

HB 4736, As Passed Senate, October 11, 2001

**SENATE 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 WITHIN THE DISTRICT AREA.

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

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1 (C) DEVELOP AND PROPOSE LIGHTING STANDARDS WITHIN THE
2 DISTRICT AREA.

3 (D) ACQUIRE, PLANT, AND MAINTAIN TREES, SHRUBS, FLOWERS, OR
4 OTHER VEGETATION WITHIN THE DISTRICT AREA.

5 (E) PROVIDE OR CONTRACT FOR SECURITY SERVICES WITH OTHER
6 PUBLIC OR PRIVATE ENTITIES AND PURCHASE EQUIPMENT OR TECHNOLOGY
7 RELATED TO SECURITY SERVICES WITHIN THE DISTRICT AREA.

8 (F) PROMOTE AND SPONSOR CULTURAL OR RECREATIONAL
9 ACTIVITIES.

10 (G) ENGAGE IN ECONOMIC DEVELOPMENT ACTIVITIES, INCLUDING,
11 BUT NOT LIMITED TO, PROMOTION OF BUSINESS, RETAIL, OR INDUSTRIAL
12 DEVELOPMENT, DEVELOPER RECRUITMENT, BUSINESS RECRUITMENT, BUSI-
13 NESS MARKETING, BUSINESS RETENTION, PUBLIC RELATIONS EFFORTS, AND
14 MARKET RESEARCH.

15 (H) ENGAGE IN OTHER ACTIVITY WITH THE PURPOSE TO ENHANCE THE
16 ECONOMIC PROSPERITY, ENJOYMENT, APPEARANCE, IMAGE, AND SAFETY OF
17 THE DISTRICT AREA.

18 (I) ACQUIRE BY PURCHASE OR GIFT, MAINTAIN, OR OPERATE REAL
19 OR PERSONAL PROPERTY NECESSARY TO IMPLEMENT THIS CHAPTER.

20 (J) SOLICIT AND ACCEPT GIFTS OR GRANTS TO FURTHER THE DIS-
21 TRICT PLAN.

22 (K) SUE OR BE SUED.

23 (2) A BUSINESS IMPROVEMENT DISTRICT MAY CONTRACT WITH A NON-
24 PROFIT CORPORATION OR ANY OTHER PUBLIC OR PRIVATE ENTITY AND MAY
25 PAY A REASONABLE FEE TO THE NONPROFIT CORPORATION OR OTHER PUBLIC
26 OR PRIVATE ENTITY FOR SERVICES PROVIDED.

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1 (3) A BUSINESS IMPROVEMENT DISTRICT HAS THE AUTHORITY TO
2 BORROW MONEY IN ANTICIPATION OF THE RECEIPT OF ASSESSMENTS IF ALL
3 OF THE FOLLOWING CONDITIONS ARE SATISFIED:

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

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

13 (C) THE LOAN REPAYMENT PERIOD DOES NOT EXTEND BEYOND THE
14 7-YEAR PERIOD.

15 (D) THE LOAN IS SUBJECT TO THE REVISED MUNICIPAL FINANCE
16 ACT, 2001 PA 34, MCL 141.2101 TO 141.2821.

17 (4) THE SERVICES PROVIDED BY AND PROJECTS OF A BUSINESS
18 IMPROVEMENT DISTRICT ARE SERVICES AND PROJECTS OF THE BUSINESS
19 IMPROVEMENT DISTRICT AND ARE NOT SERVICES, FUNCTIONS, OR PROJECTS
20 OF THE MUNICIPALITY IN WHICH THE BUSINESS IMPROVEMENT DISTRICT IS
21 LOCATED. THE SERVICES PROVIDED BY AND PROJECTS OF A BUSINESS
22 IMPROVEMENT DISTRICT ARE PRESUMED TO BENEFIT THE PROPERTY OWNERS
23 AND ARE SUPPLEMENTAL TO THE SERVICES, PROJECTS, AND FUNCTIONS OF
24 THE CITY OR VILLAGE IN WHICH THE BUSINESS IMPROVEMENT DISTRICT IS
25 LOCATED.

