

HOUSE BILL NO. 4454

April 25, 2023, Introduced by Reps. Tyrone Carter, Scott, Morgan, Hoskins, Wilson, Grant, Dievendorf, Young, Farhat, Edwards and Skaggs and referred to the Committee on Economic Development and Small Business.

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, 10b, 10c, 10e, 10f, 10g, 10h, 10j, 10k, and 10l (MCL 125.990, 125.990b, 125.990c, 125.990e, 125.990f, 125.990g, 125.990h, 125.990j, 125.990k, and 125.990l), as amended by

2020 PA 91.

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**
 4 **section 34c of the general property tax act, 1893 PA 206, MCL**
 5 **211.34c, or** real property exempt from the collection of taxes under
 6 the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.
 7 ~~However, assessable property may include real property in a zone~~
 8 ~~area classified as residential real property under section 34c of~~
 9 ~~the general property tax act, 1893 PA 206, MCL 211.34c, only if the~~
 10 ~~plan for the zone area designates property classified as~~
 11 ~~residential real property in the zone area as assessable property~~
 12 ~~as part of its assessment proceeding.~~

13 (b) "Assessment" means an assessment imposed under this
 14 chapter against assessable property for the benefit of the property
 15 owners.

16 (c) "Assessment ~~revenues~~ **revenue**" means the money collected
 17 by a business improvement zone from any assessments, including any
 18 interest on the assessments.

19 (d) "Board" means the board of directors of a business
 20 improvement zone.

21 (e) "Business improvement zone" means a business improvement
 22 zone created under this chapter.

23 (f) "Nonprofit corporation" means a nonprofit corporation
 24 organized under the nonprofit corporation act, 1982 PA 162, MCL
 25 450.2101 to 450.3192, and that complies with all of the following:

26 (i) The articles of incorporation of the nonprofit corporation
 27 provide that the nonprofit corporation may promote a business

1 improvement zone and may also provide management services related
2 to the implementation of a zone plan.

3 (ii) The nonprofit corporation is exempt from federal income
4 tax under section 501(c)(4) or (6) of the internal revenue code of
5 **1986, 28-26** USC 501.

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

8 (h) "Project" means any activity **within a zone area** for the
9 benefit of property owners authorized by section 10a. ~~to enhance~~
10 ~~the business environment within a zone area.~~

11 (i) "Property owner" means a person ~~who~~**that** owns, or an agent
12 authorized in writing by a person ~~who~~**that** owns, assessable
13 property according to the records of the treasurer of the city or
14 village in which the business improvement zone is located.

15 (j) **"Proportional voting" means voting with an allocation of**
16 **votes under section 10f(7) if provided for in a zone plan or a**
17 **proposed zone plan.**

18 (k) ~~(j)~~"Qualifying period" means the period in which a
19 business improvement zone is authorized to operate and impose and
20 collect assessments, beginning on the date that the business
21 improvement zone is approved by the property owners voting on the
22 question as provided in section 10f and ending 7 to 10 calendar
23 years after that date as determined in the petition described in
24 section 10c. The 10-year period or qualifying period of a business
25 improvement zone that was created before June 28, 2018 begins on
26 the date that the business improvement zone was approved by the
27 property owners voting on the question as provided in section 10f.

28 (l) ~~(k)~~"Zone area" means the area designated in the zone plan
29 as the area to be served by the business improvement zone.

1 (m) ~~(h)~~ "Zone plan" means a set of goals, strategies,
2 objectives, and guidelines for the operation of a business
3 improvement zone.

4 Sec. 10b. (1) One or more business improvement zones may be
5 established within a city or village.

6 (2) ~~The zone plan shall allocate assessments on the basis of~~
7 ~~the benefit to assessable property.~~ A zone area shall **must** be
8 contiguous, with the exception of public streets, alleys, parks,
9 and other public rights-of-way.

10 (3) A business improvement zone may be established in a city
11 or village even if the city or village has established a principal
12 shopping district or business improvement district under chapter 1.
13 Assessable property ~~shall~~ **must** not be included in any of the
14 following:

15 (a) More than 1 business improvement zone established under
16 this chapter.

