

MICHIGAN  
**DOWNTOWN**  
ASSOCIATION



# PA 57

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RECODIFIED TAX INCREMENT FINANCING ACT  
ACT 57 OF 2018

# Outline of Presentation

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- The Michigan Downtown Association
- Review of PA 57 2018
- Website Requirements
- Reporting Requirements
- Informational Meeting Requirements
- Q & A



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# Michigan Downtown Association

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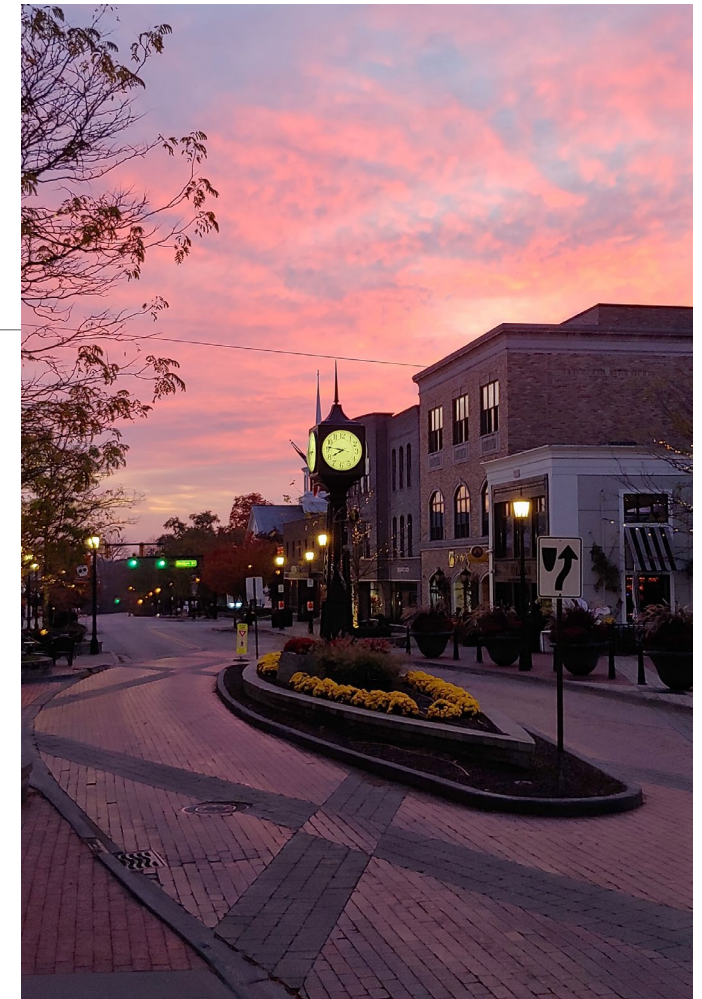
- Founded in 1980
- Non-profit, State-wide
- 190 members
- DDAs, Cities, Townships, Organizations, Chambers, Businesses, Individuals
- Goal to Strengthen Downtowns
- Provide Education and Advocacy
  - Workshops, Conference, Networking, Resources, Webinars, Legislative Day & Committee



# Quick Facts

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- Replaces PA 197 of 1975
  - Recodification and establishment of certain tax increment finance authorities, including Act 197 of the Michigan Public Acts of 1975. The Act repeals and recodifies multiple acts related to tax increment finance authorities, subjects the TIFA to standard reporting requirements, and provide for the continuation of existing authorities created under the statutes being recodified. Additionally, the Act repeals two TIFA acts that were not being utilized.
- Treasury Gathers Info from Reporting Requirements
- Reporting Form- Each DDA's Report Now Consistent
- Law and All Requirements (Act 57 of 2018 MI)



