

SUBSTITUTE FOR
HOUSE BILL NO. 4736

A bill to amend 1961 PA 120, entitled

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

(MCL 125.981 to 125.987) by adding chapter 2.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1

CHAPTER 2

2

BUSINESS IMPROVEMENT DISTRICTS

3

SEC. 10. AS USED IN THIS CHAPTER:

4

(A) "ASSESSABLE PROPERTY" MEANS REAL PROPERTY IN A DISTRICT

5

AREA OTHER THAN PROPERTY CLASSIFIED AS RESIDENTIAL REAL PROPERTY

6

UNDER SECTION 34C OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206,

7

MCL 211.34C, OR REAL PROPERTY EXEMPT FROM THE COLLECTION OF TAXES

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2

1 UNDER THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.1 TO
2 211.157.

3 (B) "ASSESSMENT" MEANS AN ASSESSMENT IMPOSED UNDER THIS
4 CHAPTER AGAINST ASSESSABLE PROPERTY FOR THE BENEFIT OF THE PROP-
5 ERTY OWNERS.

6 (C) "ASSESSMENT REVENUES" MEANS THE MONEY COLLECTED BY A
7 BUSINESS IMPROVEMENT DISTRICT FROM ANY ASSESSMENTS, INCLUDING ANY
8 INTEREST ON THE ASSESSMENTS.

9 (D) "BOARD" MEANS THE BOARD OF DIRECTORS OF A BUSINESS
10 IMPROVEMENT DISTRICT.

11 (E) "BUSINESS IMPROVEMENT DISTRICT" MEANS A PUBLIC BODY COR-
12 PORATE CREATED UNDER THIS CHAPTER.

13 (F) "DISTRICT AREA" MEANS THE AREA DESIGNATED IN THE DIS-
14 TRICT PLAN AS THE AREA TO BE SERVED BY THE BUSINESS IMPROVEMENT
15 DISTRICT.

16 (G) "DISTRICT PLAN" MEANS A SET OF GOALS, STRATEGIES, OBJEC-
17 TIVES, AND GUIDELINES FOR THE OPERATION OF A BUSINESS IMPROVEMENT
18 DISTRICT, AS APPROVED AT A MEETING OF PROPERTY OWNERS CONDUCTED
19 UNDER SECTION 10D.

20 (H) "NONPROFIT CORPORATION" MEANS A NONPROFIT CORPORATION
21 ORGANIZED UNDER THE NONPROFIT CORPORATION ACT, 1982 PA 162,
22 MCL 450.2101 TO 450.3192, AND WHICH COMPLIES WITH ALL OF THE
23 FOLLOWING:

24 (i) THE ARTICLES OF INCORPORATION OF THE NONPROFIT CORPORA-
25 TION PROVIDE THAT THE NONPROFIT CORPORATION MAY PROMOTE A BUSI-
26 NESS IMPROVEMENT DISTRICT AND MAY ALSO PROVIDE MANAGEMENT
27 SERVICES RELATED TO THE IMPLEMENTATION OF A DISTRICT PLAN.

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1 (ii) THE NONPROFIT CORPORATION IS EXEMPT FROM FEDERAL INCOME
2 TAX UNDER SECTION 501(c)(4) OR 501(c)(6) OF THE INTERNAL REVENUE
3 CODE OF 1986.

4 (I) "PERSON" MEANS AN INDIVIDUAL, PARTNERSHIP, CORPORATION,
5 LIMITED LIABILITY COMPANY, ASSOCIATION, OR OTHER LEGAL ENTITY.

6 (J) "PROJECT" MEANS ANY ACTIVITY FOR THE BENEFIT OF PROPERTY
7 OWNERS AUTHORIZED BY SECTION 10A TO ENHANCE THE BUSINESS ENVIRON-
8 MENT WITHIN A DISTRICT AREA.

9 (K) "PROPERTY OWNER" MEANS A PERSON WHO OWNS, OR AN AGENT
10 AUTHORIZED IN WRITING BY A PERSON WHO OWNS, ASSESSABLE PROPERTY
11 ACCORDING TO THE RECORDS OF THE TREASURER OF THE CITY OR VILLAGE
12 IN WHICH THE BUSINESS IMPROVEMENT DISTRICT IS LOCATED.

13 (L) "7-YEAR PERIOD" MEANS THE PERIOD IN WHICH A BUSINESS
14 IMPROVEMENT DISTRICT IS AUTHORIZED TO OPERATE, BEGINNING ON THE
15 DATE THAT THE BUSINESS IMPROVEMENT DISTRICT IS CREATED OR RENEWED
16 AND ENDING 7 CALENDAR YEARS AFTER THAT DATE.

17 SEC. 10A. (1) A BUSINESS IMPROVEMENT DISTRICT IS A PUBLIC
18 BODY CORPORATE AND MAY DO 1 OR MORE OF THE FOLLOWING FOR THE BEN-
19 EFIT OF PROPERTY OWNERS LOCATED IN THE BUSINESS IMPROVEMENT
20 DISTRICT:

21 (A) ACQUIRE, THROUGH PURCHASE, LEASE, OR GIFT, CONSTRUCT,
22 DEVELOP, IMPROVE, MAINTAIN, OPERATE, OR RECONSTRUCT PARK AREAS,
23 PLANTING AREAS, AND RELATED FACILITIES.

