

**CHARTER TOWNSHIP OF VAN BUREN  
LOCAL DEVELOPMENT FINANCE AUTHORITY  
AGENDA**

**Regular Meeting: Tuesday, May 8, 2018 – 2:00 p.m., Denton Room**

**CALL TO ORDER**

**ROLL CALL**

Chairman Dotson	_____	Doug Peters	_____
Vacant	_____	John Delaney	_____
Leonard Armstrong	_____	James Williams	_____
Chuck Covington	_____	Shareen Barker	_____
Vacant	_____	Vacant	_____
Supervisor McNamara	_____		

Recording Secretary Grishaber \_\_\_\_\_

**APPROVAL OF AGENDA:**

**APPROVAL OF MINUTES:**

1. Regular Meeting: January 9, 2018

**CORRESPONDENCE:**

**PUBLIC COMMENT:**

**UNFINISHED BUSINESS:**

1. Marketing/Community Outreach Update

**NEW BUSINESS:**

1. Renaming of Visteon Way
2. Listing of Ecorse Road Property
3. Changes to State Law

**NON-AGENDA ITEMS:**

**ADJOURNMENT:**

**CLOSED SESSION:**

**ADJOURNMENT:**

If you are unable to attend this meeting, please notify Secretary Grishaber at 734.699.8913

**CHARTER TOWNSHIP OF VAN BUREN**  
**LOCAL DEVELOPMENT FINANCE AUTHORITY**  
**January 9, 2018 2:00p.m. Denton Room-Draft Meeting Minutes**

**CALL TO ORDER:** Chairman Dotson called the meeting to order at 2:04pm.

**ROLL CALL:**

Present: Dotson, Armstrong, Covington, Barker, Williams, Delaney, McNamara  
Absent/Excused: Barker, Peters, Dobriansky  
Staff: Director Akers, Secretary Tina Grishaber  
Audience Members: 0

**APPROVAL OF AGENDA:**

Motion Delaney, Covington support to approve the agenda.  
Motion Carried

**APPROVAL OF MINUTES**

Motion Delaney, Covington support to approve the minutes of the November 15, 2017 meeting.  
Motion carried.

**CORRESPONDENCE: NONE**

**UNFINISHED BUSINESS:**

Marketing/Community Outreach Update: Director Akers informed the committee the new building for Grace Lake is still in the Engineering process at this time. The sign at the Grace Lake Corporation Center has been completed and he is working to place a Township message on the sign.

**NEW BUSINESS:**

2018 Meeting Schedule: The Board of Directors held a discussion on the 2018 meeting schedule, **Moved by Delaney, McNamara support to approve the Local Development Finance Authority 2018 meeting schedule. Motion Carried.**

Election of Officers: Chairman Dotson opened the nominations for Chairman for the LDFA Board of Directors. **Motion Delaney, Covington support to nominate Michael Dotson as Chairman. Motion Carried.**

Chairman Dotson opened the nomination for Vice-Chairman for the LDFA Board of Directors. **Motion Covington, Williams support to nominate Doug Peters for Vice Chairman. Motion Carried.**

Chairman Dotson opened the nomination for Secretary for the LDFA Board of Directors. **Motion Armstrong, Covington support to nominate John Delaney for Secretary. Motion Carried.**

**NON-AGENDA ITEMS:**

Delaney inquired about the status for the new building at the Grace Lake Corporate Center and asked that the community remain informed of the process.

Supervisor McNamara has been working with committee member Doug Peters for advice about the shortfall for the LDFA bond payments.

Chairperson Dotson will contact Mr. Peters as a point person for the body of all legal matters pending lawsuit & shortfall for the bond payments.

**ADJOURNMENT:**

Moved by Delaney, Armstrong support to adjourn the meeting at 2:46pm.

Respectfully Submitted,  
Tina Grishaber

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# Memo

**TO:** Local Development Finance Authority  
**FROM:** Ron Akers, AICP  
Director of Planning and Economic Development  
**RE:** May 8, 2018 Regular Meeting Agenda Items  
**DATE:** May 5, 2018

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The following is a summary of the items under new business for the May 8, 2018 LDFA meeting.

**1. Renaming of Visteon Way** – This item was brought to my attention by Secretary Delaney who has indicated he wanted to bring this forward for discussion at the next meeting. In summary, the item before the LDFA would be to work with Wayne County to determine the process to rename the circular road around the Grace Lake Corporate Center from Visteon Way to a different road name.

