

# SENATE BILL No. 257

March 12, 2013, Introduced by Senator KOWALL and referred to the Committee on Economic Development.

A bill to amend 1961 PA 120, entitled

"An act to authorize the development or redevelopment of principal shopping districts and business improvement districts; to permit the creation of certain boards; to provide for the operation of principal shopping districts and business improvement districts; to provide for the creation, operation, and dissolution of business improvement zones; and to authorize the collection of revenue and the bonding of certain local governmental units for the development or redevelopment projects,"

by amending sections 10, 10a, 10b, 10c, 10e, 10f, 10g, 10h, 10i, 10k, and 10l (MCL 125.990, 125.990a, 125.990b, 125.990c, 125.990e, 125.990f, 125.990g, 125.990h, 125.990i, 125.990k, and 125.990l), as added by 2001 PA 260, and by adding section 10n; and to repeal acts and parts of acts.

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

- 1       Sec. 10. As used in this chapter:
- 2       (a) "Assessable property" means real property in a zone area
- 3       other than property classified as residential real property under

1 section 34c of the general property tax act, 1893 PA 206, MCL  
2 211.34c, or real property exempt from the collection of taxes under  
3 the general property tax act, 1893 PA 206, MCL 211.1 to ~~211.157.~~  
4 **211.155.**

5 (b) "Assessment" means an assessment imposed under this  
6 chapter against assessable property for the benefit of the property  
7 owners.

8 (c) "Assessment revenues" means the money collected by a  
9 business improvement zone from any assessments, including any  
10 interest on the assessments.

11 (d) "Board" means the board of directors of a business  
12 improvement zone.

13 (e) "Business improvement zone" means a business improvement  
14 zone created under this chapter.

15 (f) "Nonprofit corporation" means a nonprofit corporation  
16 organized under the nonprofit corporation act, 1982 PA 162, MCL  
17 450.2101 to 450.3192, and which complies with all of the following:

18 (i) The articles of incorporation of the nonprofit corporation  
19 provide that the nonprofit corporation may promote a business  
20 improvement zone and may also provide management services related  
21 to the implementation of a zone plan.

22 (ii) The nonprofit corporation is exempt from federal income  
23 tax under section 501(c)(4) or 501(c)(6) of the internal revenue  
24 code, ~~of 1986-28 USC 501.~~

25 (g) "Person" means an individual, partnership, corporation,  
26 limited liability company, association, or other legal entity.

27 (h) "Project" means any activity for the benefit of property

1 owners authorized by section 10a to enhance the business  
2 environment within a zone area.

3 (i) "Property owner" means a person who owns, or an agent  
4 authorized in writing by a person who owns, assessable property  
5 according to the records of the treasurer of the city or village in  
6 which the business improvement zone is located.

7 (j) "7-year period" means the period in which a business  
8 improvement zone is authorized to operate, beginning on the date  
9 that the business improvement zone is created or renewed and ending  
10 ~~7~~-10 calendar years after that date.

11 (k) "Zone area" means the area designated in the zone plan as  
12 the area to be served by the business improvement zone.

13 (l) "Zone plan" means a set of goals, strategies, objectives,  
14 and guidelines for the operation of a business improvement zone, as  
15 approved at a meeting of property owners conducted under section  
16 10d.

17 Sec. 10a. (1) A business improvement zone is a public body  
18 corporate and may do 1 or more of the following for the benefit of  
19 property owners located in the business improvement zone:

20 (a) Acquire, through purchase, lease, or gift, construct,  
21 develop, improve, maintain, operate, or reconstruct park areas,  
22 planting areas, and related facilities within the zone area.

23 (b) Acquire, construct, clean, improve, maintain, reconstruct,  
24 or relocate sidewalks, street curbing, street medians, fountains,  
25 and lighting within the zone area.

26 (c) Develop and propose lighting standards within the zone  
27 area.

1 (d) Acquire, plant, and maintain trees, shrubs, flowers, or  
2 other vegetation within the zone area.

