

# SENATE BILL No. 1466

September 20, 2006, Introduced by Senator STAMAS and referred to the Committee on Commerce and Labor.

A bill to provide for the establishment of local tourism improvement tax increment finance authorities; to prescribe the powers and duties of the authorities; to promote economic development and job creation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans and development areas; to create a board; to prescribe the powers and duties of the board; to authorize the issuance of bonds and other evidences of indebtedness; to authorize the use of tax increment financing; to prescribe powers and duties of certain state officials; to provide for rule promulgation; and to provide for enforcement of the act.

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

1           Sec. 1. This act shall be known and may be cited as the  
2 "tourism improvement tax increment finance authority act".

3           Sec. 2. As used in this act:

4           (a) "Advance" means a transfer of funds made by a municipality  
5 to an authority or to another person on behalf of the authority in  
6 anticipation of repayment by the authority. Evidence of the intent  
7 to repay an advance may include, but is not limited to, an executed  
8 agreement to repay, provisions contained in a tax increment  
9 financing plan approved prior to the advance, or a resolution of  
10 the authority or the municipality.

11           (b) "Assessed value" means the taxable value as determined  
12 under section 27a of the general property tax act, 1893 PA 206, MCL  
13 211.27a.

14           (c) "Authority" means a tourism improvement tax increment  
15 finance authority created under this act.

16           (d) "Board" means the governing body of an authority.

17           (e) "Captured assessed value" means the amount in any 1 year  
18 by which the current assessed value of the development area,  
19 including the assessed value of property for which specific local  
20 taxes are paid in lieu of property taxes as determined in section  
21 3(d), exceeds the initial assessed value. The state tax commission  
22 shall prescribe the method for calculating captured assessed value.

23           (f) "Chief executive officer" means the mayor of a city or the  
24 supervisor of a township.

25           (g) "Development area" means that area described in section 5  
26 to which a development plan is applicable.

27           (h) "Development plan" means that information and those

1 requirements for a development area set forth in section 21.

2 (i) "Development program" means the implementation of the  
3 development plan.

4 (j) "Fiscal year" means the fiscal year of the authority.

5 (k) "Governing body" or "governing body of a municipality"  
6 means the elected body of a municipality having legislative powers.

7 (l) "Initial assessed value" means the assessed value of all  
8 the taxable property within the boundaries of the development area  
9 at the time the resolution establishing the tax increment financing  
10 plan is approved, as shown by the most recent assessment roll of  
11 the municipality at the time the resolution is adopted. Property  
12 exempt from taxation at the time of the determination of the  
13 initial assessed value shall be included as zero. For the purpose  
14 of determining initial assessed value, property for which a  
15 specific local tax is paid in lieu of a property tax shall not be  
16 considered to be property that is exempt from taxation. The initial  
17 assessed value of property for which a specific local tax was paid  
18 in lieu of a property tax shall be determined as provided in  
19 section 3(d).

20 (m) "Municipality" means a township with a population of more  
21 than 6,000 and less than 7,000 located within a county having a  
22 population of more than 14,000 and less than 15,000.

23 Sec. 3. As used in this act:

24 (a) "Operations" means office maintenance, including salaries  
25 and expenses of employees, office supplies, consultation fees,  
26 design costs, and other expenses incurred in the daily management  
27 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, right of way, structure, waterway, bridge, lake,  
6 pond, canal, utility line or pipe, or building, including access  
7 routes designed and dedicated to use by the public generally, or  
8 used by a public agency. Public facility includes an improvement to  
9 a facility used by the public or a public facility as those terms  
10 are defined in section 1 of 1966 PA 1, MCL 125.1351, if the  
11 improvement complies with the barrier free design requirements of  
12 the state construction code promulgated under the Stille-DeRossett-  
13 Hale single state construction code act, 1972 PA 230, MCL 125.1501  
14 to 125.1531.

