

SENATE BILL NO. 676

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

A bill to amend 2018 PA 57, entitled
"Recodified tax increment financing act,"
by amending sections 219, 402, 403, 404, 410, 412, 412a, 412b,
412c, and 412e (MCL 125.4219, 125.4402, 125.4403, 125.4404,
125.4410, 125.4412, 125.4412a, 125.4412b, 125.4412c, and
125.4412e), section 402 as amended by 2023 PA 312.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 219. (1) The governing body after a public hearing on the
2 development plan or the tax increment financing plan, or both, with
3 notice of the hearing given in accordance with section 218, shall

determine whether the development plan or tax increment financing plan constitutes a public purpose. If it determines that the development plan or tax increment financing plan constitutes a public purpose, it shall then approve or reject the plan, or approve it with modification, by ordinance based on the following considerations:

(a) The findings and recommendations of a development area citizens council, if a development area citizens council was formed.

(b) The plan meets the requirements set forth in section 217(2).

(c) The proposed method of financing the development is feasible and the authority has the ability to arrange the financing.

(d) The development is reasonable and necessary to carry out the purposes of this part.

(e) The land included within the development area to be acquired is reasonably necessary to carry out the purposes of the plan and of this part in an efficient and economically satisfactory manner.

(f) The development plan is in reasonable accord with the master plan of the municipality.

(g) Public services, such as fire and police protection and utilities, are or will be adequate to service the project area.

(h) Changes in zoning, streets, street levels, intersections, and utilities are reasonably necessary for the project and for the municipality.

(2) Amendments to an approved development plan or tax increment plan must be submitted by the authority to the governing

1 body for approval or rejection.

2 (3) Proposed amendments made to an approved development plan
3 to incorporate a catalyst development project plan ~~shall~~**must** be
4 submitted by the authority to the Michigan strategic fund for
5 approval or rejection of that part of the plan relating to the
6 catalyst development project. Amendments not approved or rejected
7 under this subsection by the Michigan strategic fund within 45 days
8 ~~of~~**after** submission for approval ~~shall be~~**are** considered approved.

9 (4) **As used in this section:**

10 (a) "Bureau" means the bureau of fair competition and free
11 enterprise created in section 7 of the economic development fair
12 competition and free enterprise act.

13 (b) "Michigan strategic fund" means either of the following,
14 as applicable:

15 (i) Until the effective date of the economic development fair
16 competition and free enterprise act, the Michigan strategic fund as
17 described in former 1984 PA 270.

18 (ii) Beginning on the effective date of the economic
19 development fair competition and free enterprise act, the bureau.
20 If this subparagraph applies, a reference to the president of the
21 Michigan strategic fund means the director of the bureau.

22 Sec. 402. As used in this part:

23 (a) "Advance" means a transfer of funds made by a municipality
24 to an authority or to another person on behalf of the authority in
25 anticipation of repayment by the authority. Evidence of the intent
26 to repay an advance includes, but is not limited to, an executed
27 agreement to repay, provisions contained in a tax increment
28 financing plan approved before the advance, or a resolution of the
29 authority or the municipality.

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

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

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

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

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

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

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

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

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

(i) For valuations made before January 1, 1995, the state equalized valuation as determined under the general property tax

1 act, 1893 PA 206, MCL 211.1 to 211.155.

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

5 (e) "Authority" means a local development finance authority
6 created under this part.

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

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

10 (h) **"Bureau" means the bureau of fair competition and free**
11 **enterprise created in section 7 of the economic development fair**
12 **competition and free enterprise act.**

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

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

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

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

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

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

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

29 (k) ~~(j)~~ "Captured assessed value" means the amount in any 1

year by which the current assessed value of the eligible property identified in the tax increment financing plan or, for a certified technology park, a certified alternative energy park, or a next Michigan development area, the real and personal property included in the tax increment financing plan, including the current assessed value of property for which specific local taxes are paid in lieu of property taxes as determined pursuant to subdivision ~~(hh)~~, ~~(ii)~~, exceeds the initial assessed value. The state tax commission shall prescribe the method for calculating captured assessed value.

Except as otherwise provided in this part, tax abated property in a renaissance zone as defined under section 3 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2683, must be excluded from the calculation of captured assessed value to the extent that the property is exempt from ad valorem property taxes or specific local taxes.

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

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

(n) ~~(m)~~ "Certified technology park" means that portion of the authority district designated by a written agreement entered into under section 412a between the authority, the municipality, and the

1 Michigan economic development corporation.

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

7 **(p)** ~~(e)~~—"Development plan" means that information and those
8 requirements for a development set forth in section 415.

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

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

13 **(s)** ~~(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 **(t)** ~~(s)~~—"Eligible property" means land improvements,
21 buildings, structures, and other real property, and machinery,
22 equipment, furniture, and fixtures, or any part or accessory of
23 these 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~~ **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 under the public utility regulatory policies act of
6 1978, Public Law 95-617, which facility is fueled primarily by
7 biomass or wood waste. This part does not affect a person's rights
8 or liabilities under law with respect to groundwater contamination
9 described in this subparagraph. This subparagraph applies only if
10 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 must be assessed against parcels owned
27 by parties potentially responsible for the identified groundwater
28 contamination pursuant to law.

29 (v) A business incubator.

(vi) An alternative energy technology business.

(vii) A transit-oriented facility.

(viii) A transit-oriented development.

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

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

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

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

(x) ~~(w)~~ "Initial assessed value" means the assessed value of the eligible property identified in the tax increment financing plan or, for a certified technology park, a certified alternative energy park, or a next Michigan development area, the assessed value of any real and personal property included in the tax increment financing plan, when the resolution establishing the tax

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

13 **(y)** ~~(x)~~—"Michigan economic development corporation" means
 14 **either of the following, as applicable:**

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

27 **(ii) Beginning on the effective date of the economic**
 28 **development fair competition and free enterprise act, the bureau.**
 29 **If this subparagraph applies, a reference to the president of the**

1 **Michigan economic development corporation means the director of the**
 2 **bureau.**

3 **(z) ~~(y)~~"Michigan strategic fund" means either of the**
 4 **following, as applicable:**

5 **(i) Until the effective date of the economic development fair**
 6 **competition and free enterprise act,** the Michigan strategic fund as
 7 described in ~~the Michigan strategic fund act,~~ **former** 1984 PA 270. ,
 8 ~~MCL 125.2001 to 125.2094.~~

9 **(ii) Beginning on the effective date of the economic**
 10 **development fair competition and free enterprise act, the bureau.**
 11 **If this subparagraph applies, a reference to the president of the**
 12 **Michigan strategic fund means the director of the bureau.**

13 **(aa) ~~(z)~~"Municipality" means a city, village, or urban**
 14 **township. However, for purposes of creating and operating a**
 15 **certified alternative energy park or a certified technology park,**
 16 **municipality includes townships that are not urban townships.**

17 **(bb) ~~(aa)~~"Next Michigan development area" means a portion of**
 18 **an authority district designated by a next Michigan development**
 19 **corporation under section 412e to which a development plan is**
 20 **applicable.**

21 **(cc) ~~(bb)~~"Next Michigan development corporation" means that**
 22 **term as defined in section 3 of ~~the next Michigan development act,~~**
 23 **former** 2010 PA 275. , ~~MCL 125.2953.~~

24 **(dd) ~~(ee)~~"Obligation" means a written promise to pay, whether**
 25 **evidenced by a contract, agreement, lease, sublease, bond, or note,**
 26 **or a requirement to pay imposed by law. An obligation does not**
 27 **include a payment required solely because of default on an**
 28 **obligation, employee salaries, or consideration paid for the use of**
 29 **municipal offices. An obligation does not include those bonds that**

1 have been economically defeased by refunding bonds issued under
2 this part. Obligation includes, but is not limited to, the
3 following:

4 (i) A requirement to pay proceeds derived from ad valorem
5 property taxes or taxes levied in lieu of ad valorem property
6 taxes.

7 (ii) A management contract or a contract for professional
8 services.

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

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

15 (v) A letter of credit, paying agent, transfer agent, bond
16 registrar, or trustee fee associated with a contract, agreement,
17 bond, or note.

18 (ee) ~~(dd)~~ "On behalf of an authority", in relation to an
19 eligible advance made by a municipality or an eligible obligation
20 or other protected obligation issued or incurred by a municipality,
21 means in anticipation that an authority would transfer tax
22 increment revenues or reimburse the municipality from tax increment
23 revenues in an amount sufficient to fully make payment required by
24 the eligible advance made by a municipality, or eligible obligation
25 or other protected obligation issued or incurred by the
26 municipality, if the anticipation of the transfer or receipt of tax
27 increment revenues from the authority is pursuant to or evidenced
28 by 1 or more of the following:

29 (i) A reimbursement agreement between the municipality and an

1 authority it established.