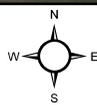
**2. Listing of Ecorse Road Property** – Last year we put out an RFP for interested parties to purchase the LDFA owned Ecorse Road property. We did not receive any proposals in relation to this process, but we did receive an offer from an adjacent property owner which the LDFA ultimately did not pursue. As we still own the property I wanted to ask the LDFA if they are interested in exploring the option of working with a real estate broker to put the property up for sale. This item is mainly for discussion as due diligence will still need to be conducted to determine if it is the best course. If the direction is to move forward I will bring some information back to the board in order to make an educated decision.

**3. Changes to State Law** – I have attached a summary of the changes to the state statutes regarding TIF's which was put together by the Michigan Downtowns Association. The intent of this agenda item is to have a discussion on the changes to the state law and discuss the best way to move forward and implement the changes.

# Attachment A: Property Map



Source: Van Buren Township GIS,  
Michigan Center for Geographic Information.  
Please note parcel boundaries are approximate  
and may not be accurate.



1 inch = 200 feet

 LDFA Parcel

 Parcel Boundaries

nd, Susan

**From:** Jerry Dettloff/MDA <tiffany@michigandowntowns.com>  
**Sent:** Thursday, April 5, 2018 10:51 AM  
**To:** Ireland, Susan  
**Subject:** Overview of PA 57  
**Attachments:** Overview PA 57 of 2018.docx; Public Act 57 of 2018 TIF Recodification and Reform.pdf

MICHIGAN  
DOWNTOWN  
ASSOCIATION



From Capitol Services:

**Overview of Public Act 57 of 2018: The Recodified Tax Increment Financing Act**  
**Prepared by Capitol Services, Inc., for the Michigan Downtown Association**

March 2018

**Please note:** the following is not intended as legal advice. MDA members should consult with their own legal counsel to ensure compliance with the new act. To review the actual text of PA 57, go to:

<http://www.legislature.mi.gov/documents/2017-2018/publicact/pdf/2018-PA-0057.pdf>

**UPDATE:**

Senate Bill 393, now Public Act (PA) 57 of 2018, sponsored by Senator Ken Horn, R-Frankenmuth, was signed by the Governor on March 15, 2018 with an effective date of January 1, 2019.

**INTENT:**

- To create more transparency regarding the tax increment financing (TIF) process;
- To standardize reporting requirements across all authorities in order for the state and the public to better evaluate the effectiveness of tax increment finance programs;
- To allow streamlined administration of TIF authorities across the State; and

- To give all tax increment financing (TIF) authorities an incentive to report on their TIF activities and finances regularly by establishing penalties for noncompliance.

### **BRIEF SUMMARY**

PA 57 repeals and recodifies most TIF statutes under one act, now called the "Recodified Tax Increment Financing Act," and establishes:

- new general reporting requirements for all authorities;
- more detailed financial reporting requirements for authorities than are already required;
- a new requirement that all authorities hold at least two informational meetings annually;
- penalties for noncompliance; and
- requirements for the department to collect the reports and annually compile a combined report summarizing the information reported and submit a copy of that combined report to each member of the legislature.

### **DETAILS**

#### **Repeal and Recodify**

The new act repeals the following acts and recodifies them as parts of the proposed act:

- Downtown development authority act (1975 PA 197, part 2 of the act);
- The Tax Increment Finance Authority Act (1980 PA 450, part 3 of the act);
- The Local Development Financing Act (1986 PA 281, part 4 of the act);
- Nonprofit Street Railway Act (1867 PA 35, part 5 of the act).  
Note: because this act is not entirely a TIFA statute, most of the new requirements of the new act do not apply to a transit operations finance zone;
  
- Corridor Improvement Authority Act (2005 PA 280, part 6 of the act);
- Water Resource Improvement Tax Increment Finance Authority Act (2008 PA 94, part 7 of the act); and
- Neighborhood Improvement Authority Act (2007 PA 61, part 8 of the act)

The bill would repeal the following acts and not recodify them:

- Historical Neighborhood Tax Increment Finance Authority Act (2004 PA 530);
- Private Investment Infrastructure Funding Act (2010 PA 250).

