) A statement of the reasons that the plan will result in
22 the development of captured assessed value that could not otherwise
23 be expected. The reasons may include, but are not limited to,
24 activities of the municipality, authority, or others undertaken
25 before formulation or adoption of the plan in reasonable
26 anticipation that the objectives of the plan would be achieved by
27 some means.

1 (b) An estimate of the captured assessed value for each year
2 of the plan. The plan may provide for the use of part or all of the
3 captured assessed value or, subject to subsection (3), of the tax
4 increment revenues attributable to the levy of any taxing
5 jurisdiction, but the portion intended to be used shall be clearly
6 stated in the plan. The board or the municipality creating the
7 authority may exclude from captured assessed value a percentage of
8 captured assessed value as specified in the plan or growth in
9 property value resulting solely from inflation. If excluded, the
10 plan shall set forth the method for excluding growth in property
11 value resulting solely from inflation.

12 (c) The estimated tax increment revenues for each year of the
13 plan.

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

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

17 (f) The amount of operating and planning expenditures of the
18 authority and municipality, the amount of advances extended by or
19 indebtedness incurred by the municipality, and the amount of
20 advances by others to be repaid from tax increment revenues.

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

23 (h) The duration of the development plan and the tax increment
24 plan.

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

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

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

6 (l) The proposed boundaries of a certified technology park to
7 be created under an agreement proposed to be entered into pursuant
8 to section 12a, **OR OF A CERTIFIED ALTERNATIVE ENERGY PARK TO BE**
9 **CREATED UNDER AN AGREEMENT PROPOSED TO BE ENTERED INTO PURSUANT TO**
10 **SECTION 12C**, or of a next Michigan development area designated
11 under section ~~12c~~, **12E**, an identification of the real property
12 within the certified technology park, **THE CERTIFIED ALTERNATIVE**
13 **ENERGY PARK**, or the next Michigan development area to be included
14 in the tax increment financing plan for purposes of determining tax
15 increment revenues, and whether personal property located in the
16 certified technology park, **THE CERTIFIED ALTERNATIVE ENERGY PARK**,
17 or the next Michigan development area is exempt from determining
18 tax increment revenues.

19 (2) Except as provided in subsection (7), a tax increment
20 financing plan shall provide for the use of tax increment revenues
21 for public facilities for eligible property whose captured assessed
22 value produces the tax increment revenues or, to the extent the
23 eligible property is located within a business development area or
24 a next Michigan development area, for other eligible property
25 located in the business development area or the next Michigan
26 development area. Public facilities for eligible property include
27 the development or improvement of access to and around, or within

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

23 (3) The percentage of taxes levied for school operating
24 purposes that is captured and used by the tax increment financing
25 plan and the tax increment financing plans under 1975 PA 197, MCL
26 125.1651 to 125.1681, the tax increment finance authority act, 1980
27 PA 450, MCL 125.1801 to 125.1830, and the brownfield redevelopment

1 financing act, 1996 PA 381, MCL 125.2651 to 125.2672, shall not be
2 greater than the percentage capture and use of taxes levied by a
3 municipality or county for operating purposes under the tax
4 increment financing plan and tax increment financing plans under
5 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance
6 authority act, 1980 PA 450, MCL 125.1801 to 125.1830, and the
7 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651
8 to 125.2672. For purposes of the previous sentence, taxes levied by
9 a county for operating purposes include only millage allocated for
10 county or charter county purposes under the property tax limitation
11 act, 1933 PA 62, MCL 211.201 to 211.217a.

12 (4) Except as otherwise provided by this subsection, approval
13 of the tax increment financing plan shall be in accordance with the
14 notice, hearing, disclosure, and approval provisions of sections 16
15 and 17. If the development plan is part of the tax increment
16 financing plan, only 1 hearing and approval procedure is required
17 for the 2 plans together. For a plan submitted by an authority
18 established by 2 or more municipalities under sections 3(2) and
19 4(7) or by an authority established by a next Michigan development
20 corporation under sections 3(3) and 4(8), the notice required by
21 section 16 may be published jointly by the municipalities in which
22 the authority district is located or by the next Michigan
23 development corporation. For a plan submitted by an authority
24 exercising its powers under sections 3(2) and 4(7), the plan shall
25 not be considered approved unless each governing body in which the
26 authority district is located makes the determinations required by
27 section 17 and approves the same plan, including the same

1 modifications, if any, made to the plan by any other governing
2 body. A plan submitted by an authority exercising its powers under
3 sections 3(3) and 4(8) shall be approved if the governing body of
4 the next Michigan development corporation makes the determinations
5 required by section 17.