3 (e) Provide or contract for security services with other  
4 public or private entities and purchase equipment or technology  
5 related to security services within the zone area.

6 (f) Promote and sponsor cultural or recreational activities.

7 (g) Engage in economic development activities, including, but  
8 not limited to, promotion of business, retail, or industrial  
9 development, developer recruitment, business recruitment, business  
10 marketing, business retention, public relations efforts, and market  
11 research.

12 (h) Engage in other ~~activity~~**ACTIVITIES** with the purpose to  
13 enhance the economic prosperity, enjoyment, appearance, image, and  
14 safety of the zone area.

15 (i) Acquire by purchase or gift, maintain, or operate real or  
16 personal property necessary to implement this chapter.

17 (j) Solicit and accept gifts or grants to further the zone  
18 plan.

19 (k) Sue or be sued.

20 **(l) DO ALL OTHER ACTS AND THINGS NECESSARY OR CONVENIENT TO**  
21 **EXERCISE THE POWERS, DUTIES, AND JURISDICTIONS OF THE BUSINESS**  
22 **IMPROVEMENT ZONE UNDER THIS ACT OR OTHER LAWS THAT RELATE TO THE**  
23 **PURPOSES, POWERS, DUTIES, AND JURISDICTIONS OF THE BUSINESS**  
24 **IMPROVEMENT ZONE.**

25 (2) A business improvement zone may contract with a nonprofit  
26 corporation or any other public or private entity and may pay a  
27 reasonable fee to the nonprofit corporation or other public or

1 private entity for services provided. **TWO OR MORE BUSINESS**  
2 **IMPROVEMENT ZONES MAY CONTRACT WITH THE SAME NONPROFIT CORPORATION**  
3 **OR PUBLIC OR PRIVATE ENTITY UNDER THIS SUBSECTION.**

4 (3) A business improvement zone has the authority to borrow  
5 money in anticipation of the receipt of assessments if all of the  
6 following conditions are satisfied:

7 (a) The loan will not be requested or authorized, or will not  
8 mature, within 90 days before the expiration of the 7-year period.

9 (b) The amount of the loan does not exceed 50% of the annual  
10 average assessment revenue of the business improvement zone during  
11 the previous year or, in the case of a business improvement zone  
12 that has been in existence for less than 1 year, the loan does not  
13 exceed 25% of the projected annual assessment revenue.

14 (c) The loan repayment period does not extend beyond the 7-  
15 year period.

16 (d) The loan is subject to the revised municipal finance act,  
17 2001 PA 34, MCL 141.2101 to 141.2821.

18 (4) The services provided by and projects of a business  
19 improvement zone are services and projects of the business  
20 improvement zone and are not services, functions, or projects of  
21 the municipality in which the business improvement zone is located.  
22 The services provided by and projects of a business improvement  
23 zone are supplemental to the services, projects, and functions of  
24 the city or village in which the business improvement zone is  
25 located.

26 (5) The business improvement zone has no other authority than  
27 the authority described in this act **OR AUTHORIZED BY OTHER LAWS OF**

1 **THIS STATE.**

2           Sec. 10b. (1) Except as provided in subsection (4), 1 or more  
3 business improvement zones may be established within a city or  
4 village.

5           (2) ~~The~~ **IF THE ZONE PLAN FOR THE AREA PROVIDES A BASIS FOR**  
6 **ALLOCATING ASSESSMENTS OTHER THAN ASSESSED VALUE, THE** majority of  
7 all parcels included in a zone area, both by area and by taxable  
8 value, shall be assessable property. **IF THE ZONE PLAN FOR THE ZONE**  
9 **AREA PROVIDES FOR ALLOCATION OF ASSESSMENTS BASED UPON ASSESSED**  
10 **VALUE, THE MAJORITY OF ALL PARCELS INCLUDED IN A ZONE AREA, BOTH BY**  
11 **AREA AND ASSESSED VALUE, SHALL BE ASSESSABLE PROPERTY.** A zone area  
12 shall be contiguous, with the exception of public streets, alleys,  
13 parks, and other public rights-of-way.

