

H B

429

2/3 D 2/25 call for bu R 2/3 P 4/3 N

BILL PREPARATION/ACTION*

Bill # HB 429 Date Referred: 2/3/88 Out: _____
 Title: Tax Exemption/old Bldgs Removed from Land
 Sponsor: H LEC Referrals: CRA FIN

CONTACTS:*****

Name		
<u>(H) LEC</u> ^{Mark Begich}	<u>back up; send 2/24; 2/25 [3/2]; 2/25 Mark called, Rep will be there; 3/1 CS in SS</u>	<u>3/7 send 2 CS;</u>
<u>DCRA Plasmun</u>	<u>PP FN 2/3; 2/24 [3/2];</u>	
<u>Dave Soulek. City Agr. City of Palmer</u>	<u>745-3271</u>	
<u>Darryl Schaefermeyer. City of Seward.</u>	<u>224 3331 - call for testimony 3/5</u>	

REMARKS:*****

MEETINGS:*****

Date	Action
<u>2/3/8</u>	<u>1st pub. hng. Harrison & Woley work on it -> LEC -> back to Com.</u>
<u>3/9/8</u>	<u>not hnd - (vims) hold over till FRI</u>
<u>3/14/8</u>	<u>CS HB 429 (CRA) 3DP 1DNP</u>

STATE OF ALASKA THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

House C+RA	3-2-88	3:00 p.m.
" "	3-9-88	3:00 p.m.
" "	3-11-88	3:00 p.m.
" "	3-14-88	3:00 p.m.

STATE OF ALASKA
1988 LEGISLATIVE SESSION

13 HB 429 CS

BILL VERSION: CS HB 429
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An act..optional exemption from
municipal property taxation."
Sponsor: Labor & Commerce Committee
Requestor: _____

Agency Affected: Community & Regional Affairs
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by William Plasman, Deputy Director
Division: Municipal & Regional Assistance

Phone: 465-4750

Date: 3/9/88

Approved by Commissioner: [Signature]
Agency: Community & Regional Affairs

Date: 3-9-88

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

(14) CS#B429

Original sponsor: Labor & Commerce Committee

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 429 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to an optional exemption from munic-
7 ipal property taxation."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 29.45.050 is amended by adding a new subsection to
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14 removal occurs after June 1, 1988; and (3) the removal includes a
15 residence or commercial structure that has been in place more than 30
16 years. An exemption under this subsection may remain in effect for no
17 more than five years and only while the property remains vacant.
18
19
20
21
22
23
24
25
26

1.4 HB 429
(without historical)

5-1668X
Cook
3/7/88

Original sponsor: Labor & Commerce Committee

1 IN THE HOUSE

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18
19
20 *adopted*
21 *1.4*
22 *3/14/8*
23
24
25
26
27
28
29

(11) HB 429

REPRESENTATIVE DAVE DONLEY

ALASKA STATE LEGISLATURE
DISTRICT ELEVEN • SPENARD
NORTHWOOD • SPENARD • THOMPSON • TURNAGAIN • UPPER MIDTOWN • WINDEMERE

P.O. BOX V, JUNEAU 99811
(907) 465-3892



CHAIRMAN
LABOR AND COMMERCE
COMMITTEE

MEMBER
STATE AFFAIRS COMMITTEE
HEALTH, EDUCATIONAL
AND SOCIAL SERVICES COMMITTEE

DATE: March 14, 1988
TO: Representative Springer, Chair
House Community and Regional Affairs Committee
FROM: Representative Dave Donley
SUBJECT: CSHB 429, Response to David McCabe Letter

In reviewing the letter that Mr. David McCabe sent to your committee I feel that each of his concerns have been addressed in the committee substitute that you have before you.

Specifically in response to his concerns I have listed the questions and statements he made in his letter with the appropriate response:

1. A thirty-five year old shed is removed, and a million-dollar farm is off the tax rolls for tens years.

Answer: On line 12 you will find the word "completely". The reason this was added to ensure the example he brought up could not occur. If a property owner would like to get an exemption they must have all the improvements removed.

2. Penny's buys the Alaska Statebank building, incorporates it with the store by a replat, removes the building and Pennys is home free for the next ten years.

Answer: On line 12 using the word "completely" once again will protect this from happening. Once the replat is done the property will once again have improvements on it, thus losing its exemption.

3. A thirty year old house is placed on and then removed from six lots in a row (or twenty) in a carefully orchestrated and documented progression, and six (or twenty) lots take a ten year vacation.

Answer: On line 14 we have used the words "in place" to prevent this from happening. If the structure has not been " in place" on the same lot for more than thirty years it will not qualify.

4. Downtown Fairbanks, from Third Avenue to Airport Road, is leveled except for a few recent structures, and looks like Hiroshima The Morning After. Graehl is a cabbage-patch and Lemeta a pasture.

Answer: I'm not sure if there is a answer for this question. I believe he has made a statement of his concern that we will leave municipalities leveled if we allow this exemption. I don't think we will need to worry about this for one main reason local governments will have control on the enactment of the law and control over its use.

5. One man's new parking lot is tax free, and his neighbor's parking lot is assessed at a higher mill rate to make up for the loss. First man has a ten year advantage over the second in his operation. What is more, the first man can sell his parking lot for more money because it costs less to own.

Answer: We had recognized this problem along with the Department of Community and Regional Affairs and recommended the changes that you see on line 13 of the second CS for HB 429 (referred to in you packets as 1.3 or work draft 5-1668L, this is different then the CS you have adopted).

Mr. McCabe also had a few other concerns in the last half of his letter concerning the use of the word "improvement" and why can't local governments use the enforcement of the nuisance ordinance to have these structures removed.

The word improvement has an implied meaning, its a term that is used in the appraisal industry and also with the municipal assessors to define any taxable structure.

Regarding the enforcement of a nuisance ordinance. Not all municipalities have such ordinance's and the intent of this legislation is to have local governments work with the community to remove these types of properties not work in conflict with each other.

I hope that this memo answer the concers Mr. McCabe has brought to your attention. If there is any additional questions please feel free to conact me.

DAVID T. MCCABE

REAL ESTATE APPRAISER

920 WEST 6TH AVENUE

ANCHORAGE, ALASKA 99501

(907) 272-6633

MARCH 5, 1988

Labor & Commerce Committee;
Community & Regional Affairs Committee;
Finance Committee;
Alaska House of Representatives,
Juneau, Alaska.

