

# SENATE BILL NO. 243

March 23, 2023, Introduced by Senators SANTANA, CHANG and GEISS and referred to the Committee on Finance, Insurance, and Consumer Protection.

A bill to amend 2018 PA 57, entitled "Recodified tax increment financing act," by amending sections 203, 303, 404, 618, 715, and 814 (MCL 125.4203, 125.4303, 125.4404, 125.4618, 125.4715, and 125.4814).

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

1           Sec. 203. (1) ~~When~~**If** the governing body of a municipality  
2 determines that it is necessary for the best interests of the  
3 public to halt property value deterioration and increase property  
4 tax valuation where possible in its business district, to eliminate  
5 the causes of that deterioration, and to promote economic growth,

1 the governing body may, by resolution, declare its intention to  
2 create and provide for the operation of an authority.

3 (2) In the resolution of intent, the governing body shall set  
4 a date for the holding of a public hearing on the adoption of a  
5 proposed ordinance creating the authority and designating the  
6 boundaries of the downtown district. Notice of the public hearing  
7 ~~shall-must~~ be published twice in a newspaper of general circulation  
8 in the municipality, not less than 20 or more than 40 days before  
9 the date of the hearing. Not less than 20 days before the hearing,  
10 the governing body proposing to create the authority shall also  
11 mail notice of the hearing to the property taxpayers of record in  
12 the proposed district and for a public hearing to be held after  
13 February 15, 1994 to the governing body of each taxing jurisdiction  
14 levying taxes that would be subject to capture if the authority is  
15 established and a tax increment financing plan is approved.  
16 Beginning June 1, 2005, the notice of hearing within the time frame  
17 described in this subsection ~~shall-must~~ be mailed by certified mail  
18 to the governing body of each taxing jurisdiction levying taxes  
19 that would be subject to capture if the authority is established  
20 and a tax increment financing plan is approved. Failure of a  
21 property taxpayer to receive the notice ~~shall-does~~ not invalidate  
22 these proceedings. Notice of the hearing ~~shall-must~~ be posted in at  
23 least 20 conspicuous and public places in the proposed downtown  
24 district not less than 20 days before the hearing. The notice ~~shall~~  
25 **must** state the date, time, and place of the hearing, and ~~shall-must~~  
26 describe the boundaries of the proposed downtown district. A  
27 citizen, taxpayer, or property owner of the municipality or an  
28 official from a taxing jurisdiction with millage that would be  
29 subject to capture has the right to be heard in regard to the

1 establishment of the authority and the boundaries of the proposed  
2 downtown district. The governing body of the municipality shall not  
3 incorporate land into the downtown district not included in the  
4 description contained in the notice of public hearing, but it may  
5 eliminate described lands from the downtown district in the final  
6 determination of the boundaries.

7 (3) Not more than 60 days after a public hearing held after  
8 February 15, 1994, the governing body of a taxing jurisdiction  
9 levying ad valorem property taxes that would otherwise be subject  
10 to capture may exempt its taxes from capture by adopting a  
11 resolution to that effect and filing a copy with the clerk of the  
12 municipality proposing to create the authority. The resolution  
13 takes effect when filed with that clerk and remains effective until  
14 a copy of a resolution rescinding that resolution is filed with  
15 that clerk. If a separate millage for public library purposes was  
16 levied before January 1, 2017, and all obligations and other  
17 protected obligations of the authority are paid, then the levy is  
18 exempt from capture under this part, unless the library board or  
19 commission allows all or a portion of its taxes levied to be  
20 included as tax increment revenues and subject to capture under  
21 this part under the terms of a written agreement between the  
22 library board or commission and the authority. The written  
23 agreement ~~shall~~**must** be filed with the clerk of the municipality.  
24 However, if a separate millage for public library purposes was  
25 levied before January 1, 2017, and the authority alters or amends  
26 the boundaries of a downtown district or extends the duration of  
27 the existing finance plan, then the library board or commission  
28 may, not later than 60 days after a public hearing is held under  
29 this subsection, exempt all or a portion of its taxes from capture