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

24 (6) Property qualified as a public facility under section
25 ~~2(ee)(ii)~~ **2(F)(ii)** that is acquired by an authority may be sold,
26 conveyed, or otherwise disposed to any person, public or private,
27 for fair market value or reasonable monetary consideration

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

1 financing plan.

2 (7) The tax increment financing plan may provide for the use
3 of tax increment revenues from a certified technology park for
4 public facilities for any eligible property located in the
5 certified technology park. **THE TAX INCREMENT FINANCING PLAN MAY**
6 **PROVIDE FOR THE USE OF TAX INCREMENT REVENUES FROM A CERTIFIED**
7 **ALTERNATIVE ENERGY PARK FOR PUBLIC FACILITIES FOR ANY ELIGIBLE**
8 **PROPERTY LOCATED IN THE CERTIFIED ALTERNATIVE ENERGY PARK.** The tax
9 increment financing plan may provide for the use of tax increment
10 revenues within or without the development area from which the tax
11 increment revenues are derived, provided that the tax increment
12 revenues shall be used for public facilities within a next Michigan
13 development area within the municipality whose levy has contributed
14 to the tax increment revenues except as otherwise provided in the
15 interlocal agreement creating the next Michigan development
16 corporation that established the authority.

17 (8) If title to property qualified as a public facility under
18 section ~~2(cc)(ii)~~ **2 (FF) (ii)** and acquired by an authority with tax
19 increment revenues is sold, conveyed, or otherwise disposed of
20 pursuant to subsection (6) for less than fair market value, the
21 authority shall enter into an agreement relating to the use of the
22 property with the person to whom the property is sold, conveyed, or
23 disposed of, which agreement shall include a penalty provision
24 addressing repayment to the authority if any interest in the
25 property is sold, conveyed, or otherwise disposed of by the person
26 within 12 years after the person received title to the property
27 from the authority. This subsection shall not require enforcement

1 of a penalty provision for a conveyance incident to a merger,
2 acquisition, reorganization, sale-lease back transaction, employee
3 stock ownership plan, or other change in corporate or business form
4 or structure.

5 (9) The penalty provision described in subsection (8) shall
6 not be less than an amount equal to the difference between the fair
7 market value of the property when originally sold, conveyed, or
8 otherwise disposed of and the actual consideration paid by the
9 person to whom the property was originally sold, conveyed, or
10 otherwise disposed of.

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

20 (2) After receipt of an application, the Michigan economic
21 development corporation may designate, pursuant to an agreement
22 entered into under subsection (3), a certified technology park that
23 is determined by the Michigan economic development corporation to
24 satisfy 1 or more of the following criteria based on the
25 application:

26 (a) A demonstration of significant support from an institution
27 of higher education, ~~or~~ a private research-based institute, **OR A**

1 **LARGE, PRIVATE CORPORATE RESEARCH AND DEVELOPMENT CENTER** located
2 within the proximity of the proposed certified technology park, as
3 evidenced by, but not limited to, the following types of support:

4 (i) Grants of preferences for access to and commercialization
5 of intellectual property.

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

9 (iii) Donations of services.

10 (iv) Access to telecommunication facilities and other
11 infrastructure.

12 (v) Financial commitments.

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

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

16 (b) A demonstration of a significant commitment on behalf of
17 the institution of higher education, ~~or~~ private research-based
18 institute, **OR A LARGE, PRIVATE CORPORATE RESEARCH AND DEVELOPMENT**
19 **CENTER** to the commercialization of research produced at the
20 certified technology park, as evidenced by the intellectual
21 property and, if applicable, tenure policies that reward faculty
22 and staff for commercialization and collaboration with private
23 businesses.

24 (c) A demonstration that the proposed certified technology
25 park will be developed to take advantage of the unique
26 characteristics and specialties offered by the public and private
27 resources available in the area in which the proposed certified

1 technology park will be located.

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

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

8 (ii) A business plan exhibiting the economic utilization and
9 availability of resources and a likelihood of successful
10 development of technologies and research into viable business
11 enterprises.

12 (iii) A commitment to the employment of a qualified full-time
13 manager to supervise the development and operation of the business
14 incubator.

