

# HOUSE BILL NO. 5074

October 03, 2023, Introduced by Rep. Snyder and referred to the Committee on Local Government and Municipal Finance.

A bill to amend 2018 PA 57, entitled  
"Recodified tax increment financing act,"  
by amending section 402 (MCL 125.4402).

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

1           Sec. 402. As used in this part:

2           (a) "Advance" means a transfer of funds made by a municipality  
3 to an authority or to another person on behalf of the authority in  
4 anticipation of repayment by the authority. Evidence of the intent  
5 to repay an advance ~~may include,~~ **includes**, but is not limited to,  
6 an executed agreement to repay, provisions contained in a tax

1 increment financing plan approved ~~prior to~~**before** the advance, or a  
2 resolution of the authority or the municipality.

3 (b) "Alternative energy technology" means equipment, component  
4 parts, materials, electronic devices, testing equipment, and  
5 related systems that are specifically designed, specifically  
6 fabricated, and used primarily for 1 or more of the following:

7 (i) The storage, generation, reformation, or distribution of  
8 clean fuels integrated within an alternative energy system or  
9 alternative energy vehicle, not including an anaerobic digester  
10 energy system or a hydroelectric energy system, for use within the  
11 alternative energy system or alternative energy vehicle.

12 (ii) The process of generating and putting into a usable form  
13 the energy generated by an alternative energy system. Alternative  
14 energy technology does not include those component parts of an  
15 alternative energy system that are required regardless of the  
16 energy source.

17 (iii) Research and development of an alternative energy vehicle.

18 (iv) Research, development, and manufacturing of an alternative  
19 energy system.

20 (v) Research, development, and manufacturing of an anaerobic  
21 digester energy system.

22 (vi) Research, development, and manufacturing of a  
23 hydroelectric energy system.

24 (c) "Alternative energy technology business" means a business  
25 engaged in the research, development, or manufacturing of  
26 alternative energy technology or a business located in an authority  
27 district that includes a military installation that was operated by  
28 the United States Department of Defense and closed after 1980.

29 (d) "Assessed value" means 1 of the following:

1 (i) For valuations made before January 1, 1995, the state  
2 equalized valuation as determined under the general property tax  
3 act, 1893 PA 206, MCL 211.1 to 211.155.

4 (ii) For valuations made after December 31, 1994, the taxable  
5 value as determined under section 27a of the general property tax  
6 act, 1893 PA 206, MCL 211.27a.

7 (e) "Authority" means a local development finance authority  
8 created ~~pursuant to~~ **under** this part.

9 (f) "Authority district" means an area or areas within which  
10 an authority exercises its powers.

11 (g) "Board" means the governing body of an authority.

12 (h) "Business development area" means an area designated as a  
13 certified industrial park under this part ~~prior to~~ **before** June 29,  
14 2000, or an area designated in the tax increment financing plan  
15 that meets all of the following requirements:

16 (i) The area is zoned to allow its use for eligible property.

17 (ii) The area has a site plan or plat approved by the city,  
18 village, or township in which the area is located.

19 (i) "Business incubator" means real and personal property that  
20 meets all of the following requirements:

21 (i) Is located in a certified technology park or a certified  
22 alternative energy park.

23 (ii) Is subject to an agreement under section 412a or 412c.

24 (iii) Is developed for the primary purpose of attracting 1 or  
25 more owners or tenants who will engage in activities that would  
26 each separately qualify the property as eligible property under  
27 subdivision (s) (iii).

28 (j) "Captured assessed value" means the amount in any 1 year  
29 by which the current assessed value of the eligible property

1 identified in the tax increment financing plan or, for a certified  
2 technology park, a certified alternative energy park, or a ~~Next~~  
3 **next** Michigan development area, the real and personal property  
4 included in the tax increment financing plan, including the current  
5 assessed value of property for which specific local taxes are paid  
6 in lieu of property taxes as determined pursuant to subdivision  
7 (hh), exceeds the initial assessed value. The state tax commission  
8 shall prescribe the method for calculating captured assessed value.  
9 Except as otherwise provided in this part, tax abated property in a  
10 renaissance zone as defined under section 3 of the Michigan  
11 renaissance zone act, 1996 PA 376, MCL 125.2683, ~~shall~~**must** be  
12 excluded from the calculation of captured assessed value to the  
13 extent that the property is exempt from ad valorem property taxes  
14 or specific local taxes.