14           (3) Except as provided in subsection (4), a business  
15 improvement zone may be established in a city or village even if  
16 the city or village has established a principal shopping district  
17 or business improvement district under chapter 1. Assessable  
18 property shall not be included in any of the following:

19           (a) More than 1 business improvement zone established under  
20 this chapter.

21           (b) Both a principal shopping district and a business  
22 improvement district established under chapter 1.

23 ~~—— (4) If at the time of the effective date of the amendatory act~~  
24 ~~that added this subsection a business improvement district~~  
25 ~~established under chapter 1 is located in a city or village, a~~  
26 ~~business improvement zone may not be established under this chapter~~  
27 ~~within that city or village unless within 180 days of the effective~~

1 ~~date of the amendatory act that added this subsection or during~~  
 2 ~~July 2005 or during July every third year after 2005 the governing~~  
 3 ~~body of the city or village adopts a resolution authorizing the~~  
 4 ~~governing body to consider, as provided in section 10e, the~~  
 5 ~~establishment of a business improvement zone under this chapter.~~

6       Sec. 10c. ~~(1)~~A person may initiate the establishment of a  
 7 business improvement zone by the delivery of a petition to the  
 8 clerk of the city or village in which a proposed zone area is  
 9 located. The petition shall include all of the following:

10       (a) ~~The~~**AN ATTACHED MAP AND DESCRIPTION OF THE GEOGRAPHIC**  
 11 boundaries of the zone area **SUFFICIENT TO IDENTIFY EACH ASSESSABLE**  
 12 **PROPERTY INCLUDED.**

13       (b) The signatures of property owners of parcels representing  
 14 not less than 30% of the property owners within the zone area,  
 15 weighted as provided in section 10f(2).

16       (c) ~~A~~**AN ATTACHED** listing, by tax parcel identification  
 17 number, of all parcels within the zone area, separately identifying  
 18 assessable property.

19       **(D) AN ATTACHED ZONE PLAN, WHICH SHALL INCLUDE ALL OF THE**  
 20 **FOLLOWING:**

21       **(i) THE PROPOSED INITIAL BOARD OF DIRECTORS FOR THE ZONE,**  
 22 **EXCEPT FOR A MEMBER OF THE BOARD OF DIRECTORS WHO MAY BE APPOINTED**  
 23 **BY THE CITY OR VILLAGE UNDER SECTION 10G(2).**

24       **(ii) THE METHOD FOR REMOVAL, APPOINTMENT, AND REPLACEMENT OF**  
 25 **THE BOARD.**

26       **(iii) A DESCRIPTION OF PROJECTS PLANNED DURING THE 7-YEAR**  
 27 **PERIOD, INCLUDING THE SCOPE, NATURE, AND DURATION OF THE PROJECTS.**

1 (iv) AN ESTIMATE OF THE TOTAL AMOUNT OF EXPENDITURES FOR  
2 PROJECTS PLANNED DURING THE 7-YEAR PERIOD.

3 (v) THE PROPOSED SOURCE OR SOURCES OF FINANCING FOR THE  
4 PROJECTS.

5 (vi) IF THE PROPOSED FINANCING INCLUDES ASSESSMENTS, THE  
6 PROJECTED AMOUNT OR RATE OF THE ASSESSMENTS FOR EACH YEAR AND THE  
7 BASIS UPON WHICH THE ASSESSMENTS ARE TO BE IMPOSED ON ASSESSABLE  
8 PROPERTY.

9 (vii) A PLAN OF DISSOLUTION FOR THE BUSINESS IMPROVEMENT ZONE.

10 (E) A BASIS FOR ALLOCATING ASSESSMENTS IN THE ZONE AREA,  
11 INCLUDING, BUT NOT LIMITED TO, ASSESSMENTS BASED UPON TAXABLE VALUE  
12 OR ASSESSMENTS BASED UPON ASSESSED VALUE.