This is written in comment on House Bill 429, an Optional Exemption From Municipal Property Taxation.

There is more mischief in this bill than in a tree full of monkeys, and more disruption than a cyclone. The precise aim of the bill is not apparent from the information I have, but apparently it is to encourage the removal of old and obsolete structures and so reduce the effects of overbuilding.

The actual effects of this legislation would be heavy shifts in the property tax burden, compensation to property owners unrelated to the value of the improvements removed or their obsolescence or their oversupply, disruption of neighborhoods, thwarting the intent of zoning and development plans, and much else.

One can imagine some of the scenarios:

1. A thirty-five year old shed is removed, and a million-dollar farm is off the tax rolls for ten years. *(line 14)*
2. Penney's buys the Alaska Statebank building, incorporates it with the store by a replat, removes the building--and Penneys is none free for ten years. *(line 12)*
3. A thirty-year old house is placed on --and then removed from-- six lots in a row (or twenty) in a carefully orchestrated and documented progression, --and six (or twenty) lots take a ten-year vacation. *(line 14)*
4. Downtown Fairbanks, from Third Avenue to Airport Road, is levelled except for a few recent structures, and looks like Hiroshima The Morning After. Graehl is a cabbage-patch and Lemeta a pasture. *> (line 12)*
5. One man's new parking lot is tax free, and his neighbor's parking lot is assessed at a higher mill rate to make up for the loss. First man has a ten-year advantage over the second in his operation. What is more, the first man can sell his parking lot for more money because it costs less to own. *line (13)*

These examples are only superficially facetious. The ingenuity of man would produce all of these and many more. There are other problems: in many communities the record of a property's age are not accurate. The statute may not define "improvement" clearly enough.

There is no connection between the size, value, relative abundance of

(9) HB 429

sp / CRA

1.2 HB 429

5-1668B
Cook
3/2/88

Original sponsor: Labor & Commerce Committee

1 IN THE HOUSE

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3 IN THE LEGISLATURE OF THE STATE OF ALASKA
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14 residence that has been in place more than 30 years; and (3) is ap-
15 proved by the local historical district commission or entity designat-
16 ed to serve as the commission under AS 29.55.010 or, if no local
17 commission exists and no designation has been made, by the office of
18 history and archaeology, division of parks, Department of Natural
19 Resources. An exemption under this subsection may remain in effect
20 for no more than 10 years and only until a new improvement is con-
21 structed on the property or a trailer or mobile home used as a resi-
22 dence is placed on the property.

23
24 adopted 3/7
25 recinded
26 3/14/88

(1.3) HB 429
(with historical)

5-1668L
Cook
3/7/88

Original sponsor: Labor & Commerce Committee

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16 (3) is approved by the assessor after consulting with the local his-
17 torical district commission or entity designated to serve as the
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(9) HB 429

Sp / CRA

House Bill 429

DAVID T. MCCABE

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920 WEST 6TH AVENUE
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House Bill 429

the "improvement", or the cost of removal, on one hand, and the size of the benefit removal would confer on the property owner, on the other.

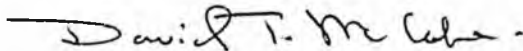
Legislators need not pass this bill to imagine the resentment of all the unbenefited taxpayers.

It should also be noted that not all old buildings are unsound, and some of the newest buildings are obsolete because of size, layout, function, or location. This bill would encourage the removal of sound functional older structures, but would tend to preserve newer problem buildings.

In short, House Bill 429 is a perfect illustration of my father's famous dictum that "There's a Problem for Every Solution." It is clearly a "Don't Pass."

Municipalities can handle any problems of substandard structures through enforcement of nuisance ordinances. They can also pay for or subsidize removal or improvements by specific direct subsidies, if they feel that is in the public interest. That way the expense to the general public would be in relation to the cost of benefiting the same public.

Yours very truly,


David T. McCabe

⑪ HB 429

REPRESENTATIVE DAVE DONLEY

ALASKA STATE LEGISLATURE
DISTRICT ELEVEN • SPENARD
NORTHWOOD • SPENARD • THOMPSON • TURNAGAIN • UPPER MIDTOWN • WINDEMERE

P.O. BOX V, JUNEAU 99811
(907) 465-3892



CHAIRMAN
LABOR AND COMMERCE
COMMITTEE

MEMBER
STATE AFFAIRS COMMITTEE
HEALTH, EDUCATIONAL
AND SOCIAL SERVICES COMMITTEE

DATE: March 14, 1988
TO: Representative Springer, Chair
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FROM: Representative Dave Donley
SUBJECT: CSHB 429, Response to David McCabe Letter

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#	Date In	Doc. Type	Date	Subject	DESCRIPTION	From	Copied	Init
①	2-6-8	Bell	2-3-8	Bill HB 429		Don	✓	3
①.1	3-1	FN	3-1	DCRA FN				
②	2-24-8	Memo	-	HLC				
③	2-24-8	Statutes		Current Statutes				
④	2-24	Review		Bill Review				
⑤	2-1	W.D. CS	2/29	Work Draft of CS on SS				
⑥	3/2	LTR	3/2	Obj. - Cole				
⑦	3/2			PL				
①.2	3/2	C.S. ^{W.D.} _{hand}		final CS W.D. 5-1668 B				
A	3/2	WR						
①.3	3/7	CS-	3/7	5-1668L with historical				
①.4	3/7	CS	3/7	5-1668X w/o "				
⑧	3/7	POM	3/1/8	Guy Cunney				
B	3/2	MIM						
⑧								
①.5	3/8	FN		CS HB 429				
①.6	3/8	PP		CS HB 429				
⑨	3/11	LTR	3/11	to LHC Com from McCabe				
⑩	3/11	insert		Public Acts				
⑪	3/14	Memo	3/14	Denley resp to McCabe				
⑫	3/14	CRpt		Com Rpt.				
⑬	3/14	CS FN		DCRA				
⑭	3/14	CS		CS HB 429 (CRA) 3DP 1 DNP				