15 (d) "Specific local tax" means a tax levied under 1974 PA 198,  
16 MCL 207.551 to 207.572, the commercial redevelopment act, 1978 PA  
17 255, MCL 207.651 to 207.668, the technology park development act,  
18 1984 PA 385, MCL 207.701 to 207.718, 1953 PA 189, MCL 211.181 to  
19 211.182, the obsolete property rehabilitation act, 2000 PA 146, MCL  
20 125.2781 to 125.2797, the neighborhood enterprise zone act, 1992 PA  
21 147, MCL 207.771 to 207.786, or the tax reverted clean title act,  
22 2003 PA 260, MCL 211.1021 to 211.1026. The initial assessed value  
23 or current assessed value of property subject to a specific local  
24 tax shall be the quotient of the specific local tax paid divided by  
25 the ad valorem millage rate. The state tax commission shall  
26 prescribe the method for calculating the initial assessed value and  
27 current assessed value of property for which a specific local tax

1 was paid in lieu of a property tax.

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

4 (f) "Tax increment revenues" means the amount of ad valorem  
5 property taxes and specific local taxes attributable to the  
6 application of the levy of all taxing jurisdictions upon the  
7 captured assessed value of real and personal property in the  
8 development area. Tax increment revenues do not include ad valorem  
9 property taxes specifically levied for the payment of principal and  
10 interest of obligations approved by the electors or obligations  
11 pledging the unlimited taxing power of the local governmental unit  
12 or specific taxes attributable to those ad valorem property taxes.

13 (g) "Tourism improvement district" or "district" means that  
14 portion of a municipality that houses a permanent facility  
15 consisting of amusement rides and other entertainment attractions  
16 as well as hotel and convention facilities assembled for the  
17 purpose of entertaining large groups of people. The district shall  
18 not include development of a casino regulated under the Michigan  
19 gaming control and revenue act, the initiated law of 1996, MCL  
20 432.201 to 432.226, a casino regulated under the Indian gaming  
21 regulatory act, Public Law 100-497, 102 Stat. 2467, or any other  
22 gaming enterprise.

23 Sec. 4. (1) Except as otherwise provided in this subsection, a  
24 municipality may establish 1 authority under this act.

25 (2) An authority is a public body corporate that may sue and  
26 be sued in any court of this state. An authority possesses all the  
27 powers necessary to carry out its purpose. The enumeration of a

1 power in this act shall not be construed as a limitation upon the  
2 general powers of an authority.

3       Sec. 5. (1) If the governing body of a municipality determines  
4 that it is necessary for the best interests of the public to  
5 promote economic development and job creation in a tourism  
6 improvement district, the governing body may, by resolution,  
7 declare its intention to create and provide for the operation of an  
8 authority within the boundaries of a tourism improvement district.

9       (2) In the resolution of intent, the governing body shall set  
10 a date for a public hearing on the adoption of a proposed  
11 resolution creating the authority and designating the boundaries of  
12 the development area. Notice of the public hearing shall be  
13 published twice in a newspaper of general circulation in the  
14 municipality, not less than 20 or more than 40 days before the date  
15 of the hearing. Not less than 20 days before the hearing, the  
16 governing body proposing to create the authority shall also mail  
17 notice of the hearing to the property taxpayers of record in the  
18 proposed development area and to the governing body of each taxing  
19 jurisdiction levying taxes that would be subject to capture if the  
20 authority is established and a tax increment financing plan is  
21 approved. Failure of a property taxpayer to receive the notice does  
22 not invalidate these proceedings. Notice of the hearing shall be  
23 posted in at least 4 conspicuous and public places in the proposed  
24 development area not less than 20 days before the hearing. The  
25 notice shall state the date, time, and place of the hearing and  
26 shall describe the boundaries of the proposed development area. A  
27 citizen, taxpayer, or property owner of the municipality or an

1 official from a taxing jurisdiction with millage that would be  
2 subject to capture has the right to be heard in regard to the  
3 establishment of the authority and the boundaries of the proposed  
4 development area. The governing body of the municipality shall not  
5 incorporate land into the development area not included in the  
6 description contained in the notice of public hearing, but it may  
7 eliminate described lands from the development area in the final  
8 determination of the boundaries.

