

HOUSE BILL No. 4422

April 14, 2015, Introduced by Reps. Schor, Dillon, Faris, Singh, Moss, Gay-Dagnogo,
Dianda and Brinks and referred to the Committee on Commerce and Trade.

A bill to amend 1961 PA 120, entitled

"An act to authorize the development or redevelopment of principal shopping districts and business improvement districts; to permit the creation of certain boards; to provide for the operation of principal shopping districts and business improvement districts; to provide for the creation, operation, and dissolution of business improvement zones; and to authorize the collection of revenue and the bonding of certain local governmental units for the development or redevelopment projects,"

by amending sections 10 and 10a (MCL 125.990 and 125.990a), as amended by 2013 PA 126.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 10. As used in this chapter:

2 (a) "Assessable property" means real property in a zone area
3 other than property classified as residential real property under
4 section 34c of the general property tax act, 1893 PA 206, MCL
5 211.34c, or real property exempt from the collection of taxes under

1 the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

2 (b) "Assessment" means an assessment imposed under this
3 chapter against assessable property for the benefit of the property
4 owners.

5 (c) "Assessment revenues" means the money collected by a
6 business improvement zone from any assessments, including any
7 interest on the assessments.

8 (d) "Board" means the board of directors of a business
9 improvement zone.

10 (e) "Business improvement zone" means a business improvement
11 zone created under this chapter.

12 (f) "Nonprofit corporation" means a nonprofit corporation
13 organized under the nonprofit corporation act, 1982 PA 162, MCL
14 450.2101 to 450.3192, and which complies with all of the following:

15 (i) The articles of incorporation of the nonprofit corporation
16 provide that the nonprofit corporation may promote a business
17 improvement zone and may also provide management services related
18 to the implementation of a zone plan.

19 (ii) The nonprofit corporation is exempt from federal income
20 tax under section 501(c)(4) or 501(c)(6) of the internal revenue
21 code, 28 USC 501.

22 (g) "Person" means an individual, partnership, corporation,
23 limited liability company, association, or other legal entity.

24 (h) "Project" means any activity for the benefit of property
25 owners authorized by section 10a to enhance the business
26 environment within a zone area **AND INCLUDES TRANSIT-ORIENTED**
27 **DEVELOPMENT AND TRANSIT-ORIENTED FACILITIES.**

1 (i) "Property owner" means a person who owns, or an agent
2 authorized in writing by a person who owns, assessable property
3 according to the records of the treasurer of the city or village in
4 which the business improvement zone is located.

5 (j) "10-year period" means the period in which a business
6 improvement zone is authorized to operate, beginning on the date
7 that the business improvement zone is created or renewed and ending
8 10 calendar years after that date.

9 (K) "TRANSIT LINE" MEANS 1 OR BOTH OF THE FOLLOWING:

10 (i) STREET RAILWAY SYSTEM AS DEFINED IN SECTION 7 OF THE
11 NONPROFIT STREET RAILWAY ACT, 1867 PA 35, MCL 472.7.

12 (ii) ROLLING RAPID TRANSIT SYSTEM AS DEFINED IN SECTION 2 OF
13 THE REGIONAL TRANSIT AUTHORITY ACT, 2012 PA 387, MCL 124.542.

14 (l) "TRANSIT-ORIENTED DEVELOPMENT" MEANS INFRASTRUCTURE
15 IMPROVEMENTS THAT ARE LOCATED WITHIN 1/2 MILE OF A TRANSIT STATION,
16 TRANSIT LINE, OR TRANSIT-ORIENTED FACILITY THAT PROMOTES TRANSIT
17 RIDERSHIP OR PASSENGER RAIL USE AS DETERMINED BY THE LOCAL
18 GOVERNMENTAL UNIT IN WHICH IT IS LOCATED.

19 (M) "TRANSIT-ORIENTED FACILITY" MEANS A FACILITY THAT HOUSES A
20 TRANSIT STATION IN A MANNER THAT PROMOTES TRANSIT RIDERSHIP OR
21 PASSENGER RAIL USE.