15 (k) "Certified alternative energy park" means that portion of  
16 an authority district designated by a written agreement entered  
17 into ~~pursuant to~~**under** section 412c between the authority, the  
18 municipality or municipalities, and the Michigan economic  
19 development corporation.

20 (l) "Certified business park" means a business development area  
21 that has been designated by the Michigan economic development  
22 corporation as meeting criteria established by the Michigan  
23 economic development corporation. The criteria shall establish  
24 standards for business development areas including, but not limited  
25 to, use, types of building materials, landscaping, setbacks,  
26 parking, storage areas, and management.

27 (m) "Certified technology park" means that portion of the  
28 authority district designated by a written agreement entered into  
29 ~~pursuant to~~**under** section 412a between the authority, the

1 municipality, and the Michigan economic development corporation.

2 (n) "Chief executive officer" means the mayor or city manager  
3 of a city, the president of a village, or, for other local units of  
4 government or school districts, the person charged by law with the  
5 supervision of the functions of the local unit of government or  
6 school district.

7 (o) "Development plan" means that information and those  
8 requirements for a development set forth in section 415.

9 (p) "Development program" means the implementation of a  
10 development plan.

11 (q) "Eligible advance" means an advance made before August 19,  
12 1993.

13 (r) "Eligible obligation" means an obligation issued or  
14 incurred by an authority or by a municipality on behalf of an  
15 authority before August 19, 1993 and its subsequent refunding by a  
16 qualified refunding obligation. Eligible obligation includes an  
17 authority's written agreement entered into before August 19, 1993  
18 to pay an obligation issued after August 18, 1993 and before  
19 December 31, 1996 by another entity on behalf of the authority.

20 (s) "Eligible property" means land improvements, buildings,  
21 structures, and other real property, and machinery, equipment,  
22 furniture, and fixtures, or any part or accessory ~~thereof~~ **of these**  
23 **items** whether completed or in the process of construction  
24 comprising an integrated whole, located within an authority  
25 district, of which the primary purpose and use is or will be 1 of  
26 the following:

27 (i) The manufacture of goods or materials or the processing of  
28 goods or materials by physical or chemical change.

29 (ii) Agricultural processing.

1 (iii) A high technology activity.

2 (iv) The production of energy by the processing of goods or  
3 materials by physical or chemical change by a small power  
4 production facility as defined by the Federal Energy Regulatory  
5 Commission ~~pursuant to~~**under** the public utility regulatory policies  
6 act of 1978, Public Law 95-617, which facility is fueled primarily  
7 by biomass or wood waste. This part does not affect a person's  
8 rights or liabilities under law with respect to groundwater  
9 contamination described in this subparagraph. This subparagraph  
10 applies only if all of the following requirements are met:

11 (A) Tax increment revenues captured from the eligible property  
12 will be used to finance, or will be pledged for debt service on tax  
13 increment bonds used to finance, a public facility in or near the  
14 authority district designed to reduce, eliminate, or prevent the  
15 spread of identified soil and groundwater contamination, pursuant  
16 to law.

17 (B) The board of the authority exercising powers within the  
18 authority district where the eligible property is located adopted  
19 an initial tax increment financing plan between January 1, 1991 and  
20 May 1, 1991.

21 (C) The municipality that created the authority establishes a  
22 special assessment district whereby not less than 50% of the  
23 operating expenses of the public facility described in this  
24 subparagraph will be paid for by special assessments. Not less than  
25 50% of the amount specially assessed against all parcels in the  
26 special assessment district ~~shall~~**must** be assessed against parcels  
27 owned by parties potentially responsible for the identified  
28 groundwater contamination pursuant to law.

29 (v) A business incubator.

1 (vi) An alternative energy technology business.