9 (3) Not less than 60 days after the public hearing, if the  
10 governing body of the municipality intends to proceed with the  
11 establishment of the authority it shall adopt, by majority vote of  
12 its members, a resolution establishing the authority and  
13 designating the boundaries of the development area within which the  
14 authority shall exercise its powers. The adoption of the resolution  
15 is subject to any applicable statutory or charter provisions in  
16 respect to the approval or disapproval by the chief executive or  
17 other officer of the municipality and the adoption of a resolution  
18 over his or her veto. This resolution shall be filed with the  
19 secretary of state promptly after its adoption and shall be  
20 published at least once in a newspaper of general circulation in  
21 the municipality.

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

26 Sec. 6. If a development area is part of an area annexed to or  
27 consolidated with another municipality, the authority managing that

1 development area shall become an authority of the annexing or  
2 consolidated municipality. Obligations of that authority incurred  
3 under a development or tax increment plan, agreements related to a  
4 development or tax increment plan, and bonds issued under this act  
5 shall remain in effect following the annexation or consolidation.

6       Sec. 7. (1) An authority shall be under the supervision and  
7 control of a board consisting of the chief executive officer of the  
8 municipality or his or her designee and not less than 5 or more  
9 than 9 members as determined by the governing body of the  
10 municipality. Members shall be appointed by the chief executive  
11 officer of the municipality, subject to approval by the governing  
12 body of the municipality. Of the members first appointed, an equal  
13 number of the members, as near as is practicable, shall be  
14 appointed for 1 year, 2 years, 3 years, and 4 years. A member shall  
15 hold office until the member's successor is appointed. After the  
16 initial appointment, each member shall serve for a term of 4 years.  
17 An appointment to fill a vacancy shall be made by the chief  
18 executive officer of the municipality for the unexpired term only.  
19 Members of the board shall serve without compensation, but shall be  
20 reimbursed for actual and necessary expenses. The chairperson of  
21 the board shall be elected by the board.

22       (2) Before assuming the duties of office, a member shall  
23 qualify by taking and subscribing to the constitutional oath of  
24 office.

25       (3) The proceedings and rules of the board are subject to the  
26 open meetings act, 1976 PA 267, MCL 15.261 to 15.275. The board  
27 shall adopt rules governing its procedure and the holding of



1 regular meetings, subject to the approval of the governing body.  
2 Special meetings may be held if called in the manner provided in  
3 the rules of the board.

4 (4) After having been given notice and an opportunity to be  
5 heard, a member of the board may be removed for cause by the  
6 governing body.

7 (5) All expense items of the authority shall be publicized  
8 annually, and the financial records shall always be open to the  
9 public.

10 (6) A writing prepared, owned, used, in the possession of, or  
11 retained by the board in the performance of an official function is  
12 subject to the freedom of information act, 1976 PA 442, MCL 15.231  
13 to 15.246.

14 Sec. 8. (1) The board may employ and fix the compensation of a  
15 director, subject to the approval of the governing body of the  
16 municipality. The director shall serve at the pleasure of the  
17 board. A member of the board is not eligible to hold the position  
18 of director. Before beginning his or her duties, the director shall  
19 take and subscribe to the constitutional oath, and furnish bond, by  
20 posting a bond in the sum determined in the resolution establishing  
21 the authority payable to the authority for use and benefit of the  
22 authority, approved by the board, and filed with the municipal  
23 clerk. The premium on the bond shall be considered an operating  
24 expense of the authority, payable from funds available to the  
25 authority for expenses of operation. The director shall be the  
26 chief executive officer of the authority. Subject to the approval  
27 of the board, the director shall supervise and be responsible for

1 the preparation of plans and the performance of the functions of  
2 the authority in the manner authorized by this act. The director  
3 shall attend the meetings of the board and shall provide to the  
4 board and to the governing body of the municipality a regular  
5 report covering the activities and financial condition of the  
6 authority. If the director is absent or disabled, the board may  
7 designate a qualified person as acting director to perform the  
8 duties of the office. Before beginning his or her duties, the  
9 acting director shall take and subscribe to the oath, and furnish  
10 bond, as required of the director. The director shall furnish the  
11 board with information or reports governing the operation of the  
12 authority as the board requires.

13 (2) The board may retain legal counsel to advise the board in  
14 the proper performance of its duties. The legal counsel shall  
15 represent the authority in actions brought by or against the  
16 authority.

17 (3) The board may employ other personnel considered necessary  
18 by the board.