### **New General Reporting Requirements**

Under PA 57, each municipality that has created or that creates any of the six authorities must create a website, or use an existing municipality website, that is operated and regularly maintained with access to authority records and documents for the fiscal year beginning on the effective date of the bill, including:

- Minutes of all board meetings.
- Annual budget and audits.
- Currently adopted development plan, if not included in a tax increment financing plan.
- Currently adopted tax increment finance plan, if capturing tax increment revenues.
- Authority staff contact information.
- A listing of current contracts and a description of those contracts and other documents related to authority management and services provided to the authority.

Additionally, the website must contain an annual updated synopsis of activities of the authority, including:

- Information regarding tax increment revenues described in the annual audit that are not spent within 5 years, including the reasons for accumulating the funds and uses for which the funds will be spent, a time frame when the funds will be spent, and the amount of and an explanation for any funds that have not been spent within 10 years of their receipt.
- A list of authority accomplishments, including progress on development plan and tax increment plan goals and objectives for the immediately preceding fiscal year.
- A list of authority projects and investments, including active and completed projects for the immediately preceding fiscal year.
- A list of authority events and promotional campaigns for the immediately preceding fiscal year.

The records and document information required above would be phased in from the effective date of the bill. That is, for the fiscal

year in which the act takes effect, information would be required for that fiscal year. For the fiscal year 1 year following the effective date of the act, the information would be required for that fiscal year and the immediately preceding fiscal year, and so on.

If the municipality that created an authority did not have an existing website and chose not to create one, the records must be maintained at a physical location within the municipality that is open to the public.

The new general reporting requirements take effect 180 days after the end of an authority's current fiscal year as of January 1, 2019.

### **New TIF Account Financial Reporting Requirements**

Under PA 57, an authority would have to submit to the governing body of the municipality, the governing body of a taxing unit levying taxes subject to capture by an authority, and the Department a report on the status of the tax increment financing account.

The report would be required to include:

- The name of the authority.
- The date of authority formation, the date the tax increment finance plan was set to expire, and whether the financing plan expired during the immediately preceding fiscal year.
- The date the authority began capturing tax increment revenues.
- The current base year taxable value of the tax increment financing district.
- The encumbered and unencumbered fund balances for the immediately preceding fiscal year.
- The amount and source of revenue in the account, including the amount of revenue from each taxing jurisdiction.
- The amount in any bond reserve account.
- The amount and purpose of expenditures from the account.
- The amount of principal and interest on any outstanding bonded indebtedness.
- The initial assessed value of the development area or authority district by property tax classification and the captured assessed value retained by the authority by property tax classification.
- The tax increment revenues received for the immediately preceding fiscal year.
- Whether the authority amended its development or tax increment financing plan within the immediately preceding fiscal year, with a link to the current plan that was amended.
- Any additional information the municipality governing body or department considers necessary.

The report would be required to be filed with the department at the same time as the annual financial report required under the Uniform Budgeting and Accounting Act.

The department would be required to collect the reports and annually compile a combined report summarizing the information reported and submit a copy of that combined report to each member of the legislature.

Also, within 90 days after the effective date of the act, each authority would be required to send the department a copy of, or a link to, its currently adopted development plan or its currently adopted tax increment finance plan, if separate from the development plan.

### **New Informational Meetings**

The bill would require the board of an authority to hold at least 2 informational meetings each year. Notice would have to be given on the municipality or authority website at least 14 days in advance. At least 14 days in advance, the board would be required to mail notice of the meeting to the governing body of each taxing jurisdiction levying taxes that are subject to capture by an authority.

Alternatively, the board could notify the clerk of each other taxing jurisdiction by email.

The informational meeting could be held in conjunction with other public meetings of the authority or municipality.

### **Enforcement**

The department is required to send written notification of any violation of the act to an authority that failed to comply with the act, to each taxing jurisdiction that had tax increment revenues captured by the authority, and to the governing body of the municipality that established the authority.

The notification would be required to detail the authority's noncompliance with the act.

Authorities have 60 days to address its 'noncompliance' as detailed by the department.

### **Penalties**

If the department notified an authority and the authority did not comply within 60 days, the authority could not capture any tax increment revenues in excess of the amounts necessary to pay bonded indebtedness and other obligations for the period of noncompliance.

During the noncompliance period, an authority could not amend or approve a tax increment financing plan. If the noncompliance period exceeded 2 consecutive years, the authority could not capture the amount needed for debt payment without a resolution of authorization from the municipality that created the authority and each taxing jurisdiction whose taxes were subject to capture. Any excess funds captured would be returned to the taxing jurisdiction according to statute.