2 (vii) A transit-oriented facility.

3 (viii) A transit-oriented development.

4 (ix) An eligible ~~Next~~**next** Michigan business, as that term is  
5 defined in section 3 of the Michigan economic growth authority act,  
6 1995 PA 24, MCL 207.803, and other businesses within a ~~Next~~**next**  
7 Michigan development area, but only to the extent designated as  
8 eligible property within a development plan approved by a ~~Next~~**next**  
9 Michigan development corporation.

10 (t) "Fiscal year" means the fiscal year of the authority.

11 (u) "Governing body" means, except as otherwise provided in  
12 this subdivision, the elected body having legislative powers of a  
13 municipality creating an authority under this part. For a ~~Next~~**next**  
14 Michigan development corporation, governing body means the  
15 executive committee of the ~~Next~~**next** Michigan development  
16 corporation, unless otherwise provided in the interlocal agreement  
17 or articles of incorporation creating the ~~Next~~**next** Michigan  
18 development corporation or the governing body of an eligible urban  
19 entity or its designee as provided in the next Michigan development  
20 act, 2010 PA 275, MCL 125.2951 to 125.2959.

21 (v) "High-technology activity" means that term as defined in  
22 section 3 of the Michigan economic growth authority act, 1995 PA  
23 24, MCL 207.803.

24 (w) "Initial assessed value" means the assessed value of the  
25 eligible property identified in the tax increment financing plan  
26 or, for a certified technology park, a certified alternative energy  
27 park, or a ~~Next~~**next** Michigan development area, the assessed value  
28 of any real and personal property included in the tax increment  
29 financing plan, ~~at the time when~~ the resolution establishing the

1 tax increment financing plan is approved as shown by the most  
2 recent assessment roll for which equalization has been completed ~~at~~  
3 ~~the time~~ **when** the resolution is adopted or, for property that  
4 becomes eligible property in other than a certified technology park  
5 or a certified alternative energy park after the date the plan is  
6 approved, ~~at the time~~ **when** the property becomes eligible property.  
7 Property exempt from taxation ~~at the time of the determination of~~  
8 **when** the initial assessed value ~~shall is determined must~~ be  
9 included as zero. Property for which a specific local tax is paid  
10 in lieu of property tax ~~shall is~~ not be considered exempt from  
11 taxation. The initial assessed value of property for which a  
12 specific local tax was paid in lieu of property tax ~~shall be is~~  
13 determined as provided in subdivision (hh).

14 (x) "Michigan economic development corporation" means the  
15 public body corporate created under section 28 of article VII of  
16 the state constitution of 1963 and the urban cooperation act of  
17 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by a contractual  
18 interlocal agreement effective April 5, 1999 between local  
19 participating economic development corporations formed under the  
20 economic development corporations act, 1974 PA 338, MCL 125.1601 to  
21 125.1636, and the Michigan strategic fund. If the Michigan economic  
22 development corporation is unable for any reason to perform its  
23 duties under this part, those duties may be exercised by the  
24 Michigan strategic fund.

25 (y) "Michigan strategic fund" means the Michigan strategic  
26 fund as described in the Michigan strategic fund act, 1984 PA 270,  
27 MCL 125.2001 to 125.2094.

28 (z) "Municipality" means a city, village, or urban township.  
29 However, for purposes of creating and operating a certified



1 alternative energy park or a certified technology park,  
2 municipality includes townships that are not urban townships.

3 (aa) "Next Michigan development area" means a portion of an  
4 authority district designated by a ~~Next~~**next** Michigan development  
5 corporation under section 412e to which a development plan is  
6 applicable.

7 (bb) "Next Michigan development corporation" means that term  
8 as defined in section 3 of the next Michigan development act, 2010  
9 PA 275, MCL 125.2953.