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

19 (4) **A zone plan may provide for assessments. If a zone plan**
20 **provides for assessments, the zone plan must include a basis for**
21 **the allocation of assessments in compliance with section 10h on the**
22 **basis of 1 or more of the following:**

23 (a) **Assessed value.**

24 (b) **Taxable value.**

25 (c) **Square footage.**

26 (d) **Street frontage.**

27 (e) **Any other factor relating to assessable property**
28 **identified in the zone plan.**

29 (5) **If the zone plan for a zone area provides a basis for the**

1 allocation of assessments on the basis of assessed value, the
 2 majority of all properties within the zone area, both by assessed
 3 value and square footage, must be assessable property.

4 (6) If the zone plan for a zone area provides a basis for the
 5 allocation of assessments on a basis other than assessed value, the
 6 majority of all properties within the zone area, both by taxable
 7 value and square footage, must be assessable property.

8 (7) A zone plan may provide for caps on the assessment amounts
 9 paid by an owner of assessable property and for caps on the growth
 10 of assessment amounts.

11 Sec. 10c. A person may initiate the establishment of a
 12 business improvement zone by the delivery of a petition to the
 13 clerk of the city or village in which a proposed zone area is
 14 located. The petition ~~shall~~**must** include all of the following:

15 (a) An attached map and description of the geographic
 16 boundaries of the zone area sufficient to identify each assessable
 17 property included.

18 (b) The signatures of property owners of parcels **of assessable**
 19 **property within the zone area, or their authorized agents,**
 20 representing not less than 30% of the property owners **of assessable**
 21 **property** within the zone area. **In determining whether the threshold**
 22 **under this subdivision is met, the number of required signatures**
 23 **must be determined and the signatures of property owners must be**
 24 **allocated, in the same manner as any proportional vote provided in**
 25 **the proposed zone plan under subdivision (d).**

26 (c) An attached listing, by tax parcel identification number,
 27 of all parcels within the zone area, separately identifying
 28 assessable property.

29 (d) An attached zone plan, which ~~shall~~**must** include all of the

1 following:

2 (i) The proposed initial board of directors for the zone,
 3 ~~including no less than 1 owner of residential real property if~~
 4 ~~residential real property is determined assessable property by the~~
 5 ~~local governmental unit under section 10,~~ except for a member of
 6 the board of directors who may be appointed by the city or village
 7 under section 10g(2).

8 (ii) The method for removal, appointment, and replacement of
 9 the **members of the** board.

10 (iii) A description of projects planned during the qualifying
 11 period, including the scope, nature, and duration of the projects.

12 (iv) An estimate of the total amount of expenditures for
 13 projects planned during the qualifying period.

14 (v) The proposed source or sources of financing for the
 15 projects **planned during the qualifying period.**

16 (vi) If the proposed financing includes assessments, the
 17 projected amount or rate of the assessments for each year and the
 18 ~~formula-basis~~ to be used in allocating the assessment to be imposed
 19 ~~on the basis of the benefit to assessable property.~~

20 (vii) A plan of dissolution for the business improvement zone.

21 (viii) Beginning on ~~the effective date of the amendatory act~~
 22 ~~that added this subparagraph,~~ **June 28, 2018**, the number of calendar
 23 years in the qualifying period, not more than 10 calendar years and
 24 not less than 7 calendar years.

25 (ix) **If proportional voting will apply, a description of the**
 26 **proportional voting mechanism to be used or, if proportional voting**
 27 **will not apply, a statement to that effect.**

28 (e) A ~~formula-basis~~ for allocating assessments in the zone
 29 area that is ~~based on the benefit to assessable property.~~

1 **consistent with section 10b.**

2 Sec. 10e. (1) If a petition is delivered to the clerk of the
3 city or village in accordance with section 10c, the governing body
4 of the city or village shall within 28 days schedule a public
5 hearing of the governing body to review the zone plan and any
6 proposed assessment and to receive public comment. The clerk shall
7 notify all owners of parcels within the zone area of the public
8 hearing by first-class mail.