### **Our understanding of the timeline for requirements under PA 57 of 18**

January 1, 2019: Effective date of new act.

Before March 1, 2019: The Department of Treasury (“department”) must create a form on which an authority capturing tax increment revenues would report the status of its tax increment finance account. The bill would require the department to consult with professional organizations that represent municipalities in developing this form.

By March 1, 2019: The department must finalize and publish the form.

By April 1, 2019: Each authority must send the department a copy of, or a link to, its currently adopted development plan or its currently adopted tax increment finance plan, if separate from the development plan.

180 days after the end of an authority’s current fiscal year as of January 1, 2019: Each authority must meet the general reporting requirements listed above (detailed information available on its website or in a physical location accessible to the public).

Annually, after January 1, 2019: Each authority must file financial reports (detailed above) with the department at the same time as the annual financial report required under the Uniform Budgeting and Accounting Act.

(Sources include House Fiscal Agency Analysis of SB 393 (H-1); by Legislative Analyst, Patrick Morris and Fiscal Analyst, Ben Gielczyk; as reported from committee, 2-1-18)

phone: 248.838.9711

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Message sent by Tiffany Dziurman, [tiffany@michigandowntowns.com](mailto:tiffany@michigandowntowns.com)  
Michigan Downtown Association | PO Box 82369 | Rochester, MI 48308



## **RECODIFIED TAX INCREMENT FINANCING (TIF) BILL: AN OVERVIEW**

Prepared by Capitol Services, Inc. for MDA Lansing Day

March 7, 2018

Senate Bill 393 (H-1) – RELEVANT EXCERPT FROM BILL ATTACHED TO THIS OVERVIEW

Ordered enrolled 2/14/18

Presented to the Governor on 3/1/18 (Governor's signature expected soon)

Sponsor: Senator Ken Horn (R-Frankenmuth)

Please note: the following is not intended as legal advice. Assuming SB 393 is signed into law, MDA members will want to consult with their own legal counsel to ensure compliance with the new act.

### **INTENT:**

- To create more transparency regarding the tax increment financing (TIF) process;
- To standardize reporting requirements across all authorities in order for the state and the public to better evaluate the effectiveness of tax increment finance programs;
- To allow streamlined administration of TIF authorities across the State; and
- To give all tax increment financing (TIF) authorities an incentive to report on their TIF activities and finances regularly by establishing penalties for noncompliance.

### **BRIEF SUMMARY**

SB 393 recodifies TIF statutes under one act, and establishes:

- new general reporting requirements for all authorities;
- more detailed financial reporting requirements for authorities than are already required;
- a new requirement that all authorities hold at least two informational meetings annually;
- penalties for noncompliance; and
- requirements for the department to collect the reports and annually compile a combined report summarizing the information reported and submit a copy of that combined report to each member of the legislature.

### **DETAILS OF SB 393 (as passed)**

#### **Repeal and Recodify**

The new act repeals the following acts and recodifies them as parts of the proposed act:

- Downtown development authority act (1975 PA 197; part 2 of the act);
- The Tax Increment Finance Authority Act (1980 PA 450; part 3 of the act);
- The Local Development Financing Act (1986 PA 281; part 4 of the act);
- Nonprofit Street Railway Act (1867 PA 35; part 5 of the act) (note: because this act is not entirely a TIFA statute, most of the new requirements of the new act do not apply to a transit operations finance zone);
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The bill would repeal the following acts and not recodify them:

- Historical Neighborhood Tax Increment Finance Authority Act (2004 PA 530);
- Private Investment Infrastructure Funding Act (2010 PA 250).

### **New General Reporting Requirements**

Under SB 393, each municipality that has created or that creates any of the six authorities must create a website, or use an existing municipality website, that is operated and regularly maintained with access to authority records and documents for the fiscal year beginning on the effective date of the bill, including:

- Minutes of all board meetings.
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- A listing of current contracts and a description of those contracts and other documents related to authority management and services provided to the authority.

Additionally, the website must contain an annual updated synopsis of activities of the authority, including:

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- A list of authority accomplishments, including progress on development plan and tax increment plan goals and objectives for the immediately preceding fiscal year.
- A list of authority projects and investments, including active and completed projects for the immediately preceding fiscal year.
- A list of authority events and promotional campaigns for the immediately preceding fiscal year.