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

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1 SEC. 10B. (1) EXCEPT AS PROVIDED IN SUBSECTION (4), 1 OR
2 MORE BUSINESS IMPROVEMENT DISTRICTS MAY BE ESTABLISHED WITHIN A
3 CITY OR VILLAGE.

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

8 (3) EXCEPT AS PROVIDED IN SUBSECTION (4), A BUSINESS
9 IMPROVEMENT DISTRICT MAY BE ESTABLISHED IN A CITY OR VILLAGE EVEN
10 IF THE CITY OR VILLAGE HAS ESTABLISHED A PRINCIPAL SHOPPING DIS-
11 TRICT OR BUSINESS IMPROVEMENT DISTRICT UNDER CHAPTER 1.

12 ASSESSABLE PROPERTY SHALL NOT BE INCLUDED IN ANY OF THE
13 FOLLOWING:

14 (A) MORE THAN 1 BUSINESS IMPROVEMENT DISTRICT ESTABLISHED
15 UNDER THIS CHAPTER OR CHAPTER 1.

16 (B) BOTH A PRINCIPAL SHOPPING DISTRICT AND A BUSINESS
17 IMPROVEMENT DISTRICT ESTABLISHED UNDER THIS CHAPTER OR
18 CHAPTER 1.

19 (4) IF AT THE TIME OF THE EFFECTIVE DATE OF THE AMENDATORY
20 ACT THAT ADDED THIS SUBSECTION A BUSINESS IMPROVEMENT DISTRICT OR
21 PRINCIPAL SHOPPING DISTRICT ESTABLISHED UNDER CHAPTER 1 IS
22 LOCATED IN A CITY OR VILLAGE, A BUSINESS IMPROVEMENT DISTRICT MAY
23 NOT BE ESTABLISHED UNDER THIS CHAPTER WITHIN THAT CITY OR VILLAGE
24 UNLESS WITHIN 180 DAYS OF THE EFFECTIVE DATE OF THE AMENDATORY
25 ACT THAT ADDED THIS SUBSECTION THE GOVERNING BODY OF THE CITY OR
26 VILLAGE ADOPTS A RESOLUTION AUTHORIZING THE GOVERNING BODY TO

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1 CONSIDER, AS PROVIDED IN SECTION 10E, THE ESTABLISHMENT OF A
2 BUSINESS IMPROVEMENT DISTRICT UNDER THIS CHAPTER.

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

8 (A) THE BOUNDARIES OF THE DISTRICT AREA.

9 (B) THE SIGNATURES OF PROPERTY OWNERS OF PARCELS REPRESENT-
10 ING NOT LESS THAN 30% OF THE PROPERTY OWNERS WITHIN THE DISTRICT
11 AREA, WEIGHTED AS PROVIDED IN SECTION 10F(2).

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

15 (2) AFTER A PETITION IS FILED PURSUANT TO SUBSECTION (1),
16 THE CLERK SHALL NOTIFY ALL PROPERTY OWNERS WITHIN THE DISTRICT
17 AREA OF A PUBLIC MEETING OF THE PROPERTY OWNERS REGARDING THE
18 ESTABLISHMENT OF THE BUSINESS IMPROVEMENT DISTRICT TO BE HELD NOT
19 LESS THAN 45 DAYS OR MORE THAN 60 DAYS AFTER THE FILING OF THE
20 PETITION. THE NOTICE SHALL BE SENT BY FIRST-CLASS MAIL TO THE
21 PROPERTY OWNERS NOT LESS THAN 14 DAYS PRIOR TO THE SCHEDULED DATE
22 OF THE MEETING. THE NOTICE SHALL INCLUDE THE SPECIFIC LOCATION
23 AND THE SCHEDULED DATE AND TIME OF THE MEETING.

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

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

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

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

7 (C) THE METHOD FOR REMOVAL, APPOINTMENT, AND REPLACEMENT OF
8 THE BOARD.

9 (D) A DESCRIPTION OF PROJECTS PLANNED DURING THE 7-YEAR
10 PERIOD, INCLUDING THE SCOPE, NATURE, AND DURATION OF THE
11 PROJECTS.

