

# HOUSE BILL No. 5142

November 1, 2011, Introduced by Reps. Ouimet and Irwin and referred to the Committee on Local, Intergovernmental, and Regional Affairs.

A bill to amend 2005 PA 280, entitled "Corridor improvement authority act," by amending sections 2, 4, 6, 8, and 11 (MCL 125.2872, 125.2874, 125.2876, 125.2878, and 125.2881), sections 2 and 6 as amended by 2008 PA 44 and section 11 as amended by 2007 PA 44.

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

1           Sec. 2. As used in this act:

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

1 (b) "Assessed value" means the taxable value as determined  
2 under section 27a of the general property tax act, 1893 PA 206, MCL  
3 211.27a.

4 (c) "Authority" means a corridor improvement authority created  
5 under ~~this act~~ **SECTION 4(1) OR A JOINT AUTHORITY CREATED UNDER**  
6 **SECTION 4(2)**.

7 (d) "Board" means the governing body of an authority.

8 (e) "Business district" means an area of a municipality zoned  
9 and used principally for business.

10 (f) "Captured assessed value" means the amount in any 1 year  
11 by which the current assessed value of the development area,  
12 including the assessed value of property for which specific local  
13 taxes are paid in lieu of property taxes as determined in section  
14 3(d), exceeds the initial assessed value. The state tax commission  
15 shall prescribe the method for calculating captured assessed value.

16 (g) "Chief executive officer" means the mayor of a city, the  
17 president of a village, or the supervisor of a township.

18 (h) "Development area" means that area described in section 5  
19 to which a development plan is applicable.

20 (i) "Development plan" means that information and those  
21 requirements for a development area set forth in section 21.

22 (j) "Development program" means the implementation of the  
23 development plan.

24 (k) "Fiscal year" means the fiscal year of the authority.

25 (l) "Governing body" or "governing body of a municipality"  
26 means the elected body of a municipality having legislative powers  
27 **OR, FOR A JOINT AUTHORITY CREATED UNDER SECTION 4(2), THE ELECTED**

1 **BODY OF EACH MUNICIPALITY HAVING LEGISLATIVE POWERS THAT IS A**  
2 **MEMBER OF THE JOINT AUTHORITY.**

3 (m) "Initial assessed value" means the assessed value, as  
4 equalized, of all the taxable property within the boundaries of the  
5 development area at the time the resolution establishing the tax  
6 increment financing plan is approved, as shown by the most recent  
7 assessment roll of the municipality for which equalization has been  
8 completed at the time the resolution is adopted. Property exempt  
9 from taxation at the time of the determination of the initial  
10 assessed value shall be included as zero. For the purpose of  
11 determining initial assessed value, property for which a specific  
12 local tax is paid in lieu of a property tax shall not be considered  
13 to be property that is exempt from taxation. The initial assessed  
14 value of property for which a specific local tax was paid in lieu  
15 of a property tax shall be determined as provided in section 3(d).

16 (n) "Land use plan" means a plan prepared under former 1921 PA  
17 207, former 1943 PA 184, or a site plan under the Michigan zoning  
18 enabling act, 2006 PA 110, MCL 125.3101 to 125.3702.

19 (o) "Municipality" means 1 of the following:

20 (i) A city.

21 (ii) A village.

22 (iii) A township.

23 (iv) **A COMBINATION OF 2 OR MORE CITIES, VILLAGES, OR TOWNSHIPS**  
24 **ACTING JOINTLY UNDER A JOINT AUTHORITY CREATED UNDER SECTION 4(2).**

25 Sec. 4. (1) Except as otherwise provided in this subsection, a  
26 municipality may establish multiple authorities. A parcel of  
27 property shall not be included in more than 1 authority created

1 under this act.

2 (2) A CITY, VILLAGE, OR TOWNSHIP MAY BY RESOLUTION JOIN WITH 1  
3 OR MORE CITIES, VILLAGES, OR TOWNSHIPS TO CREATE A JOINT AUTHORITY  
4 UNDER THIS ACT.

5 (3) ~~(2)~~—An authority is a public body corporate which may sue  
6 and be sued in any court of this state. An authority possesses all  
7 the powers necessary to carry out its purpose. The enumeration of a  
8 power in this act shall not be construed as a limitation upon the  
9 general powers of an authority.

10 Sec. 6. (1) If the governing body of a municipality determines  
11 that it is necessary for the best interests of the public to  
12 redevelop its commercial corridors and to promote economic growth,  
13 the governing body may, by resolution, ~~declare~~ **DO 1 OF THE**  
14 **FOLLOWING:**

15 (A) **DECLARE** its intention to create and provide for the  
16 operation of an authority.