24 (B) ACQUIRE, CONSTRUCT, CLEAN, IMPROVE, MAINTAIN, RECON-
25 STRUCT, OR RELOCATE SIDEWALKS, STREET CURBING, STREET MEDIANS,
26 FOUNTAINS, AND LIGHTING.

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- 1 (C) DEVELOP AND PROPOSE LIGHTING STANDARDS.
- 2 (D) ACQUIRE, PLANT, AND MAINTAIN TREES, SHRUBS, FLOWERS, OR
3 OTHER VEGETATION.
- 4 (E) PROVIDE OR CONTRACT FOR SECURITY SERVICES WITH OTHER
5 PUBLIC OR PRIVATE ENTITIES AND PURCHASE EQUIPMENT OR TECHNOLOGY
6 RELATED TO SECURITY SERVICES.
- 7 (F) PROMOTE AND SPONSOR CULTURAL OR RECREATIONAL
8 ACTIVITIES.
- 9 (G) ENGAGE IN ECONOMIC DEVELOPMENT ACTIVITIES, INCLUDING,
10 BUT NOT LIMITED TO, PROMOTION OF BUSINESS, RETAIL, OR INDUSTRIAL
11 DEVELOPMENT, DEVELOPER RECRUITMENT, BUSINESS RECRUITMENT, BUSI-
12 NESS MARKETING, BUSINESS RETENTION, PUBLIC RELATIONS EFFORTS, AND
13 MARKET RESEARCH.
- 14 (H) ENGAGE IN OTHER ACTIVITY WITH THE PURPOSE TO ENHANCE THE
15 ECONOMIC PROSPERITY, ENJOYMENT, APPEARANCE, IMAGE, AND SAFETY OF
16 THE DISTRICT AREA.
- 17 (I) ACQUIRE BY PURCHASE OR GIFT, MAINTAIN, OR OPERATE REAL
18 OR PERSONAL PROPERTY NECESSARY TO IMPLEMENT THIS CHAPTER.
- 19 (J) SOLICIT AND ACCEPT GIFTS OR GRANTS TO FURTHER THE DIS-
20 TRICT PLAN.
- 21 (2) A BUSINESS IMPROVEMENT DISTRICT MAY CONTRACT WITH A NON-
22 PROFIT CORPORATION OR ANY OTHER PUBLIC OR PRIVATE ENTITY AND MAY
23 PAY A REASONABLE FEE TO THE NONPROFIT CORPORATION OR OTHER PUBLIC
24 OR PRIVATE ENTITY FOR SERVICES PROVIDED.
- 25 (3) A BUSINESS IMPROVEMENT DISTRICT HAS THE AUTHORITY TO
26 BORROW MONEY IN ANTICIPATION OF THE RECEIPT OF ASSESSMENTS IF ALL
27 OF THE FOLLOWING CONDITIONS ARE SATISFIED:

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1 (A) THE LOAN WILL NOT BE REQUESTED OR AUTHORIZED, OR WILL
2 NOT MATURE, WITHIN 90 DAYS BEFORE THE EXPIRATION OF THE 7-YEAR
3 PERIOD.

4 (B) THE AMOUNT OF THE LOAN DOES NOT EXCEED 50% OF THE ANNUAL
5 AVERAGE ASSESSMENT REVENUE OF THE BUSINESS IMPROVEMENT DISTRICT
6 DURING THE PREVIOUS YEAR OR, IN THE CASE OF A BUSINESS IMPROVE-
7 MENT DISTRICT THAT HAS BEEN IN EXISTENCE FOR LESS THAN 1 YEAR,
8 THE LOAN DOES NOT EXCEED 25% OF THE PROJECTED ANNUAL ASSESSMENT
9 REVENUE.

10 (C) THE LOAN REPAYMENT PERIOD DOES NOT EXTEND BEYOND THE
11 7-YEAR PERIOD.

12 (4) THE SERVICES PROVIDED BY A BUSINESS IMPROVEMENT DISTRICT
13 ARE SUPPLEMENTAL TO THE MUNICIPAL SERVICES AND FUNCTIONS PROVIDED
14 IN THE DISTRICT AREA BY THE CITY OR VILLAGE IN WHICH THE BUSINESS
15 IMPROVEMENT DISTRICT IS LOCATED.

16 (5) THE BUSINESS IMPROVEMENT DISTRICT HAS NO OTHER AUTHORITY
17 THAN THE AUTHORITY DESCRIBED IN THIS ACT.

18 SEC. 10B. (1) ONE OR MORE BUSINESS IMPROVEMENT DISTRICTS
19 MAY BE ESTABLISHED WITHIN A CITY OR VILLAGE.

20 (2) THE MAJORITY OF ALL PARCELS INCLUDED IN A DISTRICT AREA,
21 BOTH BY AREA AND BY TAXABLE VALUE, MUST BE ASSESSABLE PROPERTY.
22 A DISTRICT AREA MUST BE CONTIGUOUS, WITH THE EXCEPTION OF PUBLIC
23 STREETS, ALLEYS, PARKS, AND OTHER PUBLIC RIGHTS-OF-WAY.