9 (2) At the public hearing required under subsection (1), or at
10 the next regularly scheduled meeting of the governing body of the
11 city or village, the governing body shall approve or reject the
12 establishment of the business improvement zone and the zone plan
13 attached to the petition under section 10c. If the governing body
14 rejects the establishment of the business improvement zone and the
15 zone plan, the clerk shall notify all property owners within the
16 proposed zone of a meeting of the property owners within the
17 proposed zone, which ~~shall~~**must** be held not sooner than 7 days or
18 later than 21 days after the date of the rejection by the governing
19 body. The notice ~~shall~~**must** be sent by first-class mail to the
20 property owners not less than 7 days ~~prior to~~**before** the scheduled
21 date of the meeting and ~~shall~~**must** include the specific location
22 and the scheduled date and time of the meeting, as determined by
23 the person initiating the establishment of the business improvement
24 zone under section 10c(1). ~~Any notice required as part of the~~
25 ~~assessment process shall include a statement that a property owner~~
26 ~~of residential real property within a business improvement zone may~~
27 ~~seek a homestead deferment for an assessment under this act in the~~
28 ~~same manner as provided in section 4 of 1976 PA 225, MCL~~
29 ~~211.764.10c.~~

1 (3) At the meeting, the property owners may amend the zone
2 plan if approved by a majority of the property owners voting at the
3 meeting, **using proportional voting if applicable under the zone**
4 **plan**. The amended zone plan may be resubmitted to the clerk of the
5 city or village without the requirement of a new petition under
6 section 10c for approval or rejection at a meeting of the governing
7 body of the city or village not later than 28 days after the
8 amended zone plan is resubmitted to the clerk. If a zone plan is
9 not rejected within 56 days of the date the amended zone plan is
10 resubmitted to the clerk, the amended zone plan is considered
11 approved by the governing body of the city or village. If the
12 amended zone plan is rejected by the governing body, then the
13 amended zone plan may not be resubmitted without the delivery of a
14 new petition under section 10c.

15 (4) A governing body of a city or village shall consider the
16 establishment of a business improvement zone and a zone plan for
17 the business improvement zone under this section if all of the
18 following apply:

19 (a) The zone plan complies with the requirements of section
20 10c.

21 (b) The zone plan for the business improvement zone provides
22 that the services to be provided by the business improvement zone
23 and the projects under the zone plan would be supplemental to the
24 services, projects, and functions of the city or village.

25 (c) The zone plan provides a basis for allocating assessments
26 that complies with this chapter.

27 (5) Approval of the business improvement zone and zone plan
28 ~~shall serve~~ **serves** as a determination by the city or village that
29 any assessment set forth in the zone plan, including the basis for

1 allocating the assessment, is appropriate, subject only to the
2 approval of the business improvement zone and the zone plan by the
3 property owners in accordance with section 10f.

4 (6) If the governing body of the city or village approves the
5 business improvement zone and zone plan or if the amended zone plan
6 is considered approved under subsection (3), the clerk of the city
7 or village shall set an election pursuant to section 10f not more
8 than 49 days following the approval.

9 (7) The clerk of the city or village shall send to the
10 property owners notice by first-class mail of the election not less
11 than 28 days before the election and publish the notice at least
12 once in a newspaper of general circulation in the city or village
13 in which the zone area is located not less than 7 days or more than
14 21 days ~~prior to~~ **before** the date scheduled for the election. ~~Any~~
15 ~~notice required as part of the assessment process shall include a~~
16 ~~statement that a property owner of residential real property within~~
17 ~~a business improvement zone may seek a homestead deferment for an~~
18 ~~assessment under this act in the same manner as provided in section~~
19 ~~4 of 1976 PA 225, MCL 211.764.~~

20 (8) The election described in this section and section 10f is
21 not an election subject to the Michigan election law, 1954 PA 116,
22 MCL 168.1 to 168.992.

23 (9) The person ~~who~~ **that** filed the petition under section 10c,
24 the proposed board members, and the property owners may, at the
25 option and under the direction of the clerk, assist the clerk of
26 the city or village in conducting the election to ~~keep~~ **minimize** the
27 expenses of the election ~~at a minimum.~~ **incurred by the city or**
28 **village.**

29 Sec. 10f. (1) All property owners as of the date of the

1 delivery of the petition as provided in section 10c are eligible to
2 participate in the election. The election ~~shall~~**must** be conducted
3 by mail. The question to be voted on by the property owners is the
4 adoption of the zone plan and the establishment of the business
5 improvement zone, including the identity of the initial board.