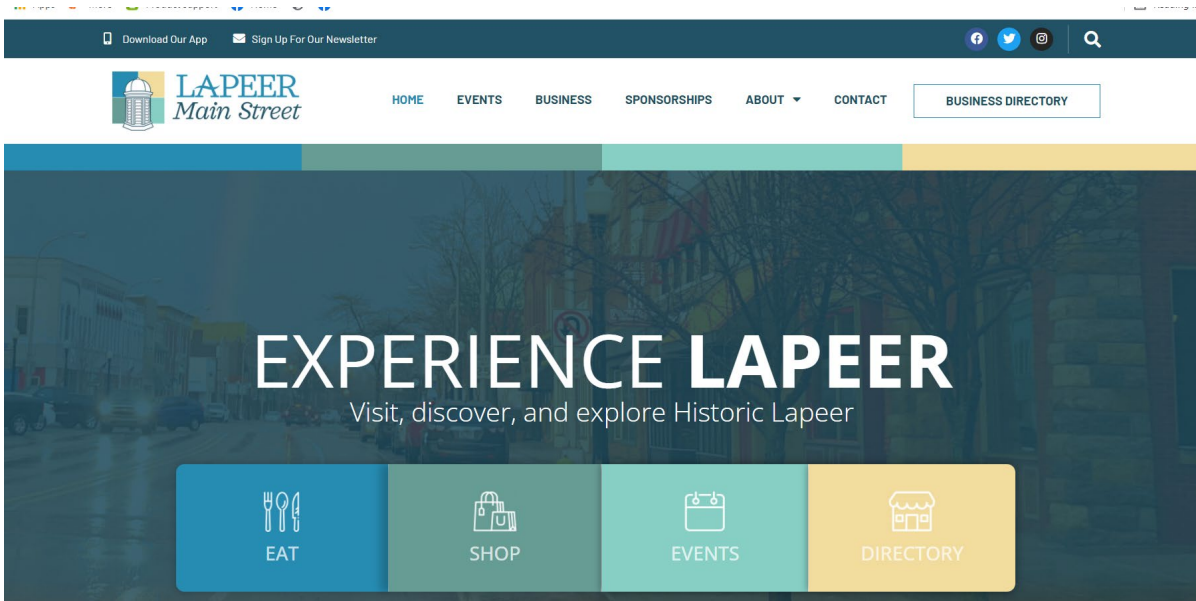
# Website Requirements Sec. 910 (1)

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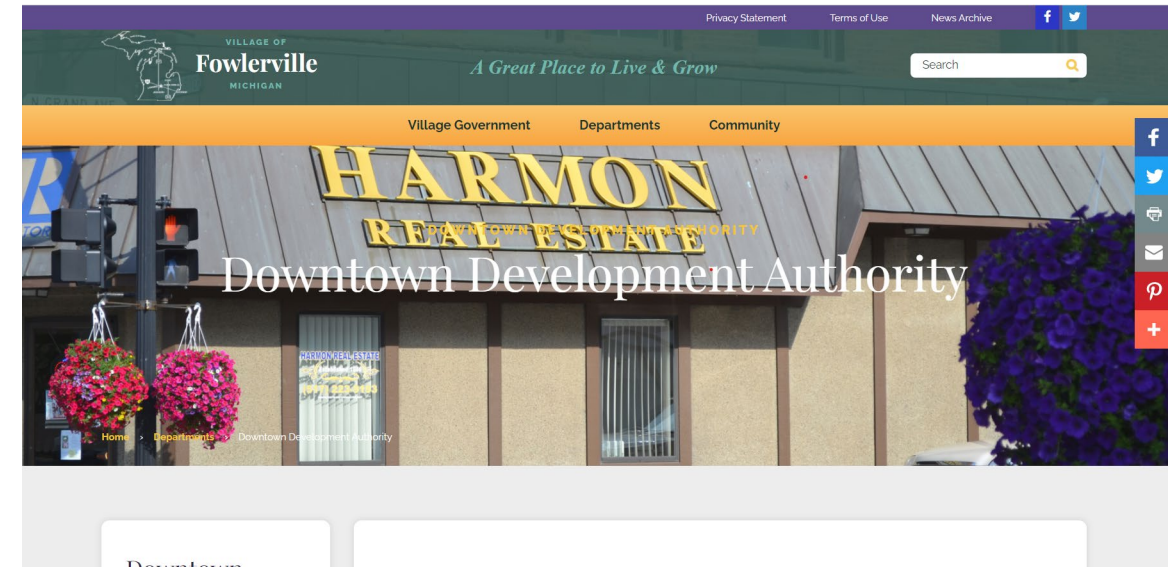
Subject to subsection (5), each municipality that has created an authority or that creates an authority shall create a website or utilize the existing website of the municipality that is operated and regularly maintained with access to authority records and documents for the fiscal year beginning on the effective date of this act...