13 ~~—— (2) After a petition is filed pursuant to subsection (1), the~~  
14 ~~clerk shall notify all property owners within the zone area of a~~  
15 ~~public meeting of the property owners regarding the establishment~~  
16 ~~of the business improvement zone to be held not less than 45 days~~  
17 ~~or more than 60 days after the filing of the petition. The notice~~  
18 ~~shall be sent by first class mail to the property owners not less~~  
19 ~~than 14 days prior to the scheduled date of the meeting. The notice~~  
20 ~~shall include the specific location and the scheduled date and time~~  
21 ~~of the meeting.~~

22 Sec. 10e. (1) If a zone plan is adopted and presented to the  
23 clerk of the city or village in accordance with section 10d, the  
24 governing body of the city or village shall within 45-28 days  
25 schedule a public hearing of the governing body to review the zone  
26 plan and any proposed assessment and to receive public comment. The  
27 clerk shall notify all owners of parcels within the zone area of

1 the public hearing by first-class mail.

2 (2) At the public hearing **REQUIRED UNDER SUBSECTION (1)**, or at  
3 the next regularly scheduled meeting of the governing body of the  
4 city or village, the governing body shall approve or reject the  
5 establishment of the business improvement zone and the zone plan ~~as~~  
6 ~~adopted by the property owners under section 10d(3).~~ **ATTACHED TO**  
7 **THE PETITION UNDER SECTION 10C.** If the governing body rejects the  
8 establishment of the business improvement zone and the zone plan,  
9 the clerk shall notify all property owners within the **PROPOSED** zone  
10 of a ~~reconvened~~ meeting of the property owners **WITHIN THE PROPOSED**  
11 **ZONE**, which shall be held not sooner than ~~10-7~~ days or later than  
12 21 days after the date of the rejection by the governing body. The  
13 notice shall be sent by first-class mail to the property owners not  
14 less than 7 days prior to the scheduled date of the meeting and  
15 shall include the specific location and the scheduled date and time  
16 of the meeting, as determined by the person initiating the  
17 establishment of the business improvement zone under section  
18 10c(1). At the ~~reconvened~~ meeting, the property owners may amend  
19 the zone plan if approved by a majority of the property owners ~~as~~  
20 ~~provided in section 10d(3).~~ **VOTING AT THE MEETING. THE VOTES OF THE**  
21 **PROPERTY OWNERS AT THE MEETING SHALL BE WEIGHTED IN THE MANNER**  
22 **INDICATED IN SECTION 10F(2).** The amended zone plan may be  
23 resubmitted to the clerk of the city or village without the  
24 requirement of a new petition under section 10c for approval or  
25 rejection at a meeting of the governing body of the city or village  
26 not later than ~~60-28~~ days after the amended zone plan is  
27 resubmitted to the clerk. If a zone plan is not rejected within ~~60~~

1 56 days of the date the amended zone plan is resubmitted to the  
2 clerk, the amended zone plan is considered approved by the  
3 governing body of the city or village. If the amended zone plan is  
4 rejected by the governing body, then the amended zone plan may not  
5 be resubmitted without the delivery of a new petition under section  
6 10c.

7 (3) Approval of the business improvement zone and zone plan  
8 shall serve as a determination by the city or village that any  
9 assessment set forth in the zone plan, including the basis for  
10 allocating the assessment, is appropriate, subject only to the  
11 approval of the business improvement zone and the zone plan by the  
12 property owners in accordance with section 10f.

13 (4) If the governing body of the city or village approves the  
14 business improvement zone and zone plan or if the amended zone plan  
15 is considered approved under subsection (2), the clerk of the city  
16 or village shall set an election pursuant to section 10f not more  
17 than ~~60~~49 days following the approval.

18 (5) The clerk of the city or village shall send to the  
19 property owners notice by first-class mail of the election not less  
20 than ~~30~~28 days before the election and publish the notice at least  
21 ~~twice~~ONCE in a newspaper of general circulation in the city or  
22 village in which the zone area is located. ~~The first publication~~  
23 ~~shall not be less than 10~~7 days or more than ~~30~~21 days prior to  
24 the date scheduled for the election. ~~The second publication shall~~  
25 ~~not be published less than 1 week after the first publication.~~

26 (6) The election described in this section and section 10f is  
27 not an election subject to the Michigan election law, 1954 PA 116,

1 MCL 168.1 to 168.992.

2 (7) The person who filed the petition under section 10c, the  
3 proposed board members, and the property owners may, at the option  
4 and under the direction of the clerk, assist the clerk of the city  
5 or village in conducting the election to keep the expenses of the  
6 election at a minimum.