The records and document information required above would be phased in from the effective date of the bill. That is, for the fiscal year in which the act takes effect, information would be required for that fiscal year. For the fiscal year 1 year following the effective date of the act, the information would be required for that fiscal year and the immediately preceding fiscal year, and so on.

If the municipality that created an authority did not have an existing website and chose not to create one, the records must be maintained at a physical location within the municipality that is open to the public.

The new general reporting requirements take effect 180 days after the end of an authority's current fiscal year as of January 1, 2019.

### **New TIF Account Financial Reporting Requirements**

Under SB 393, an authority would have to submit to the governing body of the municipality, the governing body of a taxing unit levying taxes subject to capture by an authority, and the Department a report on the status of the tax increment financing account.

The report would be required to include:

- The name of the authority.
- The date of authority formation, the date the tax increment finance plan was set to expire, and whether the financing plan expired during the immediately preceding fiscal year.
- The date the authority began capturing tax increment revenues.
- The current base year taxable value of the tax increment financing district.
- The encumbered and unencumbered fund balances for the immediately preceding fiscal year.
- The amount and source of revenue in the account, including the amount of revenue from each taxing jurisdiction.
- The amount in any bond reserve account.
- The amount and purpose of expenditures from the account.
- The amount of principal and interest on any outstanding bonded indebtedness.
- The initial assessed value of the development area or authority district by property tax classification and the captured assessed value retained by the authority by property tax classification.
- The tax increment revenues received for the immediately preceding fiscal year.
- Whether the authority amended its development or tax increment financing plan within the immediately preceding fiscal year, with a link to the current plan that was amended.
- Any additional information the municipality governing body or department considers necessary.

The report would be required to be filed with the department at the same time as the annual financial report required under the Uniform Budgeting and Accounting Act.

The department would be required to collect the reports and annually compile a combined report summarizing the information reported and submit a copy of that combined report to each member of the legislature.

Also, within 90 days after the effective date of the act, each authority would be required to send the department a copy of, or a link to, its currently adopted development plan or its currently adopted tax increment finance plan, if separate from the development plan.

### **New Informational Meetings**

The bill would require the board of an authority to hold at least 2 informational meetings each year. Notice would have to be given on the municipality or authority website at least 14 days in advance. At least 14 days in advance, the board would be required to mail notice of the meeting to the governing body of each taxing jurisdiction levying taxes that are subject to capture by an authority.

Alternatively, the board could notify the clerk of each other taxing jurisdiction by email. The informational meeting could be held in conjunction with other public meetings of the authority or municipality.

### **Enforcement**

The department is required to send written notification of any violation of the act to an authority that failed to comply with the act, to each taxing jurisdiction that had tax increment revenues captured by the authority, and to the governing body of the municipality that established the authority. The notification would be required to detail the authority's noncompliance with the act. Authorities have 60 days to address its 'noncompliance' as detailed by the department.

### **Penalties**

If the department notified an authority and the authority did not comply within 60 days, the authority could not capture any tax increment revenues in excess of the amounts necessary to pay bonded indebtedness and other obligations for the period of noncompliance. During the noncompliance period, an authority could not amend or approve a tax increment financing plan. If the noncompliance period exceeded 2 consecutive years, the authority could not capture the amount needed for debt payment without a resolution of authorization from the municipality that created the authority and each taxing jurisdiction whose taxes were subject to capture. Any excess funds captured would be returned to the taxing jurisdiction according to statute.

### **Our Understanding of the Timeline (assuming Governor signs SB 393):**

January 1, 2019: Effective date of new act.

Before March 1, 2019: The Department of Treasury ("department") must create a form on which an authority capturing tax increment revenues would report the status of its tax increment finance account. The bill would require the department to consult with professional organizations that represent municipalities in developing this form.

By March 1, 2019: The department must finalize and publish the form.

By April 1, 2019: Each authority must send the department a copy of, or a link to, its currently adopted development plan or its currently adopted tax increment finance plan, if separate from the development plan.

180 days after the end of an authority's current fiscal year as of January 1, 2019: Each authority must meet the general reporting requirements listed above (detailed information available on its website or in a physical location accessible to the public).

Annually, after January 1, 2019: Each authority must file financial reports (detailed above) with the department at the same time as the annual financial report required under the Uniform Budgeting and Accounting Act.