10 (cc) "Obligation" means a written promise to pay, whether  
11 evidenced by a contract, agreement, lease, sublease, bond, or note,  
12 or a requirement to pay imposed by law. An obligation does not  
13 include a payment required solely because of default ~~upon~~**on** an  
14 obligation, employee salaries, or consideration paid for the use of  
15 municipal offices. An obligation does not include those bonds that  
16 have been economically defeased by refunding bonds issued under  
17 this part. Obligation includes, but is not limited to, the  
18 following:

19 (i) A requirement to pay proceeds derived from ad valorem  
20 property taxes or taxes levied in lieu of ad valorem property  
21 taxes.

22 (ii) A management contract or a contract for professional  
23 services.

24 (iii) A payment required on a contract, agreement, bond, or note  
25 if the requirement to make or assume the payment arose before  
26 August 19, 1993.

27 (iv) A requirement to pay or reimburse a person for the cost of  
28 insurance for, or to maintain, property subject to a lease, land  
29 contract, purchase agreement, or other agreement.

1 (v) A letter of credit, paying agent, transfer agent, bond  
2 registrar, or trustee fee associated with a contract, agreement,  
3 bond, or note.

4 (dd) "On behalf of an authority", in relation to an eligible  
5 advance made by a municipality or an eligible obligation or other  
6 protected obligation issued or incurred by a municipality, means in  
7 anticipation that an authority would transfer tax increment  
8 revenues or reimburse the municipality from tax increment revenues  
9 in an amount sufficient to fully make payment required by the  
10 eligible advance made by a municipality, or eligible obligation or  
11 other protected obligation issued or incurred by the municipality,  
12 if the anticipation of the transfer or receipt of tax increment  
13 revenues from the authority is pursuant to or evidenced by 1 or  
14 more of the following:

15 (i) A reimbursement agreement between the municipality and an  
16 authority it established.

17 (ii) A requirement imposed by law that the authority transfer  
18 tax increment revenues to the municipality.

19 (iii) A resolution of the authority agreeing to make payments to  
20 the incorporating unit.

21 (iv) Provisions in a tax increment financing plan describing  
22 the project for which the obligation was incurred.

23 (ee) "Other protected obligation" means:

24 (i) A qualified refunding obligation issued to refund an  
25 obligation described in subparagraph (ii) or (iii), an obligation that  
26 is not a qualified refunding obligation that is issued to refund an  
27 eligible obligation, or a qualified refunding obligation issued to  
28 refund an obligation described in this subparagraph.

29 (ii) An obligation issued or incurred by an authority or by a

1 municipality on behalf of an authority after August 19, 1993, but  
2 before December 31, 1994, to finance a project described in a tax  
3 increment finance plan approved by the municipality in accordance  
4 with this part before August 19, 1993, for which a contract for  
5 final design is entered into by the municipality or authority  
6 before March 1, 1994.

7 (iii) An obligation incurred by an authority or municipality  
8 after August 19, 1993, to reimburse a party to a development  
9 agreement entered into by a municipality or authority before August  
10 19, 1993, for a project described in a tax increment financing plan  
11 approved in accordance with this part before August 19, 1993, and  
12 undertaken and installed by that party in accordance with the  
13 development agreement.

14 (iv) An ongoing management or professional services contract  
15 with the governing body of a county that was entered into before  
16 March 1, 1994 and that was preceded by a series of limited term  
17 management or professional services contracts with the governing  
18 body of the county, the last of which was entered into before  
19 August 19, 1993.

20 (ff) "Public facility" means 1 or more of the following:

21 (i) A street, road, bridge, storm water or sanitary sewer,  
22 sewage treatment facility, facility designed to reduce, eliminate,  
23 or prevent the spread of identified soil or groundwater  
24 contamination, drainage system, retention basin, pretreatment  
25 facility, waterway, waterline, water storage facility, rail line,  
26 electric, gas, telephone or other communications, or any other type  
27 of utility line or pipeline, transit-oriented facility, transit-  
28 oriented development, or other similar or related structure or  
29 improvement, together with necessary easements for the structure or

1 improvement. Except for rail lines, utility lines, or pipelines,  
2 the structures or improvements described in this subparagraph ~~shall~~  
3 **must** be either owned or used by a public agency, functionally  
4 connected to similar or supporting facilities owned or used by a  
5 public agency, or designed and dedicated to use by, for the benefit  
6 of, or for the protection of the health, welfare, or safety of the  
7 public generally, whether or not used by a single business entity.  
8 Any road, street, or bridge ~~shall~~**must** be continuously open to  
9 public access. A public facility ~~shall~~**must** be located on public  
10 property or in a public, utility, or transportation easement or  
11 right-of-way.