1 by adopting a resolution to that effect and filing a copy with the  
2 clerk of the municipality that created the authority. For ad  
3 valorem property taxes or specific local taxes attributable to  
4 those ad valorem property taxes levied for a separate millage for  
5 public library purposes approved by the electors after December 31,  
6 2016, a library board or commission may allow all or a portion of  
7 its taxes levied to be included as tax increment revenues and  
8 subject to capture under this part under the terms of a written  
9 agreement between the library board or commission and the  
10 authority. The written agreement ~~shall~~**must** be filed with the clerk  
11 of the municipality. ~~However, if the library was created under~~  
12 ~~section 1 or 10a of 1877 PA 164, MCL 397.201 and 397.210a, or~~  
13 ~~established under 1869 LA 233, then any action of the library board~~  
14 ~~or commission under this subsection shall have the concurrence of~~  
15 ~~the chief executive officer of the city that created the library to~~  
16 ~~be effective, and, if the action of the library board or commission~~  
17 ~~involves any bond issued by this state or a state agency, the~~  
18 ~~concurrence of the state treasurer.~~

19 (4) Not less than 60 days after the public hearing, if the  
20 governing body of the municipality intends to proceed with the  
21 establishment of the authority, it shall adopt, by majority vote of  
22 its members, an ordinance establishing the authority and  
23 designating the boundaries of the downtown district within which  
24 the authority ~~shall~~**may** exercise its powers. The adoption of the  
25 ordinance is subject to any applicable statutory or charter  
26 provisions in respect to the approval or disapproval by the chief  
27 executive or other officer of the municipality and the adoption of  
28 an ordinance over ~~his or her~~**that officer's** veto. This ordinance  
29 ~~shall~~**must** be filed with the secretary of state promptly after its

1 adoption and ~~shall~~**must** be published at least once in a newspaper  
2 of general circulation in the municipality.

3 (5) The governing body of the municipality may alter or amend  
4 the boundaries of the downtown district to include or exclude lands  
5 from the downtown district pursuant to the same requirements for  
6 adopting the ordinance creating the authority.

7 (6) A municipality that has created an authority may enter  
8 into an agreement with an adjoining municipality that has created  
9 an authority to jointly operate and administer those authorities  
10 under an interlocal agreement under the urban cooperation act of  
11 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

12 (7) A municipality that has created an authority may enter  
13 into an agreement with a qualified township to operate its  
14 authority in a downtown district in the qualified township under an  
15 interlocal agreement under the urban cooperation act of 1967, 1967  
16 (Ex Sess) PA 7, MCL 124.501 to 124.512. The interlocal agreement  
17 between the municipality and the qualified township ~~shall~~**must**  
18 provide for, but is not limited to, all of the following:

19 (a) Size and makeup of the board.

20 (b) Determination and modification of downtown district,  
21 business district, and development area.

22 (c) Modification of development area and development plan.

23 (d) Issuance and repayment of obligations.

24 (e) Capture of taxes.

25 (f) Notice, hearing, and exemption of taxes from capture  
26 provisions described in this section.

27 Sec. 303. (1) If the governing body of a municipality  
28 determines that it is in the best interests of the public to halt a  
29 decline in property values, increase property tax valuation,

1 eliminate the causes of the decline in property values, and to  
2 promote growth in an area in the municipality, the governing body  
3 of that municipality may declare by resolution its intention to  
4 create and provide for the operation of an authority.

5 (2) In the resolution of intent, the governing body shall set  
6 a date for the holding of a public hearing on the adoption of a  
7 proposed resolution creating the authority and designating the  
8 boundaries of the authority district. Notice of the public hearing  
9 ~~shall~~**must** be published twice in a newspaper of general circulation  
10 in the municipality, not less than 20 ~~nor~~**or** more than 40 days  
11 before the date of the hearing. Notice ~~shall~~**must** also be mailed to  
12 the property taxpayers of record in the proposed authority district  
13 not less than 20 days before the hearing. Beginning June 1, 2005,  
14 the notice of hearing within the time frame described in this  
15 subsection ~~shall~~**must** be mailed by certified mail to the governing  
16 body of each taxing jurisdiction levying taxes that would be  
17 subject to capture if the authority is established and a tax  
18 increment financing plan is approved. Failure to receive the notice  
19 ~~shall~~**does** not invalidate these proceedings. The notice ~~shall~~**must**  
20 state the date, time, and place of the hearing, and ~~shall~~**must**  
21 describe the boundaries of the proposed authority district. At that  
22 hearing, a citizen, taxpayer, or property owner of the municipality  
23 has the right to be heard in regard to the establishment of the  
24 authority and the boundaries of the proposed authority district.  
25 The governing body of the municipality shall not incorporate land  
26 into the authority district not included in the description  
27 contained in the notice of public hearing, but it may eliminate  
28 described lands from the authority district in the final  
29 determination of the boundaries.