19 Sec. 9. The employees of an authority shall be eligible to  
20 participate in municipal retirement and insurance programs of the  
21 municipality as if they were civil service employees except that  
22 the employees of an authority are not civil service employees.

23 Sec. 10. The board may do any of the following:

24 (a) Prepare an analysis of unemployment, underemployment, and  
25 joblessness and the impact of economic growth in the development  
26 area.

27 (b) Plan and propose the construction, renovation, repair,

1 remodeling, rehabilitation, restoration, preservation, or  
2 reconstruction of a public facility that may be necessary or  
3 appropriate to the execution of a plan that, in the opinion of the  
4 board, aids in economic development and job creation in the  
5 development area. The board is encouraged to develop a plan that  
6 conserves the natural features, reduces impervious surfaces, and  
7 uses landscaping and natural features to reflect the predevelopment  
8 site.

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

14 (d) Implement any plan of development in the development area  
15 necessary to achieve the purposes of this act in accordance with  
16 the powers of the authority granted by this act.

17 (e) Make and enter into contracts necessary or incidental to  
18 the exercise of its powers and the performance of its duties.

19 (f) Acquire by purchase or otherwise, on terms and conditions  
20 and in a manner the authority considers proper or own, convey, or  
21 otherwise dispose of, or lease as lessor or lessee, land and other  
22 property, real or personal, or rights or interests in the property,  
23 that the authority determines is reasonably necessary to achieve  
24 the purposes of this act, and to grant or acquire licenses,  
25 easements, and options.

26 (g) Improve land and construct, reconstruct, rehabilitate,  
27 restore and preserve, equip, clear, improve, maintain, and repair

1 any public facility, building, and any necessary or desirable  
2 appurtenances to those buildings, as determined by the authority to  
3 be reasonably necessary to achieve the purposes of this act, within  
4 the development area for the use, in whole or in part, of any  
5 public or private person or corporation, or a combination thereof.

6 (h) Fix, charge, and collect fees, rents, and charges for the  
7 use of any facility, building, or property under its control or any  
8 part of the facility, building, or property, and pledge the fees,  
9 rents, and charges for the payment of revenue bonds issued by the  
10 authority.

11 (i) Lease, in whole or in part, any facility, building, or  
12 property under its control.

13 (j) Accept grants and donations of property, labor, or other  
14 things of value from a public or private source.

15 (k) Acquire and construct public facilities.

16 Sec. 11. (1) The activities of the authority shall be financed  
17 from 1 or more of the following sources:

18 (a) Donations to the authority for the performance of its  
19 functions.

20 (b) Money borrowed and to be repaid as authorized by sections  
21 12 and 13.

22 (c) Revenues from any property, building, or facility owned,  
23 leased, licensed, or operated by the authority or under its  
24 control, subject to the limitations imposed upon the authority by  
25 trusts or other agreements.

26 (d) Proceeds of a tax increment financing plan established  
27 under sections 14 to 16.

1 (e) Money obtained from other sources approved by the  
2 governing body of the municipality or otherwise authorized by law  
3 for use by the authority or the municipality to finance a  
4 development program.

5 (2) Money received by the authority and not covered under  
6 subsection (1) shall immediately be deposited to the credit of the  
7 authority, subject to disbursement under this act. Except as  
8 provided in this act, the municipality shall not obligate itself,  
9 and shall not be obligated, to pay any sums from public funds,  
10 other than money received by the municipality under this section,  
11 for or on account of the activities of the authority.

12 Sec. 12. The authority may borrow money and issue its  
13 negotiable revenue bonds under the revenue bond act of 1933, 1933  
14 PA 94, MCL 141.101 to 141.140.

15 Sec. 13. (1) The authority may with approval of the local  
16 governing body borrow money and issue its revenue bonds or notes to  
17 finance all or part of the costs of a public facility in connection  
18 with either of the following:

19 (a) The implementation of a development plan in the  
20 development area.

21 (b) The refund, or refund in advance, of bonds or notes issued  
22 under this section.

23 (2) Any of the following may be financed by the issuance of  
24 revenue bonds or notes:

25 (a) The cost of purchasing, acquiring, constructing,  
26 improving, enlarging, extending, or repairing property in  
27 connection with the implementation of a development plan in the

1 development area.

