

HOUSE BILL NO. 5031

September 18, 2025, Introduced by Reps. Robinson, Aragona, Mentzer, Wozniak, Hoskins, Pavlov, Hoadley, Tisdell, Jenkins-Arno, VanWoerkom, Morgan, Fitzgerald, Steckloff, Frisbie, Tate, BeGole, Schmaltz, Bohnak, Neyer, DeBoer and Snyder and referred to Committee on Economic Competitiveness.

A bill to amend 2018 PA 57, entitled
"Recodified tax increment financing act,"
by amending sections 402, 412a, and 412b (MCL 125.4402, 125.4412a,
and 125.4412b), section 402 as amended by 2023 PA 312.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 402. As used in this part:
- 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 includes, but is not limited to, an executed

1 agreement to repay, provisions contained in a tax increment
2 financing plan approved before the advance, or a resolution of the
3 authority or the municipality.

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

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

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

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

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

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

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

25 (c) "Alternative energy technology business" means a business
26 engaged in the research, development, or manufacturing of
27 alternative energy technology or a business located in an authority
28 district that includes a military installation that was operated by
29 the United States Department of Defense and closed after 1980.

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

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

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

8 (e) "Authority" means a local development finance authority
9 created under this part.

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

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

13 (h) "Business development area" means an area designated as a
14 certified industrial park under this part before June 29, 2000, or
15 an area designated in the tax increment financing plan that meets
16 all of the following requirements:

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

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

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

22 (i) Is located in a certified technology park or a certified
23 alternative energy park.

24 (ii) Is subject to an agreement under section 412a or 412c.

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

29 (j) "Captured assessed value" means the amount in any 1 year

1 by which the current assessed value of the eligible property
2 identified in the tax increment financing plan or, for a certified
3 technology park, a certified alternative energy park, or a next
4 Michigan development area, the real and personal property included
5 in the tax increment financing plan, including the current assessed
6 value of property for which specific local taxes are paid in lieu
7 of property taxes as determined pursuant to subdivision (hh),
8 exceeds the initial assessed value. The state tax commission shall
9 prescribe the method for calculating captured assessed value.

10 Except as otherwise provided in this part, tax abated property in a
11 renaissance zone as defined under section 3 of the Michigan
12 renaissance zone act, 1996 PA 376, MCL 125.2683, must be excluded
13 from the calculation of captured assessed value to the extent that
14 the property is exempt from ad valorem property taxes or specific
15 local taxes.

16 (k) "Certified alternative energy park" means that portion of
17 an authority district designated by a written agreement entered
18 into under section 412c between the authority, the municipality or
19 municipalities, and the Michigan economic development corporation.

20 (l) "Certified business park" means a business development area
21 that has been designated by the Michigan economic development
22 corporation as meeting criteria established by the Michigan
23 economic development corporation. The criteria shall establish
24 standards for business development areas including, but not limited
25 to, use, types of building materials, landscaping, setbacks,
26 parking, storage areas, and management.

27 (m) "Certified technology park" means that portion of the
28 authority district designated by a written agreement entered into
29 under section 412a between the authority, the municipality, and the

1 Michigan economic development corporation.

2 (n) "Chief executive officer" means the mayor or city manager
3 of a city, the president of a village, or, for other local units of
4 government or school districts, the person charged by law with the
5 supervision of the functions of the local unit of government or
6 school district.

7 (o) "Development plan" means that information and those
8 requirements for a development set forth in section 415.

9 (p) "Development program" means the implementation of a
10 development plan.

11 (q) "Eligible advance" means an advance made before August 19,
12 1993.

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

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

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

28 (ii) Agricultural processing.

29 (iii) A ~~high-technology~~ **high-technology** activity.

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

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

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

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

28 (v) A business incubator.

29 (vi) An alternative energy technology business.

1 (vii) A transit-oriented facility.

2 (viii) A transit-oriented development.

3 (ix) An eligible next Michigan business, as that term is
4 defined in section 3 of the Michigan economic growth authority act,
5 1995 PA 24, MCL 207.803, and other businesses within a next
6 Michigan development area, but only to the extent designated as
7 eligible property within a development plan approved by a next
8 Michigan development corporation.