(Source: House Fiscal Agency Analysis of SB 393 (H-1); by Legislative Analyst, Patrick Morris and Fiscal Analyst, Ben Gielczyk; as reported from committee, 2-1-18)

< EXCERPT >

**STATE OF MICHIGAN  
99TH LEGISLATURE  
REGULAR SESSION OF 2018**

Introduced by Senators Horn, Shirkey and Schmidt

**ENROLLED SENATE BILL No. 393**

AN ACT to provide for the recodification and establishment of certain tax increment finance authorities; to prescribe the powers and duties of the authorities; to correct and prevent deterioration in residential, commercial, and industrial areas and certain other areas; 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 promote residential and economic growth; to create certain boards; to prescribe the powers and duties of certain boards; to authorize the issuance of bonds and other evidences of indebtedness; to levy certain taxes; to authorize the use of tax increment financing; to prescribe powers and duties of certain state officials; to provide for rule promulgation; to provide for enforcement of this act; and to repeal acts and parts of acts.

*The People of the State of Michigan enact:*

PART 1

GENERAL PROVISIONS

Sec. 101. This act shall be known and may be cited as the "recodified tax increment financing act".

Sec. 102. (1) The repeal of a statute or section of law by this act does not relinquish any penalty, forfeiture, or liability, whether criminal or civil in nature, and that statute or section of law shall be treated as still remaining in force as necessary for the purpose of instituting or sustaining any proper action or prosecution for the enforcement of the penalty, forfeiture, or liability.

(2) A bond, note, or any other obligation or refunding of any obligation issued by an authority or by the municipality that created the authority under a statute or section of law repealed by this act shall continue in effect under its original terms under the corresponding part of this act.

(3) A contractual right, duty, or obligation relating to an authority under a statute or section of law repealed by this act shall continue and remain with the authority under the corresponding part of this act.

(4) A development plan or a tax increment financing plan developed by an authority under a statute or section of law repealed by this act shall remain in effect with the authority under the corresponding part of this act.

Sec. 103. Members of a board of an authority created under a statute or section of law repealed by this act with the same or similar name and functions shall continue in office for the duration of the terms of office for which they were appointed. Members shall be appointed under this act only as terms of the former members expire or vacancies occur. Members of the board of an authority created under a statute or section of law repealed by this act may be appointed to the new board to succeed themselves subject to any limits for the total period of service set forth in this act.

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

Sec. 818. (1) The governing body, before adoption of an ordinance approving a development plan or tax increment financing plan, shall hold a public hearing on the development plan. Notice of the time and place of the hearing shall be given by publication twice in a newspaper of general circulation designated by the municipality, the first of which shall be not less than 20 days before the date set for the hearing. Notice of the hearing shall be posted in at least 20 conspicuous and public places in the development area not less than 20 days before the hearing. Notice shall also be mailed to all property taxpayers of record in the development area and to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the tax increment financing plan is approved not less than 20 days before the hearing.

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

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

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

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

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

(3) At the time set for the hearing, the governing body shall provide an opportunity for interested persons to speak and shall receive and consider communications in writing. The hearing shall provide the fullest opportunity for expression of opinion, for argument on the merits, and for consideration of documentary evidence pertinent to the development plan. The governing body shall make and preserve a record of the public hearing, including all data presented at the hearing.

Sec. 819. The governing body after a public hearing on the development plan or the tax increment financing plan, or both, with notice given under section 818, shall determine whether the development plan or tax increment financing plan constitutes a public purpose. If it determines that the development plan or tax increment financing plan constitutes a public purpose, it shall by ordinance approve or reject the plan, or approve it with modification, based on the following considerations:

(a) The plan meets the requirements under section 817(2).

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

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

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

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

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

(g) Changes in zoning, streets, street levels, intersections, and utilities are reasonably necessary for the project and for the municipality.

Sec. 820. (1) The director of the authority shall submit a budget to the board for the operation of the authority for each fiscal year before the beginning of the fiscal year. The budget shall be prepared in the manner and contain the information required of municipal departments. After review by the board, the budget shall be submitted to the governing body. The governing body must approve the budget before the board may adopt the budget. Unless authorized by the governing body or this part, funds of the municipality shall not be included in the budget of the authority.

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

Sec. 821. An authority that has completed the purposes for which it was organized shall be dissolved by ordinance of the governing body. The property and assets of the authority remaining after the satisfaction of the obligations of the authority belong to the municipality.

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## PART 9

### REPORTING REQUIREMENTS

Sec. 901. As used in this part:

(a) "Authority" means all of the following:

(i) An authority as defined in part 2.

