SENATE BILL NO. 656

October 30, 2025, Introduced by Senator ALBERT and referred to Committee on Government Operations.

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 section 10f (MCL 125.990f), as amended by 2023 PA 79.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

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

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

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

state and federal laws.

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

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

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

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

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

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

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

(9) As used in this section, "affiliate" means ~~that term as defined in section 90*l* of the Michigan strategic fund act, 1984 PA 270, MCL 125.2090*l*.~~**an entity that, directly or indirectly, through 1 or more intermediaries, controls, is controlled by, or is under common control with another entity. For the purposes of this subsection, an entity is controlled by another entity if the controlling entity holds, directly or indirectly, the majority voting or ownership interest in the controlled entity or has control over the day-to-day operations of the controlled entity by contract or law.**

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 631 of the 103rd Legislature is enacted into law.