24 (3) A BUSINESS IMPROVEMENT DISTRICT MAY BE ESTABLISHED IN A
25 CITY OR VILLAGE EVEN IF THE CITY OR VILLAGE HAS ESTABLISHED A
26 PRINCIPAL SHOPPING DISTRICT OR BUSINESS IMPROVEMENT DISTRICT

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1 UNDER CHAPTER 1. PROPERTY SHALL NOT BE INCLUDED IN ANY OF THE
2 FOLLOWING:

3 (A) MORE THAN 1 BUSINESS IMPROVEMENT DISTRICT ESTABLISHED
4 UNDER THIS CHAPTER OR CHAPTER 1.

5 (B) BOTH A PRINCIPAL SHOPPING DISTRICT AND A BUSINESS
6 IMPROVEMENT DISTRICT ESTABLISHED UNDER THIS CHAPTER OR
7 CHAPTER 1.

8 SEC. 10C. (1) A PERSON MAY INITIATE THE ESTABLISHMENT OF A
9 BUSINESS IMPROVEMENT DISTRICT BY THE DELIVERY OF A PETITION TO
10 THE CLERK OF THE CITY OR VILLAGE IN WHICH A PROPOSED DISTRICT
11 AREA IS LOCATED. THE PETITION SHALL INCLUDE ALL OF THE
12 FOLLOWING:

13 (A) THE BOUNDARIES OF THE DISTRICT AREA.

14 (B) THE SIGNATURES OF PROPERTY OWNERS OF PARCELS REPRESENT-
15 ING NOT LESS THAN 30% OF THE TOTAL TAXABLE VALUE OF ALL ASSES-
16 SABLE PROPERTY WITHIN THE DISTRICT AREA.

17 (C) A LISTING, BY TAX PARCEL IDENTIFICATION NUMBER, OF ALL
18 PARCELS WITHIN THE DISTRICT AREA, SEPARATELY IDENTIFYING ASSES-
19 SABLE PROPERTY.

20 (2) AFTER A PETITION IS FILED PURSUANT TO SUBSECTION (1),
21 THE CLERK SHALL NOTIFY ALL PROPERTY OWNERS WITHIN THE DISTRICT
22 AREA OF A PUBLIC MEETING REGARDING THE ESTABLISHMENT OF THE BUSI-
23 NESS IMPROVEMENT DISTRICT TO BE HELD NOT LESS THAN 45 DAYS OR
24 MORE THAN 60 DAYS AFTER THE FILING OF THE PETITION. THE NOTICE
25 SHALL BE SENT BY FIRST-CLASS MAIL TO THE PROPERTY OWNERS NOT LESS
26 THAN 14 DAYS PRIOR TO THE SCHEDULED DATE OF THE MEETING. THE

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1 NOTICE SHALL INCLUDE THE SPECIFIC LOCATION AND THE SCHEDULED DATE
2 AND TIME OF THE MEETING.

3 SEC. 10D. (1) AT THE MEETING REQUIRED BY SECTION 10C, THE
4 PROPERTY OWNERS MAY ADOPT A DISTRICT PLAN FOR SUBMISSION TO AND
5 APPROVAL BY THE GOVERNING BODY OF THE CITY OR VILLAGE IN WHICH
6 THE BUSINESS IMPROVEMENT DISTRICT IS LOCATED.

7 (2) A DISTRICT PLAN SHALL INCLUDE ALL OF THE FOLLOWING:

8 (A) A DESCRIPTION OF THE BOUNDARIES OF THE DISTRICT AREA
9 SUFFICIENT TO IDENTIFY EACH ASSESSABLE PROPERTY INCLUDED.

10 (B) THE PROPOSED INITIAL BOARD OF DIRECTORS, EXCEPT FOR THE
11 DIRECTOR OF THE BOARD WHO MAY BE APPOINTED BY THE CITY OR VILLAGE
12 UNDER SECTION 10G(2).

13 (C) THE METHOD FOR REMOVAL, APPOINTMENT, AND REPLACEMENT OF
14 THE BOARD.

15 (D) A DESCRIPTION OF PROJECTS PLANNED DURING THE 7-YEAR
16 PERIOD, INCLUDING THE SCOPE, NATURE, AND DURATION OF THE
17 PROJECTS.

18 (E) AN ESTIMATE OF THE TOTAL AMOUNT OF EXPENDITURES FOR
19 PROJECTS PLANNED DURING THE 7-YEAR PERIOD.

20 (F) THE PROPOSED SOURCE OR SOURCES OF FINANCING FOR THE
21 PROJECTS.

22 (G) IF THE PROPOSED FINANCING INCLUDES ASSESSMENTS, THE
23 AMOUNT OF THE ASSESSMENTS FOR EACH YEAR AND THE BASIS UPON WHICH
24 THE ASSESSMENTS ARE TO BE IMPOSED ON ASSESSABLE PROPERTY.

25 (H) A LISTING, BY TAX PARCEL IDENTIFICATION NUMBER, OF ALL
26 PARCELS WITHIN THE DISTRICT AREA, SEPARATELY IDENTIFYING
27 ASSESSABLE PROPERTY.

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1 (I) A PLAN OF DISSOLUTION FOR THE BUSINESS IMPROVEMENT
2 DISTRICT.

3 (3) A DISTRICT PLAN SHALL BE CONSIDERED ADOPTED BY THE PROP-
4 ERTY OWNERS IF A MAJORITY OF THE PROPERTY OWNERS VOTING AT THE
5 MEETING APPROVE THE DISTRICT PLAN. THE VOTES OF THE PROPERTY
6 OWNERS AT THE MEETING SHALL BE WEIGHTED IN THE MANNER INDICATED
7 IN SECTION 10F(2).