7 Sec. 10f. (1) All property owners as of the date of the  
8 delivery of the petition as provided in section 10c are eligible to  
9 participate in the election. The election shall be conducted by  
10 mail. The question to be voted on by the property owners is the  
11 adoption of the zone plan and the establishment of the business  
12 improvement zone, including the identity of the initial board.

13 (2) ~~Votes~~ **IF THE ZONE PLAN FOR THE ZONE AREA PROVIDES A BASIS**  
14 **FOR ALLOCATING ASSESSMENTS BASED UPON TAXABLE VALUE, THE VOTES** of  
15 property owners shall be weighted in proportion to the amount that  
16 the taxable value of their respective real property for the  
17 preceding calendar year bears to the taxable value of all  
18 assessable property in the zone area. ~~, but in~~ **IF THE ZONE PLAN FOR**  
19 **THE ZONE AREA PROVIDES FOR ALLOCATION OF ASSESSMENTS BASED UPON**  
20 **ASSESSED VALUE, THE VOTES OF PROPERTY OWNERS SHALL BE WEIGHTED IN**  
21 **PROPORTION TO THE AMOUNT THAT THE ASSESSED VALUE OF THEIR**  
22 **RESPECTIVE REAL PROPERTY FOR THE PRECEDING CALENDAR YEAR BEARS TO**  
23 **THE ASSESSED VALUE OF ALL ASSESSABLE PROPERTY IN THE ZONE AREA. IF**  
24 **THE ZONE PLAN FOR THE ZONE AREA PROVIDES A BASIS FOR ALLOCATING**  
25 **ASSESSMENTS OTHER THAN TAXABLE VALUE OR ASSESSED VALUE, THE VOTES**  
26 **OF PROPERTY OWNERS SHALL BE WEIGHED IN PROPORTION TO THE AMOUNT**  
27 **THAT THE WEIGHTED VALUE FOR THEIR RESPECTIVE REAL PROPERTY BEARS TO**

1 **THE TOTAL WEIGHTED VALUE OF ALL ASSESSABLE PROPERTY IN THE ZONE**  
2 **AREA. IN** no case shall the total number of votes assigned to any 1  
3 property owner be equal to more than 25% of the total number of  
4 votes eligible to be cast in the election.

5 (3) A zone plan and the proposal for the establishment of a  
6 business improvement zone, including the identity of the initial  
7 board, shall be considered adopted upon the approval of more than  
8 60% of the property owners voting in the election, with votes  
9 weighted as provided in subsection (2).

10 (4) Upon acceptance or rejection of a business improvement  
11 zone and zone plan by the property owners, the resulting business  
12 improvement zone or the person filing the petition under section  
13 10c shall, at the request of the city or village, reimburse the  
14 city or village for all or a portion of the reasonable expenses  
15 incurred to comply with this chapter. The governing body of the  
16 city or village may forgive and choose not to collect all or a  
17 portion of the reasonable expenses incurred to comply with this  
18 chapter.

19 (5) Adoption of a business improvement zone and zone plan  
20 under this section authorizes the creation of the business  
21 improvement zone and the implementation of the zone plan for the 7-  
22 year period.

23 (6) Adoption of a business improvement zone and zone plan  
24 under this section and the creation of the business improvement  
25 zone does not relieve the business improvement zone from following,  
26 or does not waive any rights of the city or village to enforce, any  
27 applicable laws, statutes, or ordinances. A business improvement

1 zone created under this chapter shall comply with all applicable  
2 state and federal laws.