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

4 (iii) A resolution of the authority agreeing to make payments to
5 the incorporating unit.

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

8 **(ff)** ~~(ee)~~ "Other protected obligation" means:

9 (i) A qualified refunding obligation issued to refund an
10 obligation described in subparagraph (ii) or (iii), an obligation that
11 is not a qualified refunding obligation that is issued to refund an
12 eligible obligation, or a qualified refunding obligation issued to
13 refund an obligation described in this subparagraph.

14 (ii) An obligation issued or incurred by an authority or by a
15 municipality on behalf of an authority after August 19, 1993, but
16 before December 31, 1994, to finance a project described in a tax
17 increment finance plan approved by the municipality in accordance
18 with this part before August 19, 1993, for which a contract for
19 final design is entered into by the municipality or authority
20 before March 1, 1994.

21 (iii) An obligation incurred by an authority or municipality
22 after August 19, 1993, to reimburse a party to a development
23 agreement entered into by a municipality or authority before August
24 19, 1993, for a project described in a tax increment financing plan
25 approved in accordance with this part before August 19, 1993, and
26 undertaken and installed by that party in accordance with the
27 development agreement.

28 (iv) An ongoing management or professional services contract
29 with the governing body of a county that was entered into before

1 March 1, 1994 and that was preceded by a series of limited term
2 management or professional services contracts with the governing
3 body of the county, the last of which was entered into before
4 August 19, 1993.

5 (gg) ~~(ff)~~—"Public facility" means 1 or more of the following:

6 (i) A street, road, bridge, storm water or sanitary sewer,
7 sewage treatment facility, facility designed to reduce, eliminate,
8 or prevent the spread of identified soil or groundwater
9 contamination, drainage system, retention basin, pretreatment
10 facility, waterway, waterline, water storage facility, rail line,
11 electric, gas, telephone or other communications, or any other type
12 of utility line or pipeline, transit-oriented facility, transit-
13 oriented development, or other similar or related structure or
14 improvement, together with necessary easements for the structure or
15 improvement. Except for rail lines, utility lines, or pipelines,
16 the structures or improvements described in this subparagraph must
17 be either owned or used by a public agency, functionally connected
18 to similar or supporting facilities owned or used by a public
19 agency, or designed and dedicated to use by, for the benefit of, or
20 for the protection of the health, welfare, or safety of the public
21 generally, whether or not used by a single business entity. Any
22 road, street, or bridge must be continuously open to public access.
23 A public facility must be located on public property or in a
24 public, utility, or transportation easement or right-of-way.

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

29 (iii) All administrative and real and personal property

1 acquisition and disposal costs related to a public facility
2 described in subparagraphs (i) and (iv), including, but not limited
3 to, architect's, engineer's, legal, and accounting fees as
4 permitted by the district's development plan.

5 (iv) An improvement to a facility used by the public or a
6 public facility as those terms are defined in section 1 of 1966 PA
7 1, MCL 125.1351, which improvement is made to comply with the
8 barrier free design requirements of the state construction code
9 promulgated under the Stille-DeRossett-Hale single state
10 construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.

11 (v) All of the following costs approved by the Michigan
12 economic development corporation:

13 (A) Operational costs and the costs related to the
14 acquisition, improvement, preparation, demolition, disposal,
15 construction, reconstruction, remediation, rehabilitation,
16 restoration, preservation, maintenance, repair, furnishing, and
17 equipping of land and other assets that are or may become eligible
18 for depreciation under the internal revenue code of 1986, 26 USC 1
19 to 9834, for a business incubator located in a certified technology
20 park or certified alternative energy park.

21 (B) Costs related to the acquisition, improvement,
22 preparation, demolition, disposal, construction, reconstruction,
23 remediation, rehabilitation, restoration, preservation,
24 maintenance, repair, furnishing, and equipping of land and other
25 assets that, if privately owned, would be eligible for depreciation
26 under the internal revenue code of 1986, 26 USC 1 to 9834, for
27 laboratory facilities, research and development facilities,
28 conference facilities, teleconference facilities, testing, training
29 facilities, and quality control facilities that are or that support

1 eligible property under subdivision ~~(s) (iii)~~, **(t) (iii)**, that are owned
 2 by a public entity, and that are located within a certified
 3 technology park.

4 (C) Costs related to the acquisition, improvement,
 5 preparation, demolition, disposal, construction, reconstruction,
 6 remediation, rehabilitation, restoration, preservation,
 7 maintenance, repair, furnishing, and equipping of land and other
 8 assets that, if privately owned, would be eligible for depreciation
 9 under the internal revenue code of 1986, 26 USC 1 to 9834, for
 10 facilities that are or that will support eligible property under
 11 subdivision ~~(s) (vi)~~, **(t) (vi)**, that have been or will be owned by a
 12 public entity when the costs are incurred, that are located within
 13 a certified alternative energy park, and that have been or will be
 14 conveyed, by gift or sale, by the public entity to an alternative
 15 energy technology business.

16 (vi) Operating and planning costs included in a plan under
 17 section 412(1)(f), including costs of marketing property within the
 18 district and attracting development of eligible property within the
 19 district.

20 **(hh)** ~~(gg)~~ "Qualified refunding obligation" means an obligation
 21 issued or incurred by an authority or by a municipality on behalf
 22 of an authority to refund an obligation if the refunding obligation
 23 meets both of the following:

24 (i) The net present value of the principal and interest to be
 25 paid on the refunding obligation, including the cost of issuance,
 26 will be less than the net present value of the principal and
 27 interest to be paid on the obligation being refunded, as calculated
 28 using a method approved by the department of treasury.

29 (ii) The net present value of the sum of the tax increment

1 revenues described in subdivision ~~(jj)(ii)~~ **(kk) (ii)** and the
 2 distributions under section 411a to repay the refunding obligation
 3 will not be greater than the net present value of the sum of the
 4 tax increment revenues described in subdivision ~~(jj)(ii)~~ **(kk) (ii)** and
 5 the distributions under section 411a to repay the obligation being
 6 refunded, as calculated using a method approved by the department
 7 of treasury.

8 **(ii)** ~~(hh)~~ "Specific local taxes" means a tax levied under 1974
 9 PA 198, MCL 207.551 to 207.572, the obsolete property
 10 rehabilitation act, 2000 PA 146, MCL 125.2781 to 125.2797, the
 11 commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668,
 12 the enterprise zone act, 1985 PA 224, MCL 125.2101 to 125.2123,
 13 1953 PA 189, MCL 211.181 to 211.182, and the technology park
 14 development act, 1984 PA 385, MCL 207.701 to 207.718. The initial
 15 assessed value or current assessed value of property subject to a
 16 specific local tax is the quotient of the specific local tax paid
 17 divided by the ad valorem millage rate. However, after 1993, the
 18 state tax commission shall prescribe the method for calculating the
 19 initial assessed value and current assessed value of property for
 20 which a specific local tax was paid in lieu of a property tax.

21 **(jj)** ~~(ii)~~ "State fiscal year" means the annual period
 22 commencing October 1 of each year.

23 **(kk)** ~~(jj)~~ "Tax increment revenues" means the amount of ad
 24 valorem property taxes and specific local taxes attributable to the
 25 application of the levy of all taxing jurisdictions on the captured
 26 assessed value of eligible property within the district or, for
 27 purposes of a certified technology park, a next Michigan
 28 development area, or a certified alternative energy park, real or
 29 personal property that is located within the certified technology

1 park, a next Michigan development area, or a certified alternative
2 energy park and included within the tax increment financing plan,
3 subject to the following requirements:

4 (i) Tax increment revenues include ad valorem property taxes
5 and specific local taxes attributable to the application of the
6 levy of all taxing jurisdictions, other than this state under the
7 state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and
8 local or intermediate school districts, on the captured assessed
9 value of real and personal property in the development area for any
10 purpose authorized by this part.

11 (ii) Tax increment revenues include ad valorem property taxes
12 and specific local taxes attributable to the application of the
13 levy of this state under the state education tax act, 1993 PA 331,
14 MCL 211.901 to 211.906, and local or intermediate school districts
15 on the captured assessed value of real and personal property in the
16 development area in an amount equal to the amount necessary,
17 without regard to subparagraph (i), for the following purposes:

18 (A) To repay eligible advances, eligible obligations, and
19 other protected obligations.

