

TITLE FOUR - Taxation
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CHAPTER 880
 Tax Increment Financing and
 Development Plan

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CROSS REFERENCES

Finance generally - see CHTR. Ch. 8

Taxation - see CHTR. Ch. 9

Downtown Development Authority - see ADM. Ch. 290

880.01 TITLE.

This chapter shall be known as and may be cited as the "Tax Increment Financing and Development Plan Ordinance of the Village of Caseville, Michigan." (Ord. 90-5. Passed 11-12-90.)

880.02 DEFINITIONS.

The terms used in this chapter shall have the following meanings unless the context clearly requires otherwise:

- (a) "Base year assessment roll" means the base year assessment roll prepared by the Village Assessor in accordance with Section 880.05.

- (b) "Captured assessed value" means the amount in any one year by which the current assessed value of property of the Development District, including the assessed value of property for which specific local taxes are paid in lieu of property taxes, as determined in subsection (h) hereof, exceeds the initial assessed value. The State Tax Commission prescribes the method for calculating captured assessed value.
- (c) "Development Plan" means the Tax Increment Financing and Development Plan of the Caseville Downtown Development Authority, dated November 12, 1990, as transmitted to the Village Council by the Downtown Development Authority for public hearing, copies of which are on file in the office of the Village Clerk.
- (d) "Downtown Development Authority" means the Village of Caseville Downtown Development Authority.
- (e) "Downtown Development District" and "Development District" mean the area described in Section 290.02 of the Administration Code and as shown in Figure 1 of the Development Plan, and include all properties listed in Appendix B of the Development Plan, which Appendix B is attached to original Ordinance 90-5, passed November 12, 1990. The Downtown Development Area, as defined in Public Act 197 of 1975, as amended, has an identical boundary to the Development District defined herein.
- (f) "Initial assessed value" means the assessed value, as equalized, of all the taxable property within the boundaries of the Development Area at the time this chapter establishing the tax increment financing plan is approved, as shown by the most recent assessment roll of the Village of Caseville for which equalization has been completed at the time this chapter is adopted. Property exempt from taxation at the time of the determination of the initial assessed value shall be included as zero. For purposes of determining initial assessed value, property for which a specific local tax is paid in lieu of property tax, shall not be considered to be property which is exempt from taxation. The initial assessed value of property for which a specific tax is paid in lieu of a property tax shall be determined as provided in subsection (h) hereof.
- (g) "Project Fund" means the Downtown Development Authority Project Fund established pursuant to Section 880.07.
- (h) "Specific local tax" means a tax levied under Act 198 of the Public Acts of 1974, being Sections 207.551 to 207.751 of the Michigan Compiled Laws; the Commercial Redevelopment Act, Act 255 of the Public Acts of 1978, being Sections 207.651 to 207.668 of the Michigan Compiled Laws; the Technology Park Development Act, Act 385 of 1984, being Sections 207.701 to 207.718 of the Michigan Compiled Laws; and Act 189 of the Public Acts of 1953, being Sections 211.181 to 211.182 of the Michigan Compiled Laws. The initial assessed value or current assessed value of the property subject to a specific local tax shall be the quotient of the specific local tax paid divided by the ad valorem millage rate.
- (i) "Taxing jurisdiction" means each unit of government levying an ad valorem property tax on property in the Downtown Development District.
(Ord. 90-5. Passed 11-12-90.)

880.03 APPROVAL AND ADOPTION OF THE TAX INCREMENT FINANCING AND DEVELOPMENT PLAN.

The Tax Increment Financing and Development Plan submitted to the Village Council by the Caseville Downtown Development Authority is hereby approved and adopted. The duration of the approved Plan shall be seven years from the date of issuance of the last debt instrument by the Caseville Downtown Development Authority pursuant to the Plan, except as the time period may be extended by subsequent amendments to the Plan and this chapter. A copy of the approved Plan and all amendments thereto shall be maintained on file in the office of the Village Clerk. (Ord. 90-5. Passed 11-12-90.)

880.04 BOUNDARIES OF THE DOWNTOWN DEVELOPMENT DISTRICT.

The boundaries of the Downtown Development District shall be as set forth in Section 290.02 of these Codified Ordinances. Said boundaries are hereby adopted and confirmed.

(Ord. 90-5. Passed 11-12-90.)

880.05 PREPARATION OF BASE YEAR ASSESSMENT ROLL.

Within twenty days of the publication of this chapter (the effective date of this chapter), the Village Assessor shall prepare the base year assessment roll. The base year assessment roll shall list each taxing jurisdiction levying taxes in the Downtown Development District, the initial assessed value of the Downtown Development District on the effective date of this chapter, and the amount of revenue derived by each taxing jurisdiction from ad valorem taxes on the property in the Downtown Development District.

The Assessor shall transmit copies of the initial base year assessment roll to the Village Treasurer, County Treasurer, Downtown Development Authority and each taxing jurisdiction, together with a notice that the assessment roll has been prepared in accordance with this chapter and the Tax Increment Financing and Development Plan approved by the adoption of this chapter.

(Ord. 90-5. Passed 11-12-90.)