ORANGE

⑧ = Distributed, all files

⑩ = Master, Backup, Next Com. Files

File Contents

HB 429 - Tax Exemption/Pld Bldgs Removed from Land

<u>No.</u>	<u>Description</u>
1.	Bill - HB 429
1.1	Zero Fiscal Note - DCRA
1.2	CS #5-1668B, Cook, 3/2/88
1.3	CS #5-1668L (with historical)
1.4	CS #5-1668X (without historical)
1.5	Zero Fiscal Note - DCRA (for CSHB 429)
1.6	Position Paper - DCRA (for CSHB 429)
2.	Memo - HL&C
3.	Current Statutes
4.	Bill Review - Harrison (HCRA Staff)
5.	CS Work Draft HB 429, 5-166B, Cook, 2/29/88
6.	Letter - from Cole
7.	Internal Revenue Code
8.	POM - Curney

STATE OF ALASKA
1988 LEGISLATIVE SESSION

115 CS HB 424

BILL VERSION: CS HB 429
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An act..optional exemption from
municipal property taxation."
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POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Jim Plasman, Deputy Director
Division: Municipal & Regional Assistance
Phone: 465-4750
Date: 3/9/88

Approved by Commissioner: [Signature]
Agency: Community & Regional Affairs
Date: 3-9-88

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

1.6 CS HB 429

STEVE COWPER, GOVERNOR

- P.O. BOX B
JUNEAU, ALASKA 99811-2100
PHONE: (907) 465-4700
- 949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508-4302
PHONE: (907) 563-1673

March 9, 1988

POSITION PAPER

RE: CS for House Bill 429

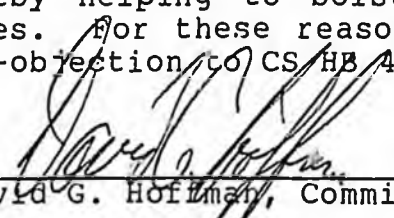
SPONSOR: Labor and Commerce Committee

Departmental Position: Non-objection

Comments

The Department has worked with legislative staff and resolved any serious concerns we had with House Bill 429. At this juncture, we see both positive and negative facets within the concept of the bill. On the negative side, we can see that the administration of the proposed exemption would create some problems for municipalities, and that any exemption granted would narrow a municipality's tax base and shift the tax burden to all remaining taxpayers. Our position regarding such concerns is that if the benefits accruing to a community as a result of granting exemptions of the type contained in CS HB 429 are greater than the cost to the taxpaying public of shifting the tax burden and administering the exemptions, they should be granted.

We think it is reasonable to assume the benefits afforded by the bill could prove to offset those concerns. The bill could provide for blighted areas of certain municipalities to be substantially improved, and, at the same time, cause the removal from the rental and sales marketplace of structures which at the present time are overabundant, thereby helping to bolster the real estate market in some communities. For these reasons, the Department has taken a position on non-objection to CS HB 429.



David G. Hoffman, Commissioner

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An act relating..optional exempt-
ion from municipal property taxation"
Sponsor: Labor & Commerce Committee
Requestor: _____

Agency Affected: Community & Regional Affairs
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PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Jim Plasman, Deputy Director Phone: 465-4750
Division: Municipal & Regional Assistance Date: 3/17/88
Approved by Commissioner: *David C. Hoff* Date: _____
Agency: Community & Regional Affairs

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

② HB 429

HOUSE LABOR AND COMMERCE COMMITTEE

ALASKA STATE LEGISLATURE

Chairman - Representative Dave Donley

P.O. BOX V, JUNEAU 99811

(907) 465-3892



HB 429 (sponsored by the Labor and Commerce Committee)

"AN ACT RELATING TO AN OPTIONAL EXEMPTION FROM MUNICIPAL PROPERTY TAXATION"

HB 429 gives local governments the ability to determine if they would like to give a full or partial property tax exemption for property owners that remove unsafe, deteriorating buildings with no historical value from their property.

The buildings must be at least 30 years or older. The exemption would only last as long as the land was not developed or up to 10 years.

The local governments would decide by ordinance the guidelines of the program.

④ HB 429



Alaska State Legislature

House of Representatives

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4833

TO: Rep. Henry Springer, Chairman HCRA Mar. 2, 1988
FROM: David C. Harrison, P.A., HCRA *DCH*
SUBJECT: Bill Review - HB 429
"An Act relating to an optional exemption from municipal property taxation." [H L&C Committee]

*Section 1. AS 29.45.050 is amended by adding a new subsection to read:

(1) A municipality may by ordinance exempt or partially exempt from taxation real property from which an improvement that is more than 30 years old has been removed if the removal occurs after June 1, 1988. An exemption under this subsection may remain in effect for no more than 10 years and only until a new improvement is constructed on the property.

COMMENTS: This is one more type of exemption whereby municipalities may exempt or partially exempt certain "conditional" property that would need to be torn down and replaced. If removed under municipal exemption the land property tax payments may be lowered until such a time as the property is improved structurally.

It is not known just what costs would be involved to the municipality through its exemption of such property; however, the municipality could proceed with caution regarding the amount of exemptions for such type of property. The exemption under this subsection may not remain in effect more than 10 years.

5 (DRAFT NEW) Detl

It is more likely that this type of legislation would encourage owners to remove old type property rather than let it sit around and remain in condition as stated herein.

5 HB 429

5-1668B ✓

Cook
2/29/88

Original sponsor: Labor & Commerce Committee

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 429 ()

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to an optional exemption from munic-
7 ipal property taxation."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 29.45.050 is amended by adding a new subsection to
10 read:

11 (1) A municipality may by ordinance exempt or partially exempt
12 from taxation real property from which an improvement that is a resi-
13 dence and has been in place more than 30 years is removed if the
14 removal (1) occurs after June 1, 1988; and (2) is approved by the
15 local historical organization or, if no local organization exists, by
16 the office of history and archaeology, division of parks, Department
17 of Natural Resources. An exemption under this subsection may remain
18 in effect for no more than 10 years and only until a new improvement
19 is constructed on the property.
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⑥ HB 429

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1:00 pm

Members of the Alaska State Legislature:

I strongly oppose the amending of HB#429 "An Act Relating to an Optional Exemption from Municipal Property Taxation," by the addition of a new subsection, within Section 1. AS 29.45.050. This subsection reads: "(L) A municipality may by ordinance exempt or partially exempt from taxation real property from which an improvement that is more than 30 years old has been removed if the removal occurs after June 1, 1988. An exemption under this subsection may remain in effect for no more than 10 years and only until a new improvement is constructed on the property."

This subsection, as written, encourages property owners to destroy structures which may be significant in International, National, State or local history and thus to destroy Alaska's heritage. Property owners should be encouraged, rather, to restore local historic landmarks for adaptive reuse so these structures can be eligible for Federal tax breaks, loans, and grants.