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

14 (F) THE PROPOSED SOURCE OR SOURCES OF FINANCING FOR THE
15 PROJECTS.

16 (G) IF THE PROPOSED FINANCING INCLUDES ASSESSMENTS, THE
17 PROJECTED AMOUNT OR RATE OF THE ASSESSMENTS FOR EACH YEAR AND THE
18 BASIS UPON WHICH THE ASSESSMENTS ARE TO BE IMPOSED ON ASSESSABLE
19 PROPERTY.

20 (H) A LISTING, BY TAX PARCEL IDENTIFICATION NUMBER, OF ALL
21 PARCELS WITHIN THE DISTRICT AREA, SEPARATELY IDENTIFYING ASSES-
22 SABLE PROPERTY.

23 (I) A PLAN OF DISSOLUTION FOR THE BUSINESS IMPROVEMENT
24 DISTRICT.

25 (3) A DISTRICT PLAN SHALL BE CONSIDERED ADOPTED BY THE PROP-
26 ERTY OWNERS IF A MAJORITY OF THE PROPERTY OWNERS VOTING AT THE
27 MEETING APPROVE THE DISTRICT PLAN. THE VOTES OF THE PROPERTY

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1 OWNERS AT THE MEETING SHALL BE WEIGHTED IN THE MANNER INDICATED
2 IN SECTION 10F(2).

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

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

14 (2) AT THE PUBLIC HEARING, OR AT THE NEXT REGULARLY SCHED-
15 ULED MEETING OF THE GOVERNING BODY OF THE CITY OR VILLAGE, THE
16 GOVERNING BODY SHALL APPROVE OR REJECT THE ESTABLISHMENT OF THE
17 BUSINESS IMPROVEMENT DISTRICT AND THE DISTRICT PLAN AS ADOPTED BY
18 THE PROPERTY OWNERS UNDER SECTION 10D(3). IF THE GOVERNING BODY
19 REJECTS THE ESTABLISHMENT OF THE BUSINESS IMPROVEMENT DISTRICT
20 AND THE DISTRICT PLAN, THE CLERK SHALL NOTIFY ALL PROPERTY OWNERS
21 WITHIN THE DISTRICT OF A RECONVENED MEETING OF THE PROPERTY
22 OWNERS WHICH SHALL BE HELD NOT SOONER THAN 10 DAYS OR LATER THAN
23 21 DAYS AFTER THE DATE OF THE REJECTION BY THE GOVERNING BODY.
24 THE NOTICE SHALL BE SENT BY FIRST-CLASS MAIL TO THE PROPERTY
25 OWNERS NOT LESS THAN 7 DAYS PRIOR TO THE SCHEDULED DATE OF THE
26 MEETING AND SHALL INCLUDE THE SPECIFIC LOCATION AND THE SCHEDULED
27 DATE AND TIME OF THE MEETING, AS DETERMINED BY THE PERSON

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1 INITIATING THE ESTABLISHMENT OF THE BUSINESS IMPROVEMENT DISTRICT
2 UNDER SECTION 10C(1). AT THE RECONVENED MEETING, THE PROPERTY
3 OWNERS MAY AMEND THE DISTRICT PLAN IF APPROVED BY A MAJORITY OF
4 THE PROPERTY OWNERS AS PROVIDED IN SECTION 10D(3). THE AMENDED
5 DISTRICT PLAN MAY BE RESUBMITTED TO THE CLERK OF THE CITY OR VIL-
6 LAGE WITHOUT THE REQUIREMENT OF A NEW PETITION UNDER SECTION 10C
7 FOR APPROVAL OR REJECTION AT A MEETING OF THE GOVERNING BODY OF
8 THE CITY OR VILLAGE NOT LATER THAN 60 DAYS AFTER THE AMENDED DIS-
9 TRICT PLAN IS RESUBMITTED TO THE CLERK. IF A DISTRICT PLAN IS
10 NOT REJECTED WITHIN 60 DAYS OF THE DATE THE AMENDED DISTRICT PLAN
11 IS RESUBMITTED TO THE CLERK, THE AMENDED DISTRICT PLAN IS CONSID-
12 ERED APPROVED BY THE GOVERNING BODY OF THE CITY OR VILLAGE. IF
13 THE AMENDED DISTRICT PLAN IS REJECTED BY THE GOVERNING BODY, THEN
14 THE AMENDED DISTRICT PLAN MAY NOT BE RESUBMITTED WITHOUT THE
15 DELIVERY OF A NEW PETITION UNDER SECTION 10C.