12 (ii) The acquisition and disposal of land that is proposed or  
13 intended to be used in the development of eligible property or an  
14 interest in that land, demolition of structures, site preparation,  
15 and relocation costs.

16 (iii) All administrative and real and personal property  
17 acquisition and disposal costs related to a public facility  
18 described in subparagraphs (i) and (iv), including, but not limited  
19 to, architect's, engineer's, legal, and accounting fees as  
20 permitted by the district's development plan.

21 (iv) An improvement to a facility used by the public or a  
22 public facility as those terms are defined in section 1 of 1966 PA  
23 1, MCL 125.1351, which improvement is made to comply with the  
24 barrier free design requirements of the state construction code  
25 promulgated under the Stille-DeRossett-Hale single state  
26 construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.

27 (v) All of the following costs approved by the Michigan  
28 economic development corporation:

29 (A) Operational costs and the costs related to the

1 acquisition, improvement, preparation, demolition, disposal,  
2 construction, reconstruction, remediation, rehabilitation,  
3 restoration, preservation, maintenance, repair, furnishing, and  
4 equipping of land and other assets that are or may become eligible  
5 for depreciation under the internal revenue code of 1986, **26 USC 1**  
6 **to 9834**, for a business incubator located in a certified technology  
7 park or certified alternative energy park.

8 (B) Costs related to the acquisition, improvement,  
9 preparation, demolition, disposal, construction, reconstruction,  
10 remediation, rehabilitation, restoration, preservation,  
11 maintenance, repair, furnishing, and equipping of land and other  
12 assets that, if privately owned, would be eligible for depreciation  
13 under the internal revenue code of 1986, **26 USC 1 to 9834**, for  
14 laboratory facilities, research and development facilities,  
15 conference facilities, teleconference facilities, testing, training  
16 facilities, and quality control facilities that are or that support  
17 eligible property under subdivision (s) (iii), that are owned by a  
18 public entity, and that are located within a certified technology  
19 park.

20 (C) Costs related to the acquisition, improvement,  
21 preparation, demolition, disposal, construction, reconstruction,  
22 remediation, rehabilitation, restoration, preservation,  
23 maintenance, repair, furnishing, and equipping of land and other  
24 assets that, if privately owned, would be eligible for depreciation  
25 under the internal revenue code of 1986, **26 USC 1 to 9834**, for  
26 facilities that are or that will support eligible property under  
27 subdivision (s) (vi), that have been or will be owned by a public  
28 entity ~~at the time such~~ **when the** costs are incurred, that are  
29 located within a certified alternative energy park, and that have

1 been or will be conveyed, by gift or sale, by ~~such~~**the** public  
2 entity to an alternative energy technology business.

3 (vi) Operating and planning costs included in a plan pursuant  
4 ~~to~~**under** section 412(1)(f), including costs of marketing property  
5 within the district and attracting development of eligible property  
6 within the district.

7 (gg) "Qualified refunding obligation" means an obligation  
8 issued or incurred by an authority or by a municipality on behalf  
9 of an authority to refund an obligation if the refunding obligation  
10 meets both of the following:

11 (i) The net present value of the principal and interest to be  
12 paid on the refunding obligation, including the cost of issuance,  
13 will be less than the net present value of the principal and  
14 interest to be paid on the obligation being refunded, as calculated  
15 using a method approved by the department of treasury.

16 (ii) The net present value of the sum of the tax increment  
17 revenues described in subdivision (jj) (ii) and the distributions  
18 under section 411a to repay the refunding obligation will not be  
19 greater than the net present value of the sum of the tax increment  
20 revenues described in subdivision (jj) (ii) and the distributions  
21 under section 411a to repay the obligation being refunded, as  
22 calculated using a method approved by the department of treasury.