15 (e) The existence of a business plan for the proposed
16 certified technology park that identifies its objectives in a
17 clearly focused and measurable fashion and that addresses the
18 following matters:

19 (i) A commitment to new business formation.

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

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

23 (iv) The availability of and method proposed for development of
24 infrastructure and other improvements, including telecommunications
25 technology, necessary for the development of the proposed certified
26 technology park.

27 (v) Assumptions of costs and revenues related to the

1 development of the proposed certified technology park.

2 (f) A demonstrable and satisfactory assurance that the
3 proposed certified technology park can be developed to principally
4 contain eligible property as defined by section 2(s) (iii) and (v).

5 (3) An authority and a municipality that incorporated the
6 authority may enter into an agreement with the Michigan economic
7 development corporation establishing the terms and conditions
8 governing the certified technology park. Upon designation of the
9 certified technology park pursuant to the terms of the agreement,
10 the subsequent failure of any party to comply with the terms of the
11 agreement shall not result in the termination or rescission of the
12 designation of the area as a certified technology park. The
13 agreement shall include, but is not limited to, the following
14 provisions:

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

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

20 (c) The financial commitments of any party to the agreement
21 and of any owner or developer of property within the certified
22 technology park.

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

27 (e) The terms of enforcement of the agreement, which may

1 include the definition of events of default, cure periods, legal
2 and equitable remedies and rights, and penalties and damages,
3 actual or liquidated, upon the occurrence of an event of default.

4 (f) The public facilities to be developed for the certified
5 technology park.

6 (g) The costs approved for public facilities under section
7 2(dd).

8 (4) If the Michigan economic development corporation has
9 determined that a sale price or rental value at below market rate
10 will assist in increasing employment or private investment in the
11 certified technology park, the authority and municipality have
12 authority to determine the sale price or rental value for public
13 facilities owned or developed by the authority and municipality in
14 the certified technology park at below market rate.

15 (5) If public facilities developed pursuant to an agreement
16 entered into under this section are conveyed or leased at less than
17 fair market value or at below market rates, the terms of the
18 conveyance or lease shall include legal and equitable remedies and
19 rights to assure the public facilities are used as eligible
20 property. Legal and equitable remedies and rights may include
21 penalties and actual or liquidated damages.

22 (6) Except as otherwise provided in this section, an agreement
23 designating a certified technology park may not be made after
24 December 31, 2002, but any agreement made on or before December 31,
25 2002 may be amended after that date. However, the Michigan economic
26 development corporation may enter into an agreement with a
27 municipality after December 31, 2002 and on or before December 31,

1 2005 if that municipality has adopted a resolution of interest to
2 create a certified technology park before December 31, 2002.

3 (7) The Michigan economic development corporation shall market
4 the certified technology parks and the certified business parks.
5 The Michigan economic development corporation and an authority may
6 contract with each other or any third party for these marketing
7 services.

8 (8) Except as otherwise provided in subsections (9), ~~and~~ (10),
9 **AND (11)**, the Michigan economic development corporation shall not
10 designate more than 10 certified technology parks. For purposes of
11 this subsection only, 2 certified technology parks located in a
12 county that contains a city with a population of more than 750,000,
13 shall be counted as 1 certified technology park. Not more than 7 of
14 the certified technology parks designated under this section may
15 not include a firm commitment from at least 1 business engaged in a
16 high technology activity creating a significant number of jobs.

17 (9) The Michigan economic development corporation may
18 designate an additional 5 certified technology parks after November
19 1, 2002 and before December 31, 2007. The Michigan economic
20 development corporation shall not accept applications for the
21 additional certified technology parks under this subsection until
22 after November 1, 2002.

23 (10) The Michigan economic development corporation may
24 designate an additional 3 certified technology parks after February
25 1, 2008 and before December 31, 2008. The Michigan economic
26 development corporation shall not accept applications for the
27 additional certified technology parks under this subsection until

House Bill No. 5246 (S-1) as amended July 18, 2012

1 after February 1, 2008.

2 (11) THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION MAY
 3 DESIGNATE AN ADDITIONAL 3 CERTIFIED TECHNOLOGY PARKS BEFORE MARCH
 4 31, 2013. [IT IS THE INTENT OF THE LEGISLATURE THAT AFTER THE ADDITIONAL
 3 CERTIFIED TECHNOLOGY PARKS ARE DESIGNATED UNDER THIS SUBSECTION, NO
 ADDITIONAL CERTIFIED TECHNOLOGY PARKS SHALL BE DESIGNATED UNDER THIS
 SECTION.]