1           (3) After the public hearing, if the governing body intends to  
2 proceed with the establishment of the authority, it shall adopt, by  
3 majority vote of its members, a resolution establishing the  
4 authority and designating the boundaries of the authority district  
5 within which the authority ~~shall~~**may** exercise its powers. The  
6 adoption of the resolution is subject to any applicable statutory  
7 or charter provisions with respect to the approval or disapproval  
8 by the chief executive or other officer of the municipality and the  
9 adoption of a resolution over ~~his or her~~**that officer's** veto. This  
10 resolution ~~shall~~**must** be filed with the secretary of state promptly  
11 after its adoption and ~~shall~~**must** be published at least once in a  
12 newspaper of general circulation in the municipality.

13           (4) The governing body may alter or amend the boundaries of  
14 the authority district to include or exclude lands from the  
15 authority district in accordance with the same requirements  
16 prescribed for adopting the resolution creating the authority.

17           (5) The validity of the proceedings establishing an authority  
18 ~~shall be~~**are** conclusive unless contested in a court of competent  
19 jurisdiction ~~within~~**not later than** 60 days after the last of the  
20 following takes place:

21           (a) Publication of the resolution as adopted.

22           (b) Filing of the resolution with the secretary of state.

23           (6) If a separate millage for public library purposes was  
24 levied before January 1, 2017, and all obligations and other  
25 protected obligations of the authority are paid, then the levy is  
26 exempt from capture under this part, unless the library board or  
27 commission allows all or a portion of its taxes levied to be  
28 included as tax increment revenues and subject to capture under  
29 this part under the terms of a written agreement between the

1 library board or commission and the authority. The written  
2 agreement ~~shall~~**must** be filed with the clerk of the municipality.  
3 However, if a separate millage for public library purposes was  
4 levied before January 1, 2017, and the authority alters or amends  
5 the boundaries of the authority district or extends the duration of  
6 the existing finance plan, then the library board or commission  
7 may, not later than 60 days after a public hearing is held under  
8 this subsection, exempt all or a portion of its taxes from capture  
9 by adopting a resolution to that effect and filing a copy with the  
10 clerk of the municipality that created the authority. For ad  
11 valorem property taxes or specific local taxes attributable to  
12 those ad valorem property taxes levied for a separate millage for  
13 public library purposes approved by the electors after December 31,  
14 2016, a library board or commission may allow all or a portion of  
15 its taxes levied to be included as tax increment revenues and  
16 subject to capture under this part under the terms of a written  
17 agreement between the library board or commission and the  
18 authority. The written agreement ~~shall~~**must** be filed with the clerk  
19 of the municipality. ~~However, if the library was created under~~  
20 ~~section 1 or 10a of 1877 PA 164, MCL 397.201 and 397.210a, or~~  
21 ~~established under 1869 LA 233, then any action of the library board~~  
22 ~~or commission under this subsection shall have the concurrence of~~  
23 ~~the chief executive officer of the city that created the library to~~  
24 ~~be effective.~~

25       Sec. 404. (1) The governing body of a municipality may declare  
26 by resolution adopted by a majority of its members elected and  
27 serving its intention to create and provide for the operation of an  
28 authority.

29       (2) In the resolution of intent, the governing body proposing



1 to create the authority shall set a date for holding a public  
2 hearing on the adoption of a proposed resolution creating the  
3 authority and designating the boundaries of the authority district  
4 or districts. Notice of the public hearing ~~shall~~**must** be published  
5 twice in a newspaper of general circulation in the municipality,  
6 not less than 20 ~~nor~~**or** more than 40 days before the date of the  
7 hearing. Except as otherwise provided in subsection (8), not less  
8 than 20 days before the hearing, the governing body proposing to  
9 create the authority shall also mail notice of the hearing to the  
10 property taxpayers of record in a proposed authority district and,  
11 for a public hearing to be held after February 15, 1994, to the  
12 governing body of each taxing jurisdiction levying taxes that would  
13 be subject to capture if the authority is established and a tax  
14 increment financing plan is approved. Beginning June 1, 2005, the  
15 notice of hearing within the time frame described in this  
16 subsection ~~shall~~**must** be mailed by certified mail to the governing  
17 body of each taxing jurisdiction levying taxes that would be  
18 subject to capture if the authority is established and a tax  
19 increment financing plan is approved. Failure of a property  
20 taxpayer to receive the notice ~~shall~~**does** not invalidate these  
21 proceedings. The notice ~~shall~~**must** state the date, time, and place  
22 of the hearing, and ~~shall~~**must** describe the boundaries of the  
23 proposed authority district or districts. At that hearing, a  
24 resident, taxpayer, or property owner from a taxing jurisdiction in  
25 which the proposed district is located or an official from a taxing  
26 jurisdiction with millage that would be subject to capture has the  
27 right to be heard in regard to the establishment of the authority  
28 and the boundaries of that proposed authority district. The  
29 governing body of the municipality in which a proposed district is

1 to be located shall not incorporate land into an authority district  
2 not included in the description contained in the notice of public  
3 hearing, but it may eliminate lands described in the notice of  
4 public hearing from an authority district in the final  
5 determination of the boundaries.