20 (B) To fund or to repay an advance or obligation issued by or
21 on behalf of an authority to fund the cost of public facilities
22 related to or for the benefit of eligible property located within a
23 certified technology park or a certified alternative energy park to
24 the extent the public facilities have been included in an agreement
25 under section 412a(3), 412b, or 412c(3), not to exceed 50%, as
26 determined by the state treasurer, of the amounts levied by this
27 state under the state education tax act, 1993 PA 331, MCL 211.901
28 to 211.906, and local and intermediate school districts for a
29 period, except as otherwise provided in this sub-subparagraph, not

1 to exceed 15 years, as determined by the state treasurer, if the
2 state treasurer determines that the capture under this sub-
3 subparagraph is necessary to reduce unemployment, promote economic
4 growth, and increase capital investment in the municipality.
5 However, if approved by the state treasurer and the president of
6 the Michigan economic development corporation, a certified
7 technology park may capture under this sub-subparagraph for an
8 additional period of 5 years if, before that capture, the authority
9 agrees to additional reporting requirements and modifies its tax
10 increment financing plan to include regional collaboration as
11 determined by the state treasurer and the president of the Michigan
12 economic development corporation. The retroactive approval of an
13 additional period of 5 years may occur after a capture under this
14 sub-subparagraph for that additional period, if the other
15 requirements of this sub-subparagraph are satisfied. In addition,
16 on approval of the state treasurer and the president of the
17 Michigan economic development corporation, if a municipality that
18 has created a certified technology park that has entered into an
19 agreement with another authority that does not contain a certified
20 technology park to designate a distinct geographic area under
21 section 412b, that authority that has created the certified
22 technology park and the associated distinct geographic area may
23 both capture under this sub-subparagraph for an additional period
24 of 15 years as determined by the state treasurer and the president
25 of the Michigan economic development corporation.

26 (C) To fund the cost of public facilities related to or for
27 the benefit of eligible property located within a next Michigan
28 development area to the extent that the public facilities have been
29 included in a development plan, not to exceed 50%, as determined by

1 the state treasurer, of the amounts levied by this state under the
2 state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and
3 local and intermediate school districts for a period not to exceed
4 15 years, as determined by the state treasurer, if the state
5 treasurer determines that the capture under this sub-subparagraph
6 is necessary to reduce unemployment, promote economic growth, and
7 increase capital investment in the authority district.

8 (iii) Tax increment revenues do not include any of the
9 following:

10 (A) Ad valorem property taxes or specific local taxes that are
11 excluded from and not made part of the tax increment financing
12 plan. Ad valorem personal property taxes or specific local taxes
13 associated with personal property may be excluded from and may not
14 be part of the tax increment financing plan.

15 (B) Ad valorem property taxes and specific local taxes
16 attributable to ad valorem property taxes excluded by the tax
17 increment financing plan of the authority from the determination of
18 the amount of tax increment revenues to be transmitted to the
19 authority.

20 (C) Ad valorem property taxes exempted from capture under
21 section 404(3) or specific local taxes attributable to those ad
22 valorem property taxes.

23 (D) Ad valorem property taxes specifically levied for the
24 payment of principal and interest of obligations approved by the
25 electors or obligations pledging the unlimited taxing power of the
26 local governmental unit or specific local taxes attributable to
27 those ad valorem property taxes.

28 (E) The amount of ad valorem property taxes or specific taxes
29 captured by a downtown development authority under part 2, tax

1 increment finance authority under part 3, or brownfield
2 redevelopment authority under the brownfield redevelopment
3 financing act, 1996 PA 381, MCL 125.2651 to 125.2670, if those
4 taxes were captured by these other authorities on the date that the
5 initial assessed value of a parcel of property was established
6 under this part.

7 (F) Ad valorem property taxes levied under 1 or more of the
8 following or specific local taxes attributable to those ad valorem
9 property taxes:

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

12 (II) The art institute authorities act, 2010 PA 296, MCL
13 123.1201 to 123.1229.

14 (III) Except as otherwise provided in section 404(3), ad
15 valorem property taxes or specific local taxes attributable to
16 those ad valorem property taxes levied for a separate millage for
17 public library purposes approved by the electors after December 31,
18 2016.

19 (iv) The amount of tax increment revenues authorized to be
20 included under subparagraph (ii), and required to be transmitted to
21 the authority under section 413(1), from ad valorem property taxes
22 and specific local taxes attributable to the application of the
23 levy of the state education tax act, 1993 PA 331, MCL 211.901 to
24 211.906, or a local school district or an intermediate school
25 district on the captured assessed value of real and personal
26 property in a development area must be determined separately for
27 the levy by this state, each school district, and each intermediate
28 school district as the product of sub-subparagraphs (A) and (B):

29 (A) The percentage that the total ad valorem taxes and

specific local taxes available for distribution by law to this state, a local school district, or an intermediate school district, respectively, bears to the aggregate amount of ad valorem millage taxes and specific taxes available for distribution by law to this state, each local school district, and each intermediate school district.

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

(ll) ~~(kk)~~—"Transit-oriented development" means infrastructure improvements that are located within 1/2 mile of a transit station or transit-oriented facility that promotes transit ridership or passenger rail use as determined by the board and approved by the municipality in which it is located.

(mm) ~~(ll)~~—"Transit-oriented facility" means a facility that houses a transit station in a manner that promotes transit ridership or passenger rail use.

(nn) ~~(mm)~~—"Urban township" means a township that meets 1 or more of the following:

(i) Meets all of the following requirements:

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

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

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

(ii) Meets all of the following requirements:

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

(B) Is located in a county with a population of 250,000 or

1 more but less than 400,000, and that county is located in a
2 metropolitan statistical area.

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

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

8 (iii) Meets all of the following requirements:

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

10 (B) Has a state equalized valuation for all real and personal
11 property located in the township of more than \$200,000,000.00.

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

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

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

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

20 (iv) Meets all of the following requirements:

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

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

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

25 (v) Meets all of the following requirements:

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

28 (B) Has a written agreement with an adjoining township to
29 develop 1 or more public facilities on contiguous property located

1 in both townships.

2 (C) Has a master plan in effect.

3 (vi) Meets all of the following requirements:

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

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

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

8 (D) Has within its boundaries a combination of parcels under
9 common ownership that is 199 acres or larger, is located within 1
10 mile of a limited access highway, and is located within 1 mile of
11 an existing sewer line.

12 (E) Has rail service.

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

14 (vii) Has joined an authority under section 403(2) that is
15 seeking or has entered into an agreement for a certified technology
16 park.

17 (viii) Has established an authority that is seeking or has
18 entered into an agreement for a certified alternative energy park.

19 Sec. 403. (1) Except as otherwise provided by subsection (2),
20 a municipality may establish not more than 1 authority under ~~the~~
21 ~~provisions of~~ this part. An authority established under this
22 subsection ~~shall~~**may** exercise its powers in all authority
23 districts.

24 (2) In addition to an authority established under subsection
25 (1), a municipality may join with 1 or more other municipalities
26 located within the same county to establish an authority under this
27 part. An authority created under this subsection may only exercise
28 its powers in a certified technology park designated in an
29 agreement made under section 412a or 412b or in a certified

1 alternative energy park designated in an agreement under section
 2 412c. A municipality shall not establish more than 1 authority
 3 under this subsection.

4 (3) ~~A-Until the effective date of the economic development~~
 5 ~~fair competition and free enterprise act, a~~ Next Michigan
 6 development corporation may establish not more than 1 authority
 7 under the provisions of this part. An authority established under
 8 this subsection ~~shall-may~~ exercise its powers within its authority
 9 district and in all Next Michigan development areas. The authority
 10 district in which the authority may exercise its powers ~~shall-may~~
 11 include all or part of the territory of a Next Michigan development
 12 corporation, as determined by the governing body of the Next
 13 Michigan development corporation.

14 (4) The authority ~~shall-be-is~~ a public body corporate which
 15 may sue and be sued in any court of this state. The authority
 16 possesses all the powers necessary to carry out the purpose of its
 17 incorporation. The enumeration of a power in this part ~~shall-must~~
 18 not be construed as a limitation ~~upon-on~~ the general powers of the
 19 authority. The powers granted in this part to an authority may be
 20 exercised notwithstanding that bonds are not issued by the
 21 authority.

