

**SUBSTITUTE FOR
HOUSE BILL NO. 5814**

A bill to amend 1986 PA 281, entitled
"The local development financing act,"
by amending sections 4 and 16 (MCL 125.2154 and 125.2166),
section 4 as amended by 2000 PA 248.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. (1) The governing body of a municipality may
2 declare by resolution adopted by a majority of its members
3 elected and serving its intention to create and provide for the
4 operation of an authority.

5 (2) In the resolution of intent, the governing body proposing
6 to create the authority shall set a date for holding a public
7 hearing on the adoption of a proposed resolution creating the
8 authority and designating the boundaries of the authority
9 district or districts. Notice of the public hearing shall be
10 published twice in a newspaper of general circulation in the

1 municipality, not less than 20 nor more than 40 days before the
2 date of the hearing. Not less than 20 days before the hearing,
3 the governing body proposing to create the authority shall also
4 mail notice of the hearing to the property taxpayers of record in
5 a proposed authority district and, for a public hearing to be
6 held after February 15, 1994, to the governing body of each
7 taxing jurisdiction levying taxes that would be subject to
8 capture if the authority is established and a tax increment
9 financing plan is approved. **Beginning June 1, 2004, the notice**
10 **of hearing within the time frame described in this subsection**
11 **shall be mailed by certified mail to the treasurer, clerk, and**
12 **chairperson of the board of commissioners of the county in which**
13 **the authority district is located.** Failure of a property taxpayer
14 to receive the notice shall not invalidate these proceedings.
15 The notice shall state the date, time, and place of the hearing,
16 and shall describe the boundaries of the proposed authority
17 district or districts. At that hearing, a resident, taxpayer, or
18 property owner from a taxing jurisdiction in which the proposed
19 district is located or an official from a taxing jurisdiction
20 with millage that would be subject to capture has the right to be
21 heard in regard to the establishment of the authority and the
22 boundaries of that proposed authority district. The governing
23 body of the municipality in which a proposed district is to be
24 located shall not incorporate land into an authority district not
25 included in the description contained in the notice of public
26 hearing, but it may eliminate lands described in the notice of
27 public hearing from an authority district in the final

1 determination of the boundaries.

2 (3) Not more than 60 days after a public hearing held after
3 February 15, 1994, the governing body of a taxing jurisdiction
4 with millage that would otherwise be subject to capture may
5 exempt its taxes from capture by adopting a resolution to that
6 effect and filing a copy with the clerk of the municipality
7 proposing to create the authority. However, a resolution by a
8 governing body of a taxing jurisdiction to exempt its taxes from
9 capture is not effective for the capture of taxes that are used
10 for a certified technology park. The resolution takes effect
11 when filed with that clerk and remains effective until a copy of
12 a resolution rescinding that resolution is filed with that
13 clerk.

14 (4) Not less than 60 days after the public hearing, if the
15 governing body creating the authority intends to proceed with the
16 establishment of the authority, it shall adopt, by majority vote
17 of its members elected and serving, a resolution establishing the
18 authority and designating the boundaries of the authority
19 district or districts within which the authority shall exercise
20 its powers. The adoption of the resolution is subject to any
21 applicable statutory or charter provisions with respect to the
22 approval or disapproval of resolutions by the chief executive
23 officer of the municipality and the adoption of a resolution over
24 his or her veto. This resolution shall be filed with the
25 secretary of state promptly after its adoption and shall be
26 published at least once in a newspaper of general circulation in
27 the municipality.

1 (5) The governing body may alter or amend the boundaries of
2 an authority district to include or exclude lands from that
3 authority district or create new authority districts pursuant to
4 the same requirements prescribed for adopting the resolution
5 creating the authority.

6 (6) The validity of the proceedings establishing an authority
7 shall be conclusive unless contested in a court of competent
8 jurisdiction within 60 days after the last of the following takes
9 place:

10 (a) Publication of the resolution creating the authority as
11 adopted.

12 (b) Filing of the resolution creating the authority with the
13 secretary of state.

14 (7) Except as otherwise provided by this subsection, if 2 or
15 more municipalities desire to establish an authority under
16 section 3(2), each municipality in which the authority district
17 will be located shall comply with the procedures prescribed by
18 this act. The notice required by subsection (2) may be published
19 jointly by the municipalities establishing the authority. The
20 resolutions establishing the authority shall include, or shall
21 approve an agreement including, provisions governing the number
22 of members on the board, the method of appointment, the members
23 to be represented by governmental units or agencies, the terms of
24 initial and subsequent appointments to the board, the manner in
25 which a member of the board may be removed for cause before the
26 expiration of his or her term, the manner in which the authority
27 may be dissolved, and the disposition of assets upon

1 dissolution. An authority described in this subsection shall not
2 be considered established unless all of the following conditions
3 are satisfied:

4 (a) A resolution is approved and filed with the secretary of
5 state by each municipality in which the authority district will
6 be located.

7 (b) The same boundaries have been approved for the authority
8 district by the governing body of each municipality in which the
9 authority district will be located.

10 (c) The governing body of the county in which a majority of
11 the authority district will be located has approved by resolution
12 the creation of the authority.

13 Sec. 16. (1) Before adoption of a resolution approving **or**
14 **amending** a development plan or **approving or amending a tax**
15 **increment financing plan**, the governing body shall hold a public
16 hearing on the development plan. Notice of the time and place of
17 the hearing shall be given by publication twice in a newspaper of
18 general circulation designated by the municipality, the first of
19 which shall not be less than 20 days before the date set for the
20 hearing. **Beginning June 1, 2004, the notice of hearing within**
21 **the time frame described in this subsection shall be mailed by**
22 **certified mail to the treasurer, clerk, and chairperson of the**
23 **board of commissioners of the county in which the proposed**
24 **development area is located.**

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

27 (a) A description of the property to which the plan applies

1 in relation to highways, streets, streams, or otherwise.

2 (b) A statement that maps, plats, and a description of the
3 development plan, including the method of relocating families and
4 individuals who may be displaced from the area, are available for
5 public inspection at a place designated in the notice, and that
6 all aspects of the development plan will be open for discussion
7 at the public hearing.

8 (c) Other information that the governing body considers
9 appropriate.

10 (3) At the time set for hearing, the governing body shall
11 provide an opportunity for interested persons to be heard and
12 shall receive and consider communications in writing with
13 reference to the matter. The hearing shall provide the fullest
14 opportunity for expression of opinion, for argument on the
15 merits, and for introduction of documentary evidence pertinent to
16 the development plan. The governing body shall make and preserve
17 a record of the public hearing, including all data presented at
18 that time.