6 (3) Except as otherwise provided in subsection (8), not more  
7 than 60 days after a public hearing held after February 15, 1994,  
8 the governing body of a taxing jurisdiction with millage that would  
9 otherwise be subject to capture may exempt its taxes from capture  
10 by adopting a resolution to that effect and filing a copy with the  
11 clerk of the municipality proposing to create the authority.  
12 However, a resolution by a governing body of a taxing jurisdiction  
13 to exempt its taxes from capture is not effective for the capture  
14 of taxes that are used for a certified technology park or a  
15 certified alternative energy park. The resolution takes effect when  
16 filed with that clerk and remains effective until a copy of a  
17 resolution rescinding that resolution is filed with that clerk. If  
18 a separate millage for public library purposes was levied before  
19 January 1, 2017, and all obligations and other protected  
20 obligations of the authority are paid, then the levy is exempt from  
21 capture under this part, unless the library board or commission  
22 allows all or a portion of its taxes levied to be included as tax  
23 increment revenues and subject to capture under this part under the  
24 terms of a written agreement between the library board or  
25 commission and the authority. The written agreement ~~shall~~**must** be  
26 filed with the clerk of the municipality. However, if a separate  
27 millage for public library purposes was levied before January 1,  
28 2017, and the authority alters or amends the boundaries of the  
29 authority district or extends the duration of the existing finance

1 plan, then the library board or commission may, not later than 60  
2 days after a public hearing is held under this subsection, exempt  
3 all or a portion of its taxes from capture by adopting a resolution  
4 to that effect and filing a copy with the clerk of the municipality  
5 that created the authority. For ad valorem property taxes or  
6 specific local taxes attributable to those ad valorem property  
7 taxes levied for a separate millage for public library purposes  
8 approved by the electors after December 31, 2016, a library board  
9 or commission may allow all or a portion of its taxes levied to be  
10 included as tax increment revenues and subject to capture under  
11 this part under the terms of a written agreement between the  
12 library board or commission and the authority. The written  
13 agreement ~~shall~~**must** be filed with the clerk of the municipality.  
14 ~~However, if the library was created under section 1 or 10a of 1877~~  
15 ~~PA 164, MCL 397.201 and 397.210a, or established under 1869 LA 233,~~  
16 ~~then any action of the library board or commission under this~~  
17 ~~subsection shall have the concurrence of the chief executive~~  
18 ~~officer of the city that created the library to be effective.~~

19 (4) Except as otherwise provided in subsection (8), not less  
20 than 60 days after the public hearing or a shorter period as  
21 determined by the governing body for a certified technology park or  
22 a certified alternative energy park, if the governing body creating  
23 the authority intends to proceed with the establishment of the  
24 authority, it shall adopt, by majority vote of its members elected  
25 and serving, a resolution establishing the authority and  
26 designating the boundaries of the authority district or districts  
27 within which the authority ~~shall~~**may** exercise its powers. The  
28 adoption of the resolution is subject to any applicable statutory  
29 or charter provisions with respect to the approval or disapproval

1 of resolutions by the chief executive officer of the municipality  
2 and the adoption of a resolution over ~~his or her~~ **that officer's**  
3 veto. This resolution ~~shall~~ **must** be filed with the secretary of  
4 state promptly after its adoption and ~~shall~~ **must** be published at  
5 least once in a newspaper of general circulation in the  
6 municipality.

7 (5) The governing body may alter or amend the boundaries of an  
8 authority district to include or exclude lands from that authority  
9 district or create new authority districts pursuant to the same  
10 requirements prescribed for adopting the resolution creating the  
11 authority.

12 (6) The validity of the proceedings establishing an authority  
13 ~~shall be~~ **are** conclusive unless contested in a court of competent  
14 jurisdiction ~~within~~ **not later than** 60 days after the last of the  
15 following takes place:

16 (a) Publication of the resolution creating the authority as  
17 adopted.

18 (b) Filing of the resolution creating the authority with the  
19 secretary of state.