2 (b) Any engineering, architectural, legal, accounting, or  
3 financial expenses.

4 (c) The costs necessary or incidental to the borrowing of  
5 money.

6 (d) Interest on the bonds or notes during the period of  
7 construction.

8 (e) A reserve for payment of principal and interest on the  
9 bonds or notes.

10 (f) A reserve for operation and maintenance until sufficient  
11 revenues have developed.

12 (3) The authority may secure the bonds and notes by mortgage,  
13 assignment, or pledge of the property and any money, revenues, or  
14 income received in connection with the property.

15 (4) A pledge made by the authority is valid and binding from  
16 the time the pledge is made. The money or property pledged by the  
17 authority immediately is subject to the lien of the pledge without  
18 a physical delivery, filing, or further act. The lien of a pledge  
19 is valid and binding against parties having claims of any kind in  
20 tort, contract, or otherwise, against the authority, whether or not  
21 the parties have notice of the lien. Neither the resolution, the  
22 trust agreement, nor any other instrument by which a pledge is  
23 created must be filed or recorded to be enforceable.

24 (5) Bonds or notes issued under this section are exempt from  
25 all taxation in this state, and the interest on the bonds or notes  
26 is exempt from all taxation in this state, notwithstanding that the  
27 interest may be subject to federal income tax.

1           (6) The municipality is not liable on bonds or notes of the  
2 authority issued under this section, and the bonds or notes are not  
3 a debt of the municipality. The bonds or notes shall contain on  
4 their face a statement to that effect.

5           (7) The bonds and notes of the authority may be invested in by  
6 all public officers, state agencies and political subdivisions,  
7 insurance companies, banks, savings and loan associations,  
8 investment companies, and fiduciaries and trustees, and may be  
9 deposited with and received by all public officers and the agencies  
10 and political subdivisions of this state for any purpose for which  
11 the deposit of bonds is authorized.

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

1 method for excluding growth in property value resulting solely from  
2 inflation.

3 (2) Approval of the tax increment financing plan shall comply  
4 with the notice, hearing, and disclosure provisions of section 20.  
5 If the development plan is part of the tax increment financing  
6 plan, only 1 hearing and approval procedure is required for the 2  
7 plans together.

8 (3) Before the public hearing on the tax increment financing  
9 plan, the governing body shall provide a reasonable opportunity to  
10 the taxing jurisdictions levying taxes subject to capture to meet  
11 with the governing body. The authority shall fully inform the  
12 taxing jurisdictions of the fiscal and economic implications of the  
13 proposed development area. The taxing jurisdictions may present  
14 their recommendations at the public hearing on the tax increment  
15 financing plan.

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

20 Sec. 15. (1) The municipal and county treasurers shall  
21 transmit tax increment revenues to the authority.

22 (2) The authority shall expend the tax increment revenues  
23 received for the development program only under the terms of the  
24 tax increment financing plan. Unused funds shall revert  
25 proportionately to the respective taxing bodies. Tax increment  
26 revenues shall not be used to circumvent existing property tax  
27 limitations. The governing body of the municipality may abolish the



1 tax increment financing plan if it finds that the purposes for  
2 which it was established are accomplished. However, the tax  
3 increment financing plan shall not be abolished until the principal  
4 of, and interest on, bonds issued under section 16 have been paid  
5 or funds sufficient to make the payment have been segregated.

6 (3) Annually the authority shall submit to the governing body  
7 of the municipality and the state tax commission a report on the  
8 status of the tax increment financing account. The report shall  
9 include all of the following:

- 10 (a) The amount and source of revenue in the account.  
11 (b) The amount in any bond reserve account.  
12 (c) The amount and purpose of expenditures from the account.  
13 (d) The amount of principal and interest on any outstanding  
14 bonded indebtedness.  
15 (e) The initial assessed value of the project area.  
16 (f) The captured assessed value retained by the authority.  
17 (g) The tax increment revenues received.  
18 (h) The number of public facilities developed.  
19 (i) Any additional information the governing body considers  
20 necessary.