I would support the measure if it were amended to read - "A municipality may be ordinance exempt or partially exempt from taxation real property from which an improvement that is more than 30 years old and that has been determined, by the State Historic Preservation Officer, to have NO significance in International, National, State or local history, has been removed if the removal occurs after June 1, 1988. An exemption under this subsection may remain in effect for no more than 10 years and only until a new improvement is constructed on the property."

Thank you for your consideration of this very important matter.

Victoria A. Cole, Chief
Division of Cultural Resources
Matanuska-Susitna Borough

DCM ✓
SPV / CRA
⑧ HB 429
PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE SPRINGER

NAME: GREG CURNEY
TITLE: .
ADDRESS: 1200 I STREET, #416
CITY: ANCHORAGE ZIP: 99501
PHONE: 272-3758
BILL NO: HB 429
SUBJECT: TAX EXEMPTION/OLD BLDGS REMOVED FROM LAND
MESSAGE: HB 429 CREATES AN INEQUITABLE TAX SYSTEM AND PLACES AN UNFAIR BURDEN ON OWNERS OF UNQUALIFYING PROPERTY. THIS BILL WILL ERODE THE TAX BASE PARTICULARLY OF SMALL, OLDER COMMUNITIES AND WILL RESULT IN THE UNCONTROLLED DESTRUCTION OF ALASKA'S HISTORIC BUILDINGS MOST OF WHICH ARE NOT IDENTIFIED OR LISTED.

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⑨ HB429

1980

PUBLIC ACTS 1980—No. 450

Conditional effective date.

Section 2. This amendatory act shall not take effect unless Senate Bill No. 1216 of the 1980 regular session of the legislature is enacted into law.

This act is ordered to take immediate effect.

Approved January 15, 1981.

Compiler's note: Senate Bill No. 1216, referred to in Section 2, was approved by the Governor on January 15, 1981, and became P.A. 1980, No. 450, Imd. Eff. Jan 15.

T.I.F.

[No. 450]

AN ACT to prevent urban deterioration and encourage economic development and activity and to encourage neighborhood revitalization and historic preservation; to provide for the establishment of tax increment finance authorities and to prescribe their powers and duties; to authorize the acquisition and disposal of interests in real and personal property; to provide for the creation and implementation of development plans; to provide for the creation of a board to govern an authority and to prescribe its powers and duties; to permit the issuance of bonds and other evidences of indebtedness by an authority; and to permit the use of tax increment financing.

The People of the State of Michigan enact:

125.1801 Definitions. [M.S.A. 3.540(201)]

Sec. 1. As used in this act:

- (a) "Authority" means a tax increment finance authority created pursuant to this act.
- (b) "Authority district" means that area within which an authority shall exercise its powers and within which 1 or more development areas may exist.
- (c) "Board" means the governing body of an authority.
- (d) "Chief executive officer" means the mayor or city manager of a city, the president of a village, or the supervisor of a township.
- (e) "Development area" means that area to which a development plan is applicable.
- (f) "Development area citizens council" or "council" means that advisory body established pursuant to section 20.
- (g) "Development plan" means that information and those requirements for a development set forth in section 16.
- (h) "Development program" means the implementation of the development plan.
- (i) "Governing body" means the elected body of a municipality having legislative powers.
- (j) "Municipality" means a city.
- (k) "Public facility" means 1 or more of the following:
 - (i) A street, plaza, or pedestrian mall, and any improvements to a street, plaza, boulevard, alley, or pedestrian mall, including street furniture and beautification, park, parking facility, recreation facility, playground, school, library, public institution or administration building, right of way, structure, waterway, bridge, lake, pond, canal, utility line or pipeline, and other similar facilities and

necessary easements of these facilities designed and dedicated to use by the public generally or used by a public agency.

(ii) The acquisition and disposal of real and personal property or interests therein, demolition of structures, site preparation, relocation costs, building rehabilitation, and all administrative costs related to the above, including, but not limited to, architect's, engineer's, legal, and accounting fees as contained in the resolution establishing the district's development plan.

(l) "Tax increment district" or "district" means that area to which the tax increment finance plan pertains.

(m) "Tax increment financing plan" means that information and those requirements set forth in sections 13 to 15.

125.1801a Short title. [M.S.A. 3.540(201a)]

Sec. 1a. This act shall be known and may be cited as "the tax increment finance authority act".

125.1802 Authority; establishment; public body corporate; powers generally. [M.S.A. 3.540(202)]

Sec. 2. (1) A municipality may establish not more than 1 authority. An authority shall exercise its powers in all development areas designated pursuant to this act.

(2) The authority shall be a public body corporate which may sue and be sued in any court of this state. The authority possesses all the powers necessary to carry out the purpose of its incorporation. The enumeration of a power in this act shall not be construed as a limitation upon the general powers of the authority. The powers granted in this act to an authority may be exercised notwithstanding that bonds are not issued by the authority.

125.1803 Resolution of Intent; determinations; notice of public hearing; adoption, filing, and publication of resolution establishing authority and designating boundaries of authority district; alteration and amendment of boundaries. [M.S.A. 3.540(203)]

Sec. 3. (1) When the governing body of a municipality determines that it is in the best interests of the public to halt a decline in property values, increase property tax valuation, eliminate the causes of the decline in property values, and to promote growth in an area in the municipality, the governing body of that municipality may declare by resolution its intention to create and provide for the operation of an authority.

(2) In the resolution of intent, the governing body shall set a date for the holding of a public hearing on the adoption of a proposed resolution creating the authority and designating the boundaries of the authority district. Notice of the public hearing shall be published twice in a newspaper of general circulation in the municipality, not less than 20 nor more than 40 days before the date of the hearing. Notice shall also be mailed to the property taxpayers of record in the proposed authority district not less than 20 days before the hearing. Failure to receive the notice shall not invalidate these proceedings. The notice shall state the date, time, and place of the hearing, and shall describe the boundaries of the proposed authority district. At that hearing, a citizen, taxpayer, or property owner of the municipality has the right to be heard in regard to the establishment of the authority and the boundaries of the proposed authority district. The governing body of the municipality shall not incorporate land into the authority district not included in the description contained in the notice of public hearing, but it may

Senate Bill No.
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January 15, 1981 and became

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(3) After the public hearing, if the governing body intends to proceed with the establishment of the authority, it shall adopt, by majority vote of its members, a resolution establishing the authority and designating the boundaries of the authority district within which the authority shall exercise its powers. The adoption of the resolution is subject to any applicable statutory or charter provisions with respect to the approval or disapproval by the chief executive or other officer of the municipality and the adoption of a resolution over his or her veto. This resolution shall be filed with the secretary of state promptly after its adoption and shall be published at least once in a newspaper of general circulation in the municipality.