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

10 (u) "Governing body" means, except as otherwise provided in
11 this subdivision, the elected body having legislative powers of a
12 municipality creating an authority under this part. For a next
13 Michigan development corporation, governing body means the
14 executive committee of the next Michigan development corporation,
15 unless otherwise provided in the interlocal agreement or articles
16 of incorporation creating the next Michigan development corporation
17 or the governing body of an eligible urban entity or its designee
18 as provided in the next Michigan development act, 2010 PA 275, MCL
19 125.2951 to 125.2959.

20 (v) "High-technology activity" means that term as defined in
21 section 3 of the Michigan economic growth authority act, 1995 PA
22 24, MCL 207.803.

23 (w) "Initial assessed value" means the assessed value of the
24 eligible property identified in the tax increment financing plan
25 or, for a certified technology park, a certified alternative energy
26 park, or a next Michigan development area, the assessed value of
27 any real and personal property included in the tax increment
28 financing plan, when the resolution establishing the tax increment
29 financing plan is approved as shown by the most recent assessment

1 roll for which equalization has been completed when the resolution
2 is adopted or, for property that becomes eligible property in other
3 than a certified technology park or a certified alternative energy
4 park after the date the plan is approved, when the property becomes
5 eligible property. Property exempt from taxation when the initial
6 assessed value is determined must be included as zero. Property for
7 which a specific local tax is paid in lieu of property tax is not
8 considered exempt from taxation. The initial assessed value of
9 property for which a specific local tax was paid in lieu of
10 property tax is determined as provided in subdivision (hh).

11 (x) "Michigan economic development corporation" means the
12 public body corporate created under section 28 of article VII of
13 the state constitution of 1963 and the urban cooperation act of
14 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by a contractual
15 interlocal agreement effective April 5, 1999 between local
16 participating economic development corporations formed under the
17 economic development corporations act, 1974 PA 338, MCL 125.1601 to
18 125.1636, and the Michigan strategic fund. If the Michigan economic
19 development corporation is unable for any reason to perform its
20 duties under this part, those duties may be exercised by the
21 Michigan strategic fund.

22 (y) "Michigan strategic fund" means the Michigan strategic
23 fund as described in the Michigan strategic fund act, 1984 PA 270,
24 MCL 125.2001 to 125.2094.

25 (z) "Municipality" means a city, village, or urban township.
26 However, for purposes of creating and operating a certified
27 alternative energy park or a certified technology park,
28 municipality includes townships that are not urban townships.

29 (aa) "Next Michigan development area" means a portion of an

1 authority district designated by a next Michigan development
2 corporation under section 412e to which a development plan is
3 applicable.

4 (bb) "Next Michigan development corporation" means that term
5 as defined in section 3 of the next Michigan development act, 2010
6 PA 275, MCL 125.2953.

7 (cc) "Obligation" means a written promise to pay, whether
8 evidenced by a contract, agreement, lease, sublease, bond, or note,
9 or a requirement to pay imposed by law. An obligation does not
10 include a payment required solely because of default on an
11 obligation, employee salaries, or consideration paid for the use of
12 municipal offices. An obligation does not include those bonds that
13 have been economically defeased by refunding bonds issued under
14 this part. Obligation includes, but is not limited to, the
15 following:

16 (i) A requirement to pay proceeds derived from ad valorem
17 property taxes or taxes levied in lieu of ad valorem property
18 taxes.

19 (ii) A management contract or a contract for professional
20 services.

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

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

27 (v) A letter of credit, paying agent, transfer agent, bond
28 registrar, or trustee fee associated with a contract, agreement,
29 bond, or note.

(dd) "On behalf of an authority", in relation to an eligible advance made by a municipality or an eligible obligation or other protected obligation issued or incurred by a municipality, means in anticipation that an authority would transfer tax increment revenues or reimburse the municipality from tax increment revenues in an amount sufficient to fully make payment required by the eligible advance made by a municipality, or eligible obligation or other protected obligation issued or incurred by the municipality, if the anticipation of the transfer or receipt of tax increment revenues from the authority is pursuant to or evidenced by 1 or more of the following:

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

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

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

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

(ee) "Other protected obligation" means:

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

(ii) An obligation issued or incurred by an authority or by a municipality on behalf of an authority after August 19, 1993, but before December 31, 1994, to finance a project described in a tax increment finance plan approved by the municipality in accordance

1 with this part before August 19, 1993, for which a contract for
2 final design is entered into by the municipality or authority
3 before March 1, 1994.