8 (4) ANY DISTRICT PLAN ADOPTED UNDER THIS SECTION SHALL BE
9 PRESENTED TO THE CLERK OF THE CITY OR VILLAGE IN WHICH THE DIS-
10 TRICT AREA IS LOCATED.

11 SEC. 10E. (1) IF A DISTRICT PLAN IS ADOPTED AND PRESENTED
12 TO THE CLERK OF THE CITY OR VILLAGE IN ACCORDANCE WITH
13 SECTION 10D, THE GOVERNING BODY OF THE CITY OR VILLAGE SHALL
14 WITHIN 45 DAYS SCHEDULE A PUBLIC HEARING OF THE GOVERNING BODY TO
15 REVIEW THE DISTRICT PLAN AND ANY PROPOSED ASSESSMENT AND TO
16 RECEIVE PUBLIC COMMENT. THE CLERK SHALL NOTIFY ALL OWNERS OF
17 PARCELS WITHIN THE DISTRICT AREA OF THE PUBLIC HEARING BY
18 FIRST-CLASS MAIL.

19 (2) AT THE PUBLIC HEARING, OR AT THE NEXT REGULARLY SCHED-
20 ULED MEETING OF THE GOVERNING BODY OF THE CITY OR VILLAGE, THE
21 GOVERNING BODY SHALL APPROVE OR REJECT THE ESTABLISHMENT OF THE
22 BUSINESS IMPROVEMENT DISTRICT AND THE DISTRICT PLAN AS ADOPTED BY
23 THE PROPERTY OWNERS UNDER SECTION 10D(3). IF THE GOVERNING BODY
24 REJECTS THE ESTABLISHMENT OF THE BUSINESS IMPROVEMENT DISTRICT
25 AND THE DISTRICT PLAN, THE PROPERTY OWNERS MAY RECONVENE A MEET-
26 ING AND AMEND THE DISTRICT PLAN IF APPROVED BY A MAJORITY OF THE
27 PROPERTY OWNERS AS PROVIDED IN SECTION 10D. THE AMENDED DISTRICT

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1 PLAN MAY BE RESUBMITTED TO THE CLERK OF THE CITY OR VILLAGE
2 WITHOUT THE REQUIREMENT OF A NEW PETITION UNDER SECTION 10C FOR
3 APPROVAL OR REJECTION AT A MEETING OF THE GOVERNING BODY OF THE
4 CITY OR VILLAGE NOT LATER THAN 60 DAYS AFTER THE AMENDED DISTRICT
5 PLAN IS RESUBMITTED TO THE CLERK. IF A DISTRICT PLAN IS NOT
6 REJECTED WITHIN 60 DAYS OF THE DATE THE AMENDED DISTRICT PLAN IS
7 RESUBMITTED TO THE CLERK, THE AMENDED DISTRICT PLAN IS CONSIDERED
8 APPROVED BY THE GOVERNING BODY OF THE CITY OR VILLAGE. IF THE
9 AMENDED DISTRICT PLAN IS REJECTED BY THE GOVERNING BODY, THEN THE
10 AMENDED DISTRICT PLAN MAY NOT BE RESUBMITTED WITHOUT THE DELIVERY
11 OF A NEW PETITION UNDER SECTION 10C.

12 (3) APPROVAL OF THE BUSINESS IMPROVEMENT DISTRICT AND DIS-
13 TRICT PLAN SHALL SERVE AS A DETERMINATION BY THE CITY OR VILLAGE
14 THAT ANY ASSESSMENT SET FORTH IN THE DISTRICT PLAN, INCLUDING THE
15 BASIS FOR ALLOCATING THE ASSESSMENT, IS APPROPRIATE, SUBJECT ONLY
16 TO THE APPROVAL OF THE BUSINESS IMPROVEMENT DISTRICT AND THE DIS-
17 TRICT PLAN BY THE PROPERTY OWNERS IN ACCORDANCE WITH
18 SECTION 10F.

19 (4) IF THE GOVERNING BODY OF THE CITY OR VILLAGE APPROVES
20 THE BUSINESS IMPROVEMENT DISTRICT AND DISTRICT PLAN OR IF THE
21 AMENDED DISTRICT PLAN IS CONSIDERED APPROVED UNDER SUBSECTION
22 (2), THE CLERK OF THE CITY OR VILLAGE SHALL SET AN ELECTION PUR-
23 SUANT TO SECTION 10F NOT MORE THAN 60 DAYS FOLLOWING THE
24 APPROVAL.

25 (5) THE CLERK OF THE CITY OR VILLAGE SHALL SEND TO THE PROP-
26 ERTY OWNERS NOTICE BY FIRST-CLASS MAIL OF THE ELECTION NOT LESS
27 THAN 30 DAYS BEFORE THE ELECTION AND PUBLISH THE NOTICE AT LEAST

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1 TWICE IN A NEWSPAPER OF GENERAL CIRCULATION IN THE CITY OR
2 VILLAGE IN WHICH THE DISTRICT AREA IS LOCATED. THE FIRST PUBLI-
3 CATION SHALL NOT BE LESS THAN 10 DAYS OR MORE THAN 30 DAYS PRIOR
4 TO THE DATE SCHEDULED FOR THE ELECTION. THE SECOND PUBLICATION
5 SHALL NOT BE PUBLISHED LESS THAN 1 WEEK AFTER THE FIRST
6 PUBLICATION.