6 (2) A zone plan and the proposal for the establishment of a
7 business improvement zone, including the identity of the initial
8 board, ~~shall be~~**are** considered adopted upon the approval of more
9 than 60% of the property owners voting in the election, **using**
10 **proportional voting if applicable under the zone plan.**

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

20 (4) Adoption of a business improvement zone and zone plan
21 under this section authorizes the creation of the business
22 improvement zone and the implementation of the zone plan for the
23 qualifying period.

24 (5) Adoption of a business improvement zone and zone plan
25 under this section and the creation of the business improvement
26 zone does not relieve the business improvement zone from following,
27 or does not waive any rights of the city or village to enforce, any
28 applicable laws, statutes, or ordinances. A business improvement
29 zone created under this chapter shall comply with all applicable

1 state and federal laws.

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

7 (7) Subject to subsection (8), if a zone plan provides for
8 proportional voting, the proportional vote of a property owner must
9 be allocated as follows:

10 (a) If the zone plan for the zone area provides a basis for
11 allocating assessments based on taxable value, the votes of
12 property owners may be proportionate to the amount that the taxable
13 value of their respective real property for the preceding calendar
14 year bears to the taxable value of all assessable property in the
15 zone area for that calendar year.

16 (b) If the zone plan for the zone area provides for allocation
17 of assessments based on assessed value, the votes of property
18 owners may be proportionate to the amount that the assessed value
19 of their respective real property for the preceding calendar year
20 bears to the assessed value of all assessable property in the zone
21 area for that calendar year.

22 (c) If the zone plan for the zone area provides a basis for
23 allocating assessments other than taxable value or assessed value,
24 the votes of property owners may be proportionate to the amount
25 that the assessment for their respective real property for the
26 prior calendar year bears to the total value of assessments for
27 assessable property in the zone area in that calendar year.

28 (8) The proportional vote allocated to any 1 property owner
29 must not exceed 25% of the total vote. If the proportional vote of

1 a single property owner under this section exceeds 25%, the amount
 2 in excess of 25% must be reallocated among the remaining property
 3 owners in proportion to the amount that the assessment of their
 4 respective assessable property for the prior calendar year bears to
 5 the assessment of all assessable property in the zone area owned by
 6 the remaining property owners during that calendar year. For
 7 purposes of this subsection, property owners that are affiliates
 8 shall be treated as a single property owner.

9 (9) As used in this section, "affiliate" means that term as
 10 defined in section 90/ of the Michigan strategic fund act, 1984 PA
 11 270, MCL 125.2090/.

12 Sec. 10g. (1) The ~~day-to-day board shall manage the~~ activities
 13 of the business improvement zone and implementation of the zone
 14 plan. ~~shall be managed by a board of directors.~~

15 (2) The board ~~shall~~**must** consist of an odd number of directors
 16 and ~~shall~~**must** not be smaller than 5 and not larger than 15 in
 17 number. The board may include 1 director nominated by the chief
 18 executive of the city or village and confirmed by the governing
 19 body of the city or village. ~~The board shall include no less than 1~~
 20 ~~owner of residential real property if residential real property is~~
 21 ~~determined assessable property by the local governmental unit under~~
 22 ~~section 10.~~ A nomination not disapproved by a governing body within
 23 60 days ~~shall stand~~**stands** confirmed.

24 (3) The duties and responsibilities of the board ~~shall~~**must** be
 25 prescribed in the zone plan and to the extent applicable ~~shall~~**must**
 26 include all of the following duties and responsibilities:

27 (a) Developing administrative procedures relating to the
 28 implementation of the zone plan.

29 (b) Recommending amendments to the zone plan.

1 (c) Scheduling and conducting an annual meeting of the
2 property owners.

3 (d) Developing a zone plan for the next qualifying period.

4 (4) Members of the board shall serve without compensation.
5 However, members of the board may be reimbursed for their actual
6 and necessary expenses incurred in the performance of their
7 official duties as members of the board.