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

23 (4) IF THE GOVERNING BODY OF THE CITY OR VILLAGE APPROVES
24 THE BUSINESS IMPROVEMENT DISTRICT AND DISTRICT PLAN OR IF THE
25 AMENDED DISTRICT PLAN IS CONSIDERED APPROVED UNDER SUBSECTION
26 (2), THE CLERK OF THE CITY OR VILLAGE SHALL SET AN ELECTION

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1 PURSUANT TO SECTION 10F NOT MORE THAN 60 DAYS FOLLOWING THE
2 APPROVAL.

3 (5) THE CLERK OF THE CITY OR VILLAGE SHALL SEND TO THE PROP-
4 ERTY OWNERS NOTICE BY FIRST-CLASS MAIL OF THE ELECTION NOT LESS
5 THAN 30 DAYS BEFORE THE ELECTION AND PUBLISH THE NOTICE AT LEAST
6 TWICE IN A NEWSPAPER OF GENERAL CIRCULATION IN THE CITY OR VIL-
7 LAGE IN WHICH THE DISTRICT AREA IS LOCATED. THE FIRST PUBLICA-
8 TION SHALL NOT BE LESS THAN 10 DAYS OR MORE THAN 30 DAYS PRIOR TO
9 THE DATE SCHEDULED FOR THE ELECTION. THE SECOND PUBLICATION
10 SHALL NOT BE PUBLISHED LESS THAN 1 WEEK AFTER THE FIRST
11 PUBLICATION.

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

15 (7) THE PERSON WHO FILED THE PETITION UNDER SECTION 10C, THE
16 PROPOSED BOARD MEMBERS, AND THE PROPERTY OWNERS MAY, AT THE
17 OPTION AND UNDER THE DIRECTION OF THE CLERK, ASSIST THE CLERK OF
18 THE CITY OR VILLAGE IN CONDUCTING THE ELECTION TO KEEP THE
19 EXPENSES OF THE ELECTION AT A MINIMUM.

20 SEC. 10F. (1) ALL PROPERTY OWNERS AS OF THE DATE OF THE
21 DELIVERY OF THE PETITION AS PROVIDED IN SECTION 10C ARE ELIGIBLE
22 TO PARTICIPATE IN THE ELECTION. THE ELECTION SHALL BE CONDUCTED
23 BY MAIL. THE QUESTION TO BE VOTED ON BY THE PROPERTY OWNERS IS
24 THE ADOPTION OF THE DISTRICT PLAN AND THE ESTABLISHMENT OF THE
25 BUSINESS IMPROVEMENT DISTRICT, INCLUDING THE IDENTITY OF THE INI-
26 TIAL BOARD.

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

8 (3) A DISTRICT PLAN AND THE PROPOSAL FOR THE ESTABLISHMENT
9 OF A BUSINESS IMPROVEMENT DISTRICT, INCLUDING THE IDENTITY OF THE
10 INITIAL BOARD, SHALL BE CONSIDERED ADOPTED UPON THE APPROVAL OF
11 60% OF THE PROPERTY OWNERS VOTING IN THE ELECTION, WITH VOTES
12 WEIGHTED AS PROVIDED IN SUBSECTION (2).

13 (4) UPON ACCEPTANCE OR REJECTION OF A BUSINESS IMPROVEMENT
14 DISTRICT AND DISTRICT PLAN BY THE PROPERTY OWNERS, THE RESULTING
15 BUSINESS IMPROVEMENT DISTRICT OR THE PERSON FILING THE PETITION
16 UNDER SECTION 10C SHALL, AT THE REQUEST OF THE CITY OR VILLAGE,
17 REIMBURSE THE CITY OR VILLAGE FOR ALL OR A PORTION OF THE REASON-
18 ABLE EXPENSES INCURRED TO COMPLY WITH THIS CHAPTER. THE GOVERN-
19 ING BODY OF THE CITY OR VILLAGE MAY FORGIVE AND CHOOSE NOT TO
20 COLLECT ALL OR A PORTION OF THE REASONABLE EXPENSES INCURRED TO
21 COMPLY WITH THIS CHAPTER.