5 (12) ~~(11)~~—The Michigan economic development corporation shall
 6 give priority to applications that include new business activity.

7 (13) ~~(12)~~—For an authority established by 2 or more
 8 municipalities under sections 3(2) and 4(7), each municipality in
 9 which the authority district is located by a majority vote of the
 10 members of its governing body may make a limited tax pledge to
 11 support the authority's tax increment bonds issued under section 14
 12 or, if authorized by the voters of the municipality, may pledge its
 13 full faith and credit for the payment of the principal of and
 14 interest on the bonds. The municipalities that have made a pledge
 15 to support the authority's tax increment bonds may approve by
 16 resolution an agreement among themselves establishing obligations
 17 each may have to the other party or parties to the agreement for
 18 reimbursement of all or any portion of a payment made by a
 19 municipality related to its pledge to support the authority's tax
 20 increment bonds.

21 (14) ~~(13)~~—Not including certified technology parks designated
 22 under subsection (8), but for certified technology parks designated
 23 under subsections (9), ~~and~~ (10), **AND (11)** only, this state shall do
 24 all of the following:

25 (a) Reimburse intermediate school districts each year for all
 26 tax revenue lost that was captured by an authority for a certified
 27 technology park designated by the Michigan economic development

1 corporation after October 3, 2002.

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

6 (c) Reimburse the school aid fund from funds other than those
7 appropriated in section 11 of the state school aid act of 1979,
8 1979 PA 94, MCL 388.1611, for an amount equal to the reimbursement
9 calculations under subdivisions (a) and (b) and for all revenue
10 lost that was captured by an authority for a certified technology
11 park designated by the Michigan economic development corporation
12 after October 3, 2002. Foundation allowances calculated under
13 section 20 of the state school aid act of 1979, 1979 PA 94, MCL
14 388.1620, shall not be reduced as a result of tax revenue lost that
15 was captured by an authority for a certified technology park
16 designated by the Michigan economic development corporation under
17 subsection (9), ~~or~~(10), **OR (11)** after October 3, 2002.

18 Sec. 12c. (1) A municipality that has created an authority may
19 apply to the Michigan economic development corporation for
20 designation of all or a portion of the authority district as a
21 certified alternative energy park and to enter into an agreement
22 governing the terms and conditions of the designation. The form of
23 the application shall be in a form specified by the Michigan
24 economic development corporation and shall include information the
25 Michigan economic development corporation determines necessary to
26 make the determinations required under this section.

27 (2) After receipt of an application, the Michigan economic

1 development corporation may designate, pursuant to an agreement
2 entered into under subsection (3), a certified alternative energy
3 park that is determined by the Michigan economic development
4 corporation to satisfy 1 or more of the following criteria based on
5 the application:

6 (a) A demonstration that the proposed alternative energy park
7 will be developed to take advantage of the unique characteristics
8 and specialties offered by public and private resources available
9 in the area in which the proposed certified alternative energy park
10 will be located.

11 (b) The existence of or strong likelihood of attracting
12 alternative energy technology businesses to the proposed
13 alternative energy park by exhibiting the following types of
14 resources and organization:

15 (i) Significant financial and other types of support from the
16 public or private resources in the area.

17 (ii) Proposed or actual ownership of land in sufficient
18 quantity as to attract 1 or more major alternative energy
19 technology businesses.

20 (c) The existence of a business plan for the proposed
21 certified alternative energy park that identifies its objectives in
22 a clearly focused and measurable fashion and that addresses the
23 following matters:

24 (i) A commitment to new business formation or major business
25 attraction.

26 (ii) The clustering of businesses, technology, and research
27 within the region.

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

3 (iv) The availability of and method proposed for development
4 and sale or conveyance of shovel-ready sites to include
5 infrastructure and other improvements, including telecommunications
6 technology, necessary for the successful development of the
7 proposed certified alternative energy park.

8 (v) Assumptions of costs and revenues related to the
9 development of the proposed certified alternative energy park.

10 (D) ~~(F)~~—A demonstrable and satisfactory assurance that the
11 proposed certified alternative energy park can be developed to
12 principally contain eligible property as defined by section 2(s)(v)
13 and (vi).