23 (hh) "Specific local taxes" means a tax levied under 1974 PA  
24 198, MCL 207.551 to 207.572, the obsolete property rehabilitation  
25 act, 2000 PA 146, MCL 125.2781 to 125.2797, the commercial  
26 redevelopment act, 1978 PA 255, MCL 207.651 to 207.668, the  
27 enterprise zone act, 1985 PA 224, MCL 125.2101 to 125.2123, 1953 PA  
28 189, MCL 211.181 to 211.182, and the technology park development  
29 act, 1984 PA 385, MCL 207.701 to 207.718. The initial assessed

1 value or current assessed value of property subject to a specific  
 2 local tax is the quotient of the specific local tax paid divided by  
 3 the ad valorem millage rate. However, after 1993, the state tax  
 4 commission shall prescribe the method for calculating the initial  
 5 assessed value and current assessed value of property for which a  
 6 specific local tax was paid in lieu of a property tax.

7 (ii) "State fiscal year" means the annual period commencing  
 8 October 1 of each year.

9 (jj) "Tax increment revenues" means the amount of ad valorem  
 10 property taxes and specific local taxes attributable to the  
 11 application of the levy of all taxing jurisdictions ~~upon~~**on** the  
 12 captured assessed value of eligible property within the district  
 13 or, for purposes of a certified technology park, a ~~Next~~**next**  
 14 Michigan development area, or a certified alternative energy park,  
 15 real or personal property that is located within the certified  
 16 technology park, a ~~Next~~**next** Michigan development area, or a  
 17 certified alternative energy park and included within the tax  
 18 increment financing plan, subject to the following requirements:

19 (i) Tax increment revenues include ad valorem property taxes  
 20 and specific local taxes attributable to the application of the  
 21 levy of all taxing jurisdictions, other than ~~the~~**this** state  
 22 ~~pursuant to~~**under** the state education tax act, 1993 PA 331, MCL  
 23 211.901 to 211.906, and local or intermediate school districts,  
 24 ~~upon~~**on** the captured assessed value of real and personal property  
 25 in the development area for any purpose authorized by this part.

26 (ii) Tax increment revenues include ad valorem property taxes  
 27 and specific local taxes attributable to the application of the  
 28 levy of ~~the~~**this** state ~~pursuant to~~**under** the state education tax  
 29 act, 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate

1 school districts ~~upon~~**on** the captured assessed value of real and  
 2 personal property in the development area in an amount equal to the  
 3 amount necessary, without regard to subparagraph (i), for the  
 4 following purposes:

5 (A) To repay eligible advances, eligible obligations, and  
 6 other protected obligations.

7 (B) To fund or to repay an advance or obligation issued by or  
 8 on behalf of an authority to fund the cost of public facilities  
 9 related to or for the benefit of eligible property located within a  
 10 certified technology park or a certified alternative energy park to  
 11 the extent the public facilities have been included in an agreement  
 12 under section 412a(3), 412b, or 412c(3), not to exceed 50%, as  
 13 determined by the state treasurer, of the amounts levied by ~~the~~  
 14 **this** state ~~pursuant to~~**under** the state education tax act, 1993 PA  
 15 331, MCL 211.901 to 211.906, and local and intermediate school  
 16 districts for a period, except as otherwise provided in this sub-  
 17 subparagraph, not to exceed 15 years, as determined by the state  
 18 treasurer, if the state treasurer determines that the capture under  
 19 this sub-subparagraph is necessary to reduce unemployment, promote  
 20 economic growth, and increase capital investment in the  
 21 municipality. However, ~~upon approval of~~**if approved by** the state  
 22 treasurer and the president of the Michigan economic development  
 23 corporation, a certified technology park may capture under this  
 24 sub-subparagraph for an additional period of 5 years if, **before**  
 25 **that capture**, the authority agrees to additional reporting  
 26 requirements and modifies its tax increment financing plan to  
 27 include regional collaboration as determined by the state treasurer  
 28 and the president of the Michigan economic development corporation.  
 29 **The retroactive approval of an additional period of 5 years may**