# Website Requirements Sec. 910 (1)



Lapeer DDA has its own website  
<https://downtownlapeer.com>



Fowlerville DDA included within the municipality  
website under Departments  
[http://fowlerville.org/departments/downtown\\_development\\_authority/index.php](http://fowlerville.org/departments/downtown_development_authority/index.php)

# Website Requirements Sec. 910 (1)

- **Minutes** of all board meetings
- **Annual budget**, including encumbered and unencumbered fund balances
- **Annual audits**
- Currently adopted **development plan**, if not included in a tax increment financing plan
- Currently adopted **tax increment finance plan**, if currently capturing tax increment revenues
- Current authority **staff contact** information
- A ***listing*** of **current contracts** with a description of those contracts and other documents related to management of the authority and services provided to the authority

The records and document information required above would be phased in from the effective date of the Act. For the fiscal year in which the Act takes effect, information would be required for that fiscal year. For the fiscal year 1 year following the effective date of the Act, the information would be required for that fiscal year and the immediately preceding fiscal year, and so on.



# Website Requirements Sec. 910 (1)

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## According to Treasury, in an email dated September 9, 2019

- Contracts would be any active agreement the DDA has signed with another party.
- An example could be: Bob's Landscaping 123 Main St, Lansing MI - snow removal and landscaping.
- A lease agreement is a contract and should be mentioned on the website with a description of the contract.
- There is no mention that the contract must be posted, only a description of the contract.
- Other documents for example, could be agreements the DDA has with the county to only capture a certain percent of the property taxes.
- If a DDA has no current contracts, we advise the DDA mention that on the website so it does not look like the DDA forgot to put a listing of contracts on their website.



# Website Requirements Sec. 910 (1)

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- An updated **annual synopsis** of activities of the authority
- List of **authority accomplishments**, including progress made on development plan and tax increment finance plan goals and objectives for the immediately preceding fiscal year.
- List of authority **projects and investments**, including active and completed projects for the immediately preceding fiscal year
- List of authority **events and promotional** campaigns for the immediately preceding fiscal year

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# Website Requirements Sec. 910 (1)

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- For any tax increment revenues described in the annual audit that are not expended within 5 years of their receipt, a description that provides:
  - The reasons for accumulating those funds & uses for which those funds will be expended
  - A time frame when the fund will be expended
- If any funds have not been expended within 10 years of their receipt:
  - The amount of those funds
  - A written explanation of why those funds have not been expended

## SAMPLE

“At the end of the fiscal year 2017-18, the DDA had a fund balance of \$160,000. As the 2014 TIF plan indicates, the DDA anticipates assisting the City with future infrastructure projects that include: M-1 road improvements, viaduct improvements, and upgrades to utilities and infrastructure on First Street. The projects, costs and timelines are included in the City's Capital Improvement Plan which is available for viewing at the City office, 123 Main Street.”

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# Website Requirements Sec. 910 (1)

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## SAMPLE

**At the end of the fiscal year 2017-18, the DDA had a fund balance of \$160,000. As the 2014 TIF plan indicates, the DDA anticipates assisting the City with future infrastructure projects that include: M-1 road improvements, viaduct improvements, and upgrades to utilities and infrastructure on First Street.**

**The projects, costs and timelines are included in the City's Capital Improvement Plan which is available for viewing at the City office, 123 Main Street.**

According to Treasury, the **first sentence**, “Meets the requirement of *The Reasons for accumulating those funds and the uses for which those funds will be expended.*”

However, the **second sentence**, “does not meet the requirement of *A time frame when then funds will be expended.*”

If you were to provide a general time frame such as ‘completed by 2022-2023’ or ‘within the next 3-4 years’, it would suffice to meet the time frame requirement.