22 Sec. 404. (1) The governing body of a municipality may declare
 23 by resolution adopted by a majority of its members elected and
 24 serving its intention to create and provide for the operation of an
 25 authority.

26 (2) In the resolution of intent, the governing body proposing
 27 to create the authority shall set a date for holding a public
 28 hearing on the adoption of a proposed resolution creating the
 29 authority and designating the boundaries of the authority district

1 or districts. Notice of the public hearing ~~shall~~**must** be published
2 twice in a newspaper of general circulation in the municipality,
3 not less than 20 nor more than 40 days before the date of the
4 hearing. Except as otherwise provided in subsection (8), not less
5 than 20 days before the hearing, the governing body proposing to
6 create the authority shall also mail notice of the hearing to the
7 property taxpayers of record in a proposed authority district and,
8 for a public hearing to be held after February 15, 1994, to the
9 governing body of each taxing jurisdiction levying taxes that would
10 be subject to capture if the authority is established and a tax
11 increment financing plan is approved. Beginning June 1, 2005, the
12 notice of hearing within the time frame described in this
13 subsection ~~shall~~**must** be mailed by certified mail to the governing
14 body of each taxing jurisdiction levying taxes that would be
15 subject to capture if the authority is established and a tax
16 increment financing plan is approved. Failure of a property
17 taxpayer to receive the notice ~~shall~~**does** not invalidate these
18 proceedings. The notice ~~shall~~**must** state the date, time, and place
19 of the hearing, and ~~shall~~ describe the boundaries of the proposed
20 authority district or districts. At that hearing, a resident,
21 taxpayer, or property owner from a taxing jurisdiction in which the
22 proposed district is located or an official from a taxing
23 jurisdiction with **a** millage that would be subject to capture has
24 the right to be heard in regard to the establishment of the
25 authority and the boundaries of that proposed authority district.
26 The governing body of the municipality in which a proposed district
27 is to be located shall not incorporate land into an authority
28 district not included in the description contained in the notice of
29 public hearing, but it may eliminate lands described in the notice

1 of public hearing from an authority district in the final
2 determination of the boundaries.

3 (3) Except as otherwise provided in subsection (8), not more
4 than 60 days after a public hearing held after February 15, 1994,
5 the governing body of a taxing jurisdiction with millage that would
6 otherwise be subject to capture may exempt its taxes from capture
7 by adopting a resolution to that effect and filing a copy with the
8 clerk of the municipality proposing to create the authority.

9 However, a resolution by a governing body of a taxing jurisdiction
10 to exempt its taxes from capture is not effective for the capture
11 of taxes that are used for a certified technology park or a
12 certified alternative energy park. The resolution takes effect when
13 filed with that clerk and remains effective until a copy of a
14 resolution rescinding that resolution is filed with that clerk. If
15 a separate millage for public library purposes was levied before
16 January 1, 2017, and all obligations and other protected
17 obligations of the authority are paid, then the levy is exempt from
18 capture under this part, unless the library board or commission
19 allows all or a portion of its taxes levied to be included as tax
20 increment revenues and subject to capture under this part under the
21 terms of a written agreement between the library board or
22 commission and the authority. The written agreement ~~shall~~**must** be
23 filed with the clerk of the municipality. However, if a separate
24 millage for public library purposes was levied before January 1,
25 2017, and the authority alters or amends the boundaries of the
26 authority district or extends the duration of the existing finance
27 plan, then the library board or commission may, not later than 60
28 days after a public hearing is held under this subsection, exempt
29 all or a portion of its taxes from capture by adopting a resolution

1 to that effect and filing a copy with the clerk of the municipality
2 that created the authority. For ad valorem property taxes or
3 specific local taxes attributable to those ad valorem property
4 taxes levied for a separate millage for public library purposes
5 approved by the electors after December 31, 2016, a library board
6 or commission may allow all or a portion of its taxes levied to be
7 included as tax increment revenues and subject to capture under
8 this part under the terms of a written agreement between the
9 library board or commission and the authority. The written
10 agreement ~~shall~~**must** be filed with the clerk of the municipality.
11 However, if the library was created under section 1 or 10a of 1877
12 PA 164, MCL 397.201 and 397.210a, or established under 1869 LA 233,
13 then any action of the library board or commission under this
14 subsection ~~shall~~**must** have the concurrence of the chief executive
15 officer of the city that created the library to be effective.

16 (4) Except as otherwise provided in subsection (8), not less
17 than 60 days after the public hearing or a shorter period as
18 determined by the governing body for a certified technology park or
19 a certified alternative energy park, if the governing body creating
20 the authority intends to proceed with the establishment of the
21 authority, it shall adopt, by majority vote of its members elected
22 and serving, a resolution establishing the authority and
23 designating the boundaries of the authority district or districts
24 within which the authority ~~shall~~**may** exercise its powers. The
25 adoption of the resolution is subject to any applicable statutory
26 or charter provisions with respect to the approval or disapproval
27 of resolutions by the chief executive officer of the municipality
28 and the adoption of a resolution over his or her veto. This
29 resolution ~~shall~~**must** be filed with the secretary of state promptly

1 after its adoption and ~~shall be~~ published at least once in a
2 newspaper of general circulation in the municipality.

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

8 (6) The validity of the proceedings establishing an authority
9 ~~shall be~~ **are** conclusive unless contested in a court of competent
10 jurisdiction ~~within~~ **not later than** 60 days after the last of the
11 following takes place:

12 (a) Publication of the resolution creating the authority as
13 adopted.

14 (b) Filing of the resolution creating the authority with the
15 secretary of state.

16 (7) Except as otherwise provided by this subsection, if 2 or
17 more municipalities desire to establish an authority under section
18 403(2), each municipality in which the authority district will be
19 located shall comply with the procedures prescribed by this part.
20 The notice required by subsection (2) may be published jointly by
21 the municipalities establishing the authority. The resolutions
22 establishing the authority ~~shall~~ **must** include, or ~~shall~~ **must**
23 approve an agreement including, provisions governing the number of
24 members on the board, the method of appointment, the members to be
25 represented by governmental units or agencies, the terms of initial
26 and subsequent appointments to the board, the manner in which a
27 member of the board may be removed for cause before the expiration
28 of his or her term, the manner in which the authority may be
29 dissolved, and the disposition of assets upon dissolution. An

1 authority described in this subsection ~~shall-is~~ not ~~be~~ considered
 2 established unless all of the following conditions are satisfied:

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

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

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

12 (8) For an authority created under section 403(3), except as
 13 otherwise provided by this subsection, the Next Michigan
 14 development corporation shall comply with the procedures prescribed
 15 for a municipality by subsections (1) and (2) and this subsection.
 16 The provisions of subsections (3) and (4) ~~shall-do~~ not apply to an
 17 authority exercising its powers under section 403(3). The notice
 18 required by subsection (2) may be published by the Next Michigan
 19 development corporation in a newspaper or newspapers of general
 20 circulation within the municipalities ~~which-that~~ are constituent
 21 members of the Next Michigan development corporation, and notice
 22 ~~shall-is~~ not ~~be~~ required to be mailed to the property taxpayers of
 23 record in the proposed authority district. ~~The-Except as otherwise~~
 24 **provided in subsection (9), the** governing body of the Next Michigan
 25 development corporation ~~shall-be-is~~ the governing body of the
 26 authority. A taxing jurisdiction ~~levying-that levies~~ ad valorem
 27 taxes within the authority district that would otherwise be subject
 28 to capture ~~which-and that~~ is not a party to the intergovernmental
 29 agreement may exempt its taxes from capture by adopting a

1 resolution to that effect and filing a copy not more than 60 days
 2 after the public hearing with the recording officer of the Next
 3 Michigan development corporation. The Next Michigan development
 4 corporation shall mail notice of the public hearing to the
 5 governing body of each taxing jurisdiction ~~which~~**that** is not a
 6 party to the intergovernmental agreement not less than 20 days
 7 before the hearing. Following the public hearing, the governing
 8 body of the Next Michigan development corporation shall adopt a
 9 resolution designating the boundaries of the authority district
 10 within which the authority ~~shall~~**may** exercise its powers. ~~which~~
 11 **The authority district** may include ~~any~~**a** certified technology park
 12 **located** within the proposed authority district in accordance with
 13 this subsection and may include property adjacent to or within
 14 1,500 feet of a road classified as an arterial or collector
 15 according to the Federal Highway Administration manual "Highway
 16 Functional Classification - Concepts, Criteria and Procedures" or
 17 of another road in the discretion of the Next Michigan development
 18 corporation, and property adjacent to that property within the
 19 territory of the Next Michigan development corporation, as provided
 20 in the resolution. The resolution ~~shall be~~**is** effective when
 21 adopted, ~~shall~~**must** be filed with the secretary of state and the
 22 president of the Michigan strategic fund promptly after its
 23 adoption, and ~~shall~~**must** be published at least once in a newspaper
 24 of general circulation in the territory of the Next Michigan
 25 development corporation. If an authority district designated under
 26 this subsection or subsequently amended includes a certified
 27 technology park ~~which~~**that** is within the authority district of
 28 another authority and ~~which~~**that** is subject to an existing
 29 development plan or tax increment financing plan, then that