1 **occur after a capture under this sub-subparagraph for that**  
 2 **additional period, if the other requirements of this sub-**  
 3 **subparagraph are satisfied.** In addition, ~~upon~~ on approval of the  
 4 state treasurer and the president of the Michigan economic  
 5 development corporation, if a municipality that has created a  
 6 certified technology park that has entered into an agreement with  
 7 another authority that does not contain a certified technology park  
 8 to designate a distinct geographic area under section 412b, that  
 9 authority that has created the certified technology park and the  
 10 associated distinct geographic area may both capture under this  
 11 sub-subparagraph for an additional period of 15 years as determined  
 12 by the state treasurer and the president of the Michigan economic  
 13 development corporation.

14 (C) To fund the cost of public facilities related to or for  
 15 the benefit of eligible property located within a ~~Next~~ **next**  
 16 Michigan development area to the extent that the public facilities  
 17 have been included in a development plan, not to exceed 50%, as  
 18 determined by the state treasurer, of the amounts levied by ~~the~~  
 19 **this** state ~~pursuant to~~ **under** the state education tax act, 1993 PA  
 20 331, MCL 211.901 to 211.906, and local and intermediate school  
 21 districts for a period not to exceed 15 years, as determined by the  
 22 state treasurer, if the state treasurer determines that the capture  
 23 under this sub-subparagraph is necessary to reduce unemployment,  
 24 promote economic growth, and increase capital investment in the  
 25 authority district.

26 (iii) Tax increment revenues do not include any of the  
 27 following:

28 (A) Ad valorem property taxes or specific local taxes that are  
 29 excluded from and not made part of the tax increment financing

1 plan. Ad valorem personal property taxes or specific local taxes  
 2 associated with personal property may be excluded from and may not  
 3 be part of the tax increment financing plan.

4 (B) Ad valorem property taxes and specific local taxes  
 5 attributable to ad valorem property taxes excluded by the tax  
 6 increment financing plan of the authority from the determination of  
 7 the amount of tax increment revenues to be transmitted to the  
 8 authority.

9 (C) Ad valorem property taxes exempted from capture under  
 10 section 404(3) or specific local taxes attributable to ~~such~~**those**  
 11 ad valorem property taxes.

12 (D) Ad valorem property taxes specifically levied for the  
 13 payment of principal and interest of obligations approved by the  
 14 electors or obligations pledging the unlimited taxing power of the  
 15 local governmental unit or specific local taxes attributable to  
 16 ~~such~~**those** ad valorem property taxes.

17 (E) The amount of ad valorem property taxes or specific taxes  
 18 captured by a downtown development authority under part 2, tax  
 19 increment ~~financing~~**finance** authority under part 3, or brownfield  
 20 redevelopment authority under the brownfield redevelopment  
 21 financing act, 1996 PA 381, MCL 125.2651 to ~~125.2672,~~**125.2670**, if  
 22 those taxes were captured by these other authorities on the date  
 23 that the initial assessed value of a parcel of property was  
 24 established under this part.

25 (F) Ad valorem property taxes levied under 1 or more of the  
 26 following or specific local taxes attributable to those ad valorem  
 27 property taxes:

28 (I) The zoological authorities act, 2008 PA 49, MCL 123.1161  
 29 to 123.1183.

1           (II) The art institute authorities act, 2010 PA 296, MCL  
2 123.1201 to 123.1229.

3           (III) Except as otherwise provided in section 404(3), ad  
4 valorem property taxes or specific local taxes attributable to  
5 those ad valorem property taxes levied for a separate millage for  
6 public library purposes approved by the electors after December 31,  
7 2016.