(4) The governing body may alter or amend the boundaries of the authority district to include or exclude lands from the district in accordance with the same requirements prescribed for adopting the resolution creating the authority.

125.1804 Board; composition; chairperson; oath of member; rules governing procedure and meetings; meetings open to public; removal of member; publicizing expense items; financial records open to public. [M.S.A. 3.540(204)]

Sec. 4. (1) The authority shall be under the supervision and control of a board chosen by the governing body which may by majority vote designate any 1 of the following to constitute the board:

(a) The board of directors of the economic development corporation of the municipality established pursuant to Act No. 335 of the Public Acts of 1974, as amended, being sections 125.1601 to 125.1636 of the Michigan Compiled Laws.

(b) The trustees of the board of a downtown development authority established pursuant to Act No. 197 of the Public Acts of 1975, as amended, being sections 125.1651 to 125.1680 of the Michigan Compiled Laws.

(c) The trustees of the board of an urban redevelopment corporation established pursuant to Act No. 250 of the Public Acts of 1941, as amended, being sections 125.901 to 125.922 of the Michigan Compiled Laws.

(d) The members of the commission established pursuant to Act No. 344 of the Public Acts of 1945, being sections 125.71 to 125.84 of the Michigan Compiled Laws.

(e) Not less than 7 nor more than 13 persons appointed by the chief executive officer of the municipality subject to the approval of the governing body. Of the members appointed, an equal number, as near as practicable, shall be appointed for 1 year, 2 years, 3 years, and 4 years. A member shall hold office until the member's successor is appointed. Thereafter, each member shall serve for a term of 4 years. An appointment to fill a vacancy shall be made by the chief executive officer of the municipality for the unexpired term only. Members of the board shall serve without compensation, but shall be reimbursed for actual and necessary expenses.

(2) The chairperson of the board shall be elected by the board.

(3) Before assuming the duties of office, a member shall qualify by taking and subscribing to the constitutional oath of office.

(4) The board shall adopt rules governing its procedure and the holding of regular meetings, subject to the approval of the governing body. Special meetings may be held when called in the manner provided in the rules of the board. Meetings of the board shall be open to the public, in accordance with Act No. 207

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of the Public Acts of 1976, as amended, being sections 15.261 to 15.275 of the Michigan Compiled Laws.

(5) Pursuant to notice and an opportunity to be heard, a member of the board appointed pursuant to subsection (1)(e) may be removed before the expiration of his or her term for cause by the governing body. Removal of a member is subject to the review by the circuit court.

(6) All expense items of the authority shall be publicized annually and the financial records shall be open to the public pursuant to Act No. 442 of the Public Acts of 1976, as amended, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

125.1805 Board; employment, compensation, term, oath, and bond of director; chief executive office; duties of director; absence or disability of director; reports; employment, compensation, and duties of treasurer and secretary; retention and duties of legal counsel; employment of other personnel; participation in municipal retirement and insurance programs. [M.S.A. 3.540(205)]

Sec. 5. (1) The board may employ and fix the compensation of a director, subject to the approval of the governing body. The director shall serve at the pleasure of the board. A member of the board is not eligible to hold the position of director. Before entering upon the duties of the office, the director shall take and subscribe to the constitutional oath and furnish bond by posting a bond in the penal sum determined in the resolution establishing the authority, payable to the authority for use and benefit of the authority, approved by the board, and filed with the clerk of the municipality. The premium on the bond shall be considered an operating expense of the authority, payable from funds available to the authority for expenses of operation. The director shall be the chief executive officer of the authority. Subject to the approval of the board, the director shall supervise and be responsible for the preparation of plans and the performance of the functions of the authority in the manner authorized by this act. The director shall attend the meetings of the board and shall render to the board and to the governing body a regular report covering the activities and financial condition of the authority. If the director is absent or disabled, the board may designate a qualified person as acting director to perform the duties of the office. Before entering upon the duties of the office, the acting director shall take and subscribe to the constitutional oath and furnish bond as required of the director. The director shall furnish the board with information or reports governing the operation of the authority as the board requires.

(2) The board may appoint or employ and fix the compensation of a treasurer who shall keep the financial records of the authority, and who, together with the director, if a director is appointed, shall approve all vouchers for the expenditure of funds of the authority. The treasurer shall perform such other duties as may be delegated by the board and shall furnish bond in an amount as prescribed by the board.

(3) The board may appoint or employ and fix the compensation of a secretary, who shall maintain custody of the official seal and of records, books, documents, or other papers not required to be maintained by the treasurer. The secretary shall attend meetings of the board and keep a record of its proceedings and shall perform such other duties as may be delegated by the board.

(4) The board may retain legal counsel to advise the board in the proper performance of its duties. The legal counsel shall represent the authority in actions brought by or against the authority.

(5) The board may employ other personnel considered necessary by the board.

(6) The employees of an authority may be eligible to participate in municipal retirement and insurance programs of the municipality as if they were civil service employees on the same basis as civil service employees.

125.1807 Board; powers generally. [M.S.A. 3.540(207)]

Sec. 7. The board may:

(a) Prepare an analysis of economic changes taking place in the municipality and its environs as those changes relate to urban deterioration in the development areas.

(b) Study and analyze the impact of growth upon development areas.

(c) Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility, an existing building, or a multiple family dwelling unit which may be necessary or appropriate to the execution of a plan which, in the opinion of the board, aids in the revitalization and growth of the development area.

(d) Develop long-range plans, in cooperation with the agency which is chiefly responsible for planning in the municipality, designed to halt the decline of property values and to promote the growth of the development area, and take such steps as may be necessary to implement the plans to the fullest extent possible.

(e) Implement any plan of development in a development area necessary to achieve the purposes of this act, in accordance with the powers of the authority as granted by this act.

(f) Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties.

(g) Acquire by purchase or otherwise, on terms and conditions and in a manner the authority considers proper, own, convey, demolish, relocate, rehabilitate, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal, or rights or interests therein, which the authority determines is reasonably necessary to achieve the purposes of this act, and to grant or acquire licenses, easements, and options with respect thereto.