17 (B) **DECLARE ITS INTENTION TO JOINTLY CREATE AND PROVIDE FOR**  
18 **THE OPERATION OF A JOINT AUTHORITY WITH 1 OR MORE OTHER CITIES,**  
19 **VILLAGES, OR TOWNSHIPS.**

20 (2) In the resolution of intent, the governing body shall  
21 state that the proposed development area meets the criteria in  
22 section 5, set a date for a public hearing on the adoption of a  
23 proposed resolution creating the authority, and designate the  
24 boundaries of the development area. Notice of the public hearing  
25 shall be published twice in a newspaper of general circulation in  
26 the municipality, not less than 20 or more than 40 days before the  
27 date of the hearing. Not less than 20 days before the hearing, the

1 governing body proposing to create the authority shall also mail  
2 notice of the hearing to the property taxpayers of record in the  
3 proposed development area, to the governing body of each taxing  
4 jurisdiction levying taxes that would be subject to capture if the  
5 authority is established and a tax increment financing plan is  
6 approved, and to the state tax commission. Failure of a property  
7 taxpayer to receive the notice does not invalidate these  
8 proceedings. Notice of the hearing shall be posted in at least 20  
9 conspicuous and public places in the proposed development area not  
10 less than 20 days before the hearing. The notice shall state the  
11 date, time, and place of the hearing and shall describe the  
12 boundaries of the proposed development area. A citizen, taxpayer,  
13 or property owner of the municipality or an official from a taxing  
14 jurisdiction with millage that would be subject to capture has the  
15 right to be heard in regard to the establishment of the authority  
16 and the boundaries of the proposed development area. The governing  
17 body of the municipality shall not incorporate land into the  
18 development area not included in the description contained in the  
19 notice of public hearing, but it may eliminate described lands from  
20 the development area in the final determination of the boundaries.

21 (3) Not less than 60 days after the public hearing, if the  
22 governing body of the municipality intends to proceed with the  
23 establishment of the authority it shall adopt, by majority vote of  
24 its members, a resolution establishing the authority and  
25 designating the boundaries of the development area within which the  
26 authority shall exercise its powers. The adoption of the resolution  
27 is subject to any applicable statutory or charter provisions in

1 respect to the approval or disapproval by the chief executive or  
2 other officer of the municipality and the adoption of a resolution  
3 over his or her veto. This resolution shall be filed with the  
4 secretary of state promptly after its adoption and shall be  
5 published at least once in a newspaper of general circulation in  
6 the municipality.

7 (4) The governing body of the municipality may alter or amend  
8 the boundaries of the development area to include or exclude lands  
9 from the development area in the same manner as adopting the  
10 resolution creating the authority.

11 (5) A municipality that has created an authority may enter  
12 into an agreement with an adjoining municipality that has created  
13 an authority to jointly operate and administer those authorities  
14 under an interlocal agreement under the urban cooperation act of  
15 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512. The interlocal  
16 agreement shall include, but is not limited to, a plan to  
17 coordinate and expedite local inspections and permit approvals, a  
18 plan to address contradictory zoning requirements, and a date  
19 certain to implement all provisions of these plans. If a  
20 municipality enters into an interlocal agreement under this  
21 subsection, the municipality shall provide a copy of that  
22 interlocal agreement to the state tax commission within 60 days of  
23 entering into the interlocal agreement.

24 Sec. 8. (1) Except as provided in subsection (7) **OR AS**  
25 **OTHERWISE PROVIDED IN SUBSECTION (8)**, an authority shall be under  
26 the supervision and control of a board consisting of the chief  
27 executive officer of the municipality or his or her assignee and

1 not less than 5 or more than 9 members as determined by the  
2 governing body of the municipality. Members shall be appointed by  
3 the chief executive officer of the municipality, subject to  
4 approval by the governing body of the municipality. Not less than a  
5 majority of the members shall be persons having an ownership or  
6 business interest in property located in the development area. At  
7 least 1 of the members shall be a resident of the development area  
8 or of an area within 1/2 mile of any part of the development area.  
9 Of the members first appointed, an equal number of the members, as  
10 near as is practicable, shall be appointed for 1 year, 2 years, 3  
11 years, and 4 years. A member shall hold office until the member's  
12 successor is appointed. After the initial appointment, each member  
13 shall serve for a term of 4 years. An appointment to fill a vacancy  
14 shall be made by the chief executive officer of the municipality  
15 for the unexpired term only. Members of the board shall serve  
16 without compensation, but shall be reimbursed for actual and  
17 necessary expenses. The chairperson of the board shall be elected  
18 by the board.

19 (2) Before assuming the duties of office, a member shall  
20 qualify by taking and subscribing to the constitutional oath of  
21 office.

22 (3) The proceedings and rules of the board are subject to the  
23 open meetings act, 1976 PA 267, MCL 15.261 to 15.275. The board  
24 shall adopt rules governing its procedure and the holding of  
25 regular meetings, subject to the approval of the governing body.  
26 Special meetings may be held if called in the manner provided in  
27 the rules of the board.

1 (4) After having been given notice and an opportunity to be  
2 heard, a member of the board may be removed for cause by the  
3 governing body.

4 (5) All expense items of the authority shall be publicized  
5 monthly and the financial records shall always be open to the  
6 public.

7 (6) A writing prepared, owned, used, in the possession of, or  
8 retained by the board in the performance of an official function is  
9 subject to the freedom of information act, 1976 PA 442, MCL 15.231  
10 to 15.246.