20 (7) Except as otherwise provided by this subsection, if 2 or  
21 more municipalities desire to establish an authority under section  
22 403(2), each municipality in which the authority district will be  
23 located shall comply with the procedures prescribed by this part.  
24 The notice required by subsection (2) may be published jointly by  
25 the municipalities establishing the authority. The resolutions  
26 establishing the authority ~~shall~~ **must** include, or ~~shall~~ **must**  
27 approve an agreement including, provisions governing the number of  
28 members on the board, the method of appointment, the members to be  
29 represented by governmental units or agencies, the terms of initial

1 and subsequent appointments to the board, the manner in which a  
 2 member of the board may be removed for cause before the expiration  
 3 of ~~his or her~~ **the member's** term, the manner in which the authority  
 4 may be dissolved, and the disposition of assets ~~upon~~ **on**  
 5 dissolution. An authority described in this subsection ~~shall~~ **is** not  
 6 ~~be considered~~ established unless all of the following conditions  
 7 are satisfied:

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

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

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

17 (8) For an authority created under section 403(3), except as  
 18 otherwise provided by this subsection, the Next Michigan  
 19 development corporation shall comply with the procedures prescribed  
 20 for a municipality by subsections (1) and (2) and this subsection.  
 21 The provisions of subsections (3) and (4) ~~shall~~ **do** not apply to an  
 22 authority exercising its powers under section 403(3). The notice  
 23 required by subsection (2) may be published by the Next Michigan  
 24 development corporation in a newspaper or newspapers of general  
 25 circulation within the municipalities ~~which~~ **that** are constituent  
 26 members of the Next Michigan development corporation, and notice  
 27 ~~shall~~ **is** not ~~be~~ required to be mailed to the property taxpayers of  
 28 record in the proposed authority district. The governing body of  
 29 the Next Michigan development corporation ~~shall be~~ **is** the governing

1 body of the authority. A taxing jurisdiction levying ad valorem  
2 taxes within the authority district that would otherwise be subject  
3 to capture ~~which—that~~ is not a party to the intergovernmental  
4 agreement may exempt its taxes from capture by adopting a  
5 resolution to that effect and filing a copy not more than 60 days  
6 after the public hearing with the recording officer of the Next  
7 Michigan development corporation. The Next Michigan development  
8 corporation shall mail notice of the public hearing to the  
9 governing body of each taxing jurisdiction ~~which—that~~ is not a  
10 party to the intergovernmental agreement not less than 20 days  
11 before the hearing. Following the public hearing, the governing  
12 body of the Next Michigan development corporation shall adopt a  
13 resolution designating the boundaries of the authority district  
14 within which the authority ~~shall—may~~ exercise its powers, which may  
15 include any certified technology park within the proposed authority  
16 district in accordance with this subsection and may include  
17 property adjacent to or within 1,500 feet of a road classified as  
18 an arterial or collector according to the Federal Highway  
19 Administration manual "Highway Functional Classification -  
20 Concepts, Criteria and Procedures" or of another road in the  
21 discretion of the Next Michigan development corporation, and  
22 property adjacent to that property within the territory of the Next  
23 Michigan development corporation, as provided in the resolution.  
24 The resolution ~~shall be—is~~ effective when adopted, ~~shall—must~~ be  
25 filed with the secretary of state and the president of the Michigan  
26 strategic fund promptly after its adoption, and ~~shall—must~~ be  
27 published at least once in a newspaper of general circulation in  
28 the territory of the Next Michigan development corporation. If an  
29 authority district designated under this subsection or subsequently

1 amended includes a certified technology park ~~which~~**that** is within  
 2 the authority district of another authority and ~~which~~**that** is  
 3 subject to an existing development plan or tax increment financing  
 4 plan, then that certified technology park ~~may be~~**is** considered to  
 5 be under the jurisdiction of the authority established under  
 6 section 403(3) if so provided in a resolution of the authority  
 7 established under section 403(3) and if approved by resolution of  
 8 the governing body of the municipality ~~which~~**that** created the other  
 9 authority ~~and~~ by the president of the Michigan strategic fund. If  
 10 so provided and approved, then the development plan and tax  
 11 increment financing plan applicable to the certified technology  
 12 park, including all assets and obligations under the plans, ~~shall~~  
 13 ~~be~~**are** considered assigned and transferred from the other authority  
 14 to the authority created under section 403(3), and the initial  
 15 assessed value of the certified technology park ~~prior to~~**before** the  
 16 transfer ~~shall remain~~**remains** the initial assessed value of the  
 17 certified technology park following the transfer. The transfer  
 18 ~~shall be~~**is** effective as of the later of the effective date of the  
 19 resolution of the authority established under section 403(3), the  
 20 **effective date of the** resolution approved by the governing body of  
 21 the municipality ~~which~~**that** created the other authority, ~~and~~**or** the  
 22 **date of** approval of the president of the Michigan strategic fund.