1 certified technology park may be considered to be under the
 2 jurisdiction of the authority established under section 403(3) if
 3 so provided in a resolution of the authority established under
 4 section 403(3) and if approved by resolution of the governing body
 5 of the municipality ~~which~~**that** created the other authority, and by
 6 the president of the Michigan strategic fund. If so provided and
 7 approved, then the development plan and tax increment financing
 8 plan applicable to the certified technology park, including all
 9 assets and obligations under the plans, ~~shall be~~**are** considered
 10 assigned and transferred from the other authority to the authority
 11 created under section 403(3), and the initial assessed value of the
 12 certified technology park ~~prior to~~**before** the transfer ~~shall remain~~
 13 **remains** the initial assessed value of the certified technology park
 14 following the transfer. The transfer ~~shall be~~**is** effective as of
 15 the later of the effective date of the resolution of the authority
 16 established under section 403(3), the resolution approved by the
 17 governing body of the municipality ~~which~~**that** created the other
 18 authority, and the approval of the president of the Michigan
 19 strategic fund.

20 **(9) Beginning on the effective date of the economic**
 21 **development fair competition and free enterprise act, the governing**
 22 **body of an authority created by a next Michigan development**
 23 **corporation under section 403(3) is the board of directors of the**
 24 **entity designated as the next Michigan development corporation.**

25 Sec. 410. The activities of the authority ~~shall~~**must** be
 26 financed from 1 or more of the following sources:

27 (a) Contributions to the authority for the performance of its
 28 functions.

29 (b) Revenues from any property, building, or facility owned,

1 leased, licensed, or operated by the authority or under its
 2 control, subject to the limitations imposed upon the authority by
 3 trusts or other agreements.

4 (c) Tax increment revenues received pursuant to a tax
 5 increment financing plan established under sections 412 to 414.

6 (d) Proceeds of tax increment bonds issued pursuant to section
 7 414.

8 (e) Proceeds of revenue bonds issued pursuant to section 411.

9 (f) Money obtained from any other legal source approved by the
 10 governing body of the municipality or otherwise authorized by law
 11 for use by the authority or the municipality to finance a
 12 development program.

13 (g) Money obtained pursuant to section 411a.

14 (h) Loans from the Michigan strategic fund or the Michigan
 15 economic development corporation.

16 Sec. 412. (1) If the board determines that it is necessary ~~for~~
 17 ~~the achievement of~~ **to achieve** the purposes of this part, the board
 18 shall prepare and submit a tax increment financing plan to the
 19 governing body. The plan ~~shall be in compliance~~ **must comply** with
 20 section 413 and ~~shall~~ **must** include a development plan as provided
 21 in section 415. The plan ~~shall~~ **must** also contain the following:

22 (a) A statement of the reasons that the plan will result in
 23 the development of captured assessed value that could not otherwise
 24 be expected. The reasons may include, but are not limited to,
 25 activities of the municipality, authority, or others undertaken
 26 before formulation or adoption of the plan in reasonable
 27 anticipation that the objectives of the plan would be achieved by
 28 some means.

29 (b) An estimate of the captured assessed value for each year

1 of the plan. The plan may provide for the use of part or all of the
 2 captured assessed value or, subject to subsection (3), of the tax
 3 increment revenues attributable to the levy of any taxing
 4 jurisdiction, but the portion intended to be used ~~shall~~**must** be
 5 clearly stated in the plan. The board or the municipality creating
 6 the authority may exclude from captured assessed value a percentage
 7 of captured assessed value as specified in the plan or growth in
 8 property value resulting solely from inflation. If excluded, the
 9 plan ~~shall~~**must** set forth the method for excluding growth in
 10 property value resulting solely from inflation.

11 (c) The estimated tax increment revenues for each year of the
 12 plan.

13 (d) A detailed explanation of the tax increment procedure.

14 (e) The maximum amount of note or bonded indebtedness to be
 15 incurred, if any.

16 (f) The amount of operating and planning expenditures of the
 17 authority and municipality, the amount of advances extended ~~by~~ or
 18 indebtedness incurred by the municipality, and the amount of
 19 advances by others to be repaid from tax increment revenues.

20 (g) The costs of the plan anticipated to be paid from tax
 21 increment revenues as received.

22 (h) The duration of the development plan and the tax increment
 23 **financing** plan.

24 (i) An estimate of the impact of tax increment financing on
 25 the revenues of all taxing jurisdictions in which the eligible
 26 property is or is anticipated to be located.

27 (j) A legal description of the eligible property to which the
 28 tax increment financing plan applies or ~~shall~~**will** apply ~~upon~~**on**
 29 qualification as eligible property.

1 (k) An estimate of the number of jobs to be created as a
2 result of implementation of the tax increment financing plan.

3 (l) The proposed boundaries of a certified technology park to
4 be created under an agreement proposed to be entered into pursuant
5 to section 412a, or of a certified alternative energy park to be
6 created under an agreement proposed to be entered into pursuant to
7 section 412c, or of a Next Michigan development area designated
8 under section 412e, an identification of the real property within
9 the certified technology park, the certified alternative energy
10 park, or the Next Michigan development area to be included in the
11 tax increment financing plan for purposes of determining tax
12 increment revenues, and whether personal property located in the
13 certified technology park, the certified alternative energy park,
14 or the Next Michigan development area is exempt from determining
15 tax increment revenues.

16 (2) Except as **otherwise** provided in subsection (7), a tax
17 increment financing plan ~~shall~~**must** provide for the use of tax
18 increment revenues for public facilities for eligible property
19 whose captured assessed value produces the tax increment revenues
20 or, to the extent the eligible property is located within a
21 business development area or a Next Michigan development area, for
22 other eligible property located in the business development area or
23 the Next Michigan development area. Public facilities for eligible
24 property include the development or improvement of access to and
25 around, or within the eligible property, of road facilities
26 reasonably required by traffic flow to be generated by the eligible
27 property, and the development or improvement of public facilities
28 that are necessary to service the eligible property, whether or not
29 located on that eligible property. If the eligible property

1 identified in the tax increment financing plan is property to which
 2 section ~~402(p) (iv)~~ **402 (t) (iv)** applies, the tax increment financing
 3 plan ~~shall~~ **must** not provide for the use of tax increment revenues
 4 for public facilities other than those described in the development
 5 plan as of April 1, 1991. Whether or not provided in the tax
 6 increment financing plan, if the eligible property identified in
 7 the tax increment financing plan is property to which section
 8 ~~402(s) (iv)~~ **402 (t) (iv)** applies, then to the extent that captured tax
 9 increment revenues are utilized for the costs of cleanup of
 10 identified soil and groundwater contamination, the captured tax
 11 increment revenues ~~shall~~ **must** be first credited against the shares
 12 of responsibility for the total costs of cleanup of uncollectible
 13 parties ~~who~~ **that** are responsible for the identified soil and
 14 groundwater contamination ~~pursuant to~~ **under** law, and then ~~shall~~
 15 **must** be credited on a pro rata basis against the shares of
 16 responsibility for the total costs of cleanup of other parties ~~who~~
 17 **that** are responsible for the identified soil and groundwater
 18 contamination ~~pursuant to~~ **under** law.

19 (3) The percentage of taxes levied for school operating
 20 purposes that is captured and used by the tax increment financing
 21 plan and the tax increment financing plans under part 2, part 3,
 22 and the brownfield redevelopment financing act, 1996 PA 381, MCL
 23 125.2651 to ~~125.2672, shall~~ **125.2670, must** not be greater than the
 24 percentage capture and use of taxes levied by a municipality or
 25 county for operating purposes under the tax increment financing
 26 plan and tax increment financing plans under part 2, part 3, and
 27 the brownfield redevelopment financing act, 1996 PA 381, MCL
 28 125.2651 to ~~125.2672.~~ **125.2670.** For purposes of the previous
 29 sentence, taxes levied by a county for operating purposes include

1 only millage allocated for county or charter county purposes under
2 the property tax limitation act, 1933 PA 62, MCL 211.201 to
3 211.217a.