7 (6) THE ELECTION DESCRIBED IN THIS SECTION AND SECTION 10F
8 IS NOT AN ELECTION SUBJECT TO THE MICHIGAN ELECTION LAW, 1954
9 PA 116, MCL 168.1 TO 168.992.

10 (7) THE PERSON WHO FILED THE PETITION UNDER SECTION 10C, THE
11 PROPOSED BOARD MEMBERS, AND THE PROPERTY OWNERS MAY ASSIST THE
12 CLERK OF THE CITY OR VILLAGE IN CONDUCTING THE ELECTION TO KEEP
13 THE EXPENSES OF THE ELECTION AT A MINIMUM.

14 SEC. 10F. (1) ALL PROPERTY OWNERS AS OF THE DATE OF THE
15 DELIVERY OF THE PETITION AS PROVIDED IN SECTION 10C ARE ELIGIBLE
16 TO PARTICIPATE IN THE ELECTION. THE ELECTION SHALL BE CONDUCTED
17 BY MAIL.

18 (2) VOTES OF PROPERTY OWNERS SHALL BE WEIGHTED IN PROPORTION
19 TO THE AMOUNT THAT THE TAXABLE VALUE OF THEIR RESPECTIVE REAL
20 PROPERTY FOR THE PRECEDING CALENDAR YEAR BEARS TO THE TAXABLE
21 VALUE OF ALL ASSESSABLE PROPERTY IN THE DISTRICT, BUT IN NO CASE
22 SHALL THE TOTAL NUMBER OF VOTES ASSIGNED TO ANY 1 PROPERTY OWNER
23 BE EQUAL TO MORE THAN 25% OF THE TOTAL NUMBER OF VOTES ELIGIBLE
24 TO BE CAST IN THE ELECTION.

25 (3) A DISTRICT PLAN AND THE PROPOSAL FOR THE ESTABLISHMENT
26 OF A BUSINESS IMPROVEMENT DISTRICT, INCLUDING THE IDENTITY OF THE
27 INITIAL BOARD, SHALL BE CONSIDERED ADOPTED UPON THE APPROVAL OF

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1 60% OF THE PROPERTY OWNERS VOTING IN THE ELECTION, WITH VOTES
2 WEIGHTED AS PROVIDED IN SUBSECTION (2).

3 (4) UPON ACCEPTANCE OR REJECTION OF A BUSINESS IMPROVEMENT
4 DISTRICT AND DISTRICT PLAN BY THE PROPERTY OWNERS, THE RESULTING
5 BUSINESS IMPROVEMENT DISTRICT OR THE PERSON FILING THE PETITION
6 UNDER SECTION 10C SHALL, AT THE REQUEST OF THE CITY OR VILLAGE,
7 REIMBURSE THE CITY OR VILLAGE FOR ALL OR A PORTION OF THE REASON-
8 ABLE EXPENSES INCURRED TO COMPLY WITH THIS CHAPTER. THE GOVERN-
9 ING BODY OF THE CITY OR VILLAGE MAY FORGIVE AND CHOOSE NOT TO
10 COLLECT ALL OR A PORTION OF THE REASONABLE EXPENSES INCURRED TO
11 COMPLY WITH THIS CHAPTER.

12 (5) ADOPTION OF A BUSINESS IMPROVEMENT DISTRICT AND DISTRICT
13 PLAN UNDER THIS SECTION AUTHORIZES THE CREATION OF THE BUSINESS
14 IMPROVEMENT DISTRICT AND THE IMPLEMENTATION OF THE DISTRICT PLAN
15 FOR THE 7-YEAR PERIOD.

16 (6) ADOPTION OF A BUSINESS IMPROVEMENT DISTRICT AND DISTRICT
17 PLAN UNDER THIS SECTION AND THE CREATION OF THE BUSINESS IMPROVE-
18 MENT DISTRICT DOES NOT RELIEVE THE BUSINESS IMPROVEMENT DISTRICT
19 FROM FOLLOWING, OR DOES NOT WAIVE ANY RIGHTS OF THE CITY OR VIL-
20 LAGE TO ENFORCE, ANY LAWS, STATUTES, OR ORDINANCES.

21 (7) TO THE EXTENT NOT PROTECTED BY THE IMMUNITY CONFERRED BY
22 1964 PA 170, MCL 691.1401 TO 691.1415, A CITY OR VILLAGE THAT
23 APPROVES A BUSINESS IMPROVEMENT DISTRICT WITHIN ITS BOUNDARIES IS
24 IMMUNE FROM CIVIL OR ADMINISTRATIVE LIABILITY ARISING FROM ANY
25 ACTIONS OF THAT BUSINESS IMPROVEMENT DISTRICT.

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1 SEC. 10G. (1) THE DAY-TO-DAY ACTIVITIES OF THE BUSINESS
2 IMPROVEMENT DISTRICT AND IMPLEMENTATION OF THE DISTRICT PLAN
3 SHALL BE MANAGED BY A BOARD OF DIRECTORS.

4 (2) THE BOARD SHALL CONSIST OF AN ODD NUMBER OF DIRECTORS
5 AND SHALL NOT BE SMALLER THAN 5 AND NOT LARGER THAN 15 IN
6 NUMBER. THE BOARD MAY INCLUDE 1 DIRECTOR NOMINATED BY THE CHIEF
7 EXECUTIVE OF THE CITY OR VILLAGE AND APPROVED BY THE GOVERNING
8 BODY OF THE CITY OR VILLAGE.