23       Sec. 618. (1) If the authority determines that it is necessary  
 24 for the achievement of the purposes of this part, the authority  
 25 ~~shall~~**may** prepare and submit a tax increment financing plan to the  
 26 governing body of the municipality. The plan ~~shall~~**must** include a  
 27 development plan as provided in section 621, a detailed explanation  
 28 of the tax increment procedure, the maximum amount of bonded  
 29 indebtedness to be incurred, and the duration of the program, and

1 ~~shall be in compliance~~ **must comply** with section 619. The plan ~~shall~~  
2 **must** contain a statement of the estimated impact of tax increment  
3 financing on the assessed values of all taxing jurisdictions in  
4 which the development area is located. The plan may provide for the  
5 use of part or all of the captured assessed value, but the portion  
6 intended to be used by the authority ~~shall~~ **must** be clearly stated  
7 in the tax increment financing plan. The authority or municipality  
8 may exclude from captured assessed value growth in property value  
9 resulting solely from inflation. The plan ~~shall~~ **must** set forth the  
10 method for excluding growth in property value resulting solely from  
11 inflation.

12 (2) Approval of the tax increment financing plan ~~shall~~ **must**  
13 comply with the notice, hearing, and disclosure provisions of  
14 section 622. If the development plan is part of the tax increment  
15 financing plan, only 1 hearing and approval procedure is required  
16 for the 2 plans together.

17 (3) Before the public hearing on the tax increment financing  
18 plan, the governing body shall provide a reasonable opportunity to  
19 the taxing jurisdictions levying taxes subject to capture to meet  
20 with the governing body. The authority shall fully inform the  
21 taxing jurisdictions of the fiscal and economic implications of the  
22 proposed development area. The taxing jurisdictions may present  
23 their recommendations at the public hearing on the tax increment  
24 financing plan. The authority may enter into agreements with the  
25 taxing jurisdictions and the governing body of the municipality in  
26 which the development area is located to share a portion of the  
27 captured assessed value of the development area.

28 (4) A tax increment financing plan may be modified if the  
29 modification is approved by the governing body upon notice and



1 after public hearings and agreements as are required for approval  
2 of the original plan.

3 (5) Except for a development area located in a qualified  
4 development area, not more than 60 days after the public hearing on  
5 the tax increment financing plan, the governing body in a taxing  
6 jurisdiction levying ad valorem property taxes that would otherwise  
7 be subject to capture may exempt its taxes from capture by adopting  
8 a resolution to that effect and filing a copy with the clerk of the  
9 municipality proposing to create the authority. The resolution  
10 ~~shall take~~ **takes** effect when filed with the clerk and remains  
11 effective until a copy of a resolution rescinding that resolution  
12 is filed with that clerk. If a separate millage for public library  
13 purposes was levied before January 1, 2017, and all obligations of  
14 the authority are paid, then the levy is exempt from capture under  
15 this part, unless the library board or commission allows all or a  
16 portion of its taxes levied to be included as tax increment  
17 revenues and subject to capture under this part under the terms of  
18 a written agreement between the library board or commission and the  
19 authority. The written agreement ~~shall~~ **must** be filed with the clerk  
20 of the municipality. However, if a separate millage for public  
21 library purposes was levied before January 1, 2017, and the  
22 authority alters or amends the boundaries of the development area  
23 or extends the duration of the existing finance plan, then the  
24 library board or commission may, not later than 60 days after a  
25 public hearing is held under this subsection, exempt all or a  
26 portion of its taxes from capture by adopting a resolution to that  
27 effect and filing a copy with the clerk of the municipality that  
28 created the authority. For ad valorem property taxes or specific  
29 local taxes attributable to those ad valorem property taxes levied

1 for a separate millage for public library purposes approved by the  
 2 electors after December 31, 2016, a library board or commission may  
 3 allow all or a portion of its taxes levied to be included as tax  
 4 increment revenues and subject to capture under this part under the  
 5 terms of a written agreement between the library board or  
 6 commission and the authority. The written agreement ~~shall~~**must** be  
 7 filed with the clerk of the municipality. ~~However, if the library~~  
 8 ~~was created under section 1 or 10a of 1877 PA 164, MCL 397.201 and~~  
 9 ~~397.210a, or established under 1869 LA 233, then any action of the~~  
 10 ~~library board or commission under this subsection shall have the~~  
 11 ~~concurrence of the chief executive officer of the city that created~~  
 12 ~~the library to be effective.~~

