

SENATE BILL NO. 553

September 18, 2025, Introduced by Senator SINGH and referred to Committee on Local Government.

A bill to amend 2018 PA 57, entitled
"Recodified tax increment financing act,"
by amending sections 703, 705, and 710 (MCL 125.4703, 125.4705, and
125.4710).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 703. As used in this part:
- 2 (a) "Operations" means office maintenance, including salaries
- 3 and expenses of employees, office supplies, consultation fees,
- 4 design costs, and other expenses incurred in the daily management
- 5 of the authority and planning of its activities.

1 (b) "Parcel" means an identifiable unit of land that is
2 treated as separate for valuation or zoning purposes.

3 (c) "Public facility" means a street, and any improvements to
4 a street, including street furniture and beautification, park,
5 parking facility, recreational facility, right-of-way, structure,
6 waterway, bridge, lake, pond, canal, utility line or pipe, or
7 building, including access routes designed and dedicated to use by
8 the public generally, or used by a public agency, that is related
9 to access to inland lakes **or inland river systems** or a water
10 resource improvement, or means a water resource improvement. Public
11 facility includes an improvement to a facility used by the public
12 or a public facility as those terms are defined in section 1 of
13 1966 PA 1, MCL 125.1351, if the improvement complies with the
14 barrier free design requirements of the state construction code
15 promulgated under the Stille-DeRossett-Hale single state
16 construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.

17 (d) "Specific local tax" means a tax levied under 1974 PA 198,
18 MCL 207.551 to 207.572, the commercial redevelopment act, 1978 PA
19 255, MCL 207.651 to 207.668, the technology park development act,
20 1984 PA 385, MCL 207.701 to 207.718, or 1953 PA 189, MCL 211.181 to
21 211.182. The initial assessed value or current assessed value of
22 property subject to a specific local tax ~~shall be~~ **is** the quotient
23 of the specific local tax paid divided by the ad valorem millage
24 rate. The state tax commission shall prescribe the method for
25 calculating the initial assessed value and current assessed value
26 of property for which a specific local tax was paid in lieu of a
27 property tax.

28 (e) "State fiscal year" means the annual period commencing
29 October 1 of each year.

1 (f) "Tax increment revenues" means the amount of ad valorem
2 property taxes and specific local taxes attributable to the
3 application of the levy of all taxing jurisdictions ~~upon~~ on the
4 captured assessed value of real and personal property in the
5 development area. Tax increment revenues do not include any of the
6 following:

7 (i) Taxes under the state education tax act, 1993 PA 331, MCL
8 211.901 to 211.906.

9 (ii) Taxes levied by local or intermediate school districts.

10 (iii) Ad valorem property taxes attributable either to a portion
11 of the captured assessed value shared with taxing jurisdictions
12 within the jurisdictional area of the authority or to a portion of
13 value of property that may be excluded from captured assessed value
14 or specific local taxes attributable to the ad valorem property
15 taxes.

16 (iv) Ad valorem property taxes excluded by the tax increment
17 financing plan of the authority from the determination of the
18 amount of tax increment revenues to be transmitted to the authority
19 or specific local taxes attributable to the ad valorem property
20 taxes.

21 (v) Ad valorem property taxes exempted from capture under
22 section ~~815(5)~~ **715(5)** or specific local taxes attributable to the
23 ad valorem property taxes.

24 (vi) Ad valorem property taxes specifically levied for the
25 payment of principal and interest of obligations approved by the
26 electors or obligations pledging the unlimited taxing power of the
27 local governmental unit or specific taxes attributable to those ad
28 valorem property taxes.

29 (vii) Ad valorem property taxes levied under 1 or more of the

1 following or specific local taxes attributable to those ad valorem
2 property taxes:

3 (A) The zoological authorities act, 2008 PA 49, MCL 123.1161
4 to 123.1183.

5 (B) The art institute authorities act, 2010 PA 296, MCL
6 123.1201 to 123.1229.