4 (iii) An obligation incurred by an authority or municipality
5 after August 19, 1993, to reimburse a party to a development
6 agreement entered into by a municipality or authority before August
7 19, 1993, for a project described in a tax increment financing plan
8 approved in accordance with this part before August 19, 1993, and
9 undertaken and installed by that party in accordance with the
10 development agreement.

11 (iv) An ongoing management or professional services contract
12 with the governing body of a county that was entered into before
13 March 1, 1994 and that was preceded by a series of limited term
14 management or professional services contracts with the governing
15 body of the county, the last of which was entered into before
16 August 19, 1993.

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

18 (i) A street, road, bridge, storm water or sanitary sewer,
19 sewage treatment facility, facility designed to reduce, eliminate,
20 or prevent the spread of identified soil or groundwater
21 contamination, drainage system, retention basin, pretreatment
22 facility, waterway, waterline, water storage facility, rail line,
23 electric, gas, telephone or other communications, or any other type
24 of utility line or pipeline, transit-oriented facility, transit-
25 oriented development, or other similar or related structure or
26 improvement, together with necessary easements for the structure or
27 improvement. Except for rail lines, utility lines, or pipelines,
28 the structures or improvements described in this subparagraph must
29 be either owned or used by a public agency, functionally connected

1 to similar or supporting facilities owned or used by a public
2 agency, or designed and dedicated to use by, for the benefit of, or
3 for the protection of the health, welfare, or safety of the public
4 generally, whether or not used by a single business entity. Any
5 road, street, or bridge must be continuously open to public access.
6 A public facility must be located on public property or in a
7 public, utility, or transportation easement or right-of-way.

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

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

17 (iv) An improvement to a facility used by the public or a
18 public facility as those terms are defined in section 1 of 1966 PA
19 1, MCL 125.1351, which improvement is made to comply with the
20 barrier free design requirements of the state construction code
21 promulgated under the Stille-DeRossett-Hale single state
22 construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.

23 (v) All of the following costs approved by the Michigan
24 economic development corporation:

25 (A) Operational costs and the costs related to the
26 acquisition, improvement, preparation, demolition, disposal,
27 construction, reconstruction, remediation, rehabilitation,
28 restoration, preservation, maintenance, repair, furnishing, and
29 equipping of land and other assets that are or may become eligible

1 for depreciation under the internal revenue code of 1986, 26 USC 1
2 to 9834, for a business incubator located in a certified technology
3 park or certified alternative energy park.

4 (B) Costs related to the acquisition, improvement,
5 preparation, demolition, disposal, construction, reconstruction,
6 remediation, rehabilitation, restoration, preservation,
7 maintenance, repair, furnishing, and equipping of land and other
8 assets that, if privately owned, would be eligible for depreciation
9 under the internal revenue code of 1986, 26 USC 1 to 9834, for
10 laboratory facilities, research and development facilities,
11 conference facilities, teleconference facilities, testing, training
12 facilities, and quality control facilities that are or that support
13 eligible property under subdivision (s) (iii), that are owned by a
14 public entity, and that are located within a certified technology
15 park.

16 (C) Costs related to the acquisition, improvement,
17 preparation, demolition, disposal, construction, reconstruction,
18 remediation, rehabilitation, restoration, preservation,
19 maintenance, repair, furnishing, and equipping of land and other
20 assets that, if privately owned, would be eligible for depreciation
21 under the internal revenue code of 1986, 26 USC 1 to 9834, for
22 facilities that are or that will support eligible property under
23 subdivision (s) (vi), that have been or will be owned by a public
24 entity when the costs are incurred, that are located within a
25 certified alternative energy park, and that have been or will be
26 conveyed, by gift or sale, by the public entity to an alternative
27 energy technology business.

28 (vi) Operating and planning costs included in a plan under
29 section 412(1)(f), including costs of marketing property within the

1 district and attracting development of eligible property within the
2 district.