4 (4) Except as otherwise provided by this subsection, approval
5 of the tax increment financing plan ~~shall~~**must** be in accordance
6 with the notice, hearing, disclosure, and approval provisions of
7 sections 416 and 417. If the development plan is part of the tax
8 increment financing plan, only 1 hearing and approval procedure is
9 required for the 2 plans together. For a plan submitted by an
10 authority established by 2 or more municipalities under sections
11 403(2) and 404(7) or by an authority established by a Next Michigan
12 development corporation under sections 403(3) and 404(8), the
13 notice required by section 416 may be published jointly by the
14 municipalities in which the authority district is located or by the
15 Next Michigan development corporation. For a plan submitted by an
16 authority exercising its powers under sections 403(2) and 404(7),
17 the plan ~~shall~~**is** not ~~be~~ considered approved unless each governing
18 body in which the authority district is located makes the
19 determinations required by section 417 and approves the same plan,
20 including the same modifications, if any, made to the plan by any
21 other governing body. A plan submitted by an authority exercising
22 its powers under sections 403(3) and 404(8) ~~shall~~**must** be approved
23 if the governing body of the Next Michigan development corporation
24 makes the determinations required by section 417.

25 (5) Before the public hearing on the tax increment financing
26 plan, the governing body shall provide a reasonable opportunity to
27 the taxing jurisdictions levying taxes subject to capture to
28 express their views and recommendations regarding the tax increment
29 financing plan. The authority shall fully inform the taxing

jurisdictions about the fiscal and economic implications of the proposed tax increment financing plan. The taxing jurisdictions may present their recommendations at the public hearing on the tax increment financing plan. The authority may enter into agreements with the taxing jurisdictions and the governing body of the municipality in which the authority district is located to share a portion of the captured assessed value of the district or to distribute tax increment revenues among taxing jurisdictions. ~~Upon~~ **On** adoption of the plan, the collection and transmission of the amount of tax increment revenues, as specified in this part, ~~shall be~~ **are** binding on all taxing units levying ad valorem property taxes or specific local taxes against property located in the authority district.

(6) Property qualified as a public facility under section ~~402(ff)(ii)~~ **402(gg)(ii)** that is acquired by an authority may be sold, conveyed, or otherwise disposed to any person, public or private, for fair market value or reasonable monetary consideration established by the authority with the concurrence of the Michigan economic development corporation and the municipality in which the eligible property is located based on a fair market value appraisal from a fee appraiser only if the property is sold for fair market value. Unless the property acquired by an authority was located within a certified business park, a certified technology park, a certified alternative energy park, or a Next Michigan development area at the time of disposition, an authority shall remit all monetary proceeds received from the sale or disposition of property that qualified as a public facility under section ~~402(ff)(ii)~~ **402(gg)(ii)** and was purchased with tax increment revenues to the taxing jurisdictions. Proceeds distributed to taxing jurisdictions

~~shall~~**must** be remitted in proportion to the amount of tax increment
 revenues attributable to each taxing jurisdiction in the year the
 property was acquired. If the property was acquired in part with
 funds other than tax increment revenues, only that portion of the
 monetary proceeds received ~~upon~~**on** disposition that represent the
 proportion of the cost of acquisition paid with tax increment
 revenues is required to be remitted to taxing jurisdictions. If the
 property is located within a certified business park, a certified
 technology park, or a certified alternative energy park, or a Next
 Michigan development area at the time of disposition, the monetary
 proceeds received from the sale or disposition of that property may
 be retained by the authority for any purpose necessary to further
 the development program for the certified business park, certified
 technology park, certified alternative energy park, or Next
 Michigan development area in accordance with the tax increment
 financing plan.

(7) The tax increment financing plan may provide for the use
 of tax increment revenues from a certified technology park for
 public facilities for any eligible property located in the
 certified technology park. The tax increment financing plan may
 provide for the use of tax increment revenues from a certified
 alternative energy park for public facilities for any eligible
 property located in the certified alternative energy park. The tax
 increment financing plan may provide for the use of tax increment
 revenues within or without the development area from which the tax
 increment revenues are derived, ~~provided that~~**if** the tax increment
 revenues ~~shall be~~**are** used for public facilities within a Next
 Michigan development area within the municipality whose levy has
 contributed to the tax increment revenues except as otherwise

provided in the interlocal agreement creating the Next Michigan development corporation that established the authority.

(8) If title to property qualified as a public facility under section ~~402(ff)(ii)~~ **402(gg)(ii)** and acquired by an authority with tax increment revenues is sold, conveyed, or otherwise disposed of pursuant to subsection (6) for less than fair market value, the authority shall enter into an agreement relating to the use of the property with the person to whom the property is sold, conveyed, or disposed of, which agreement ~~shall~~ **must** include a penalty provision addressing repayment to the authority if any interest in the property is sold, conveyed, or otherwise disposed of by the person within 12 years after the person received title to the property from the authority. This subsection ~~shall~~ **does** not require enforcement of a penalty provision for a conveyance incident to a merger, acquisition, reorganization, sale-lease back transaction, employee stock ownership plan, or other change in corporate or business form or structure.

(9) The penalty provision described in subsection (8) ~~shall~~ **must** not be less than an amount equal to the difference between the fair market value of the property when originally sold, conveyed, or otherwise disposed of and the actual consideration paid by the person to whom the property was originally sold, conveyed, or otherwise disposed of.

Sec. 412a. (1) A municipality that has created an authority may apply to the Michigan economic development corporation for designation of all or a portion of the authority district as a certified technology park and to enter into an agreement governing the terms and conditions of the designation. The ~~form of the~~ application ~~shall~~ **must** be in ~~a~~ **the** form specified by the Michigan

1 economic development corporation and ~~shall~~**must** include information
2 the Michigan economic development corporation determines necessary
3 to make the determinations required under this section.

4 (2) After receipt of an application, the Michigan economic
5 development corporation may designate, pursuant to an agreement
6 entered into under subsection (3), a certified technology park that
7 is determined by the Michigan economic development corporation to
8 satisfy 1 or more of the following criteria based on the
9 application:

10 (a) A demonstration of significant support from an institution
11 of higher education, a private research-based institute, or a
12 large, private corporate research and development center located
13 within the proximity of the proposed certified technology park, as
14 evidenced by, but not limited to, the following types of support:

15 (i) Grants of preferences for access to and commercialization
16 of intellectual property.

17 (ii) Access to laboratory and other facilities owned by or
18 under control of the institution of higher education or private
19 research-based institute.

20 (iii) Donations of services.

21 (iv) Access to telecommunication facilities and other
22 infrastructure.

23 (v) Financial commitments.

24 (vi) Access to faculty, staff, and students.

25 (vii) Opportunities for adjunct faculty and other types of
26 staff arrangements or affiliations.

27 (b) A demonstration of a significant commitment on behalf of
28 the institution of higher education, private research-based
29 institute, or a large, private corporate research and development

1 center to the commercialization of research produced at the
2 certified technology park, as evidenced by the intellectual
3 property and, if applicable, tenure policies that reward faculty
4 and staff for commercialization and collaboration with private
5 businesses.

6 (c) A demonstration that the proposed certified technology
7 park will be developed to take advantage of the unique
8 characteristics and specialties offered by the public and private
9 resources available in the area in which the proposed certified
10 technology park will be located.

11 (d) The existence of or proposed development of a business
12 incubator within the proposed certified technology park that
13 exhibits the following types of resources and organization:

14 (i) Significant financial and other types of support from the
15 public or private resources in the area in which the proposed
16 certified technology park will be located.

17 (ii) A business plan exhibiting the economic utilization and
18 availability of resources and a likelihood of successful
19 development of technologies and research into viable business
20 enterprises.

21 (iii) A commitment to the employment of a qualified full-time
22 manager to supervise the development and operation of the business
23 incubator.

24 (e) The existence of a business plan for the proposed
25 certified technology park that identifies its objectives in a
26 clearly focused and measurable fashion and that addresses the
27 following matters:

28 (i) A commitment to new business formation.

29 (ii) The clustering of businesses, technology, and research.

1 (iii) The opportunity for and costs of development of properties
2 under common ownership or control.

3 (iv) The availability of and method proposed for development of
4 infrastructure and other improvements, including telecommunications
5 technology, necessary for the development of the proposed certified
6 technology park.