13       Sec. 715. (1) If the authority determines that it is necessary  
 14 for the achievement of the purposes of this part, the authority  
 15 ~~shall~~**may** prepare and submit a tax increment financing plan to the  
 16 governing body of the municipality. The plan ~~shall~~**must** include a  
 17 development plan as provided in section 718, a detailed explanation  
 18 of the tax increment procedure, the maximum amount of bonded  
 19 indebtedness to be incurred, and the duration of the program, and  
 20 ~~shall be in compliance~~**must comply** with section 716. The plan ~~shall~~  
 21 **must** contain a statement of the estimated impact of tax increment  
 22 financing on the assessed values of all taxing jurisdictions in  
 23 which the development area is located. The plan may provide for the  
 24 use of part or all of the captured assessed value, but the portion  
 25 intended to be used by the authority ~~shall~~**must** be clearly stated  
 26 in the tax increment financing plan. The authority or municipality  
 27 may exclude from captured assessed value growth in property value  
 28 resulting solely from inflation. The plan ~~shall~~**must** set forth the  
 29 method for excluding growth in property value resulting solely from

1 inflation.

2 (2) Approval of the tax increment financing plan ~~shall~~**must**  
3 comply with the notice, hearing, and disclosure provisions of  
4 section ~~§21-719~~. If the development plan is part of the tax  
5 increment financing plan, only 1 hearing and approval procedure is  
6 required for the 2 plans together.

7 (3) Before the public hearing on the tax increment financing  
8 plan, the governing body shall provide a reasonable opportunity to  
9 the taxing jurisdictions levying taxes subject to capture to meet  
10 with the governing body. The authority shall fully inform the  
11 taxing jurisdictions of the fiscal and economic implications of the  
12 proposed development area. The taxing jurisdictions may present  
13 their recommendations at the public hearing on the tax increment  
14 financing plan. The authority may enter into agreements with the  
15 taxing jurisdictions and the governing body of the municipality in  
16 which the development area is located to share a portion of the  
17 captured assessed value of the development area.

18 (4) A tax increment financing plan may be modified if the  
19 modification is approved by the governing body upon notice and  
20 after public hearings and agreements as are required for approval  
21 of the original plan.

22 (5) Not more than 60 days after the public hearing, the  
23 governing body in a taxing jurisdiction levying ad valorem property  
24 taxes that would otherwise be subject to capture may exempt its  
25 taxes from capture by adopting a resolution to that effect and  
26 filing a copy with the clerk of the municipality proposing to  
27 create the authority. ~~In the event that~~**If** the governing body  
28 levies a separate millage for public library purposes, at the  
29 request of the public library board, that separate millage ~~shall be~~

1 **is** exempt from the capture. The resolution ~~shall take~~ **takes** effect  
2 when filed with the clerk and remains effective until a copy of a  
3 resolution rescinding that resolution is filed with that clerk. If  
4 a separate millage for public library purposes was levied before  
5 January 1, 2017, and all obligations of the authority are paid,  
6 then the levy is exempt from capture under this part, unless the  
7 library board or commission allows all or a portion of its taxes  
8 levied to be included as tax increment revenues and subject to  
9 capture under this part under the terms of a written agreement  
10 between the library board or commission and the authority. The  
11 written agreement ~~shall~~ **must** be filed with the clerk of the  
12 municipality. However, if a separate millage for public library  
13 purposes was levied before January 1, 2017, and the authority  
14 alters or amends the boundaries of the district or extends the  
15 duration of the existing finance plan, then the library board or  
16 commission may, not later than 60 days after a public hearing is  
17 held under this subsection, exempt all or a portion of its taxes  
18 from capture by adopting a resolution to that effect and filing a  
19 copy with the clerk of the municipality that created the authority.  
20 For ad valorem property taxes or specific local taxes attributable  
21 to those ad valorem property taxes levied for a separate millage  
22 for public library purposes approved by the electors after December  
23 31, 2016, a library board or commission may allow all or a portion  
24 of its taxes levied to be included as tax increment revenues and  
25 subject to capture under this part under the terms of a written  
26 agreement between the library board or commission and the  
27 authority. The written agreement ~~shall~~ **must** be filed with the clerk  
28 of the municipality. ~~However, if the library was created under~~  
29 ~~section 1 or 10a of 1877 PA 164, MCL 397.201 and 397.210a, or~~

1 ~~established under 1869 LA 233, then any action of the library board~~  
2 ~~or commission under this subsection shall have the concurrence of~~  
3 ~~the chief executive officer of the city that created the library to~~  
4 ~~be effective.~~