880.06 PREPARATION OF ANNUAL BASE YEAR ROLL.

Each year within fifteen days following the final equalization of property assessed values in the Downtown Development District, the Assessor shall prepare an updated base year assessment roll. This assessment roll shall show the information required in the initial base year assessment roll and, in addition, the captured assessed value for that year. Copies of the annual base year assessment roll shall be transmitted by the Village Assessor to the same taxing jurisdictions as the initial base year assessment roll, together with a notice that the annual base year assessment roll has been prepared in accordance with this chapter and the Tax Increment Financing and Development Plan approved by adoption of this chapter.

(Ord. 90-5. Passed 11-12-90.)

880.07 ESTABLISHMENT OF PROJECT FUND; APPROVAL OF DEPOSITORY.

The Treasurer of the Downtown Development Authority shall establish a separate fund which shall be kept in a depository bank account in a bank or banks approved by the Village Treasurer, to be designated as the Downtown Development Authority Project Fund. All tax increment revenues accruing to the Downtown Development Authority shall be deposited in the Project Fund. All moneys in that Fund and interest earnings thereon shall be used in accordance with the Development Plan and this chapter.

(Ord. 90-5. Passed 11-12-90.)

880.08 PAYMENT OF TAX INCREMENT REVENUE TO THE DOWNTOWN DEVELOPMENT AUTHORITY.

The Village and County Treasurer shall, as ad valorem taxes are collected on the property within the Downtown Development District, pay that proportion of the taxes, except for penalties and collection fees, that the captured assessed values bears to the initial assessed value to the Treasurer of the Downtown Development Authority. The payments shall be made on the date or dates which the Village and County Treasurers are required to remit taxes to each of the taxing jurisdictions.

(Ord. 90-5. Passed 11-12-90.)

880.09 USE OF MONEYS IN PROJECT FUND.

The moneys credited to the Project Fund and on hand therein from time to time shall annually be used in the following manner and following order of priority:

- (a) To pay into the debt retirement fund or funds, for all outstanding debt instruments issued pursuant to the Development Plan, a sum equal to the total principal and interest payments due prior to the next collection of taxes, less credit for any sums on hand in the debt retirement fund;
- (b) To establish a reserve account for payment of principal and interest on debt instruments issued pursuant to the Development Plan in an amount equal to one-fifth of the largest annual principal and interest payments due on debt instruments issued pursuant to the Development Plan. Any amounts to the credit of the reserve account at the beginning of any fiscal year in excess of the requirements of this subsection shall be considered tax increment revenue for the then current fiscal year;
- (c) To pay the administrative and operating expenses of the Downtown Development Authority for the Downtown Development District, including planning, promotion, personnel, accounting, public notices and reports, and other operating costs, to the extent provided in the annual budget of the Downtown Development Authority;
- (d) To pay, to the extent determined necessary by the Downtown Development Authority and approved by the Village Council, the costs of design, engineering, construction and completion of public improvements within the Development District which are not financed from proceeds of bonds, notes or other debt instruments;

- (e) To pay the cost of any additional improvements to the Downtown Development District determined necessary by the Downtown Development Authority and approved by the Village Council;
- (f) To reimburse the Village for funds advanced to acquire property, clear land, make plans and construction documents, and install improvements necessary in the Downtown Development District; and
- (g) To provide a pool of mortgage financing and/or funds to acquire facade or scenic easements needed for private or public development within the Development District.

Any tax increment revenue in excess of those needed to accomplish the Development Plan purposes shall revert to the taxing jurisdictions or be used for future development activities within the Downtown Development District, as defined in the Development Plan or as the Plan may be amended from time to time.
(Ord. 90-5. Passed 11-12-90.)

880.10 ANNUAL REPORT.

Within ninety days after the end of each fiscal year, the Downtown Development Authority shall submit to the Village Council a report on the status of the Project Fund, including the amount and purpose of expenditures from the Fund, the initial assessed value of the Downtown Development District, the captured assessed value of the Downtown Development District, the tax increment revenues received in the prior year, the amount, if any, of surplus funds, and any additional information deemed necessary by the Downtown Development Authority or as requested by the Village Council. The Secretary of the Downtown Development Authority shall cause to be published once in full a copy of the annual report in a newspaper of general circulation in the Village.

(Ord. 90-5. Passed 11-12-90.)

880.11 REFUND OF SURPLUS TAX INCREMENT REVENUE.

Any surplus money in the Project Fund at the end of any fiscal year, as shown by the annual report of the Downtown Development Authority, shall be paid by the Authority to the Village or County Treasurer, as the case may be, and rebated by them to the taxing jurisdictions.

(Ord. 90-5. Passed 11-12-90.)

880.12 MILLAGE LEVY WITHIN THE DEVELOPMENT DISTRICT.

The Caseville Downtown Development Authority is hereby authorized to levy two mills within the Development District as permitted by Section 12(1) of the Downtown Development Authority Act, as amended. This levy shall be upon all real and tangible personal property in the District. The Downtown Development Authority shall not levy this millage unless and until the Village Council shall first approve a specific annual request from the Authority to levy said millage and the proposed use of tax revenue from said millage.

(Ord. 90-5. Passed 11-12-90.)