7 (v) Assumptions of costs and revenues related to the
8 development of the proposed certified technology park.

9 (f) A demonstrable and satisfactory assurance that the
10 proposed certified technology park can be developed to principally
11 contain eligible property as defined by section ~~402(s) (iii)~~ **402(t) (iii)**
12 and (v) .

13 (3) An authority and a municipality that incorporated the
14 authority may enter into an agreement with the Michigan economic
15 development corporation establishing the terms and conditions
16 governing the certified technology park. ~~Upon~~ **On** designation of the
17 certified technology park pursuant to the terms of the agreement,
18 the subsequent failure of any party to comply with the terms of the
19 agreement ~~shall~~ **does** not result in the termination or rescission of
20 the designation of the area as a certified technology park. The
21 agreement ~~shall~~ **must** include, but is not limited to, the following
22 provisions:

23 (a) A description of the area to be included within the
24 certified technology park.

25 (b) Covenants and restrictions, if any, ~~upon~~ **on** all or a
26 portion of the properties contained within the certified technology
27 park and terms of enforcement of any covenants or restrictions.

28 (c) The financial commitments of any party to the agreement
29 and of any owner or developer of property within the certified

1 technology park.

2 (d) The terms of any commitment required from an institution
3 of higher education or private research-based institute for support
4 of the operations and activities at eligible properties within the
5 certified technology park.

6 (e) The terms of enforcement of the agreement, which may
7 include the definition of events of default, cure periods, legal
8 and equitable remedies and rights, and penalties and damages,
9 actual or liquidated, ~~upon~~**on** the occurrence of an event of
10 default.

11 (f) The public facilities to be developed for the certified
12 technology park.

13 (g) The costs approved for public facilities under section
14 ~~402(dd)~~**402(gg)**.

15 (4) If the Michigan economic development corporation has
16 determined that a sale price or rental value at below market rate
17 will assist in increasing employment or private investment in the
18 certified technology park, the authority and municipality have
19 authority to determine the sale price or rental value for public
20 facilities owned or developed by the authority and municipality in
21 the certified technology park at below market rate.

22 (5) If public facilities developed pursuant to an agreement
23 entered into under this section are conveyed or leased at less than
24 fair market value or at below market rates, the terms of the
25 conveyance or lease shall include legal and equitable remedies and
26 rights to assure the public facilities are used as eligible
27 property. Legal and equitable remedies and rights may include
28 penalties and actual or liquidated damages.

29 (6) Except as otherwise provided in this section, an agreement

1 designating a certified technology park may not be made after
2 December 31, 2002, but any agreement made on or before December 31,
3 2002 may be amended after that date. However, the Michigan economic
4 development corporation may enter into an agreement with a
5 municipality after December 31, 2002 and on or before December 31,
6 2005 if that municipality has adopted a resolution of interest to
7 create a certified technology park before December 31, 2002.

8 (7) The Michigan economic development corporation shall market
9 the certified technology parks and the certified business parks.
10 The Michigan economic development corporation and an authority may
11 contract with each other or any third party for these marketing
12 services.

13 (8) Except as otherwise provided in subsections (9), (10), and
14 (11), the Michigan economic development corporation shall not
15 designate more than 10 certified technology parks. For purposes of
16 this subsection only, 2 certified technology parks located in a
17 county that contains a city with a population of more than 750,000,
18 ~~shall be counted~~ **count** as 1 certified technology park. Not more
19 than 7 of the certified technology parks designated under this
20 section may not include a firm commitment from at least 1 business
21 engaged in a high technology activity creating a significant number
22 of jobs.

23 (9) The Michigan economic development corporation may
24 designate an additional 5 certified technology parks after November
25 1, 2002 and before December 31, 2007. The Michigan economic
26 development corporation shall not accept applications for the
27 additional certified technology parks under this subsection until
28 after November 1, 2002.

29 (10) The Michigan economic development corporation may

1 designate an additional 3 certified technology parks after February
2 1, 2008 and before December 31, 2008. The Michigan economic
3 development corporation shall not accept applications for the
4 additional certified technology parks under this subsection until
5 after February 1, 2008.

6 (11) The Michigan economic development corporation may
7 designate an additional 3 certified technology parks before March
8 31, 2013. It is the intent of the legislature that after the
9 additional 3 certified technology parks are designated under this
10 subsection, no additional certified technology parks shall be
11 designated under this section.

12 (12) The Michigan economic development corporation shall give
13 priority to applications that include new business activity.

14 (13) For an authority established by 2 or more municipalities
15 under sections 403(2) and 404(7), each municipality in which the
16 authority district is located by a majority vote of the members of
17 its governing body may make a limited tax pledge to support the
18 authority's tax increment bonds issued under section 14 or, if
19 authorized by the voters of the municipality, may pledge its full
20 faith and credit for the payment of the principal of and interest
21 on the bonds. The municipalities that have made a pledge to support
22 the authority's tax increment bonds may approve by resolution an
23 agreement among themselves establishing obligations each may have
24 to the other party or parties to the agreement for reimbursement of
25 all or any portion of a payment made by a municipality related to
26 its pledge to support the authority's tax increment bonds.

27 (14) Not including certified technology parks designated under
28 subsection (8), but for certified technology parks designated under
29 subsections (9), (10), and (11) only, this state shall do all of

1 the following:

2 (a) Reimburse intermediate school districts each year for all
3 tax revenue lost that was captured by an authority for a certified
4 technology park designated by the Michigan economic development
5 corporation after October 3, 2002.

6 (b) Reimburse local school districts each year for all tax
7 revenue lost that was captured by an authority for a certified
8 technology park designated by the Michigan economic development
9 corporation after October 3, 2002.

10 (c) Reimburse the school aid fund from funds other than those
11 appropriated in section ~~411-11~~ of the state school aid act of 1979,
12 1979 PA 94, MCL 388.1611, for an amount equal to the reimbursement
13 calculations under subdivisions (a) and (b) and for all revenue
14 lost that was captured by an authority for a certified technology
15 park designated by the Michigan economic development corporation
16 after October 3, 2002. Foundation allowances calculated under
17 section 20 of the state school aid act of 1979, 1979 PA 94, MCL
18 388.1620, shall not be reduced as a result of tax revenue lost that
19 was captured by an authority for a certified technology park
20 designated by the Michigan economic development corporation under
21 subsection (9), (10), or (11) after October 3, 2002.

22 Sec. 412b. (1) A municipality that has created an authority in
23 which a certified technology park has been designated under this
24 part may enter into an agreement with another authority that does
25 not contain a certified technology park to designate a distinct
26 geographic area within the authority district as a certified
27 technology park. The authority shall consider the advantages of the
28 unique characteristics and specialties offered by the public and
29 private resources available in the distinct geographic area, ~~shall~~

~~consider~~ the benefits to regional cooperation and collaboration,
 and ~~shall consider~~ whether designating the additional distinct
 geographic area adds value to the mission of the designated
 certified technology park. The distinct geographic area is subject
 to the provisions of section 412a(3), (4), and (5). The state
 treasurer shall not approve the capture of amounts levied by the
 state under the state education tax act, 1993 PA 331, MCL 211.901
 to 211.906, and by local and intermediate school districts as
 permitted in section ~~402(jj)(ii)(B)~~ **402(kk)(ii)(B)** for more than 9
 distinct geographic areas designated under this section. In
 addition, beginning on July 21, 2015, the state treasurer shall not
 approve the capture of amounts described in this subsection unless
 the application for approval of a distinct geographic area under
 this subsection is also approved by the Michigan economic
 development corporation as provided in subsection (2). A copy of
 the designation ~~shall~~ **must** be filed with the Michigan economic
 development corporation.

(2) Beginning on July 21, 2015, the Michigan economic
 development corporation shall designate the distinct geographic
 areas under subsection (1) pursuant to a competitive application
 process that has an initial application period and a final
 application period and that meets all **of** the following

requirements:

(a) The initial application period ~~shall~~ **must** begin on July
 21, 2015 and end on October 1, 2015. All applications submitted
 during the initial application period ~~shall~~ **must** be approved or
 denied not later than November 1, 2015. The Michigan economic
 development corporation may approve up to 3 applications as a
 result of the initial application period. ~~Applications~~ **The Michigan**

1 **economic development corporation shall not consider applications**
 2 submitted outside the initial application period ~~shall not be~~
 3 ~~considered~~ under this subdivision.