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

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

12 (ii) The net present value of the sum of the tax increment
13 revenues described in subdivision (jj) (ii) and the distributions
14 under section 411a to repay the refunding obligation will not be
15 greater than the net present value of the sum of the tax increment
16 revenues described in subdivision (jj) (ii) and the distributions
17 under section 411a to repay the obligation being refunded, as
18 calculated using a method approved by the department of treasury.

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

1 assessed value and current assessed value of property for which a
2 specific local tax was paid in lieu of a property tax.

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

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

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

22 (ii) Tax increment revenues include ad valorem property taxes
23 and specific local taxes attributable to the application of the
24 levy of this state under the state education tax act, 1993 PA 331,
25 MCL 211.901 to 211.906, and local or intermediate school districts
26 on the captured assessed value of real and personal property in the
27 development area in an amount equal to the amount necessary,
28 without regard to subparagraph (i), for the following purposes:

29 (A) To repay eligible advances, eligible obligations, and

1 other protected obligations.

2 (B) To fund or to repay an advance or obligation issued by or
3 on behalf of an authority to fund the cost of public facilities
4 related to or for the benefit of eligible property located within a
5 certified technology park or a certified alternative energy park to
6 the extent the public facilities have been included in an agreement
7 under section 412a(3), 412b, or 412c(3), not to exceed 50%, as
8 determined by the state treasurer, of the amounts levied by this
9 state under the state education tax act, 1993 PA 331, MCL 211.901
10 to 211.906, and local and intermediate school districts for a
11 period, except as otherwise provided in this sub-subparagraph, not
12 to exceed 15 years, as determined by the state treasurer, if the
13 state treasurer determines that the capture under this sub-
14 subparagraph is necessary to reduce unemployment, promote economic
15 growth, and increase capital investment in the municipality.
16 However, ~~if~~ **all of the following apply regarding the period of**
17 **capture under this sub-subparagraph:**

18 (I) If approved by the state treasurer and the president of
19 the Michigan economic development corporation, a certified
20 technology park may capture under this sub-subparagraph for an
21 additional period of 5 years if, before that capture, the authority
22 agrees to additional reporting requirements and modifies its tax
23 increment financing plan to include regional collaboration as
24 determined by the state treasurer and the president of the Michigan
25 economic development corporation. The retroactive approval of an
26 additional period of 5 years may occur after a capture under this
27 sub-subparagraph for that additional period, if the other
28 requirements of this sub-subparagraph are satisfied.

29 (II) In addition, on approval of the state treasurer and the

1 president of the Michigan economic development corporation, if a
2 municipality that has created a certified technology park that has
3 entered into an agreement with another authority that does not
4 contain a certified technology park to designate a distinct
5 geographic area under section 412b, that authority that has created
6 the certified technology park and the associated distinct
7 geographic area may both capture under this sub-subparagraph for an
8 additional period of 15 years as determined by the state treasurer
9 and the president of the Michigan economic development corporation.

10 (III) In addition to any additional periods under sub-sub-
11 subparagraphs (I) and (II), if approved by the state treasurer and
12 the president of the Michigan economic development corporation
13 under section 412a(15), a certified technology park may capture
14 under this sub-subparagraph for an additional period of 15 years.
15 If the municipality that created the certified technology park has
16 entered into an agreement with another authority that does not
17 contain a certified technology park to designate a distinct
18 geographic area under section 412b, the extension under this sub-
19 sub-subparagraph also applies to the associated distinct geographic
20 area.

21 (IV) In addition to any additional periods under sub-sub-
22 subparagraphs (I) to (III), if approved by the state treasurer and
23 the president of the Michigan economic development corporation
24 under section 412a(15), a certified technology park may capture
25 under this sub-subparagraph for an additional period of 15 years.
26 If the municipality that created the certified technology park has
27 entered into an agreement with another authority that does not
28 contain a certified technology park to designate a distinct
29 geographic area under section 412b, the extension under this sub-

1 **sub-subparagraph also applies to the associated distinct geographic**
2 **area.**

3 (C) To fund the cost of public facilities related to or for
4 the benefit of eligible property located within a next Michigan
5 development area to the extent that the public facilities have been
6 included in a development plan, not to exceed 50%, as determined by
7 the state treasurer, of the amounts levied by this state under the
8 state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and
9 local and intermediate school districts for a period not to exceed
10 15 years, as determined by the state treasurer, if the state
11 treasurer determines that the capture under this sub-subparagraph
12 is necessary to reduce unemployment, promote economic growth, and
13 increase capital investment in the authority district.