(h) Improve land, prepare sites for buildings, including the demolition of existing structures and construct, reconstruct, rehabilitate, restore, and preserve, equip, improve, maintain, repair, and operate any building, including any type of housing, and any necessary or desirable appurtenances thereto, within the development area for the use, in whole or in part, of any public or private person or corporation, or a combination thereof.

(i) Fix, charge, and collect fees, rents, and charges for the use of any building or property or any part of a building or property under its control, or a facility in the building or on the property, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the authority.

(j) Lease any building or property or part of a building or property under its control.

(k) Accept grants and donations of property, labor, or other things of value from a public or private source.

(l) Acquire and construct public facilities.

(m) Incur costs in connection with the performance of its authorized functions, including but not limited to, administrative costs, and architects, engineers, legal, and accounting fees.

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125.1809 Authority as instrumentality of political subdivision. [M.S.A. 3.540(209)]

Sec. 9. The authority shall be considered an instrumentality of a political subdivision for purposes of Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.

125.1810 Taking, transfer, and use of private property by municipality. [M.S.A. 3.540(210)]

Sec. 10. A municipality may take private property under Act No. 87 of the Public Acts of 1980, being sections 213.51 to 213.77 of the Michigan Compiled Laws, for the purpose of transfer to the authority, and may transfer the property to the authority for use as authorized in the development program, on terms and conditions it considers appropriate. The taking, transfer, and use shall be considered necessary for public purposes and for the benefit of the public.

125.1811 Financing activities of authority; sources. [M.S.A. 3.540(211)]

Sec. 11. The activities of the authority shall be financed from 1 or more of the following sources:

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

(b) Revenues from any property, building, or facility owned, leased, licensed, or operated by the authority or under its control, subject to the limitations imposed upon the authority by trusts or other agreements.

(c) Tax increments received pursuant to a tax increment financing plan established under sections 13 to 15.

(d) Proceeds of tax increment bonds issued pursuant to section 15.

(e) Proceeds of revenue bonds issued pursuant to section 12.

(f) Money obtained from any other sources approved by the governing body of the municipality.

125.1812 Borrowing money; issuing negotiable revenue bonds; full faith and credit. [M.S.A. 3.540(212)]

Sec. 12. (1) The authority may borrow money and issue its negotiable revenue bonds pursuant to Act No. 94 of the Public Acts of 1933, as amended, being section 141.101 to 141.139 of the Michigan Compiled Laws. Revenue bonds issued by the authority shall not, except as hereinafter provided, be considered a debt of the municipality or of the state.

(2) The municipality by majority vote of the members of its governing body may pledge its full faith and credit limited tax to support the authority's revenue bonds.

125.1813 "Captured assessed value" and "initial assessed value" defined; preparation and submission of tax increment financing plan; contents and approval of plan; public hearing; meeting with governing body; fiscal and economic implications; recommendations; agreements; modification of plan. [M.S.A. 3.540(213)]

Sec. 13. (1) As used in this section and sections 14 and 15:

(a) "Captured assessed value" means the amount in any 1 year by which the current assessed value of the development area, including the assessed value of property for which a commercial facilities exemption certificate has been issued pursuant to Act No. 255 of the Public Acts of 1978, as amended, being sections 207.651 to 207.668 of the Michigan Compiled Laws, and the assessed value of property for which an industrial facilities exemption certificate has been issued

pursuant to Act No. 198 of the Public Acts of 1974, as amended, being sections 207.551 to 207.571 of the Michigan Compiled Laws, exceeds the initial assessed value.

(b) "Initial assessed value" means the most recently assessed value, as finally equalized by the state board of equalization, of all the taxable property within the boundaries of the development area at the time the ordinance establishing the tax increment financing plan is approved. Property exempt from taxation at the time of the determination of the initial assessed value shall be included as zero. For the purpose of determining initial assessed value, property for which a commercial facilities exemption certificate or property for which an industrial facilities exemption certificate is in effect shall not be considered property which is exempt from taxation.

(2) When the authority determines that it is necessary for the achievement of the purposes of this act, the authority shall prepare and submit a tax increment financing plan to the governing body. The plan shall be in compliance with section 14, shall include a development plan as provided in section 16, and shall contain a detailed explanation of the tax increment procedure, maximum amount of bonded indebtedness, if any, to be incurred, and the duration of the development program. The plan shall contain a statement of the estimated impact of tax increment financing on the assessed values of all taxing jurisdictions in which the development area is located. The plan may provide for the use of part or all of the captured assessed value, but the portion intended to be used by the authority shall be clearly stated in the tax increment financing plan.

(3) Approval of the tax increment financing plan shall be in accordance with the notice, hearing, and disclosure provisions of section 17. When the development plan is part of the tax increment financing plan, only 1 hearing and approval procedure is required for the 2 plans together.

(4) Before the public hearing on the tax increment financing plan, the governing body shall provide a reasonable opportunity to the members of the county board of commissioners of a county in which any portion of the development area is located and to the members of the school board of any school district in which any portion of the development area is located to meet with the governing body. The authority shall fully inform members of the county boards of commissioners and of the school boards of the fiscal and economic implications of the proposed tax increment financing plan. The members of the county boards of commissioners and of the school boards may present their recommendations at the public hearing on the tax increment financing plan. The authority may enter into agreements with the county board of commissioners, the school boards, and the governing body of the municipality in which the development area is located to share a portion of the captured assessed value of the district.

(5) A tax increment financing plan may be modified if the modification is approved by the governing body upon notice and after public hearing and agreement as required for approval of the original plan.

125.1814 Amount of tax increment to be transmitted to authority; expenditure of tax increments; disposition of surplus funds; abolition of tax increment financing plan; financial report on status of plan. [M.S.A. 3.540(214)]

Sec. 14. (1) The amount of tax increment to be transmitted to the authority by the municipal and county treasurers shall be that portion of the tax levy of all taxing bodies paid each year on real and personal property in the development

area on the captured assessed value. For the purposes of this section, that portion of a commercial facilities tax levied pursuant to section 12 of Act No. 255 of the Public Acts of 1978, being section 207.662 of the Michigan Compiled Laws, or that portion of an industrial facilities tax levied pursuant to section 11 of Act No. 198 of the Public Acts of 1974, as amended, being section 207.561 of the Michigan Compiled Laws, which is attributable to the captured assessed value of the facility shall be included as a part of the tax increment to be transmitted to the authority.