21 Sec. 16. (1) By resolution of its governing body, the  
22 authority may authorize, issue, and sell tax increment bonds  
23 subject to the limitations set forth in this subsection to finance  
24 the development program of the tax increment financing plan. The  
25 tax increment bonds issued by the authority under this subsection  
26 shall pledge solely the tax increment revenues of a development  
27 area in which the project is located or a development area from

1 which tax increment revenues may be used for this project, or both.  
2 In addition or in the alternative, the bonds issued by the  
3 authority under this subsection may be secured by any other  
4 revenues identified in section 11 as sources of financing for  
5 activities of the authority that the authority shall specifically  
6 pledge in the resolution. However, except as otherwise provided in  
7 this section, the full faith and credit of the municipality shall  
8 not be pledged to secure bonds issued under this subsection. The  
9 bond issue may include a sum sufficient to pay interest on the tax  
10 increment bonds until full development of tax increment revenues  
11 from the project and also a sum to provide a reasonable reserve for  
12 payment of principal and interest on the bonds. The resolution  
13 authorizing the bonds shall create a lien on the tax increment  
14 revenues and other revenues pledged by the resolution that shall be  
15 a statutory lien and shall be a first lien subject only to liens  
16 previously created. The resolution may provide the terms upon which  
17 additional bonds may be issued of equal standing and parity of lien  
18 as to the tax increment revenues and other revenues pledged under  
19 the resolution. Bonds issued under this subsection that pledge  
20 revenue received under section 14 for repayment of the bonds are  
21 subject to the revised municipal finance act, 2001 PA 34, MCL  
22 141.2101 to 141.2821.

23 (2) The municipality, by majority vote of the members of its  
24 governing body, may make a limited tax pledge to support the  
25 authority's tax increment bonds or notes or, if authorized by the  
26 voters of the municipality, may pledge its unlimited tax full faith  
27 and credit for the payment of the principal of and interest on the

1 authority's tax increment bonds or notes.

2           Sec. 17. (1) If a board decides to finance a project in a  
3 development area by the use of revenue bonds as authorized in  
4 section 12 or tax increment financing as authorized in sections 14,  
5 15, and 16, it shall prepare a development plan.

6           (2) The development plan shall contain all of the following:

7           (a) The designation of boundaries of the development area in  
8 relation to highways, streets, bodies of water, or otherwise.

9           (b) The location and extent of existing streets and other  
10 public facilities within the development area, designating the  
11 location, character, and extent of the categories of public and  
12 private land uses then existing and proposed for the development  
13 area, including residential, recreational, commercial, industrial,  
14 educational, and other uses, and including a legal description of  
15 the development area.

16           (c) A description of existing improvements in the development  
17 area to be demolished, repaired, or altered, a description of any  
18 repairs and alterations, and an estimate of the time required for  
19 completion.

20           (d) The location, extent, character, and estimated cost of the  
21 improvements including rehabilitation contemplated for the  
22 development area and an estimate of the time required for  
23 completion.

24           (e) A statement of the construction or stages of construction  
25 planned, and the estimated time of completion of each stage.

26           (f) A description of any parts of the development area to be  
27 left as open space and the use contemplated for the space.

1 (g) A description of any portions of the development area that  
2 the authority desires to sell, donate, exchange, or lease to or  
3 from the municipality and the proposed terms.

4 (h) A description of desired zoning changes and changes in  
5 streets, street levels, intersections, or utilities.

6 (i) An estimate of the cost of the development, a statement of  
7 the proposed method of financing the development, and the ability  
8 of the authority to arrange the financing.

9 (j) Designation of the person or persons, natural or  
10 corporate, to whom all or a portion of the development is to be  
11 leased, sold, or conveyed in any manner and for whose benefit the  
12 project is being undertaken if that information is available to the  
13 authority.

14 (k) The procedures for bidding for the leasing, purchasing, or  
15 conveying in any manner of all or a portion of the development upon  
16 its completion, if there is no express or implied agreement between  
17 the authority and persons, natural or corporate, that all or a  
18 portion of the development will be leased, sold, or conveyed in any  
19 manner to those persons.

20 (l) The requirement that amendments to an approved development  
21 plan or tax increment plan must be submitted by the authority to  
22 the governing body for approval or rejection.