3 (7) To the extent not protected by the immunity conferred by  
4 1964 PA 170, MCL 691.1401 to ~~691.1415~~, **691.1419**, a city or village  
5 that approves a business improvement zone within its boundaries is  
6 immune from civil or administrative liability arising from any  
7 actions of that business improvement zone.

8 Sec. 10g. (1) The day-to-day activities of the business  
9 improvement zone and implementation of the zone plan shall be  
10 managed by a board of directors.

11 (2) The board shall consist of an odd number of directors and  
12 shall not be smaller than 5 and not larger than 15 in number. The  
13 board may include 1 director nominated by the chief executive of  
14 the city or village and ~~approved~~ **CONFIRMED** by the governing body of  
15 the city or village. **A NOMINATION NOT DISAPPROVED BY A GOVERNING**  
16 **BODY WITHIN 60 DAYS SHALL STAND CONFIRMED.**

17 (3) The duties and responsibilities of the board shall be  
18 prescribed in the zone plan and to the extent applicable shall  
19 include all of the following duties and responsibilities:

20 (a) Developing administrative procedures relating to the  
21 implementation of the zone plan.

22 (b) Recommending amendments to the zone plan.

23 (c) Scheduling and conducting an annual meeting of the  
24 property owners.

25 (d) Developing a zone plan for the next 7-year period.

26 (4) Members of the board shall serve without compensation.  
27 However, members of the board may be reimbursed for their actual

1 and necessary expenses incurred in the performance of their  
2 official duties as members of the board.

3       Sec. 10h. (1) A business improvement zone may be funded in  
4 whole or in part by 1 or more assessments on assessable property,  
5 as provided in the zone plan. An assessment under this chapter  
6 shall be in addition to any taxes or special assessments otherwise  
7 imposed on assessable property. **THE BUSINESS IMPROVEMENT ZONE, WITH**  
8 **THE APPROVAL OF THE BOARD, MAY ENTER INTO AGREEMENTS WITH 1 OR MORE**  
9 **PROPERTY OWNERS IN THE CITY OR VILLAGE PROVIDING FOR THE PROVISION**  
10 **OF BUSINESS ZONE ACTIVITIES OR SERVICES TO THE PROPERTY OWNER OR**  
11 **OWNERS BY THE BUSINESS IMPROVEMENT ZONE IN EXCHANGE FOR MONETARY**  
12 **CONTRIBUTIONS TO THE BUSINESS IMPROVEMENT ZONE FROM THE PROPERTY**  
13 **OWNER OR OWNERS.**

14       (2) An assessment shall be imposed against assessable property  
15 only on the basis of the benefits to assessable property afforded  
16 by the zone plan. There is a rebuttable presumption that a zone  
17 plan and any project specially benefits all assessable property in  
18 a zone area.

19       (3) If a zone plan provides for an assessment, the treasurer  
20 of the city or village in which the zone area is located as an  
21 agent of the business improvement zone shall collect the assessment  
22 imposed by the board under the zone plan on all assessable property  
23 within the zone area in the amount authorized by the zone plan.

24       (4) Except as provided in subsection ~~(7)~~-(6), assessments  
25 shall be collected by the treasurer of the city or village as an  
26 agent of the business improvement zone from each property owner and  
27 remitted promptly to the business improvement zone. Assessment

1 revenue is the property of the business improvement zone and not  
2 the city or village in which the business improvement zone is  
3 located. The business improvement zone may, at the option and under  
4 the direction of the treasurer, assist the treasurer of the city or  
5 village in collecting the assessment to keep the expenses of  
6 collecting the assessment at a minimum.

7 (5) The business improvement zone may institute a civil action  
8 to collect any delinquent assessment and interest.

9 ~~(6) An assessment imposed under this act is not a special~~  
10 ~~assessment collected under the general property tax act, 1893 PA~~  
11 ~~206, MCL 211.1 to 211.157.~~

12 (6) ~~(7)~~—An assessment is delinquent if it has not been paid  
13 within 90 days after it was due as provided under the zone plan  
14 imposed under this chapter. Delinquent assessments shall be  
15 collected by the business improvement zone. Delinquent assessments  
16 shall accrue interest at a rate of 1.5% per month until paid.