22 (5) ADOPTION OF A BUSINESS IMPROVEMENT DISTRICT AND DISTRICT
23 PLAN UNDER THIS SECTION AUTHORIZES THE CREATION OF THE BUSINESS
24 IMPROVEMENT DISTRICT AND THE IMPLEMENTATION OF THE DISTRICT PLAN
25 FOR THE 7-YEAR PERIOD.

26 (6) ADOPTION OF A BUSINESS IMPROVEMENT DISTRICT AND DISTRICT
27 PLAN UNDER THIS SECTION AND THE CREATION OF THE BUSINESS

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1 IMPROVEMENT DISTRICT DOES NOT RELIEVE THE BUSINESS IMPROVEMENT
2 DISTRICT FROM FOLLOWING, OR DOES NOT WAIVE ANY RIGHTS OF THE CITY
3 OR VILLAGE TO ENFORCE, ANY APPLICABLE LAWS, STATUTES, OR
4 ORDINANCES. A BUSINESS IMPROVEMENT DISTRICT CREATED UNDER THIS
CHAPTER SHALL COMPLY WITH ALL APPLICABLE STATE AND FEDERAL LAWS.

5 (7) TO THE EXTENT NOT PROTECTED BY THE IMMUNITY CONFERRED BY
6 1964 PA 170, MCL 691.1401 TO 691.1415, A CITY OR VILLAGE THAT
7 APPROVES A BUSINESS IMPROVEMENT DISTRICT WITHIN ITS BOUNDARIES IS
8 IMMUNE FROM CIVIL OR ADMINISTRATIVE LIABILITY ARISING FROM ANY
9 ACTIONS OF THAT BUSINESS IMPROVEMENT DISTRICT.

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

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

18 (3) THE DUTIES AND RESPONSIBILITIES OF THE BOARD SHALL BE
19 PRESCRIBED IN THE DISTRICT PLAN AND TO THE EXTENT APPLICABLE
20 SHALL INCLUDE ALL OF THE FOLLOWING DUTIES AND RESPONSIBILITIES:

21 (A) DEVELOPING ADMINISTRATIVE PROCEDURES RELATING TO THE
22 IMPLEMENTATION OF THE DISTRICT PLAN.

23 (B) RECOMMENDING AMENDMENTS TO THE DISTRICT PLAN.

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

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

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1 SEC. 10H. (1) A BUSINESS IMPROVEMENT DISTRICT MAY BE FUNDED
2 IN WHOLE OR IN PART BY 1 OR MORE ASSESSMENTS ON ASSESSABLE
3 PROPERTY, AS PROVIDED IN THE DISTRICT PLAN. AN ASSESSMENT UNDER
4 THIS CHAPTER SHALL BE IN ADDITION TO ANY TAXES OR SPECIAL ASSESS-
5 MENTS OTHERWISE IMPOSED ON ASSESSABLE PROPERTY.

6 (2) THERE IS A REBUTTABLE PRESUMPTION THAT A DISTRICT PLAN
7 AND ANY PROJECT SPECIALLY BENEFITS ALL ASSESSABLE PROPERTY IN A
8 DISTRICT AREA.

9 (3) IF A DISTRICT PLAN PROVIDES FOR AN ASSESSMENT, THE TREA-
10 SURER OF THE CITY OR VILLAGE IN WHICH THE DISTRICT AREA IS
11 LOCATED AS AN AGENT OF THE BUSINESS IMPROVEMENT DISTRICT SHALL
12 COLLECT THE ASSESSMENT IMPOSED BY THE BOARD UNDER THE DISTRICT
13 PLAN ON ALL ASSESSABLE PROPERTY WITHIN THE DISTRICT AREA IN THE
14 AMOUNT AUTHORIZED BY THE DISTRICT PLAN.