22 (N) "TRANSIT STATION" MEANS A FACILITY FOR LOADING AND
23 UNLOADING INDIVIDUALS ON OR OFF A TRANSIT LINE.

24 (O) ~~(k)~~—"Zone area" means the area designated in the zone plan
25 as the area to be served by the business improvement zone.

26 (P) ~~(l)~~—"Zone plan" means a set of goals, strategies,
27 objectives, and guidelines for the operation of a business

1 improvement zone, as approved at a meeting of property owners
2 conducted under section 10d.

3 Sec. 10a. (1) A business improvement zone is a public body
4 corporate and may do 1 or more of the following for the benefit of
5 property owners located in the business improvement zone:

6 (a) Acquire, through purchase, lease, or gift, construct,
7 develop, improve, maintain, operate, or reconstruct park areas,
8 planting areas, and related facilities within the zone area.

9 (b) Acquire, construct, clean, improve, maintain, reconstruct,
10 or relocate sidewalks, street curbing, street medians, fountains,
11 and lighting within the zone area.

12 (c) Develop and propose lighting standards within the zone
13 area.

14 (d) Acquire, plant, and maintain trees, shrubs, flowers, or
15 other vegetation within the zone area.

16 (e) Provide or contract for security services with other
17 public or private entities and purchase equipment or technology
18 related to security services within the zone area.

19 (f) Promote and sponsor cultural or recreational activities.

20 (g) Engage in economic development activities, including, but
21 not limited to, promotion of business, retail, or industrial
22 development, developer recruitment, business recruitment, business
23 marketing, business retention, public relations efforts, and market
24 research.

25 (h) Engage in other activities with the purpose to enhance the
26 economic prosperity, enjoyment, appearance, image, and safety of
27 the zone area.

1 (i) Acquire by purchase or gift, maintain, or operate real or
2 personal property necessary to implement this chapter.

3 (j) Solicit and accept gifts or grants to further the zone
4 plan.

5 (k) Sue or be sued.

6 **(l) DEVELOP AND FINANCE TRANSIT-ORIENTED DEVELOPMENT AND**
7 **TRANSIT-ORIENTED FACILITIES.**

8 **(M)** ~~(l)~~—Do all other acts and things necessary or convenient to
9 exercise the powers, duties, and jurisdictions of the business
10 improvement zone under this act or other laws that relate to the
11 purposes, powers, duties, and jurisdictions of the business
12 improvement zone.

13 (2) A business improvement zone may contract with a nonprofit
14 corporation or any other public or private entity and may pay a
15 reasonable fee to the nonprofit corporation or other public or
16 private entity for services provided. Two or more business
17 improvement zones may contract with the same nonprofit corporation
18 or public or private entity under this subsection.

19 (3) A business improvement zone has the authority to borrow
20 money in anticipation of the receipt of assessments if all of the
21 following conditions are satisfied:

22 (a) The loan will not be requested or authorized, or will not
23 mature, within 90 days before the expiration of the 10-year period.

24 (b) The amount of the loan does not exceed 50% of the annual
25 average assessment revenue of the business improvement zone during
26 the previous year or, in the case of a business improvement zone
27 that has been in existence for less than 1 year, the loan does not

1 exceed 25% of the projected annual assessment revenue.

2 (c) The loan repayment period does not extend beyond the 10-
3 year period.

4 (d) The loan is subject to the revised municipal finance act,
5 2001 PA 34, MCL 141.2101 to 141.2821.

6 (4) The services provided by and projects of a business
7 improvement zone are services and projects of the business
8 improvement zone and are not services, functions, or projects of
9 the municipality in which the business improvement zone is located.
10 The services provided by and projects of a business improvement
11 zone are supplemental to the services, projects, and functions of
12 the city or village in which the business improvement zone is
13 located.

14 (5) The business improvement zone has no other authority than
15 the authority described in this act or authorized by other laws of
16 this state.