

HOUSE BILL NO. 6353

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 203, 218, and 224 (MCL 125.4203, 125.4218, and
125.4224).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 203. (1) When the governing body of a municipality
2 determines that it is necessary for the best interests of the
3 public to halt property value deterioration and increase property

1 tax valuation where possible in its business district, to eliminate
2 the causes of that deterioration, and to promote economic growth,
3 the governing body may, by resolution, declare its intention to
4 create and provide for the operation of an authority.

5 (2) In the resolution of intent, the governing body shall set
6 a date for the holding of a public hearing on the adoption of a
7 proposed ordinance creating the authority and designating the
8 boundaries of the downtown district. ~~Notice~~**Through December 31,**
9 **2021, notice** of the public hearing shall be published twice in a
10 newspaper of general circulation in the municipality, not less than
11 20 or more than 40 days before the date of the hearing. **Beginning**
12 **January 1, 2022, the governing body shall post notice as provided**
13 **in the local government public notice act of the public hearing not**
14 **less than 20 or more than 40 days before the date of the hearing.**

15 Not less than 20 days before the hearing, the governing body
16 proposing to create the authority shall also mail notice of the
17 hearing to the property taxpayers of record in the proposed
18 district and for a public hearing to be held after February 15,
19 1994 to the governing body of each taxing jurisdiction levying
20 taxes that would be subject to capture if the authority is
21 established and a tax increment financing plan is approved.
22 Beginning June 1, 2005, the notice of hearing within the time frame
23 described in this subsection shall be mailed by certified mail to
24 the governing body of each taxing jurisdiction levying taxes that
25 would be subject to capture if the authority is established and a
26 tax increment financing plan is approved. Failure of a property
27 taxpayer to receive the notice shall not invalidate these
28 proceedings. ~~Notice~~**Through December 31, 2021, notice** of the
29 hearing shall be posted in at least 20 conspicuous and public

1 places in the proposed downtown district not less than 20 days
2 before the hearing. The notice shall state the date, time, and
3 place of the hearing, and shall describe the boundaries of the
4 proposed downtown district. A citizen, taxpayer, or property owner
5 of the municipality or an official from a taxing jurisdiction with
6 millage that would be subject to capture has the right to be heard
7 in regard to the establishment of the authority and the boundaries
8 of the proposed downtown district. The governing body of the
9 municipality shall not incorporate land into the downtown district
10 not included in the description contained in the notice of public
11 hearing, but it may eliminate described lands from the downtown
12 district in the final determination of the boundaries.

13 (3) Not more than 60 days after a public hearing held after
14 February 15, 1994, the governing body of a taxing jurisdiction
15 levying ad valorem property taxes that would otherwise be subject
16 to capture may exempt its taxes from capture by adopting a
17 resolution to that effect and filing a copy with the clerk of the
18 municipality proposing to create the authority. The resolution
19 takes effect when filed with that clerk and remains effective until
20 a copy of a resolution rescinding that resolution is filed with
21 that clerk. If a separate millage for public library purposes was
22 levied before January 1, 2017, and all obligations and other
23 protected obligations of the authority are paid, then the levy is
24 exempt from capture under this part, unless the library board or
25 commission allows all or a portion of its taxes levied to be
26 included as tax increment revenues and subject to capture under
27 this part under the terms of a written agreement between the
28 library board or commission and the authority. The written
29 agreement shall be filed with the clerk of the municipality.

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

25 (4) Not less than 60 days after the public hearing, if the
26 governing body of the municipality intends to proceed with the
27 establishment of the authority, it shall adopt, by majority vote of
28 its members, an ordinance establishing the authority and
29 designating the boundaries of the downtown district within which

1 the authority shall exercise its powers. The adoption of the
2 ordinance is subject to any applicable statutory or charter
3 provisions in respect to the approval or disapproval by the chief
4 executive or other officer of the municipality and the adoption of
5 an ordinance over his or her veto. This ordinance shall be filed
6 with the secretary of state promptly after its adoption and,
7 **through December 31, 2021,** shall be published at least once in a
8 newspaper of general circulation in the municipality. **Beginning**
9 **January 1, 2022, the governing body of the municipality shall post**
10 **notice as provided in the local government public notice act of the**
11 **adopted ordinance.**

12 (5) The governing body of the municipality may alter or amend
13 the boundaries of the downtown district to include or exclude lands
14 from the downtown district pursuant to the same requirements for
15 adopting the ordinance creating the authority.