14 **(E) THE PROPOSED CERTIFIED ALTERNATIVE ENERGY PARK INCLUDES A**
15 **MILITARY INSTALLATION THAT WAS OPERATED BY THE UNITED STATES**
16 **DEPARTMENT OF DEFENSE AND CLOSED AFTER 1980.**

17 (3) An authority and a municipality that incorporated the
18 authority may enter into an agreement with the Michigan economic
19 development corporation establishing the terms and conditions
20 governing the certified alternative energy park. Upon designation
21 of the certified alternative energy park pursuant to the terms of
22 the agreement, the subsequent failure of any party to comply with
23 the terms of the agreement shall not result in the termination or
24 rescission of the designation of the area as a certified
25 alternative energy park. The agreement shall include, but is not
26 limited to, the following provisions:

27 (a) A description of the area to be included within the

1 certified alternative energy park.

2 (b) Covenants and restrictions, if any, upon all or a portion
3 of the properties contained within the certified alternative energy
4 park and terms of enforcement of any covenants or restrictions.

5 (c) The financial commitments of any party to the agreement
6 and of any owner or developer of property, including sale or
7 transfer of ownership or options thereto upon designation of a
8 certified alternative energy park for property within the certified
9 alternative energy park.

10 (d) The terms of enforcement of the agreement, which may
11 include the definition of events of default, cure periods, legal
12 and equitable remedies and rights, and penalties and damages,
13 actual or liquidated, upon the occurrence of an event of default.

14 (e) Proposed method of ownership of the land within the
15 certified alternative energy park.

16 (f) The costs approved for public facilities under section
17 2(dd).

18 (g) Proposed method of operating the certified alternative
19 energy park.

20 (4) If the Michigan economic development corporation has
21 determined that a sale price or rental value at below market rate
22 will assist in increasing employment or private investment in the
23 certified alternative energy park, the authority and municipality
24 have authority to determine the sale price or rental value for
25 public facilities owned or developed by the authority and
26 municipality in the certified alternative energy park at below
27 market rate.

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

8 (6) Except as otherwise provided in this section, an agreement
9 designating a certified alternative energy park may not be made
10 after December 31, ~~2011~~, **2012**, but any agreement made on or before
11 December 31, ~~2011~~ **2012** may be amended after that date.

12 (7) The Michigan economic development corporation shall not
13 designate more than 10 certified alternative energy parks. For
14 purposes of this subsection only, certified alternative energy
15 parks located in the same county shall be counted as 1 certified
16 alternative energy park.

17 (8) For an authority established by 2 or more municipalities
18 under sections 3(2) and 4(7), each municipality in which the
19 authority district is located by a majority vote of the members of
20 its governing body may make a limited tax pledge to support the
21 authority's tax increment bonds issued under section 14 or, if
22 authorized by the voters of the municipality, may pledge its full
23 faith and credit for the payment of the principal of and interest
24 on the bonds. The municipalities that have made a pledge to support
25 the authority's tax increment bonds may approve by resolution an
26 agreement among themselves establishing obligations each may have
27 to the other party or parties to the agreement for reimbursement of

1 all or any portion of a payment made by a municipality related to
2 its pledge to support the authority's tax increment bonds.

3 (9) Upon approval of the Michigan economic development
4 corporation, the certified alternative energy park may be owned and
5 operated by an economic development corporation created under the
6 economic development corporations act, 1974 PA 338, MCL 125.1601 to
7 125.1636, or other public body agreeable to all members.

8 ~~Sec. 12e.~~ **12E.** (1) A next Michigan development corporation
9 establishing an authority under section 3(3) shall notify the
10 Michigan economic development corporation of the designation of a
11 next Michigan development area.

12 (2) The Michigan economic development corporation shall market
13 the authority district including next Michigan development areas.

14 (3) For an authority exercising its powers under section 3(3),
15 each municipality and county which is a party to the interlocal
16 agreement establishing the next Michigan development corporation,
17 or any 1 of them, by a majority vote of the members of its
18 governing body, may make a limited tax pledge to support the
19 authority's tax increment bonds issued under section 14 or, if
20 authorized by the voters of the municipality or county, may pledge
21 its full faith and credit for the payment of the principal of and
22 interest on the bonds. The municipalities or counties that have
23 made a pledge to support the authority's tax increment bonds may
24 approve by resolution an agreement among themselves establishing
25 obligations each may have to the other party or parties to the
26 agreement for reimbursement of all or any portion of a payment made
27 by a municipality or county related to its pledge to support the

1 authority's tax increment bonds.