

HOUSE BILL NO. 6351

November 12, 2020, Introduced by Reps. Coleman and Steven Johnson and referred to the Committee on Government Operations.

A bill to amend 2018 PA 57, entitled
"Recodified tax increment financing act,"
by amending sections 303 and 317 (MCL 125.4303 and 125.4317).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 303. (1) If the governing body of a municipality
2 determines that it is in the best interests of the public to halt a
3 decline in property values, increase property tax valuation,
4 eliminate the causes of the decline in property values, and to
5 promote growth in an area in the municipality, the governing body

1 of that municipality may declare by resolution its intention to
2 create and provide for the operation of an authority.

3 (2) In the resolution of intent, the governing body shall set
4 a date for the holding of a public hearing on the adoption of a
5 proposed resolution creating the authority and designating the
6 boundaries of the authority district. ~~Notice~~**Through December 31,**
7 **2021, notice** of the public hearing shall be published twice in a
8 newspaper of general circulation in the municipality, not less than
9 20 nor more than 40 days before the date of the hearing. **Beginning**
10 **January 1, 2022, the governing body shall post notice as provided**
11 **in the local government public notice act not less than 20 or more**
12 **than 40 days before the date of the hearing.** Notice shall also be
13 mailed to the property taxpayers of record in the proposed
14 authority district not less than 20 days before the hearing.

15 Beginning June 1, 2005, the notice of hearing within the time frame
16 described in this subsection shall be mailed by certified mail to
17 the governing body of each taxing jurisdiction levying taxes that
18 would be subject to capture if the authority is established and a
19 tax increment financing plan is approved. Failure to receive the
20 notice shall not invalidate these proceedings. The notice shall
21 state the date, time, and place of the hearing, and shall describe
22 the boundaries of the proposed authority district. At that hearing,
23 a citizen, taxpayer, or property owner of the municipality has the
24 right to be heard in regard to the establishment of the authority
25 and the boundaries of the proposed authority district. The
26 governing body of the municipality shall not incorporate land into
27 the authority district not included in the description contained in
28 the notice of public hearing, but it may eliminate described lands
29 from the authority district in the final determination of the

1 boundaries.

2 (3) After the public hearing, if the governing body intends to
3 proceed with the establishment of the authority, it shall adopt, by
4 majority vote of its members, a resolution establishing the
5 authority and designating the boundaries of the authority district
6 within which the authority shall exercise its powers. The adoption
7 of the resolution is subject to any applicable statutory or charter
8 provisions with respect to the approval or disapproval by the chief
9 executive or other officer of the municipality and the adoption of
10 a resolution over his or her veto. This resolution shall be filed
11 with the secretary of state promptly after its adoption and shall
12 be published at least once in a newspaper of general circulation in
13 the municipality.

14 (4) The governing body may alter or amend the boundaries of
15 the authority district to include or exclude lands from the
16 authority district in accordance with the same requirements
17 prescribed for adopting the resolution creating the authority.

18 (5) The validity of the proceedings establishing an authority
19 shall be conclusive unless contested in a court of competent
20 jurisdiction within 60 days after the last of the following takes
21 place:

22 (a) Publication of the resolution as adopted.

23 (b) Filing of the resolution with the secretary of state.

24 (6) If a separate millage for public library purposes was
25 levied before January 1, 2017, and all obligations and other
26 protected obligations of the authority are paid, then the levy is
27 exempt from capture under this part, unless the library board or
28 commission allows all or a portion of its taxes levied to be
29 included as tax increment revenues and subject to capture under

1 this part under the terms of a written agreement between the
2 library board or commission and the authority. The written
3 agreement shall be filed with the clerk of the municipality.
4 However, if a separate millage for public library purposes was
5 levied before January 1, 2017, and the authority alters or amends
6 the boundaries of the authority district or extends the duration of
7 the existing finance plan, then the library board or commission
8 may, not later than 60 days after a public hearing is held under
9 this subsection, exempt all or a portion of its taxes from capture
10 by adopting a resolution to that effect and filing a copy with the
11 clerk of the municipality that created the authority. For ad
12 valorem property taxes or specific local taxes attributable to
13 those ad valorem property taxes levied for a separate millage for
14 public library purposes approved by the electors after December 31,
15 2016, a library board or commission may allow all or a portion of
16 its taxes levied to be included as tax increment revenues and
17 subject to capture under this part under the terms of a written
18 agreement between the library board or commission and the
19 authority. The written agreement shall be filed with the clerk of
20 the municipality. However, if the library was created under section
21 1 or 10a of 1877 PA 164, MCL 397.201 and 397.210a, or established
22 under 1869 LA 233, then any action of the library board or
23 commission under this subsection shall have the concurrence of the
24 chief executive officer of the city that created the library to be
25 effective.

26 Sec. 317. (1) The governing body, before adoption of a
27 resolution approving or amending a development plan or approving or
28 amending a tax increment financing plan, shall hold a public
29 hearing on the development plan. ~~Notice~~ **Through December 31, 2021,**

1 **notice** of the time and place of the hearing shall be given by
2 publication twice in a newspaper of general circulation designated
3 by the municipality, the first of which shall not be less than 20
4 days before the date set for the hearing. **Beginning January 1,**
5 **2022, the governing body shall post notice as provided in the local**
6 **government public notice act of the time and place of the hearing**
7 **not less than 20 days before the date of the hearing.** Notice shall
8 also be mailed to all property taxpayers of record in the
9 development area not less than 20 days before the hearing.

10 Beginning June 1, 2005, the notice of hearing within the time frame
11 described in this subsection shall be mailed by certified mail to
12 the governing body of each taxing jurisdiction levying taxes that
13 would be subject to capture if the development plan or the tax
14 increment financing plan is approved or amended.

15 (2) Notice of the time and place of hearing on a development
16 plan shall contain the following:

17 (a) A description of the proposed development area in relation
18 to highways, streets, streams, or otherwise.

19 (b) A statement that maps, plats, and a description of the
20 development plan, including the method of relocating families and
21 individuals who may be displaced from the area, are available for
22 public inspection at a place designated in the notice, and that all
23 aspects of the development plan will be open for discussion at the
24 public hearing.

25 (c) Other information that the governing body considers
26 appropriate.

27 (3) At the time set for hearing, the governing body shall
28 provide an opportunity for interested persons to be heard and shall
29 receive and consider communications in writing with reference

1 thereto. The hearing shall provide the fullest opportunity for
2 expression of opinion, for argument on the merits, and for
3 introduction of documentary evidence pertinent to the development
4 plan. The governing body shall make and preserve a record of the
5 public hearing, including all data presented at that time.

6 Enacting section 1. This amendatory act does not take effect
7 unless Senate Bill No. _____ or House Bill No. 6440 (request no.
8 02449'19) of the 100th Legislature is enacted into law.