# Reporting to Treasury

Sec. 911 (1)

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- **180 days after authority's Fiscal Year ends.**

The report described in subsection (1) shall be filed with the department of treasury at the same time as the annual financial report is filed with the department of treasury under section 4 of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.424.

- **One Reporting Form for All DDAs/TIFAs**

- **Form Available Here**

[https://www.michigan.gov/treasury/0,4679,7-121-1751\\_2194\\_90562---,00.html](https://www.michigan.gov/treasury/0,4679,7-121-1751_2194_90562---,00.html)

**Must also submit to governing body of the municipality and the governing body of a taxing unit levying taxes subject to capture by an authority**



# Reporting to Treasury

Sec. 911 (1)

The Department is required to collect the reports and annually compile a combined report summarizing the information reported and submit a copy of that combined report to each member of the legislature.



# Reporting to Treasury      Sec. 911 (1)

## **Have you filed your Annual Financial Report to Treasury?**

You have 180 days after your **Fiscal Year** ends (see timeframe below) to file the Annual Financial Report to Treasury. **THIS IS VITAL.** Please file the form in a timely fashion. The form, along with other information regarding the new reporting requirements, can be found [here](#).

[www.michigan.gov/treasury/0,4679,7-121-1751\\_2194\\_90562---,00.html](http://www.michigan.gov/treasury/0,4679,7-121-1751_2194_90562---,00.html)

## **Timeframes**

If your Fiscal Year starts March 1: Deadline for filing report is **September 1**

If your Fiscal Year starts July 1: Deadline for filing report is **December 31**

If your Fiscal Year starts January 1: Deadline for filing report is **June 30**

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Annual Report on Status of Tax Increment Financing Plan				
Send completed form to: <a href="mailto:Treas-StateSharePropTaxes@michigan.gov">Treas-StateSharePropTaxes@michigan.gov</a>	Municipality Name	TIF Plan #	For Fiscal Years ending in	
Issued pursuant to 2018 PA 57, MCL 125.4911 Filing is required within 180 days of end of Authority's fiscal year 2018-2019.	Click on this cell to enter authority type from list:		2019	
	Year AUTHORITY (not TIF plan) was created:			
	Year TIF plan was created or last amended to extend its duration:			
	Current TIF plan scheduled expiration date:			
	Did TIF plan expire in FY19?			
	Year of first tax increment revenue capture:			
	Does the authority capture taxes from local or intermediate school districts, or capture the state education tax? Yes or no?			
	If yes, authorization for capturing school tax:	Choose from list		
	Year school tax capture is scheduled to expire:			
<b>Revenue:</b>	Tax Increment Revenue		\$ -	
	Property taxes - from DDA levy		\$ -	
	Interest		\$ -	

Annual Report Specific Taxes capture

Type here to search

12:53 PM 4/8/2019

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Clipboard: Paste, Cut, Copy, Format Painter

Font: Arial, 10, Bold, Italic, Underline, Text Color, Background Color

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Cells: Insert, Delete, Format