5       Sec. 814. (1) If the authority determines that it is necessary  
6 for the achievement of the purposes of this part, the authority  
7 ~~shall~~**may** prepare and submit a tax increment financing plan to the  
8 governing body of the municipality. The plan ~~shall~~**must** include a  
9 development plan as provided in section ~~816,~~**817**, a detailed  
10 explanation of the tax increment procedure, the maximum amount of  
11 bonded indebtedness to be incurred, and the duration of the  
12 program, and ~~shall be in compliance~~**must comply** with section 815.  
13 The plan ~~shall~~**must** contain a statement of the estimated impact of  
14 tax increment financing on the assessed values of all taxing  
15 jurisdictions in which the development area is located. The plan  
16 may provide for the use of part or all of the captured assessed  
17 value, but the portion intended to be used by the authority ~~shall~~  
18 **must** be clearly stated in the tax increment financing plan. The  
19 authority or municipality may exclude from captured assessed value  
20 growth in property value resulting solely from inflation. The plan  
21 ~~shall~~**must** set forth the method for excluding growth in property  
22 value resulting solely from inflation.

23       (2) Approval of the tax increment financing plan ~~shall~~**must**  
24 comply with the notice, hearing, and disclosure provisions of  
25 section 818. If the development plan is part of the tax increment  
26 financing plan, only 1 hearing and approval procedure is required  
27 for the 2 plans together.

28       (3) Before the public hearing on the tax increment financing  
29 plan, the governing body shall provide a reasonable opportunity to

1 the taxing jurisdictions levying taxes subject to capture to meet  
2 with the governing body. The authority shall fully inform the  
3 taxing jurisdictions of the fiscal and economic implications of the  
4 proposed development area. The taxing jurisdictions may present  
5 their recommendations at the public hearing on the tax increment  
6 financing plan. The authority may enter into agreements with the  
7 taxing jurisdictions and the governing body of the municipality in  
8 which the development area is located to share a portion of the  
9 captured assessed value of the development area.

10 (4) A tax increment financing plan may be modified if the  
11 modification is approved by the governing body upon notice and  
12 after public hearings and agreements as are required for approval  
13 of the original plan.

14 (5) Not more than 60 days after the public hearing, the  
15 governing body in a taxing jurisdiction levying ad valorem property  
16 taxes that would otherwise be subject to capture may exempt its  
17 taxes from capture by adopting a resolution to that effect and  
18 filing a copy with the clerk of the municipality proposing to  
19 create the authority. ~~In the event that~~ **If** the governing body  
20 levies a separate millage for public library purposes, at the  
21 request of the public library board, that separate millage ~~shall be~~  
22 **is** exempt from the capture. The resolution ~~shall take~~ **takes** effect  
23 when filed with the clerk and remains effective until a copy of a  
24 resolution rescinding that resolution is filed with that clerk. If  
25 a separate millage for public library purposes was levied before  
26 January 1, 2017, and all obligations of the authority are paid,  
27 then the levy is exempt from capture under this part, unless the  
28 library board or commission allows all or a portion of its taxes  
29 levied to be included as tax increment revenues and subject to

1 capture under this part under the terms of a written agreement  
2 between the library board or commission and the authority. The  
3 written agreement ~~shall~~**must** be filed with the clerk of the  
4 municipality. However, if a separate millage for public library  
5 purposes was levied before January 1, 2017, and the authority  
6 alters or amends the boundaries of a development area or extends  
7 the duration of the existing finance plan, then the library board  
8 or commission may, not later than 60 days after a public hearing is  
9 held under this subsection, exempt all or a portion of its taxes  
10 from capture by adopting a resolution to that effect and filing a  
11 copy with the clerk of the municipality that created the authority.  
12 For ad valorem property taxes or specific local taxes attributable  
13 to those ad valorem property taxes levied for a separate millage  
14 for public library purposes approved by the electors after December  
15 31, 2016, a library board or commission may allow all or a portion  
16 of its taxes levied to be included as tax increment revenues and  
17 subject to capture under this part under the terms of a written  
18 agreement between the library board or commission and the  
19 authority. The written agreement ~~shall~~**must** be filed with the clerk  
20 of the municipality. ~~However, if the library was created under~~  
21 ~~section 1 or 10a of 1877 PA 164, MCL 397.201 and 397.210a, or~~  
22 ~~established under 1869 LA 233, then any action of the library board~~  
23 ~~or commission under this subsection shall have the concurrence of~~  
24 ~~the chief executive officer of the city that created the library to~~  
25 ~~be effective.~~