9 (3) THE DUTIES AND RESPONSIBILITIES OF THE BOARD SHALL BE
10 PRESCRIBED IN THE DISTRICT PLAN AND TO THE EXTENT APPLICABLE
11 SHALL INCLUDE ALL OF THE FOLLOWING DUTIES AND RESPONSIBILITIES:

12 (A) DEVELOPING ADMINISTRATIVE PROCEDURES RELATING TO THE
13 IMPLEMENTATION OF THE DISTRICT PLAN.

14 (B) RECOMMENDING AMENDMENTS TO THE DISTRICT PLAN.

15 (C) SCHEDULING AND CONDUCTING AN ANNUAL MEETING OF THE PROP-
16 ERTY OWNERS.

17 (D) DEVELOPING A DISTRICT PLAN FOR THE NEXT 7-YEAR PERIOD.

18 SEC. 10H. (1) A BUSINESS IMPROVEMENT DISTRICT MAY BE FUNDED
19 IN WHOLE OR IN PART BY 1 OR MORE ASSESSMENTS ON ASSESSABLE PROP-
20 ERTY, AS PROVIDED IN THE DISTRICT PLAN. AN ASSESSMENT UNDER THIS
21 CHAPTER SHALL BE IN ADDITION TO ANY TAXES OR SPECIAL ASSESSMENTS
22 OTHERWISE IMPOSED ON ASSESSABLE PROPERTY.

23 (2) AN ASSESSMENT SHALL BE IMPOSED AGAINST ASSESSABLE PROP-
24 ERTY ONLY ON THE BASIS OF THE BENEFITS TO ASSESSABLE PROPERTY
25 AFFORDED BY THE DISTRICT PLAN. THERE IS A REBUTTABLE PRESUMPTION
26 THAT A DISTRICT PLAN AND ANY PROJECT SPECIALLY BENEFITS ALL
27 ASSESSABLE PROPERTY IN A DISTRICT AREA.

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1 (3) IF A DISTRICT PLAN PROVIDES FOR AN ASSESSMENT, THE
2 TREASURER OF THE CITY OR VILLAGE IN WHICH THE DISTRICT AREA IS
3 LOCATED AS AN AGENT OF THE BUSINESS IMPROVEMENT DISTRICT SHALL
4 IMPOSE AN ASSESSMENT ON ALL ASSESSABLE PROPERTY WITHIN THE DIS-
5 TRICT AREA IN THE AMOUNT AUTHORIZED BY THE DISTRICT PLAN.

6 (4) EXCEPT AS PROVIDED IN SUBSECTION (7), ASSESSMENTS SHALL
7 BE COLLECTED BY THE TREASURER OF THE CITY OR VILLAGE AS AN AGENT
8 OF THE BUSINESS IMPROVEMENT DISTRICT FROM EACH PROPERTY OWNER AND
9 REMITTED PROMPTLY TO THE BUSINESS IMPROVEMENT DISTRICT.
10 ASSESSMENT REVENUE IS THE PROPERTY OF THE BUSINESS IMPROVEMENT
11 DISTRICT AND NOT THE CITY OR VILLAGE IN WHICH THE BUSINESS
12 IMPROVEMENT DISTRICT IS LOCATED. THE BUSINESS IMPROVEMENT DIS-
13 TRICT MAY ASSIST THE TREASURER OF THE CITY OR VILLAGE IN COLLECT-
14 ING THE ASSESSMENT TO KEEP THE EXPENSES OF COLLECTING THE ASSESS-
15 MENT AT A MINIMUM.

16 (5) FROM THE DATE ON WHICH THE ASSESSMENT IS IMPOSED, THE
17 FULL AMOUNT OF THE ASSESSMENT AND INTEREST ON THE ASSESSMENT
18 SHALL CONSTITUTE A LIEN ON THE PROPERTY. THE BUSINESS IMPROVE-
19 MENT DISTRICT MAY INSTITUTE A CIVIL ACTION TO COLLECT ANY DELIN-
20 QUENT ASSESSMENT AND INTEREST.

21 (6) AN ASSESSMENT IMPOSED UNDER THIS ACT IS NOT A SPECIAL
22 ASSESSMENT COLLECTED UNDER THE GENERAL PROPERTY TAX ACT, 1893 PA
23 206, MCL 211.1 TO 211.157.

24 (7) AN ASSESSMENT IS DELINQUENT IF IT HAS NOT BEEN PAID
25 WITHIN 90 DAYS AFTER IT WAS IMPOSED UNDER THIS CHAPTER.
26 DELINQUENT ASSESSMENTS SHALL BE COLLECTED BY THE BUSINESS

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1 IMPROVEMENT DISTRICT. DELINQUENT ASSESSMENTS SHALL ACCRUE
2 INTEREST AT A RATE OF 1.5% PER MONTH UNTIL PAID.

3 (8) A PROPERTY OWNER MAY INITIATE AN ACTION IN CIRCUIT COURT
4 TO CONTEST WHETHER AN ASSESSMENT EXCEEDS THE BENEFITS TO THE
5 ACCESSIBLE PROPERTY UNDER THIS ACT.