8           (iv) The amount of tax increment revenues authorized to be  
9 included under subparagraph (ii), and required to be transmitted to  
10 the authority under section 413(1), from ad valorem property taxes  
11 and specific local taxes attributable to the application of the  
12 levy of the state education tax act, 1993 PA 331, MCL 211.901 to  
13 211.906, or a local school district or an intermediate school  
14 district ~~upon~~**on** the captured assessed value of real and personal  
15 property in a development area ~~shall~~**must** be determined separately  
16 for the levy by ~~the~~**this** state, each school district, and each  
17 intermediate school district as the product of sub-subparagraphs  
18 (A) and (B):

19           (A) The percentage that the total ad valorem taxes and  
20 specific local taxes available for distribution by law to ~~the~~**this**  
21 state, **a** local school district, or **an** intermediate school district,  
22 respectively, bears to the aggregate amount of ad valorem millage  
23 taxes and specific taxes available for distribution by law to ~~the~~  
24 **this** state, each local school district, and each intermediate  
25 school district.

26           (B) The maximum amount of ad valorem property taxes and  
27 specific local taxes considered tax increment revenues under  
28 subparagraph (ii).

29           (kk) "Transit-oriented development" means infrastructure

1 improvements that are located within 1/2 mile of a transit station  
2 or transit-oriented facility that promotes transit ridership or  
3 passenger rail use as determined by the board and approved by the  
4 municipality in which it is located.

5 (ll) "Transit-oriented facility" means a facility that houses a  
6 transit station in a manner that promotes transit ridership or  
7 passenger rail use.

8 (mm) "Urban township" means a township that meets 1 or more of  
9 the following:

10 (i) Meets all of the following requirements:

11 (A) Has a population of 20,000 or more, or has a population of  
12 10,000 or more but is located in a county with a population of  
13 400,000 or more.

14 (B) Adopted a master zoning plan before February 1, 1987.

15 (C) Provides sewer, water, and other public services to all or  
16 a part of the township.

17 (ii) Meets all of the following requirements:

18 (A) Has a population of less than 20,000.

19 (B) Is located in a county with a population of 250,000 or  
20 more but less than 400,000, and that county is located in a  
21 metropolitan statistical area.

22 (C) Has within its boundaries a parcel of property under  
23 common ownership that is 800 acres or larger and is capable of  
24 being served by a railroad, and located within 3 miles of a limited  
25 access highway.

26 (D) Establishes an authority before December 31, 1998.

27 (iii) Meets all of the following requirements:

28 (A) Has a population of less than 20,000.

29 (B) Has a state equalized valuation for all real and personal

1 property located in the township of more than \$200,000,000.00.

2 (C) Adopted a master zoning plan before February 1, 1987.

3 (D) Is a charter township under the charter township act, 1947  
4 PA 359, MCL 42.1 to 42.34.

5 (E) Has within its boundaries a combination of parcels under  
6 common ownership that is 800 acres or larger, is immediately  
7 adjacent to a limited access highway, is capable of being served by  
8 a railroad, and is immediately adjacent to an existing sewer line.

9 (F) Establishes an authority before March 1, 1999.

10 (iv) Meets all of the following requirements:

11 (A) Has a population of 13,000 or more.

12 (B) Is located in a county with a population of 150,000 or  
13 more.

14 (C) Adopted a master zoning plan before February 1, 1987.

15 (v) Meets all of the following requirements:

16 (A) Is located in a county with a population of 1,000,000 or  
17 more.

18 (B) Has a written agreement with an adjoining township to  
19 develop 1 or more public facilities on contiguous property located  
20 in both townships.

21 (C) Has a master plan in effect.

22 (vi) Meets all of the following requirements:

23 (A) Has a population of less than 10,000.

24 (B) Has a state equalized valuation for all real and personal  
25 property located in the township of more than \$280,000,000.00.

26 (C) Adopted a master zoning plan before February 1, 1987.

27 (D) Has within its boundaries a combination of parcels under  
28 common ownership that is 199 acres or larger, is located within 1  
29 mile of a limited access highway, and is located within 1 mile of

1 an existing sewer line.

2 (E) Has rail service.

3 (F) Establishes an authority before May 7, 2009.

4 (vii) Has joined an authority under section 403(2) ~~which~~**that**  
5 is seeking or has entered into an agreement for a certified  
6 technology park.

7 (viii) Has established an authority ~~which~~**that** is seeking or has  
8 entered into an agreement for a certified alternative energy park.