15 (4) EXCEPT AS PROVIDED IN SUBSECTION (7), ASSESSMENTS SHALL
16 BE COLLECTED BY THE TREASURER OF THE CITY OR VILLAGE AS AN AGENT
17 OF THE BUSINESS IMPROVEMENT DISTRICT FROM EACH PROPERTY OWNER AND
18 REMITTED PROMPTLY TO THE BUSINESS IMPROVEMENT DISTRICT.

19 ASSESSMENT REVENUE IS THE PROPERTY OF THE BUSINESS IMPROVEMENT
20 DISTRICT AND NOT THE CITY OR VILLAGE IN WHICH THE BUSINESS
21 IMPROVEMENT DISTRICT IS LOCATED. THE BUSINESS IMPROVEMENT DIS-
22 TRICT MAY, AT THE OPTION AND UNDER THE DIRECTION OF THE TREASUR-
23 ER, ASSIST THE TREASURER OF THE CITY OR VILLAGE IN COLLECTING THE
24 ASSESSMENT TO KEEP THE EXPENSES OF COLLECTING THE ASSESSMENT AT A
25 MINIMUM.

26 (5) FROM THE DATE ON WHICH THE ASSESSMENT IS IMPOSED, THE
27 FULL AMOUNT OF THE ASSESSMENT AND INTEREST ON THE ASSESSMENT

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1 SHALL CONSTITUTE A LIEN ON THE PROPERTY. THE BUSINESS
2 IMPROVEMENT DISTRICT MAY INSTITUTE A CIVIL ACTION TO COLLECT ANY
3 DELINQUENT ASSESSMENT AND INTEREST.

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

7 (7) AN ASSESSMENT IS DELINQUENT IF IT HAS NOT BEEN PAID
8 WITHIN 90 DAYS AFTER IT WAS DUE AS PROVIDED UNDER THE DISTRICT
9 PLAN IMPOSED UNDER THIS CHAPTER. DELINQUENT ASSESSMENTS SHALL BE
10 COLLECTED BY THE BUSINESS IMPROVEMENT DISTRICT. DELINQUENT
11 ASSESSMENTS SHALL ACCRUE INTEREST AT A RATE OF 1.5% PER MONTH
12 UNTIL PAID.

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

16 (2) ASSESSMENT REVENUES UNDER SECTION 10H ARE THE FUNDS OF
17 THE BUSINESS IMPROVEMENT DISTRICT AND NOT FUNDS OF THE STATE OR
18 OF THE CITY OR VILLAGE IN WHICH THE BUSINESS IMPROVEMENT DISTRICT
19 IS LOCATED. ALL MONEY COLLECTED UNDER SECTION 10H SHALL BE
20 DEPOSITED IN A FINANCIAL INSTITUTION IN THE NAME OF THE BUSINESS
21 IMPROVEMENT DISTRICT. ASSESSMENT REVENUES MAY BE DEPOSITED IN AN
22 INTEREST GENERATING ACCOUNT. THE BUSINESS IMPROVEMENT DISTRICT
23 SHALL USE THE FUNDS ONLY TO IMPLEMENT THE DISTRICT PLAN.

24 (3) ALL EXPENDITURES BY A BUSINESS IMPROVEMENT DISTRICT
25 SHALL BE AUDITED ANNUALLY BY A CERTIFIED PUBLIC ACCOUNTANT. THE
26 AUDIT SHALL BE COMPLETED WITHIN 9 MONTHS OF THE CLOSE OF THE
27 FISCAL YEAR OF THE BUSINESS IMPROVEMENT DISTRICT. WITHIN 30 DAYS

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1 AFTER COMPLETION OF AN AUDIT, THE CERTIFIED PUBLIC ACCOUNTANT
2 SHALL TRANSMIT A COPY OF THE AUDIT TO THE BOARD AND MAKE COPIES
3 OF THE AUDIT AVAILABLE TO THE PROPERTY OWNERS AND THE PUBLIC.