8 Sec. 10h. (1) A business improvement zone may be funded in
9 whole or in part by 1 or more assessments on assessable property,
10 as provided in the zone plan. An assessment under this chapter
11 ~~shall be~~**is** in addition to any taxes or special assessments
12 otherwise imposed on assessable property. The business improvement
13 zone, with the approval of the board, may enter into agreements
14 with 1 or more property owners in the city or village providing for
15 the provision of business zone activities or services to the
16 property owner or owners by the business improvement zone in
17 exchange for monetary contributions to the business improvement
18 zone from the property owner or owners. An agreement providing for
19 the provision of business zone activities or services described in
20 this subsection ~~shall~~**must** be in writing and ~~shall~~**must** be made
21 available to all property owners of assessable property in the zone
22 area.

23 (2) An assessment ~~shall~~**may** be imposed against assessable
24 property only on the basis of the benefits to assessable property
25 afforded by the zone plan. There is a rebuttable presumption that a
26 zone plan and any project specially benefits all assessable
27 property in a zone area.

28 (3) If a zone plan provides for an assessment, the treasurer
29 of the city or village in which the zone area is located as an

1 agent of the business improvement zone shall collect the assessment
 2 imposed by the board under the zone plan on all assessable property
 3 within the zone area in the amount authorized by the zone plan.

4 (4) ~~Except as provided in subsection (6), assessments shall be~~
 5 ~~collected by the~~ **The** treasurer of the city or village **in which the**
 6 **zone area is located**, as an agent of the business improvement zone,
 7 **shall collect the assessments** from each property owner **within the**
 8 **zone area** and ~~remitted promptly~~ **remit the assessments collected** to
 9 the business improvement zone. ~~Except as otherwise provided in this~~
 10 ~~subsection, assessment~~ **Assessment** revenue is the property of the
 11 business improvement zone and not the city or village in which the
 12 business improvement zone is located. However, all payments to the
 13 treasurer shall be entirely applied first to the balance of any
 14 property taxes owed to the city or village and only then any
 15 remaining payment amount shall be considered assessment revenue
 16 belonging to the business improvement zone and applied to the
 17 assessment levied under this chapter. The business improvement zone
 18 may, at the option and under the direction of the treasurer, assist
 19 the treasurer of the city or village in collecting the assessment
 20 to ~~keep~~ **minimize** the expenses of collecting the assessment ~~at a~~
 21 ~~minimum.~~ **incurred by the city or village.**

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

24 (6) An assessment is delinquent if it has not been paid within
 25 90 days after it was due as provided under the zone plan imposed
 26 under this chapter. ~~Delinquent assessments shall be collected by~~
 27 **Except as otherwise provided in subsection (7),** the business
 28 improvement zone **shall collect delinquent assessments.** Delinquent
 29 assessments ~~shall~~ accrue interest at a rate of 1.5% per month until

1 paid.

2 (7) If any portion of the assessment has not been paid within
 3 90 days after it was due, that portion of the unpaid assessment
 4 ~~shall constitute~~**is** a lien on the property. The lien amount ~~shall~~
 5 ~~be~~**is** for the unpaid portion of the assessment and ~~shall include~~
 6 **includes** any applicable interest. Alternatively, a delinquent and
 7 unpaid assessment may, at the request of the business improvement
 8 zone, be returned as delinquent by the treasurer of the city or
 9 village and collected in the same manner as a delinquent tax
 10 special assessment along with any associated interest, fees, and
 11 costs under the general property tax act, 1893 PA 206, MCL 211.1 to
 12 211.155. However, property is not subject to forfeiture,
 13 foreclosure, and sale under sections 78 to 79a of the general
 14 property tax act, 1893 PA 206, MCL 211.78 to 211.79a, for
 15 nonpayment of an assessment under this chapter unless the property
 16 also is subject to forfeiture, foreclosure, and sale under sections
 17 78 to 79a of the general property tax act, 1893 PA 206, MCL 211.78
 18 to 211.79a, for delinquent property taxes. If a parcel of
 19 assessable property that has a delinquent and unpaid assessment is
 20 sold to a purchaser who is not related or affiliated to the seller,
 21 as determined by the board, the board may reduce or eliminate any
 22 delinquent and unpaid assessment on that parcel of assessable
 23 property if the property is not subject to forfeiture, foreclosure,
 24 and sale under sections 78 to 79a of the general property tax act,
 25 1893 PA 206, MCL 211.78 to 211.79a. If the delinquent property
 26 taxes are paid, the property may not be forfeited, foreclosed, and
 27 sold for an unpaid assessment under this chapter.