14 (iii) Tax increment revenues do not include any of the
15 following:

16 (A) Ad valorem property taxes or specific local taxes that are
17 excluded from and not made part of the tax increment financing
18 plan. Ad valorem personal property taxes or specific local taxes
19 associated with personal property may be excluded from and may not
20 be part of the tax increment financing plan.

21 (B) Ad valorem property taxes and specific local taxes
22 attributable to ad valorem property taxes excluded by the tax
23 increment financing plan of the authority from the determination of
24 the amount of tax increment revenues to be transmitted to the
25 authority.

26 (C) Ad valorem property taxes exempted from capture under
27 section 404(3) or specific local taxes attributable to those ad
28 valorem property taxes.

29 (D) Ad valorem property taxes specifically levied for the

1 payment of principal and interest of obligations approved by the
2 electors or obligations pledging the unlimited taxing power of the
3 local governmental unit or specific local taxes attributable to
4 those ad valorem property taxes.

5 (E) The amount of ad valorem property taxes or specific taxes
6 captured by a downtown development authority under part 2, tax
7 increment finance authority under part 3, or brownfield
8 redevelopment authority under the brownfield redevelopment
9 financing act, 1996 PA 381, MCL 125.2651 to 125.2670, if those
10 taxes were captured by these other authorities on the date that the
11 initial assessed value of a parcel of property was established
12 under this part.

13 (F) Ad valorem property taxes levied under 1 or more of the
14 following or specific local taxes attributable to those ad valorem
15 property taxes:

16 (I) The zoological authorities act, 2008 PA 49, MCL 123.1161
17 to 123.1183.

18 (II) The art institute authorities act, 2010 PA 296, MCL
19 123.1201 to 123.1229.

20 (III) Except as otherwise provided in section 404(3), ad
21 valorem property taxes or specific local taxes attributable to
22 those ad valorem property taxes levied for a separate millage for
23 public library purposes approved by the electors after December 31,
24 2016.

25 (iv) The amount of tax increment revenues authorized to be
26 included under subparagraph (ii), and required to be transmitted to
27 the authority under section 413(1), from ad valorem property taxes
28 and specific local taxes attributable to the application of the
29 levy of the state education tax act, 1993 PA 331, MCL 211.901 to

211.906, or a local school district or an intermediate school district on the captured assessed value of real and personal property in a development area must be determined separately for the levy by this state, each school district, and each intermediate school district as the product of sub-subparagraphs (A) and (B):

(A) The percentage that the total ad valorem taxes and specific local taxes available for distribution by law to this state, a local school district, or an intermediate school district, respectively, bears to the aggregate amount of ad valorem millage taxes and specific taxes available for distribution by law to this state, each local school district, and each intermediate school district.

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

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

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

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

(i) Meets all of the following requirements:

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

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

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

4 (ii) Meets all of the following requirements:

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

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

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

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

14 (iii) Meets all of the following requirements:

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

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

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

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

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

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

26 (iv) Meets all of the following requirements:

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

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

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

2 (v) Meets all of the following requirements:

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

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

8 (C) Has a master plan in effect.

9 (vi) Meets all of the following requirements:

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

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

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

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

18 (E) Has rail service.

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

20 (vii) Has joined an authority under section 403(2) that is
21 seeking or has entered into an agreement for a certified technology
22 park.

23 (viii) Has established an authority that is seeking or has
24 entered into an agreement for a certified alternative energy park.

25 Sec. 412a. (1) A municipality that has created an authority
26 may apply to the Michigan economic development corporation for
27 designation of all or a portion of the authority district as a
28 certified technology park and to enter into an agreement governing
29 the terms and conditions of the designation. The ~~form of the~~

1 application ~~shall~~**must** be in ~~a~~**the** form specified by the Michigan
2 economic development corporation and ~~shall~~**must** include information
3 the Michigan economic development corporation determines necessary
4 to make the determinations required under this section.