4 (4) IF AN ANNUAL AUDIT REQUIRED BY THIS SECTION CONTAINS
5 MATERIAL EXCEPTIONS AND THE MATERIAL EXCEPTIONS ARE NOT SUBSTAN-
6 TIALY CORRECTED WITHIN 90 DAYS OF THE DELIVERY OF THE AUDIT, THE
7 BUSINESS IMPROVEMENT DISTRICT SHALL BE DISSOLVED IN ACCORDANCE
8 WITH THE DISTRICT PLAN UPON APPROVAL OF SUCH DISSOLUTION BY THE
9 GOVERNING BODY OF THE CITY OR VILLAGE IN WHICH THE BUSINESS
10 IMPROVEMENT DISTRICT IS LOCATED.

11 (5) THE BOARD SHALL PUBLISH AN ANNUAL ACTIVITY AND FINANCIAL
12 REPORT. THE REPORT SHALL BE AVAILABLE TO THE PUBLIC. EACH YEAR,
13 EVERY PROPERTY OWNER SHALL BE NOTIFIED OF THE AVAILABILITY OF THE
14 ANNUAL ACTIVITY AND FINANCIAL REPORT.

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

22 SEC. 10J. A DISTRICT PLAN MAY BE AMENDED. AMENDMENTS SHALL
23 BE EFFECTIVE IF APPROVED BY A MAJORITY OF THE PROPERTY OWNERS
24 VOTING ON THE AMENDMENT AT THE ANNUAL MEETING OF PROPERTY OWNERS
25 OR A SPECIAL MEETING CALLED FOR THAT PURPOSE, WITH THE VOTES OF
26 THE PROPERTY OWNERS WEIGHTED IN ACCORDANCE WITH SECTION 10F(2).
27 A DISTRICT PLAN AMENDMENT CHANGING ANY ASSESSMENT IS EFFECTIVE

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1 ONLY IF ALSO APPROVED BY THE GOVERNING BODY OF THE CITY OR
2 VILLAGE IN WHICH THE BUSINESS IMPROVEMENT DISTRICT IS LOCATED.

3 SEC. 10K. (1) PRIOR TO THE EXPIRATION OF ANY 7-YEAR PERIOD,
4 THE BOARD SHALL NOTIFY THE PROPERTY OWNERS OF A SPECIAL MEETING
5 BY FIRST-CLASS MAIL AT LEAST 14 DAYS PRIOR TO THE SCHEDULED DATE
6 OF THE MEETING TO APPROVE A NEW DISTRICT PLAN FOR THE NEXT 7-YEAR
7 PERIOD. NOTICE UNDER THIS SECTION SHALL INCLUDE THE SPECIFIC
8 LOCATION, SCHEDULED DATE, AND TIME OF THE MEETING.

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

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

26 (2) THE BUSINESS IMPROVEMENT DISTRICT SHALL BE DISSOLVED
27 UPON A VOTE OF MORE THAN 50% OF THE PROPERTY OWNERS OF ASSESSABLE

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1 PROPERTY VOTING AT AN ANNUAL MEETING, WITH VOTING WEIGHTED IN
2 ACCORDANCE WITH SECTION 10F(2). A DISSOLUTION SHALL NOT TAKE
3 EFFECT UNTIL SUCH TIME AS ALL LIQUIDATED DEBTS OF THE BUSINESS
4 IMPROVEMENT DISTRICT HAVE BEEN PAID AND DISCHARGED.

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

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

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

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1 (2) A MEETING OF PROPERTY OWNERS UNDER SECTION 10C SHALL BE
2 CONDUCTED AT A PUBLIC MEETING HELD IN COMPLIANCE WITH THE OPEN
3 MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275. PUBLIC NOTICE
4 OF THE TIME, DATE, AND PLACE OF THE MEETING SHALL BE GIVEN IN THE
5 MANNER REQUIRED BY THE OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261
6 TO 15.275.

7 (3) A WRITING PREPARED, OWNED, USED, IN THE POSSESSION OF,
8 OR RETAINED BY THE BUSINESS IMPROVEMENT DISTRICT IN THE PER-
9 FORMANCE OF ITS DUTIES UNDER THIS CHAPTER IS A PUBLIC RECORD
10 UNDER THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO
11 15.246.