START HERE

- (ii) An authority as defined in part 3.
- (iii) An authority as defined in part 4.
- (iv) An authority as defined in part 6.
- (v) An authority as defined in part 7.
- (vi) An authority as defined in part 8.
- (b) "Municipality" means all of the following:
  - (i) A municipality as defined in part 2.
  - (ii) A municipality as defined in part 3.
  - (iii) A municipality as defined in part 4.
  - (iv) A municipality as defined in part 6.
  - (v) A municipality as defined in part 7.
  - (vi) A municipality as defined in part 8.

Sec. 910. (1) Subject to subsection (5), each municipality that has created an authority or that creates an authority shall create a website or utilize the existing website of the municipality that is operated and regularly maintained with access to authority records and documents for the fiscal year beginning on the effective date of this act, including all of the following:

- (a) Minutes of all board meetings.
- (b) Annual budget, including encumbered and unencumbered fund balances.
- (c) Annual audits.
- (d) Currently adopted development plan, if not included in a tax increment financing plan.
- (e) Currently adopted tax increment finance plan, if currently capturing tax increment revenues.
- (f) Current authority staff contact information.
- (g) A listing of current contracts with a description of those contracts and other documents related to management of the authority and services provided to the authority.
- (h) An updated annual synopsis of activities of the authority. An updated synopsis of the activities of the authority includes all of the following, if any:
  - (i) For any tax increment revenues described in the annual audit that are not expended within 5 years of their receipt, a description that provides the following:
    - (A) The reasons for accumulating those funds and the uses for which those funds will be expended.
    - (B) A time frame when the fund will be expended.
    - (C) If any funds have not been expended within 10 years of their receipt, both of the following:
      - (I) The amount of those funds.
      - (II) A written explanation of why those funds have not been expended.
  - (ii) List of authority accomplishments, including progress made on development plan and tax increment finance plan goals and objectives for the immediately preceding fiscal year.
  - (iii) List of authority projects and investments, including active and completed projects for the immediately preceding fiscal year.
  - (iv) List of authority events and promotional campaigns for the immediately preceding fiscal year.
- (2) The requirements in subsection (1) are required for records and documents related to fiscal years as follows:
  - (a) For the fiscal year in which this act takes effect, the records and documents for that fiscal year.
  - (b) For the fiscal year 1 year following the effective date of this act, the records and documents for that fiscal year and the immediately preceding fiscal year.
  - (c) For the fiscal year 2 years following the effective date of this act, the records and documents for that fiscal year and the 2 immediately preceding fiscal years.
  - (d) For the fiscal year 3 years following the effective date of this act, the records and documents for the fiscal year and the 3 immediately preceding fiscal years.
  - (e) For the fiscal year 4 years following the effective date of this act and each subsequent fiscal year, the records and documents for the fiscal year and the 4 immediately preceding fiscal years.
- (3) The requirements of this section shall not take effect until 180 days after the end of an authority's current fiscal year as of the effective date of this act.
- (4) Each year, the board of an authority shall hold not fewer than 2 informational meetings. Notice of an informational meeting shall be posted on the municipality's or authority's website not less than 14 days before the date of the

informational meeting. Not less than 14 days before the informational meeting, the board of an authority shall mail notice of the informational meeting to the governing body of each taxing jurisdiction levying taxes that are subject to capture by an authority under this act. As an alternative to mailing notice of the informational meeting, the board of the authority may notify the clerk of the governing body of each taxing jurisdiction levying taxes that are subject to capture by an authority under this act by electronic mail. The informational meetings may be held in conjunction with other public meetings of the authority or municipality.

(5) If the municipality creating an authority does not have an existing website and chooses not to create a website under subsection (1), the municipality shall maintain the records described in subsection (1) at a physical location within the municipality that is open to the public.