23 (m) Other material that the authority, local public agency, or  
24 governing body considers pertinent.

25 Sec. 18. (1) The governing body, before adoption of a  
26 resolution approving a development plan or tax increment financing  
27 plan, shall hold a public hearing on the development plan. Notice

1 of the time and place of the hearing shall be given by publication  
2 twice in a newspaper of general circulation designated by the  
3 municipality, the first of which shall be not less than 20 days  
4 before the date set for the hearing. Notice of the hearing shall be  
5 posted in at least 4 conspicuous and public places in the  
6 development area not less than 20 days before the hearing. Notice  
7 shall also be mailed to all property taxpayers of record in the  
8 development area and to the governing body of each taxing  
9 jurisdiction levying taxes that would be subject to capture if the  
10 tax increment financing plan is approved not less than 20 days  
11 before the hearing.

12 (2) Notice of the time and place of hearing on a development  
13 plan shall contain all of the following:

14 (a) A description of the proposed development area in relation  
15 to highways, streets, bodies of water, or otherwise.

16 (b) A statement that maps, plats, and a description of the  
17 development plan, including the method of relocating families and  
18 individuals who may be displaced from the area, are available for  
19 public inspection at a place designated in the notice.

20 (c) A statement that all aspects of the development plan will  
21 be open for discussion at the public hearing.

22 (d) Other information that the governing body considers  
23 appropriate.

24 (3) At the time set for the hearing, the governing body shall  
25 provide an opportunity for interested persons to speak and shall  
26 receive and consider communications in writing. The hearing shall  
27 provide the fullest opportunity for expression of opinion, for

1 argument on the merits, and for consideration of documentary  
2 evidence pertinent to the development plan. The governing body  
3 shall make and preserve a record of the public hearing, including  
4 all data presented at the hearing.

5       Sec. 19. The governing body after a public hearing on the  
6 development plan or the tax increment financing plan, or both, with  
7 notice given under section 18, shall determine whether the  
8 development plan or tax increment financing plan constitutes a  
9 public purpose. If it determines that the development plan or tax  
10 increment financing plan constitutes a public purpose, it shall by  
11 resolution approve or reject the plan, or approve it with  
12 modification, based on the following considerations:

13       (a) The plan meets the requirements under section 17(2).

14       (b) The proposed method of financing the development is  
15 feasible and the authority has the ability to arrange the  
16 financing.

17       (c) The development is reasonable and necessary to carry out  
18 the purposes of this act.

19       (d) The land included within the development area to be  
20 acquired is reasonably necessary to carry out the purposes of the  
21 plan and of this act in an efficient and economically satisfactory  
22 manner.

23       (e) The development plan is in reasonable accord with the land  
24 use plan of the municipality.

25       (f) Public services, such as fire and police protection and  
26 utilities, are or will be adequate to service the project area.

27       (g) Changes in zoning, streets, street levels, intersections,

1 and utilities are reasonably necessary for the project and for the  
2 municipality.

3       Sec. 20. (1) The director of the authority shall submit a  
4 budget to the board for the operation of the authority for each  
5 fiscal year before the beginning of the fiscal year. The budget  
6 shall be prepared in the manner and contain the information  
7 required of municipal departments. After review by the board, the  
8 budget shall be submitted to the governing body. The governing body  
9 must approve the budget before the board may adopt the budget.  
10 Unless authorized by the governing body or this act, funds of the  
11 municipality shall not be included in the budget of the authority.

12       (2) The governing body of the municipality may assess a  
13 reasonable pro rata share of the funds for the cost of handling and  
14 auditing the funds against the funds of the authority, other than  
15 those committed, which shall be paid annually by the board pursuant  
16 to an appropriate item in its budget.

17       Sec. 21. An authority that has completed the purposes for  
18 which it was organized shall be dissolved by resolution of the  
19 governing body. The property and assets of the authority remaining  
20 after the satisfaction of the obligations of the authority belong  
21 to the municipality.

22       Sec. 22. (1) The state tax commission may institute  
23 proceedings to compel enforcement of this act.

24       (2) The state tax commission may promulgate rules necessary  
25 for the administration of this act under the administrative  
26 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.