(2) The authority shall expend the tax increments received for the development program only in accordance with the tax increment financing plan. Surplus funds may be retained by the authority for the payment of the principal of and interest on outstanding tax increment bonds or for other purposes, that by resolution of the board, are determined to further the development program. Any surplus funds not so used shall revert proportionately to the respective taxing jurisdictions. These revenues shall not be used to circumvent existing property tax laws or a local charter which provides a maximum authorized rate for levy of property taxes. The governing body may abolish the tax increment financing plan when it finds that the purposes for which the plan was established are accomplished. However, the tax increment finance plan may not be abolished until the principal of and interest on bonds issued pursuant to section 15 have been paid or funds sufficient to make such payment have been segregated.

(3) The authority shall submit annually to the governing body a financial report on the status of the tax increment financing plan. The report shall include: the amount and source of tax increments received; the amount in any bond reserve account; the amount and purpose of expenditures of tax increment revenues; the amount of principal and interest on any outstanding bonded indebtedness; the initial assessed value of the development area; the captured assessed value retained by the authority; and any additional information the governing body considers necessary. The report shall be published in a newspaper of general circulation in the municipality.

125.1815 Tax increment bonds. [M.S.A. 3.540(215)]

Sec. 15. (1) By resolution of its board, the authority may authorize, issue, and sell its tax increment bonds, subject to the limitations set forth in this section, to finance a development program. The bonds shall mature in not more than 30 years and shall be subject to Act No. 202 of the Public Acts of 1943, as amended, being sections 131.1 to 138.2 of the Michigan Compiled Laws. The authority may pledge for annual debt service requirements in any 1 year not more than 80% of the estimated tax increment revenue to be received from a development area for that year, and the total aggregate amount of borrowing shall not exceed an amount which the 80% of the estimated tax increment revenue will service as to annual principal and interest requirements. The bonds issued under this section shall be considered a single series for the purposes of section 4 of chapter V of Act No. 202 of the Public Acts of 1943, as amended, being section 135.4 of the Michigan Compiled Laws.

(2) The municipality by majority vote of the members of its governing body may pledge its full faith and credit for the payment of the principal of and interest on the authority's tax increment bonds.

125.1816 Development plan; preparation; contents. [M.S.A. 3.540(216)]

Sec. 16. (1) When a board decides to finance a project in a development area pursuant to this act, it shall prepare a development plan.

(2) To the extent necessary to accomplish the proposed development program the development plan shall contain:

(a) The designation of boundaries of the development area in relation to the boundaries of the authority district and any other development areas within the authority district.

(b) The designation of boundaries of the development area in relation to highways, streets, or otherwise.

(c) The location and extent of existing streets and other public facilities within the development area and the location, character, and extent of the categories of public and private land uses then existing and proposed for the development area, including residential, recreational, commercial, industrial, educational, and other uses and shall include a legal description of the development area.

(d) A description of improvements to be made in the development area, a description of any repairs and alterations necessary to make those improvements, and an estimate of the time required for completion of the improvements.

(e) The location, extent, character, and estimated cost of the improvements including rehabilitation contemplated for the development area and an estimate of the time required for completion.

(f) A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.

(g) A description of any parts of the development area to be left as open space and the use contemplated for the space.

(h) A description of any portions of the development area which the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms.

(i) A description of desired zoning changes and changes in streets, street levels, intersections, and utilities.

(j) An estimate of the cost of the development, a statement of the proposed method of financing the development, and the ability of the authority to arrange the financing.

(k) Designation of the person or persons, natural or corporate, to whom all or a portion of the development is to be leased, sold, or conveyed and for whose benefit the project is being undertaken, if that information is available to the authority.

(l) The procedures for bidding for the leasing, purchasing, or conveying of all or a portion of the development upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold, or conveyed to those persons.

(m) Estimates of the number of persons residing in the development area and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a development plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.

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(n) A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area.

(o) Provision for the costs of relocating persons displaced by the development, and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the federal uniform relocation assistance and real property acquisition policies act of 1970, 42 U.S.C. 4601 to 4655.

(p) A plan for compliance with Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.

(q) Other material which the authority, local public agency, or governing body considers pertinent.

(3) It shall not be necessary for the board to prepare a development plan pursuant to this section where a development plan that adequately provides for accomplishing the proposed development program has already been prepared by any of the organizations described in section 4(1)(a) to (d) and where the development plan has been approved by the board and governing body pursuant to sections 17 and 18.

125.1817 Public hearing on development plan; publication, mailing, and contents of notice; presentation of data; record. [M.S.A. 3.540(217)]

Sec. 17. (1) The governing body, before adoption of a resolution approving a development plan or tax increment financing plan, shall hold a public hearing on the development plan. Notice of the time and place of the hearing shall be given by publication twice in a newspaper of general circulation designated by the municipality, the first of which shall not be less than 20 days before the date set for the hearing. Notice shall also be mailed to all property taxpayers of record in the development area not less than 20 days before the hearing.

(2) Notice of the time and place of hearing on a development plan shall contain the following:

(a) A description of the proposed development area in relation to highways, streets, streams, or otherwise.

(b) A statement that maps, plats, and a description of the development plan, including the method of relocating families and individuals who may be displaced from the area, are available for public inspection at a place designated in the notice, and that all aspects of the development plan will be open for discussion at the public hearing.

(c) Other information that the governing body considers appropriate.

(3) At the time set for hearing, the governing body shall provide an opportunity for interested persons to be heard and shall receive and consider communications in writing with reference thereto. The hearing shall provide the fullest opportunity for expression of opinion, for argument on the merits, and for introduction of documentary evidence pertinent to the development plan. The governing body shall make and preserve a record of the public hearing, including all data presented at that time.

125.1818 Development plan or tax increment plan as public purpose; determination; basis of resolution approving plan, rejecting plan, or approving plan with modifications; approval or rejection of amendments. [M.S.A. 3.540(218)]

Sec. 18. (1) The governing body, after a public hearing on the development plan or the tax increment financing plan, or both, with notice given pursuant to

section 17, 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 resolution 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) Whether the plan meets the requirements set forth in section 16(2).

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

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

(e) Whether the land to be acquired within the development area is reasonably necessary to carry out the purposes of the plan and the purposes of this act.