6 SEC. 10I. (1) EXPENSES INCURRED IN IMPLEMENTING ANY PROJECT
7 OR SERVICE OF A BUSINESS IMPROVEMENT DISTRICT SHALL BE FINANCED
8 IN ACCORDANCE WITH THE DISTRICT PLAN.

9 (2) ASSESSMENT REVENUES UNDER SECTION 10H ARE THE FUNDS OF
10 THE BUSINESS IMPROVEMENT DISTRICT AND NOT FUNDS OF THE STATE OR
11 OF THE CITY OR VILLAGE IN WHICH THE BUSINESS IMPROVEMENT DISTRICT
12 IS LOCATED. ALL MONEY COLLECTED UNDER SECTION 10H SHALL BE
13 DEPOSITED IN A FINANCIAL INSTITUTION IN THE NAME OF THE BUSINESS
14 IMPROVEMENT DISTRICT. ASSESSMENT REVENUES MAY BE DEPOSITED IN AN
15 INTEREST GENERATING ACCOUNT. THE BUSINESS IMPROVEMENT DISTRICT
16 SHALL USE THE FUNDS ONLY TO IMPLEMENT THE DISTRICT PLAN.

17 (3) ALL EXPENDITURES BY A BUSINESS IMPROVEMENT DISTRICT
18 SHALL BE AUDITED ANNUALLY BY A CERTIFIED PUBLIC ACCOUNTANT. THE
19 AUDIT SHALL BE COMPLETED WITHIN 9 MONTHS OF THE CLOSE OF THE
20 FISCAL YEAR OF THE BUSINESS IMPROVEMENT DISTRICT. WITHIN 30 DAYS
21 AFTER COMPLETION OF AN AUDIT, THE CERTIFIED PUBLIC ACCOUNTANT
22 SHALL TRANSMIT A COPY OF THE AUDIT TO THE BOARD AND MAKE COPIES
23 OF THE AUDIT AVAILABLE TO THE PROPERTY OWNERS AND THE PUBLIC.

24 (4) IF AN ANNUAL AUDIT REQUIRED BY THIS SECTION CONTAINS
25 MATERIAL EXCEPTIONS AND THE MATERIAL EXCEPTIONS ARE NOT SUBSTAN-
26 Tially CORRECTED WITHIN 90 DAYS OF THE DELIVERY OF THE AUDIT, THE
27 BUSINESS IMPROVEMENT DISTRICT SHALL BE DISSOLVED IN ACCORDANCE

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1 WITH THE DISTRICT PLAN UPON APPROVAL OF SUCH DISSOLUTION BY THE
2 GOVERNING BODY OF THE CITY OR VILLAGE IN WHICH THE BUSINESS
3 IMPROVEMENT DISTRICT IS LOCATED.

4 (5) THE BOARD SHALL PUBLISH AN ANNUAL ACTIVITY AND FINANCIAL
5 REPORT. THE REPORT SHALL BE AVAILABLE TO THE PUBLIC. EACH YEAR,
6 EVERY PROPERTY OWNER SHALL BE NOTIFIED OF THE AVAILABILITY OF THE
7 ANNUAL ACTIVITY AND FINANCIAL REPORT.

8 (6) A BUSINESS IMPROVEMENT DISTRICT IS EXEMPT FROM THE
9 REQUIREMENTS OF THE UNIFORM BUDGETING AND ACCOUNTING ACT, 1968 PA
10 2, MCL 141.421 TO 141.440A.

11 (7) AS USED IN THIS SECTION, "FINANCIAL INSTITUTION" MEANS A
12 STATE OR NATIONALLY CHARTERED BANK OR A STATE OR FEDERALLY
13 CHARTERED SAVINGS AND LOAN ASSOCIATION, SAVINGS BANK, OR CREDIT
14 UNION WHOSE DEPOSITS ARE INSURED BY AN AGENCY OF THE UNITED
15 STATES GOVERNMENT AND THAT MAINTAINS A PRINCIPAL OFFICE OR BRANCH
16 OFFICE LOCATED IN THIS STATE UNDER THE LAWS OF THIS STATE OR OF
17 THE UNITED STATES.

18 SEC. 10J. A DISTRICT PLAN MAY BE AMENDED. AMENDMENTS SHALL
19 BE EFFECTIVE IF APPROVED BY A MAJORITY OF THE PROPERTY OWNERS
20 VOTING ON THE AMENDMENT AT THE ANNUAL MEETING OR A SPECIAL MEET-
21 ING CALLED FOR THAT PURPOSE, WITH THE VOTES OF THE PROPERTY
22 OWNERS WEIGHTED IN ACCORDANCE WITH SECTION 10F(2). A DISTRICT
23 PLAN AMENDMENT CHANGING ANY ASSESSMENT IS EFFECTIVE ONLY IF ALSO
24 APPROVED BY THE GOVERNING BODY OF THE CITY OR VILLAGE IN WHICH
25 THE BUSINESS IMPROVEMENT DISTRICT IS LOCATED.

26 SEC. 10K. (1) PRIOR TO THE EXPIRATION OF ANY 7-YEAR PERIOD,
27 THE BOARD SHALL NOTIFY THE PROPERTY OWNERS OF A SPECIAL MEETING

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1 BY FIRST-CLASS MAIL AT LEAST 14 DAYS PRIOR TO THE SCHEDULED DATE
2 OF THE MEETING TO APPROVE A NEW DISTRICT PLAN FOR THE NEXT 7-YEAR
3 PERIOD. NOTICE UNDER THIS SECTION SHALL INCLUDE THE SPECIFIC
4 LOCATION, SCHEDULED DATE, AND TIME OF THE MEETING.