17 (7) ~~(8)~~—If any portion of the assessment has not been paid  
18 within 90 days after it was due, that portion of the unpaid  
19 assessment shall constitute a lien on the property. The lien amount  
20 shall be for the unpaid portion of the assessment and shall ~~not~~  
21 include any **APPLICABLE** interest. **ALTERNATIVELY, A DELINQUENT AND**  
22 **UNPAID ASSESSMENT MAY, AT THE REQUEST OF THE BUSINESS IMPROVEMENT**  
23 **ZONE, BE RETURNED AS DELINQUENT BY THE TREASURER OF THE CITY OR**  
24 **VILLAGE AND COLLECTED IN THE SAME MANNER AS A DELINQUENT TAX**  
25 **SPECIAL ASSESSMENT ALONG WITH ANY ASSOCIATED INTEREST, FEES, AND**  
26 **COSTS UNDER THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.1 TO**  
27 **211.155.**

1           Sec. 10i. (1) Expenses incurred in implementing any project or  
2 service of a business improvement zone shall be financed in  
3 accordance with the zone plan.

4           (2) Assessment revenues under section 10h are the funds of the  
5 business improvement zone and not funds of the state or of the city  
6 or village in which the business improvement zone is located. All  
7 money collected under section 10h shall be deposited in a financial  
8 institution in the name of the business improvement zone.  
9 Assessment revenues may be deposited in an interest generating  
10 account. The business improvement zone shall use the funds only to  
11 implement the zone plan.

12           (3) All expenditures by a business improvement zone shall be  
13 audited annually by a certified public accountant. The audit shall  
14 be completed within 9 months of the close of the fiscal year of the  
15 business improvement zone. Within 30 days after completion of an  
16 audit, the certified public accountant shall transmit a copy of the  
17 audit to the board and make copies of the audit available to the  
18 property owners and the public.

19           (4) If an annual audit required by this section contains  
20 material exceptions, ~~and the material exceptions are not~~  
21 ~~substantially corrected~~ **THE BOARD OF THE BUSINESS IMPROVEMENT ZONE**  
22 **SHALL** within 90 days of the delivery of the audit, ~~the business~~  
23 ~~improvement zone shall be dissolved in accordance with the zone~~  
24 ~~plan upon approval of the dissolution by the governing body of the~~  
25 ~~city or village in which the business improvement zone is~~  
26 ~~located.~~ **ADOPT A PLAN TO REMEDY THE EXCEPTIONS AND FORWARD A COPY OF**  
27 **THAT PLAN TO THE CITY OR VILLAGE IN WHICH THE BUSINESS IMPROVEMENT**

1 **ZONE IS LOCATED.**

2 (5) The board shall publish an annual activity and financial  
3 report. The report shall be available to the public. Each year,  
4 every property owner shall be notified of the availability of the  
5 annual activity and financial report.

6 (6) As used in this section, "financial institution" means a  
7 state or nationally chartered bank or a state or federally  
8 chartered savings and loan association, savings bank, or credit  
9 union whose deposits are insured by an agency of the United States  
10 government and that maintains a principal office or branch office  
11 located in this state under the laws of this state or of the United  
12 States.

13 Sec. 10k. (1) Prior to the expiration of any 7-year period,  
14 the board shall notify the property owners **WITHIN THE BUSINESS**  
15 **IMPROVEMENT ZONE** of a special meeting by first-class mail at least  
16 14 days prior to the scheduled date of the meeting to approve a new  
17 zone plan for the next 7-year period. Notice under this section  
18 shall include the specific location, scheduled date, and time of  
19 the meeting.

20 (2) Approval of the new zone plan at the special meeting by  
21 ~~60%~~50% of the property owners of assessable property voting at  
22 that meeting, with the vote of the property owners being weighted  
23 in accordance with section 10f(2), constitutes reauthorization of  
24 the business improvement zone for an additional 7-year period,  
25 commencing as of the expiration of the 7-year period then in  
26 effect. If the new zone plan reflects any new assessment, or  
27 reflects an extension of any assessment beyond the period

1 previously approved by the city or village in which the business  
2 improvement zone is located, the new or extended assessment shall  
3 be effective only with the approval of the governing body of the  
4 city or village.