4 (b) The final application period ~~shall~~**must** begin on January
 5 1, 2016 and end on July 1, 2016. All applications submitted during
 6 the final application period ~~shall~~**must** be approved or denied by
 7 September 1, 2016. The Michigan economic development corporation
 8 may approve the remaining designations available under subsection
 9 (1) as a result of the final application period. However, ~~there is~~
 10 ~~no requirement that~~ **the Michigan economic development corporation**
 11 **is not required to make** all 9 designations ~~be made~~ under this
 12 section. ~~Applications~~ **The Michigan economic development corporation**
 13 **shall not consider applications** submitted outside the final
 14 application period ~~shall not be considered~~ under this subdivision.

15 (c) The Michigan economic development corporation shall
 16 publish the application process and competitive criteria ~~upon~~**on**
 17 which applications will be evaluated on its website. If an
 18 application does not meet the requirements of this section, ~~the~~
 19 ~~application shall not be approved by the~~ Michigan economic
 20 development corporation **shall not approve the application.**

21 Sec. 412c. (1) A municipality that has created an authority
 22 may apply to the Michigan economic development corporation for
 23 designation of all or a portion of the authority district as a
 24 certified alternative energy park and to enter into an agreement
 25 governing the terms and conditions of the designation. The ~~form of~~
 26 ~~the application shall~~**must** be in ~~a~~**the** form specified by the
 27 Michigan economic development corporation and ~~shall~~**must** include
 28 information the Michigan economic development corporation
 29 determines necessary to make the determinations required under this

1 section.

2 (2) After receipt of an application, the Michigan economic
3 development corporation may designate, pursuant to an agreement
4 entered into under subsection (3), a certified alternative energy
5 park that is determined by the Michigan economic development
6 corporation to satisfy 1 or more of the following criteria based on
7 the application:

8 (a) A demonstration that the proposed alternative energy park
9 will be developed to take advantage of the unique characteristics
10 and specialties offered by public and private resources available
11 in the area in which the proposed certified alternative energy park
12 will be located.

13 (b) The existence of or strong likelihood of attracting
14 alternative energy technology businesses to the proposed
15 alternative energy park by exhibiting the following types of
16 resources and organization:

17 (i) Significant financial and other types of support from the
18 public or private resources in the area.

19 (ii) Proposed or actual ownership of land in sufficient
20 quantity as to attract 1 or more major alternative energy
21 technology businesses.

22 (c) The existence of a business plan for the proposed
23 certified alternative energy park that identifies its objectives in
24 a clearly focused and measurable fashion and that addresses the
25 following matters:

26 (i) A commitment to new business formation or major business
27 attraction.

28 (ii) The clustering of businesses, technology, and research
29 within the region.

1 (iii) The opportunity for and costs of development of properties
2 under common ownership or control.

3 (iv) The availability of and method proposed for development
4 and sale or conveyance of shovel-ready sites to include
5 infrastructure and other improvements, including telecommunications
6 technology, necessary for the successful development of the
7 proposed certified alternative energy park.

8 (v) Assumptions of costs and revenues related to the
9 development of the proposed certified alternative energy park.

10 (d) A demonstrable and satisfactory assurance that the
11 proposed certified alternative energy park can be developed to
12 principally contain eligible property as defined by section
13 ~~402(s) (v)~~**402 (t) (v)** and (vi).

14 (e) The proposed certified alternative energy park includes a
15 military installation that was operated by the United States
16 Department of Defense and closed after 1980.

17 (3) An authority and a municipality that incorporated the
18 authority may enter into an agreement with the Michigan economic
19 development corporation establishing the terms and conditions
20 governing the certified alternative energy park. ~~Upon~~**On**
21 designation of the certified alternative energy park pursuant to
22 the terms of the agreement, the subsequent failure of any party to
23 comply with the terms of the agreement ~~shall~~**does** not result in the
24 termination or rescission of the designation of the area as a
25 certified alternative energy park. The agreement ~~shall~~**must**
26 include, but is not limited to, the following provisions:

27 (a) A description of the area to be included within the
28 certified alternative energy park.

29 (b) Covenants and restrictions, if any, ~~upon~~**on** all or a

1 portion of the properties contained within the certified
 2 alternative energy park and terms of enforcement of any covenants
 3 or restrictions.

4 (c) The financial commitments of any party to the agreement
 5 and of any owner or developer of property, including sale or
 6 transfer of ownership or options thereto ~~upon-on~~ designation of a
 7 certified alternative energy park for property within the certified
 8 alternative energy park.

9 (d) The terms of enforcement of the agreement, which may
 10 include the definition of events of default, cure periods, legal
 11 and equitable remedies and rights, and penalties and damages,
 12 actual or liquidated, ~~upon-on~~ the occurrence of an event of
 13 default.

14 (e) Proposed method of ownership of the land within the
 15 certified alternative energy park.

16 (f) The costs approved for public facilities under section
 17 ~~402(dd)-402(gg)~~ .

18 (g) Proposed method of operating the certified alternative
 19 energy park.

20 (4) If the Michigan economic development corporation has
 21 determined that a sale price or rental value at below market rate
 22 will assist in increasing employment or private investment in the
 23 certified alternative energy park, the authority and municipality
 24 have authority to determine the sale price or rental value for
 25 public facilities owned or developed by the authority and
 26 municipality in the certified alternative energy park at below
 27 market rate.

28 (5) If public facilities developed pursuant to an agreement
 29 entered into under this section are conveyed or leased at less than

1 fair market value or at below market rates, the terms of the
 2 conveyance or lease ~~shall~~**must** include legal and equitable remedies
 3 and rights to ~~assure~~**ensure** that the public facilities are used as
 4 eligible property. Legal and equitable remedies and rights may
 5 include penalties and actual or liquidated damages.

6 (6) Except as otherwise provided in this section, an agreement
 7 designating a certified alternative energy park may not be made
 8 after December 31, 2012, but any agreement made on or before
 9 December 31, 2012 may be amended after that date.

10 (7) The Michigan economic development corporation shall not
 11 designate more than 10 certified alternative energy parks. For
 12 purposes of this subsection only, certified alternative energy
 13 parks located in the same county ~~shall be counted~~**count** as 1
 14 certified alternative energy park.

15 (8) For an authority established by 2 or more municipalities
 16 under sections 403(2) and 404(7), each municipality in which the
 17 authority district is located by a majority vote of the members of
 18 its governing body may make a limited tax pledge to support the
 19 authority's tax increment bonds issued under section 414 or, if
 20 authorized by the voters of the municipality, may pledge its full
 21 faith and credit for the payment of the principal of and interest
 22 on the bonds. The municipalities that have made a pledge to support
 23 the authority's tax increment bonds may approve by resolution an
 24 agreement among themselves establishing obligations each may have
 25 to the other party or parties to the agreement for reimbursement of
 26 all or any portion of a payment made by a municipality related to
 27 its pledge to support the authority's tax increment bonds.

28 (9) ~~Upon~~**On** approval of the Michigan economic development
 29 corporation, the certified alternative energy park may be owned and

1 operated by an economic development corporation created under the
2 economic development corporations act, 1974 PA 338, MCL 125.1601 to
3 125.1636, or other public body agreeable to all members.

4 Sec. 412e. (1) A Next Michigan development corporation
5 establishing an authority under section 403(3) shall notify the
6 Michigan economic development corporation of the designation of a
7 Next Michigan development area.

8 (2) The Michigan economic development corporation shall market
9 the authority district including Next Michigan development areas.

10 (3) For an authority exercising its powers under section
11 403(3), each municipality and county ~~which~~**that** is a party to the
12 interlocal agreement establishing the Next Michigan development
13 corporation, or any 1 of them, by a majority vote of the members of
14 its governing body, may make a limited tax pledge to support the
15 authority's tax increment bonds issued under section 414 or, if
16 authorized by the voters of the municipality or county, may pledge
17 its full faith and credit for the payment of the principal of and
18 interest on the bonds. The municipalities or counties that have
19 made a pledge to support the authority's tax increment bonds may
20 approve by resolution an agreement among themselves establishing
21 obligations each may have to the other party or parties to the
22 agreement for reimbursement of all or any portion of a payment made
23 by a municipality or county related to its pledge to support the
24 authority's tax increment bonds.

25 **(4) A next Michigan development area may not be designated**
26 **under this section after the effective date of the economic**
27 **development fair competition and free enterprise act. However, a**
28 **next Michigan development area designated before the effective date**
29 **of the economic development fair competition and free enterprise**

1 act remains in effect.

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