5 (2) APPROVAL OF THE NEW DISTRICT PLAN AT THE SPECIAL MEETING
6 BY 60% OF THE PROPERTY OWNERS OF ASSESSABLE PROPERTY VOTING AT
7 THAT MEETING, WITH THE VOTE OF THE PROPERTY OWNERS BEING WEIGHTED
8 IN ACCORDANCE WITH SECTION 10F(2), CONSTITUTES REAUTHORIZATION OF
9 THE BUSINESS IMPROVEMENT DISTRICT FOR AN ADDITIONAL 7-YEAR
10 PERIOD, COMMENCING AS OF THE EXPIRATION OF THE 7-YEAR PERIOD THEN
11 IN EFFECT. IF THE NEW DISTRICT PLAN REFLECTS ANY NEW ASSESSMENT,
12 OR REFLECTS AN EXTENSION OF ANY ASSESSMENT BEYOND THE PERIOD PRE-
13 VIOUSLY APPROVED BY THE CITY OR VILLAGE IN WHICH THE BUSINESS
14 IMPROVEMENT DISTRICT IS LOCATED, THE NEW OR EXTENDED ASSESSMENT
15 SHALL BE EFFECTIVE ONLY WITH THE APPROVAL OF THE GOVERNING BODY
16 OF THE CITY OR VILLAGE.

17 SEC. 10/. (1) UPON WRITTEN PETITION DULY SIGNED BY 20% OF
18 THE PROPERTY OWNERS OF ASSESSABLE PROPERTY WITHIN A DISTRICT
19 AREA, THE BOARD SHALL PLACE ON THE AGENDA OF THE NEXT ANNUAL
20 MEETING THE ISSUE OF DISSOLUTION OF THE BUSINESS IMPROVEMENT
21 DISTRICT.

22 (2) THE BUSINESS IMPROVEMENT DISTRICT SHALL BE DISSOLVED
23 UPON A VOTE OF MORE THAN 50% OF THE PROPERTY OWNERS OF ASSESSABLE
24 PROPERTY VOTING AT AN ANNUAL MEETING, WITH VOTING WEIGHTED IN
25 ACCORDANCE WITH SECTION 10F(2). A DISSOLUTION SHALL NOT TAKE
26 EFFECT UNTIL SUCH TIME AS ALL LIQUIDATED DEBTS OF THE BUSINESS
27 IMPROVEMENT DISTRICT HAVE BEEN PAID AND DISCHARGED.

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1 (3) UPON DISSOLUTION OF A BUSINESS IMPROVEMENT DISTRICT, THE
2 BOARD SHALL DISPOSE OF THE REMAINING PHYSICAL ASSETS OF THE BUSI-
3 NESS IMPROVEMENT DISTRICT. THE PROCEEDS OF ANY PHYSICAL ASSETS
4 DISPOSED OF BY THE BUSINESS IMPROVEMENT DISTRICT AND ALL MONEY
5 COLLECTED THROUGH ASSESSMENTS THAT IS NOT REQUIRED TO DEFRAY THE
6 EXPENSES OF THE BUSINESS IMPROVEMENT DISTRICT SHALL BE REFUNDED
7 ON A PRO RATA BASIS TO PERSONS FROM WHOM ASSESSMENTS WERE
8 COLLECTED. IF THE BOARD FINDS THAT THE REFUNDABLE AMOUNT IS SO
9 SMALL AS TO MAKE IMPRACTICABLE THE COMPUTATION AND REFUNDING OF
10 THE MONEY, IT MAY BE TRANSFERRED TO THE TREASURER OF THE CITY OR
11 VILLAGE IN WHICH THE BUSINESS IMPROVEMENT DISTRICT IS LOCATED FOR
12 DEPOSIT IN THE TREASURY OF THE CITY OR VILLAGE TO THE CREDIT OF
13 THE GENERAL FUND.

14 (4) UPON DISSOLUTION OF A BUSINESS IMPROVEMENT DISTRICT, ANY
15 REMAINING ASSETS OF THE BUSINESS IMPROVEMENT DISTRICT SHALL BE
16 TRANSFERRED TO THE TREASURER OF THE CITY OR VILLAGE IN WHICH THE
17 BUSINESS IMPROVEMENT DISTRICT IS LOCATED FOR DEPOSIT IN THE TREA-
18 SURY OF THE CITY OR VILLAGE TO THE CREDIT OF THE GENERAL FUND.

19 SEC. 10M. (1) THE BOARD SHALL CONDUCT BUSINESS AT A PUBLIC
20 MEETING HELD IN COMPLIANCE WITH THE OPEN MEETINGS ACT, 1976
21 PA 267, MCL 15.261 TO 15.275. PUBLIC NOTICE OF THE TIME, DATE,
22 AND PLACE OF THE MEETING SHALL BE GIVEN IN THE MANNER REQUIRED BY
23 THE OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275.

24 (2) A WRITING PREPARED, OWNED, USED, IN THE POSSESSION OF,
25 OR RETAINED BY THE BUSINESS IMPROVEMENT DISTRICT IN THE PER-
26 FORMANCE OF ITS DUTIES UNDER THIS CHAPTER IS A PUBLIC RECORD

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1 UNDER THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO
2 15.246.