Editing: AutoSum, Fill, Clear, Sort & Filter, Find & Select

Share Comments

Annual Report on Status of Tax Increment Financing Plan									
Send completed form to: <a href="mailto:Treas-StateSharePropTaxes@michigan.gov">Treas-StateSharePropTaxes@michigan.gov</a>		Municipality Name	TIF Plan #	For Fiscal Years ending in					
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67	Ad valorem utility personal	\$	-	\$	-	\$	-	0.0000000	\$0.00
68	Ad valorem other personal	\$	-	\$	-	\$	-	0.0000000	\$0.00
69	IFT New Facility real property, 0% SET exemption	\$	-	\$	-	\$	-	0.0000000	\$0.00
70	IFT New Facility real property, 50% SET exemption	\$	-	\$	-	\$	-	0.0000000	\$0.00
71	IFT New Facility real property, 100% SET exemption	\$	-	\$	-	\$	-	0.0000000	\$0.00
72	IFT New Facility personal property on industrial class land	\$	-	\$	-	\$	-	0.0000000	\$0.00
73	IFT New Facility personal property on commercial class land	\$	-	\$	-	\$	-	0.0000000	\$0.00
74	IFT New Facility personal property, all other	\$	-	\$	-	\$	-	0.0000000	\$0.00
75	Commercial Facility Tax New Facility	\$	-	\$	-	\$	-	0.0000000	\$0.00
76	IFT Replacement Facility (frozen values)	\$	-	\$	-	\$	-	0.0000000	\$0.00
77	Commercial Facility Tax Restored Facility (frozen values)	\$	-	\$	-	\$	-	0.0000000	\$0.00
78	Commercial Rehabilitation Act	\$	-	\$	-	\$	-	0.0000000	\$0.00
79	Neighborhood Enterprise Zone Act	\$	-	\$	-	\$	-	0.0000000	\$0.00

Annual Report | Specific Taxes capture

110%



# Reporting to Treasury Sec. 915

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## Penalties for Non-Compliance

- Written notification to an authority that fails to comply with this act, taxing jurisdiction, and to the governing body of the municipality that established the authority.
- The written notification shall specifically detail the authority's noncompliance with this act.
- After 60 days of not complying, that authority shall not capture any tax increment revenues that are in excess of amounts necessary to pay bonded indebtedness and other obligations for the period of noncompliance.
- During the period of noncompliance, an authority cannot amend or approve a tax increment financing plan.
- If noncompliance exceeds 2 consecutive years, that authority shall not capture any tax increment revenues that are in excess of amounts necessary to pay bonded indebtedness and other obligations without a resolution of authorization of the municipality that created the authority and each taxing jurisdiction whose ad valorem taxes are subject to capture by the authority. Any excess funds captured shall be returned to the taxing jurisdiction from which they were captured (see schedule Sec. 915).



# Informational Meetings Sec. 910 (4)

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- Informational meetings are meetings for the purpose of informing the public of the goals and direction of the authority
- Including projects to be undertaken in the coming year
- They are not for the purpose of voting on policy, budgets or other operational matters
- The informational meetings may be held in conjunction with other public meetings of the authority or municipality.
- Notice posted on the municipality's or authority's website not less than 14 days before the date of the informational meeting
- Not less than 14 days before the informational meeting, the board of an authority shall mail notice of the informational meeting to the governing body of each taxing jurisdiction levying taxes that are subject to capture by an authority under this act
- As an alternative to mailing notice of the informational meeting, the board of the authority may notify the clerk of the governing body of each taxing jurisdiction levying taxes that are subject to capture by an authority under this act by electronic mail

# Informational Meetings Sec. 910 (4)

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According to Treasury, in an email dated July 2, 2019

- The informational meetings can be held before the DDA regular meetings.
- They are for the purpose to informing the public of the goals and direction of the authority, including projects to be undertaken in the coming year. They are not for the purposes of voting on policy, budgets, or other operational matters.
- Minutes can be as simple as an informational meeting was held before the DDA meeting.
- Quorum is not required.
- The informational meetings may be held in conjunction with other public meetings of the authority or municipality.

# My Downtown DDA Improvements and Investments, 2021

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## Installation of Cobra Lights

- Main Street and Depot Drive
- Industrial Drive

\$23,000 for LED conversion of lights on lampposts within traditional downtown

## \$30,000 in Streetscape expenses including:

- Landscaping on First Street, Depot Drive, Park Avenue, and Wayfinding Signs
- 33 new American Flags on lampposts found in downtown
- Holiday lights
- Manage the brick and bench program

\$1,200 to install three new benches placed in Happy Park

\$2,275 lawn maintenance in public areas within downtown

\$30,000 in electricity within the district



# My Downtown DDA Future Plans, 2022

- Children's Reading Park
- Billboard by Railroad Tracks
- Enhancements at M-1 and First Street
- Work with City during infrastructure and streetscape improvements near Via-Duct



# BEST RESOURCE TO HAVE ON FILE:

Travis Bukovcik

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