5 (2) After receipt of an application, the Michigan economic
6 development corporation may designate, pursuant to an agreement
7 entered into under subsection (3), a certified technology park that
8 is determined by the Michigan economic development corporation to
9 satisfy 1 or more of the following criteria based on the
10 application:

11 (a) A demonstration of significant support from an institution
12 of higher education, a private research-based institute, or a
13 large, private corporate research and development center located
14 within the proximity of the proposed certified technology park, as
15 evidenced by, but not limited to, the following types of support:

16 (i) Grants of preferences for access to and commercialization
17 of intellectual property.

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

21 (iii) Donations of services.

22 (iv) Access to telecommunication facilities and other
23 infrastructure.

24 (v) Financial commitments.

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

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

28 (b) A demonstration of a significant commitment on behalf of
29 the institution of higher education, private research-based

1 institute, or a large, private corporate research and development
2 center to the commercialization of research produced at the
3 certified technology park, as evidenced by the intellectual
4 property and, if applicable, tenure policies that reward faculty
5 and staff for commercialization and collaboration with private
6 businesses.

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

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

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

18 (ii) A business plan exhibiting the economic utilization and
19 availability of resources and a likelihood of successful
20 development of technologies and research into viable business
21 enterprises.

22 (iii) A commitment to the employment of a qualified full-time
23 manager to supervise the development and operation of the business
24 incubator.

25 (e) The existence of a business plan for the proposed
26 certified technology park that identifies its objectives in a
27 clearly focused and measurable fashion and that addresses the
28 following matters:

29 (i) A commitment to new business formation.

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

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

4 (iv) The availability of and method proposed for development of
5 infrastructure and other improvements, including telecommunications
6 technology, necessary for the development of the proposed certified
7 technology park.

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

10 (f) A demonstrable and satisfactory assurance that the
11 proposed certified technology park can be developed to principally
12 contain eligible property as defined by section 402(s) (iii) and (v).

13 (3) An authority and a municipality that incorporated the
14 authority may enter into an agreement with the Michigan economic
15 development corporation establishing the terms and conditions
16 governing the certified technology park. ~~Upon~~**On** designation of the
17 certified technology park pursuant to the terms of the agreement,
18 the subsequent failure of any party to comply with the terms of the
19 agreement ~~shall~~**does** not result in the termination or rescission of
20 the designation of the area as a certified technology park. The
21 agreement ~~shall~~**must** include, but is not limited to, the following
22 provisions:

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

25 (b) Covenants and restrictions, if any, ~~upon~~**on** all or a
26 portion of the properties contained within the certified technology
27 park and terms of enforcement of any covenants or restrictions.

28 (c) The financial commitments of any party to the agreement
29 and of any owner or developer of property within the certified

1 technology park.

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

6 (e) The terms of enforcement of the agreement, which may
7 include the definition of events of default, cure periods, legal
8 and equitable remedies and rights, and penalties and damages,
9 actual or liquidated, ~~upon~~**on** the occurrence of an event of
10 default.

11 (f) The public facilities to be developed for the certified
12 technology park.

13 (g) The costs approved for public facilities under section
14 ~~402(dd)~~**402(ff)**.

15 (4) If the Michigan economic development corporation has
16 determined that a sale price or rental value at below market rate
17 will assist in increasing employment or private investment in the
18 certified technology park, the authority and municipality have
19 authority to determine the sale price or rental value for public
20 facilities owned or developed by the authority and municipality in
21 the certified technology park at below market rate.

22 (5) If public facilities developed pursuant to an agreement
23 entered into under this section are conveyed or leased at less than
24 fair market value or at below market rates, the terms of the
25 conveyance or lease shall include legal and equitable remedies and
26 rights to assure the public facilities are used as eligible
27 property. Legal and equitable remedies and rights may include
28 penalties and actual or liquidated damages.