16 (6) A municipality that has created an authority may enter
17 into an agreement with an adjoining municipality that has created
18 an authority to jointly operate and administer those authorities
19 under an interlocal agreement under the urban cooperation act of
20 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

21 (7) A municipality that has created an authority may enter
22 into an agreement with a qualified township to operate its
23 authority in a downtown district in the qualified township under an
24 interlocal agreement under the urban cooperation act of 1967, 1967
25 (Ex Sess) PA 7, MCL 124.501 to 124.512. The interlocal agreement
26 between the municipality and the qualified township shall provide
27 for, but is not limited to, all of the following:

28 (a) Size and makeup of the board.

29 (b) Determination and modification of downtown district,

1 business district, and development area.

2 (c) Modification of development area and development plan.

3 (d) Issuance and repayment of obligations.

4 (e) Capture of taxes.

5 (f) Notice, hearing, and exemption of taxes from capture
6 provisions described in this section.

7 Sec. 218. (1) The governing body, before adoption of an
8 ordinance approving or amending a development plan or approving or
9 amending a tax increment financing plan, shall hold a public
10 hearing on the development plan. ~~Notice~~**Through December 31, 2021,**
11 **notice** of the time and place of the hearing shall be given by
12 publication twice in a newspaper of general circulation designated
13 by the municipality, the first of which shall be not less than 20
14 days before the date set for the hearing. ~~Notice~~**Beginning January**
15 **1, 2022, the governing body shall post notice as provided in the**
16 **local government public notice act of the time and place of the**
17 **hearing, not less than 20 days before the date set for the hearing.**
18 **Through December 31, 2021, notice** of the hearing shall be posted in
19 at least 20 conspicuous and public places in the downtown district
20 not less than 20 days before the hearing. Notice shall also be
21 mailed to all property taxpayers of record in the downtown district
22 not less than 20 days before the hearing. Beginning June 1, 2005,
23 the notice of hearing within the time frame described in this
24 subsection shall be mailed by certified mail to the governing body
25 of each taxing jurisdiction levying taxes that would be subject to
26 capture if the development plan or the tax increment financing plan
27 is approved or amended.

28 (2) Notice of the time and place of hearing on a development
29 plan shall contain: a description of the proposed development area

1 in relation to highways, streets, streams, or otherwise; a
 2 statement that maps, plats, and a description of the development
 3 plan, including the method of relocating families and individuals
 4 who may be displaced from the area, are available for public
 5 inspection at a place designated in the notice, and that all
 6 aspects of the development plan will be open for discussion at the
 7 public hearing; and other information that the governing body
 8 considers appropriate. At the time set for hearing, the governing
 9 body shall provide an opportunity for interested persons to be
 10 heard and shall receive and consider communications in writing with
 11 reference to the development plan. The hearing shall provide the
 12 fullest opportunity for expression of opinion, for argument on the
 13 merits, and for introduction of documentary evidence pertinent to
 14 the development plan. The governing body shall make and preserve a
 15 record of the public hearing, including all data presented thereat.

16 Sec. 224. (1) Meetings of the development area citizens
 17 council shall be open to the public. ~~Notice~~ **Through December 31,**
 18 **2021, notice** of the time and place of the meetings shall be given
 19 by publication in a newspaper of general circulation not less than
 20 5 days before the dates set for meetings of the development area
 21 citizens council. **Beginning January 1, 2022, the department area**
 22 **citizens council shall post notice as provided in the local**
 23 **government public notice act of the public meeting not less than 5**
 24 **days before the date of the meeting.** A person present at those
 25 meetings shall have reasonable opportunity to be heard.

26 (2) A record of the meetings of a development area citizens
 27 council, including information and data presented, shall be
 28 maintained by the council.

29 (3) A development area citizens council may request of and

1 receive from the authority information and technical assistance
2 relevant to the preparation of the development plan for the
3 development area.

4 (4) Failure of a development area citizens council to organize
5 or to consult with and be advised by the authority, or failure to
6 advise the governing body, as provided in this part, shall not
7 preclude the adoption of a development plan by a municipality if
8 the municipality complies with the other provisions of this part.

9 Enacting section 1. This amendatory act does not take effect
10 unless Senate Bill No.____ or House Bill No. 6440 (request no.
11 02449'19) of the 100th Legislature is enacted into law.