Sec. 911. (1) Annually, on a form and in the manner prescribed by the department of treasury, an authority that is capturing tax increment revenues shall submit to the governing body of the municipality, the governing body of a taxing unit levying taxes subject to capture by an authority, and the department of treasury a report on the status of the tax increment financing account. However, an authority may submit by electronic means a report described in this subsection to the governing body of the municipality and the governing body of a taxing unit levying taxes subject to capture by the authority. The report shall include all of the following:

- (a) The name of the authority.
- (b) The date the authority was formed, the date the tax increment financing plan is set to expire or terminate, and whether the tax increment financing plan expired during the immediately preceding fiscal year.
- (c) The date the authority began capturing tax increment revenues.
- (d) The current base year taxable value of the tax increment financing district.
- (e) The unencumbered fund balance for the immediately preceding fiscal year.
- (f) The encumbered fund balance for the immediately preceding fiscal year.
- (g) The amount and source of revenue in the account, including the amount of revenue from each taxing jurisdiction.
- (h) The amount in any bond reserve account.
- (i) The amount and purpose of expenditures from the account.
- (j) The amount of principal and interest on any outstanding bonded indebtedness.
- (k) The initial assessed value of the development area or authority district by property tax classification.
- (l) The captured assessed value retained by the authority by property tax classification.
- (m) The tax increment revenues received for the immediately preceding fiscal year.
- (n) Whether the authority amended its development plan or its tax increment financing plan within the immediately preceding fiscal year and if the authority amended either plan, a link to the current development plan or tax increment financing plan that was amended.
- (o) Any additional information the governing body of the municipality or the department of treasury considers necessary.

(2) The report described in subsection (1) shall be filed with the department of treasury at the same time as the annual financial report is filed with the department of treasury under section 4 of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.424.

(3) The department of treasury shall collect the reports described in subsection (1) and annually compile a combined report that summarizes the information reported in subsection (1) and annually submit a copy of that combined report to each member of the legislature.

(4) The department of treasury shall consult with the professional organizations that represent municipalities in developing the reporting form described in subsection (1).

(5) The department of treasury shall consult with the professional organizations described in subsection (4) and finalize and publish the form described in subsection (1) not later than 60 days after the effective date of this act.

Sec. 912. Within 90 days of the effective date of this act, each authority shall send a copy or an electronic mail link of its currently adopted development plan or its currently adopted tax increment finance plan, if separate from the development plan, to the department of treasury.

Sec. 915. (1) The department of treasury may institute proceedings to compel enforcement of this act and shall send written notification to an authority that fails to comply with this act, to each taxing jurisdiction that has tax increment revenues captured by the authority, and to the governing body of the municipality that established the authority of a violation of any provision of this act. The written notification shall specifically detail the authority's noncompliance with this act.

(2) If the department of treasury notifies an authority in writing that the authority failed to comply with any provision of this act, and after 60 days following receipt of that notice the authority does not comply, that authority shall not capture any tax increment revenues that are in excess of amounts necessary to pay bonded indebtedness and other obligations for the period of noncompliance. During the period of noncompliance, an authority cannot amend or approve a tax increment financing plan. However, if the period of noncompliance exceeds 2 consecutive years, that authority shall not capture any tax increment revenues that are in excess of amounts necessary to pay bonded indebtedness and other obligations without a resolution of authorization of the municipality that created the authority and each taxing jurisdiction whose ad valorem taxes are subject to capture by the authority. Any excess funds captured shall be returned to the taxing jurisdiction from which they were captured as follows:

- (a) For part 2, as provided in section 215(2).
- (b) For part 3, as provided in section 314(2).
- (c) For part 4, as provided in section 413(2).
- (d) For part 5, as provided in section 523(7).
- (e) For part 6, as provided in section 619(2).
- (f) For part 7, as provided in section 716(2).
- (g) For part 8, as provided in section 815(2).

Enacting section 1. The following acts are repealed:

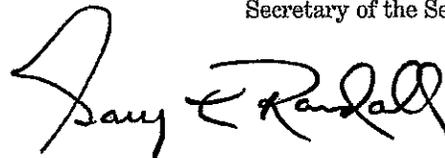
- (a) The historic neighborhood tax increment finance authority act, 2004 PA 530, MCL 125.2841 to 125.2866.
- (b) The private investment infrastructure funding act, 2010 PA 250, MCL 125.1871 to 125.1883.
- (c) 1975 PA 197, MCL 125.1651 to 125.1681.
- (d) The tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830.
- (e) The local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174.
- (f) The corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.
- (g) The neighborhood improvement authority act, 2007 PA 61, MCL 125.2911 to 125.2932.
- (h) The water resource improvement tax increment finance authority act, 2008 PA 94, MCL 125.1771 to 125.1793.
- (i) The nonprofit street railway act, 1867 PA 35, MCL 472.1 to 472.27.

Enacting section 2. This act takes effect January 1, 2019.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved .....

.....  
Governor

A 585