(f) Whether the development plan is in reasonable accord with the approved master plan of the municipality, if an approved master plan exists.

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

(h) Whether 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 body for approval or rejection.

125.1819 Notice to vacate. [M.S.A. 3.540(219)]

Sec. 19. A person to be relocated under this act shall be given not less than 90 days' written notice to vacate unless modified by court order for good cause.

125.1820 Development area citizens council; establishment; advisory body; appointment and qualifications of members. [M.S.A. 3.540(220)]

Sec. 20. (1) A development area citizens council shall be established if the proposed development area has 100 or more persons residing within it and a change in zoning or a taking of property by eminent domain is necessary to accomplish the proposed development program. The council shall act as an advisory body to the authority and the governing body in the adoption of the development plan or tax increment financing plan.

(2) If a development area citizens council is required, the council shall be appointed by the governing body, and shall consist of not less than 9 members. Each member shall be at least 18 years of age and reside in the development area. The council shall be established at least 60 days before the public hearing on the development plan or the tax increment financing plan, or both.

(3) If a development area citizens council is required pursuant to subsection (1) and if the authority was established pursuant to section 4(1)(a), (b), (c), or (d), a council established in conjunction with any of those boards or commissions, may serve in an advisory capacity to the authority, if the authority determines it is representative of the development area.

125.1821 Consultation representative of authority and council. [M.S.A. 3.540(221)]

Sec. 21. Periodically a representative of the authority responsible for preparation of a development or tax increment financing plan within the development

area shall consult with and advise the development area citizens council regarding the aspects of a development plan, including the development of new housing for relocation purposes located either inside or outside of the development area. The consultation shall begin before any final decisions by the authority and the governing body regarding a development or tax increment financing plan. The consultation shall continue throughout the preparation and implementation of the development or tax increment financing plan.

125.1822 Meetings of council; open to public; notice; hearing persons present at meeting; record; information and technical assistance; failures not precluding adoption of development plan. [M.S.A. 3.540(222)]

Sec. 22. (1) Meetings of the council shall be open to the public. Notice of the time and place of the meetings shall be posted in at least 10 conspicuous places in the development area accessible to the public not less than 5 days before the dates set for meetings of the council. A person present at those meetings shall have reasonable opportunity to be heard.

(2) A record of the meetings of a council, including information and data presented, shall be maintained by the council.

(3) A council may request of and receive from the authority information and technical assistance relevant to the preparation of the development plan for the development area.

(4) Failure of a council to organize or to consult with and be advised by the authority, or failure to advise the governing body, as provided in this act, shall not preclude the adoption of a development plan by a municipality if the municipality complies with the other provisions of this act.

125.1823 Development plan; notice of findings and recommendations. [M.S.A. 3.540(223)]

Sec. 23. Within 20 days after the public hearing on a development or tax increment financing plan, the council, if established, shall notify the governing body, in writing, of its findings and recommendations concerning a proposed development plan.

125.1824 Development area citizens council; dissolution. [M.S.A. 3.540(224)]

Sec. 24. A development area citizens council may not be required and, if formed, may be dissolved in any of the following situations:

(a) On petition of not less than 20% of the adult resident population of the development area by the last federal decennial or municipal census, a governing body, after public hearing with notice given in accordance with section 17 and by a 2/3 vote, may adopt a resolution eliminating the necessity of a council for the development area.

(b) If there are less than 18 residents located in the development area eligible to serve on the council.

(c) Upon termination of the authority by resolution of the governing body.

125.1825 Budget; cost of handling and auditing funds. [M.S.A. 3.540(225)]

Sec. 25. (1) The director of the authority shall prepare and submit for the approval of the board a budget for the operation of the authority for the ensuing fiscal year. The budget shall be prepared in the manner and contain the information required of municipal departments. Before the budget may be adopted by the board, it shall be approved by the governing body. Funds of the

municipality shall not be included in the budget of the authority except those funds authorized in this act or by the governing body.

(2) The governing body may assess a reasonable pro rata share of the funds for the cost of handling and auditing the funds against the funds of the authority, other than those committed for designated purposes, which cost shall be paid annually by the board pursuant to an appropriate item in its budget.

125.1826 Preservation of public facility, building, or structure having significant historical interest; review of proposed changes to exterior of historic site. [M.S.A. 3.540(226)]

Sec. 26. (1) A public facility, building, or structure which is determined by the municipality to have significant historical interests shall be preserved in a manner as considered necessary by the municipality in accordance with laws relative to the preservation of historical sites.

(2) An authority shall refer all proposed changes to the exterior of sites listed on the state register of historic sites and the national register of historic places to the applicable historic district commission created under Act No. 169 of the Public Acts of 1970, as amended, being sections 399.201 to 399.212 of the Michigan Compiled Laws, or the secretary of state for review.

125.1827 Dissolution of authority; resolution; disposition of property and assets. [M.S.A. 3.540(227)]

Sec. 27. An authority which has completed the purposes for which it was organized shall be dissolved by resolution of the governing body. The property and assets of the authority remaining after the satisfaction of the obligations of the authority shall belong to the municipality.

This act is ordered to take immediate effect.
Approved January 15, 1981.

[No. 451]

AN ACT to amend section 10 of chapter II and section 5 of chapter V of Act No. 286 of the Public Acts of 1929, entitled as amended "An act to provide for the protection of wild animals and wild birds; to regulate the taking, possession, use and transportation of same; to prohibit the sale of game animals and birds; to regulate the manner of hunting, pursuing and killing game animals, birds and furbearing animals; to provide for the issuing of licenses and permits for the taking, hunting or killing of all wild animals and birds and the disposition of the moneys derived therefrom; to provide for the issuance of a sportsman's license by combining several hunting and fishing licenses; to provide penalties for the violation of any of the provisions of this act and the rules adopted thereunder, and to repeal certain acts relating thereto," section 10 of chapter II as amended by Act No. 47 of the Public Acts of 1977 and section 5 of chapter V as amended by Act No. 64 of the Public Acts of 1978, being sections 312.10 and 315.5 of the Compiled Laws of 1970.

The People of the State of Michigan enact:

Sections amended; game law of 1929.

Section 1. Section 10 of chapter II and section 5 of chapter V of Act No. 286 of the Public Acts of 1929, section 10 of chapter II as amended by Act No. 47 of the Public Acts of 1977 and section 5 of chapter V as amended by Act No. 64 of

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