7 (C) Except as otherwise provided in section 715(5), ad valorem
8 property taxes or specific local taxes attributable to those ad
9 valorem property taxes levied for a separate millage for public
10 library purposes approved by the electors after December 31, 2016.

11 (g) "Water resource improvement" means enhancement of water
12 quality and water dependent natural resources, including, but not
13 limited to, the following:

14 (i) The elimination of the causes and the proliferation of
15 aquatic nuisance species, as defined in section 3101 of the natural
16 resources and environmental protection act, 1994 PA 451, MCL
17 324.3101.

18 (ii) Sewer systems that service existing structures that have
19 failing on-site disposal systems.

20 (iii) Storm water systems that service existing infrastructure.

21 (iv) Dredging, removal of spoils, or other improvements or
22 maintenance activities that enhance navigability of a waterway.

23 (v) **Green stormwater infrastructure.**

24 (vi) **Natural shoreline protection.**

25 (vii) **Ecological assessments.**

26 (viii) **Seawall replacement.**

27 (ix) **Lake management planning.**

28 (x) **Native plant inventory.**

29 (xi) **Riparian assessments.**

1 **(xii) Water quality monitoring.**

2 **(xiii) Boat wash stations at public launches.**

3 **(xiv) Community events.**

4 (h) "Water resource improvement district" or "district" means
5 1 or more of the following:

6 (i) An inland body of water and land that is up to 1 mile from
7 the shoreline of an inland lake that contains 1 or more public
8 access points.

9 (ii) An inland body of water and parcels of land that are
10 contiguous to the shoreline of an inland lake that does not contain
11 a public access point.

12 (iii) The shoreline of a harbor on a Great Lake and 1 or more of
13 the following:

14 (A) Land up to 1 mile from the shoreline of the harbor.

15 (B) A tributary to that Great Lake harbor up to 5 miles
16 upstream from the shoreline of the Great Lake harbor.

17 (C) Land up to 1 mile from each bank of the tributary
18 described in sub-subparagraph (B).

19 **(iv) An inland river system and land that is up to 1 mile from**
20 **the shoreline of an inland river system.**

21 Sec. 705. (1) If the governing body of a municipality
22 determines that it is necessary for the best interests of the
23 public to promote ~~water resource improvement or access to inland~~
24 ~~lakes, or both,~~ **1 or more of the following** in a water resource
25 improvement district, the governing body may, by resolution,
26 declare its intention to create and provide for the operation of an
27 authority within the boundaries of a water resource improvement
28 district:

29 **(a) Water resource improvement.**

1 **(b) Access to inland lakes.**

2 **(c) Access to inland river systems.**

3 (2) In the resolution of intent, the governing body shall set
4 a date for a public hearing on the adoption of a proposed ordinance
5 creating the authority and designating the boundaries of the
6 development area. Notice of the public hearing ~~shall~~**must** be
7 published twice in a newspaper of general circulation in the
8 municipality, not less than 20 or more than 40 days before the date
9 of the hearing. Not less than 20 days before the hearing, the
10 governing body proposing to create the authority shall also mail
11 notice of the hearing to the property taxpayers of record in the
12 proposed development area and to the governing body of each taxing
13 jurisdiction levying taxes that would be subject to capture if the
14 authority is established and a tax increment financing plan is
15 approved. Failure of a property taxpayer to receive the notice does
16 not invalidate these proceedings. Notice of the hearing ~~shall~~**must**
17 be posted in ~~at least~~**not less than** 20 conspicuous and public
18 places in the proposed development area not less than 20 days
19 before the hearing. The notice ~~shall~~**must** state the date, time, and
20 place of the hearing and ~~shall~~**must** describe the boundaries of the
21 proposed development area. A citizen, taxpayer, or property owner
22 of the municipality or an official from a taxing jurisdiction with
23 millage that would be subject to capture has the right to be heard
24 ~~in regard to~~**regarding** the establishment of the authority and the
25 boundaries of the proposed development area. The governing body of
26 the municipality shall not incorporate land into the development
27 area not included in the description contained in the notice of
28 public hearing, but it may eliminate described lands from the
29 development area in the final determination of the boundaries.