29 (6) Except as otherwise provided in this section, an agreement

1 designating a certified technology park may not be made after
2 December 31, 2002, but any agreement made on or before December 31,
3 2002 may be amended after that date. However, the Michigan economic
4 development corporation may enter into an agreement with a
5 municipality after December 31, 2002 and on or before December 31,
6 2005 if that municipality has adopted a resolution of interest to
7 create a certified technology park before December 31, 2002.

8 (7) The Michigan economic development corporation shall market
9 the certified technology parks and the certified business parks.
10 The Michigan economic development corporation and an authority may
11 contract with each other or any third party for these marketing
12 services.

13 (8) Except as otherwise provided in subsections (9), (10), and
14 (11), the Michigan economic development corporation shall not
15 designate more than 10 certified technology parks. For purposes of
16 this subsection only, 2 certified technology parks located in a
17 county that contains a city with a population of more than ~~750,000,~~
18 ~~shall be counted~~ **600,000 count** as 1 certified technology park. Not
19 more than 7 of the certified technology parks designated under this
20 section may not include a firm commitment from at least 1 business
21 engaged in a high technology activity creating a significant number
22 of jobs.

23 (9) The Michigan economic development corporation may
24 designate an additional 5 certified technology parks after November
25 1, 2002 and before December 31, 2007. The Michigan economic
26 development corporation shall not accept applications for the
27 additional certified technology parks under this subsection until
28 after November 1, 2002.

29 (10) The Michigan economic development corporation may

1 designate an additional 3 certified technology parks after February
2 1, 2008 and before December 31, 2008. The Michigan economic
3 development corporation shall not accept applications for the
4 additional certified technology parks under this subsection until
5 after February 1, 2008.

6 (11) The Michigan economic development corporation may
7 designate an additional 3 certified technology parks before March
8 31, 2013. It is the intent of the legislature that after the
9 additional 3 certified technology parks are designated under this
10 subsection, no additional certified technology parks shall be
11 designated under this section.

12 (12) The Michigan economic development corporation shall give
13 priority to applications that include new business activity.

14 (13) For an authority established by 2 or more municipalities
15 under sections 403(2) and 404(7), each municipality in which the
16 authority district is located by a majority vote of the members of
17 its governing body may make a limited tax pledge to support the
18 authority's tax increment bonds issued under section 14 or, if
19 authorized by the voters of the municipality, may pledge its full
20 faith and credit for the payment of the principal of and interest
21 on the bonds. The municipalities that have made a pledge to support
22 the authority's tax increment bonds may approve by resolution an
23 agreement among themselves establishing obligations each may have
24 to the other party or parties to the agreement for reimbursement of
25 all or any portion of a payment made by a municipality related to
26 its pledge to support the authority's tax increment bonds.

27 (14) Not including certified technology parks designated under
28 subsection (8), but for certified technology parks designated under
29 subsections (9), (10), and (11) only, this state shall do all of

1 the following:

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

10 (c) Reimburse the school aid fund from funds other than those
11 appropriated in section ~~411-11~~ of the state school aid act of 1979,
12 1979 PA 94, MCL 388.1611, for an amount equal to the reimbursement
13 calculations under subdivisions (a) and (b) and for all revenue
14 lost that was captured by an authority for a certified technology
15 park designated by the Michigan economic development corporation
16 after October 3, 2002. Foundation allowances calculated under
17 section 20 of the state school aid act of 1979, 1979 PA 94, MCL
18 388.1620, shall not be reduced as a result of tax revenue lost that
19 was captured by an authority for a certified technology park
20 designated by the Michigan economic development corporation under
21 subsection (9), (10), or (11) after October 3, 2002.

22 **(15) The state treasurer and the president of the Michigan**
23 **economic development corporation shall approve an additional period**
24 **of capture of taxes levied for school operating purposes under**
25 **section 402(jj) (ii) (B) (III) or (IV), and the Michigan economic**
26 **development corporation shall extend the agreement under subsection**
27 **(3) for the additional period, if both of the following**
28 **requirements are met:**

29 (a) The applicant agrees to additional reporting requirements

1 as determined by the state treasurer and the president of the
2 Michigan economic development corporation.

3 (b) The operation of the certified technology park to date has
4 reduced unemployment, promoted economic growth, and increased
5 capital investment within the certified technology park.