28 Sec. 10j. A zone plan may be amended. Amendments ~~shall be~~**are**
 29 effective if approved by a majority of the property owners voting

1 on the amendment at the annual meeting of property owners or a
 2 special meeting called for that purpose, **using proportional voting**
 3 **if applicable under the zone plan.** A zone plan amendment changing
 4 any assessment is effective only if also approved by the governing
 5 body of the city or village in which the business improvement zone
 6 is located.

7 Sec. 10k. (1) ~~Prior to~~ **Before** the expiration of any qualifying
 8 period, the board shall notify the property owners within the
 9 business improvement zone of a special meeting by first-class mail
 10 ~~at least~~ **not less than** 14 days ~~prior to~~ **before** the scheduled date
 11 of the meeting to approve a new zone plan for the next qualifying
 12 period. Notice under this section ~~shall~~ **must** include the specific
 13 location, scheduled date, and time of the meeting. ~~and shall~~
 14 ~~include a statement that a property owner of residential real~~
 15 ~~property within a business improvement zone may seek a homestead~~
 16 ~~deferment for an assessment under this act in the same manner as~~
 17 ~~provided in section 4 of 1976 PA 225, MCL 211.764.~~

18 (2) Approval of the new zone plan at the special meeting by
 19 more than 60% of the property owners of assessable property voting
 20 at that meeting, **using proportional voting if applicable under the**
 21 **zone plan,** constitutes reauthorization of the business improvement
 22 zone for an additional qualifying period, commencing as of the
 23 expiration of the qualifying period then in effect. If the new zone
 24 plan reflects any new assessment, or reflects an extension of any
 25 assessment beyond the period previously approved by the city or
 26 village in which the business improvement zone is located, the new
 27 or extended assessment ~~shall be~~ **is** effective only with the approval
 28 of the governing body of the city or village.

29 Sec. 10l. (1) Upon written petition duly signed by 30% of the

1 property owners of assessable property within a zone area and
 2 submitted no sooner than 2 years following the adoption of the
 3 business improvement zone and zone plan, the board shall place on
 4 the agenda of the next annual meeting, if the next annual meeting
 5 is to be held not later than 63 days after receipt of the written
 6 petition or a special meeting not to be held later than 63 days
 7 after receipt of the written petition, the issue of dissolution of
 8 the business improvement zone. Notice of the next annual meeting or
 9 special meeting described in this subsection ~~shall~~**must** be ~~made~~
 10 **provided** to all property owners by first-class mail not less than
 11 14 days ~~prior to~~**before** the date of the annual or special meeting.
 12 The notice ~~shall~~**must** include the specific location and the
 13 scheduled date and time of the meeting.

14 (2) The business improvement zone ~~shall be~~**is** dissolved upon a
 15 vote of more than 50% of the property owners of assessable property
 16 voting at the meeting, **using proportional voting if applicable**
 17 **under the zone plan**. A dissolution ~~shall~~**does** not take effect until
 18 the later of the end of the second calendar year after the vote for
 19 dissolution or all contractual liabilities of the business
 20 improvement zone have been paid and discharged.

21 (3) Upon dissolution of a business improvement zone, the board
 22 shall dispose of the remaining physical assets of the business
 23 improvement zone. The proceeds of any physical assets disposed of
 24 by the business improvement zone and all money collected through
 25 assessments that is not required to defray the expenses of the
 26 business improvement zone ~~shall~~**must** be refunded on a pro rata
 27 basis to persons from whom assessments were collected. If the board
 28 finds that the refundable amount is so small as to make
 29 impracticable the computation and refunding of the money, it may be

1 transferred to the treasurer of the city or village in which the
2 business improvement zone is located for deposit in the treasury of
3 the city or village to the credit of the general fund.

4 (4) Upon dissolution of a business improvement zone, any
5 remaining assets of the business improvement zone ~~shall~~**must** be
6 transferred to the treasurer of the city or village in which the
7 business improvement zone is located for deposit in the treasury of
8 the city or village to the credit of the general fund.