5       Sec. 10/. (1) Upon written petition duly signed by ~~20%~~**30%** of  
6 the property owners of assessable property within a zone area **AND**  
7 **SUBMITTED NO SOONER THAN 2 YEARS FOLLOWING THE ADOPTION OF THE**  
8 **BUSINESS IMPROVEMENT ZONE AND ZONE PLAN**, the board shall place on  
9 the agenda of the next annual meeting, if the next annual meeting  
10 is to be held not later than ~~60~~**63** days after receipt of the  
11 written petition or a special meeting not to be held later than ~~60~~  
12 **63** days after receipt of the written petition, the issue of  
13 dissolution of the business improvement zone. Notice of the next  
14 annual meeting or special meeting described in this subsection  
15 shall be made to all property owners by first-class mail not less  
16 than 14 days prior to the date of the annual or special meeting.  
17 The notice shall include the specific location and the scheduled  
18 date and time of the meeting.

19       (2) The business improvement zone shall be dissolved upon a  
20 vote of more than ~~50%~~**60%** of the property owners of assessable  
21 property voting at the meeting, **WITH THE VOTES OF THE PROPERTY**  
22 **OWNERS WEIGHTED IN ACCORDANCE WITH SECTION 10F(2)**. A dissolution  
23 shall not take effect until **THE LATER OF THE END OF THE SECOND**  
24 **CALENDAR YEAR AFTER THE VOTE FOR DISSOLUTION** OR all contractual  
25 liabilities of the business improvement zone have been paid and  
26 discharged.

27       (3) Upon dissolution of a business improvement zone, the board

1 shall dispose of the remaining physical assets of the business  
2 improvement zone. The proceeds of any physical assets disposed of  
3 by the business improvement zone and all money collected through  
4 assessments that is not required to defray the expenses of the  
5 business improvement zone shall be refunded on a pro rata basis to  
6 persons from whom assessments were collected. If the board finds  
7 that the refundable amount is so small as to make impracticable the  
8 computation and refunding of the money, it may be transferred to  
9 the treasurer of the city or village in which the business  
10 improvement zone is located for deposit in the treasury of the city  
11 or village to the credit of the general fund.

12 (4) Upon dissolution of a business improvement zone, any  
13 remaining assets of the business improvement zone shall be  
14 transferred to the treasurer of the city or village in which the  
15 business improvement zone is located for deposit in the treasury of  
16 the city or village to the credit of the general fund.

17 **SEC. 10N. (1) TWO OR MORE BUSINESS IMPROVEMENT ZONES WITHIN**  
18 **THE SAME CITY OR VILLAGE MAY MERGE INTO A SINGLE BUSINESS**  
19 **IMPROVEMENT ZONE IF THE BOARD OF EACH BUSINESS IMPROVEMENT ZONE**  
20 **APPROVES A MERGER AGREEMENT AMONG THE MERGING ZONES AND THE MERGER**  
21 **AGREEMENT ALSO IS APPROVED BY THE GOVERNING BODY OF THE CITY OR**  
22 **VILLAGE IN WHICH THE ZONES ARE LOCATED.**

23 (2) THE MERGER AGREEMENT SHALL INCLUDE, WITHOUT LIMITATION, A  
24 MANNER OF SELECTING THE BOARD OF DIRECTORS OF THE MERGED BUSINESS  
25 IMPROVEMENT ZONE, A ZONE PLAN FOR THE MERGED BUSINESS IMPROVEMENT  
26 ZONE, AND A PLAN FOR ESTABLISHING AND COLLECTING ASSESSMENTS UNDER  
27 THE MERGED BUSINESS IMPROVEMENT ZONE.

1           Enacting section 1. Section 10d of 1961 PA 120, MCL 125.990d,  
2 is repealed.