11 (7) If the boundaries of the development area are the same as  
12 those of a business improvement district established under 1961 PA  
13 120, MCL 125.981 to 125.990m, the governing body of the  
14 municipality may provide that the members of the board of the  
15 authority shall be the members of the board of the business  
16 improvement district and 1 person shall be a resident of the  
17 development area or of an area within 1/2 mile of any part of the  
18 development area.

19 (8) IF 2 OR MORE CITIES, VILLAGES, OR TOWNSHIPS CREATE A JOINT  
20 AUTHORITY UNDER SECTION 4(2), THE BOARD SHALL CONSIST OF 3  
21 INDIVIDUALS APPOINTED BY EACH CITY, VILLAGE, OR TOWNSHIP THAT IS A  
22 MEMBER OF THE JOINT AUTHORITY. EACH OF THOSE INDIVIDUALS SHALL BE  
23 APPOINTED FOR TERMS OF 2 YEARS, 3 YEARS, AND 4 YEARS.

24 Sec. 11. (1) The board may do ~~any~~ 1 OR MORE of the following:

25 (a) Prepare an analysis of economic changes taking place in  
26 the development area.

27 (b) Study and analyze the impact of metropolitan growth upon



1 the development area.

2 (c) Plan and propose the construction, renovation, repair,  
3 remodeling, rehabilitation, restoration, preservation, or  
4 reconstruction of a public facility, an existing building, or a  
5 multiple-family dwelling unit which may be necessary or appropriate  
6 to the execution of a plan which, in the opinion of the board, aids  
7 in the economic growth of the development area.

8 (d) Plan, propose, and implement an improvement to a public  
9 facility within the development area to comply with the barrier  
10 free design requirements of the state construction code promulgated  
11 under the Stille-DeRossett-Hale single state construction code act,  
12 1972 PA 230, MCL 125.1501 to 125.1531.

13 (e) Develop long-range plans, in cooperation with the agency  
14 that is chiefly responsible for planning in the municipality,  
15 designed to halt the deterioration of property values in the  
16 development area and to promote the economic growth of the  
17 development area, and take steps as may be necessary to persuade  
18 property owners to implement the plans to the fullest extent  
19 possible.

20 (f) Implement any plan of development in the development area  
21 necessary to achieve the purposes of this act in accordance with  
22 the powers of the authority granted by this act.

23 (g) Make and enter into contracts necessary or incidental to  
24 the exercise of its powers and the performance of its duties.

25 (h) On terms and conditions and in a manner and for  
26 consideration the authority considers proper or for no  
27 consideration, acquire by purchase or otherwise, or own, convey, or

1 otherwise dispose of, or lease as lessor or lessee, land and other  
2 property, real or personal, or rights or interests in the property,  
3 that the authority determines is reasonably necessary to achieve  
4 the purposes of this act, and to grant or acquire licenses,  
5 easements, and options.

6 (i) Improve land and construct, reconstruct, rehabilitate,  
7 restore and preserve, equip, improve, maintain, repair, and operate  
8 any building, including multiple-family dwellings, and any  
9 necessary or desirable appurtenances to those buildings, within the  
10 development area for the use, in whole or in part, of any public or  
11 private person or corporation, or a combination thereof.

12 (j) Fix, charge, and collect fees, rents, and charges for the  
13 use of any facility, building, or property under its control or any  
14 part of the facility, building, or property, and pledge the fees,  
15 rents, and charges for the payment of revenue bonds issued by the  
16 authority.

17 (k) Lease, in whole or in part, any facility, building, or  
18 property under its control.

19 (l) Accept grants and donations of property, labor, or other  
20 things of value from a public or private source.

21 (m) Acquire and construct public facilities.

22 (n) Conduct market research and public relations campaigns,  
23 develop, coordinate, and conduct retail and institutional  
24 promotions, and sponsor special events and related activities.

25 (o) Contract for broadband service and wireless technology  
26 service in a development area.

27 (2) Notwithstanding any other provision of this act, in a

1 qualified development area the board may, in addition to the powers  
2 enumerated in subsection (1), do 1 or more of the following:

3 (a) Perform any necessary or desirable site improvements to  
4 the land, including, but not limited to, installation of temporary  
5 or permanent utilities, temporary or permanent roads and driveways,  
6 silt fences, perimeter construction fences, curbs and gutters,  
7 sidewalks, pavement markings, water systems, gas distribution  
8 lines, concrete, including, but not limited to, building pads,  
9 storm drainage systems, sanitary sewer systems, parking lot paving  
10 and light fixtures, electrical service, communications systems,  
11 including broadband and high-speed internet, site signage, and  
12 excavation, backfill, grading of site, landscaping and irrigation,  
13 within the development area for the use, in whole or in part, of  
14 any public or private person or business entity, or a combination  
15 of these.

16 (b) Incur expenses and expend funds to pay or reimburse a  
17 public or private person for costs associated with any of the  
18 improvements described in subdivision (a).

19 (c) Make and enter into financing arrangements with a public  
20 or private person for the purposes of implementing the board's  
21 powers described in this section, including, but not limited to,  
22 lease purchase agreements, land contracts, installment sales  
23 agreements, sale leaseback agreements, and loan agreements.