(3) Not less than 60 days after the public hearing, if the governing body of the municipality intends to proceed with the establishment of the authority it shall adopt, by majority vote of its members, an ordinance establishing the authority and designating the boundaries of the development area within which the authority ~~shall~~**may** exercise its powers. The adoption of the ordinance is subject to any applicable statutory or charter provisions in respect to the approval or disapproval by the chief executive or other officer of the municipality and the adoption of an ordinance over ~~his or her~~**that officer's** veto. This ordinance ~~shall~~**must** be filed with the secretary of state promptly after its adoption and ~~shall~~**must** be published at least once in a newspaper of general circulation in the municipality.

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

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

Sec. 710. (1) The board may do any of the following:

(a) Prepare an analysis of ~~water resource improvement and access to inland lakes~~ issues taking place in the development area **related to water resource improvement and access to inland lakes and inland river systems.**

(b) Study and analyze the need for water resource improvements and access to inland lakes ~~upon~~**and inland river systems in** the

1 development area.

2 (c) Plan and propose the construction, renovation, repair,
3 remodeling, rehabilitation, restoration, preservation, or
4 reconstruction of a public facility that may be necessary or
5 appropriate to the execution of a plan that, in the opinion of the
6 board, aids in water resource improvement or access to inland lakes
7 **or inland river systems** in the development area. The board is
8 encouraged to develop a plan that conserves the natural features,
9 reduces impervious surfaces, and uses landscaping and natural
10 features to reflect the predevelopment site.

11 (d) Plan, propose, and implement an improvement to a public
12 facility within the development area to comply with the barrier
13 free design requirements of the state construction code promulgated
14 under the Stille-DeRossett-Hale single state construction code act,
15 1972 PA 230, MCL 125.1501 to 125.1531.

16 (e) Develop long-range plans for water resource improvement
17 and access to inland lakes **and inland river systems** within the
18 district.

19 (f) Implement any plan of development for water resource
20 improvement and access to inland lakes **and inland river systems** in
21 the development area necessary to achieve the purposes of this part
22 in accordance with the powers of the authority granted by this
23 part.

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

26 (h) Acquire by purchase or otherwise, on terms and conditions
27 and in a manner the authority considers proper, or own, convey, or
28 otherwise dispose of, or lease as lessor or lessee, land and other
29 property, real or personal, or rights or interests in the property,

1 that the authority determines is reasonably necessary to achieve
2 the purposes of this part, and to grant or acquire licenses,
3 easements, and options.

4 (i) Improve land and construct, reconstruct, rehabilitate,
5 restore and preserve, equip, clear, improve, maintain, and repair
6 any public facility, building, and any necessary or desirable
7 appurtenances to those buildings and operate a water resource
8 improvement, as determined by the authority to be reasonably
9 necessary to achieve the purposes of this part, within the
10 development area for the use, in whole or in part, of any public or
11 private person or corporation, or a combination thereof.

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

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

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

21 (m) Acquire and construct public facilities.

22 (n) Plan and implement water resource improvements in harbors
23 of the Great Lakes and their tributaries, including, but not
24 limited to, dredging, removal of spoils, and other improvements or
25 maintenance activities that enhance navigability of a waterway.

26 (2) The board shall prepare a water resource management plan
27 in consultation with the department of ~~environmental quality,~~
28 **environment, Great Lakes, and energy**, the department of natural
29 resources, or any other entity with expertise in water quality

- 1 management and invasive species management.
- 2 (3) The board may apply for the necessary state and federal
- 3 permits required for a public facility or a water resource
- 4 improvement under this part.