6 (16) The Michigan economic development corporation shall
7 extend the agreement under subsection (3) for an additional period
8 of 15 years if the governing body of each municipality that
9 established the authority approves, by resolution, the extension,
10 the authority modifies its tax increment financing plan to provide
11 for the capture of only local taxes, and the modified tax increment
12 financing plan otherwise complies with this part. An extension
13 under this subsection is in addition to any other extensions
14 allowed under this part. An agreement may be extended not more than
15 2 times under this subsection.

16 (17) As used in this section:

17 (a) "Local taxes" means ad valorem property taxes and specific
18 local taxes attributable to the application of the levy of all
19 taxing jurisdictions, other than taxes levied for school operating
20 purposes.

21 (b) "Taxes levied for school operating purposes" means ad
22 valorem property taxes and specific local taxes attributable to the
23 application of the levy of this state under the state education tax
24 act, 1993 PA 331, MCL 211.901 to 211.906, and local and
25 intermediate school districts.

26 Sec. 412b. (1) A municipality that has created an authority in
27 which a certified technology park has been designated under this
28 part may enter into an agreement with another authority that does
29 not contain a certified technology park to designate a distinct

1 geographic area within the authority district as a certified
 2 technology park. The authority shall consider the advantages of the
 3 unique characteristics and specialties offered by the public and
 4 private resources available in the distinct geographic area, ~~shall~~
 5 ~~consider~~ the benefits to regional cooperation and collaboration,
 6 and ~~shall consider~~ whether designating the additional distinct
 7 geographic area adds value to the mission of the designated
 8 certified technology park. The distinct geographic area is subject
 9 to the provisions of section 412a(3), (4), ~~and~~ (5), **(15), and (16)**.
 10 The state treasurer shall not approve the capture of amounts levied
 11 by the state under the state education tax act, 1993 PA 331, MCL
 12 211.901 to 211.906, and by local and intermediate school districts
 13 as permitted in section 402(jj)(ii)(B) for more than 9 distinct
 14 geographic areas designated under this section. In addition,
 15 beginning on July 21, 2015, the state treasurer shall not approve
 16 the capture of amounts described in this subsection unless the
 17 application for approval of a distinct geographic area under this
 18 subsection is also approved by the Michigan economic development
 19 corporation as provided in subsection (2). A copy of the
 20 designation ~~shall~~ **must** be filed with the Michigan economic
 21 development corporation.

22 (2) Beginning on July 21, 2015, the Michigan economic
 23 development corporation shall designate the distinct geographic
 24 areas under subsection (1) pursuant to a competitive application
 25 process that has an initial application period and a final
 26 application period and that meets all **of** the following
 27 **requirements:**

28 (a) The initial application period ~~shall~~ **must** begin on July
 29 21, 2015 and end on October 1, 2015. All applications submitted

1 during the initial application period ~~shall~~**must** be approved or
 2 denied not later than November 1, 2015. The Michigan economic
 3 development corporation may approve up to 3 applications as a
 4 result of the initial application period. ~~Applications~~**The Michigan**
 5 **economic development corporation shall not consider applications**
 6 submitted outside the initial application period ~~shall not be~~
 7 ~~considered~~ under this subdivision.

8 (b) The final application period ~~shall~~**must** begin on January
 9 1, 2016 and end on July 1, 2016. All applications submitted during
 10 the final application period ~~shall~~**must** be approved or denied by
 11 September 1, 2016. The Michigan economic development corporation
 12 may approve the remaining designations available under subsection
 13 (1) as a result of the final application period. However, ~~there is~~
 14 ~~no requirement that~~**the Michigan economic development corporation**
 15 **is not required to make** all 9 designations ~~be made~~ under this
 16 section. ~~Applications~~**The Michigan economic development corporation**
 17 **shall not consider applications** submitted outside the final
 18 application period ~~shall not be considered~~ under this subdivision.

19 (c) The Michigan economic development corporation shall
 20 publish the application process and competitive criteria ~~upon~~**on**
 21 which applications will be evaluated on its website. If an
 22 application does not meet the requirements of this section, ~~the~~
 23 ~~application shall not be approved by~~ the Michigan economic
 24 development corporation **shall not approve the application.**