

At a regular meeting of the Muskegon County Board of Commissioners, held in the City of Muskegon, County of Muskegon on July 14, 2009, at the Hall of Justice in the Commission Chambers.

PRESENT: Buzzell, Collins, Derezinski, Engle, Gill, Mahoney, McMurray, Nash, Scolnik, Snider, Wade

ABSENT: None

RESOLUTION ESTABLISHING A POLICY TO REQUIRE TAX SHARING AGREEMENTS AS A CONDITION FOR COUNTY PARTICIPATION IN NEW OR AMENDED TAX INCREMENT FINANCING PROPOSALS

The following preamble and resolution was offered by Commissioner Collins and supported by Commissioner Engle.

WHEREAS, a variety of state statues – including but not limited to the Downtown Development Authority Act, the Tax Increment Authority Act, the Brownfield Redevelopment Financing Act, the Renaissance Zone Act, and the Historic Neighborhood TIFA – establish mechanisms for local units of government to establish tax capture or tax abatement programs and districts; and

WHEREAS the Muskegon County Board of Commissioners has statutory authority to exempt the County of Muskegon from participation in many such tax capture and tax abatement programs and districts; and

WHEREAS, the Muskegon County Board of Commissioners deems it appropriate, necessary and advisable to establish a uniform policy and set of procedures for evaluating specific proposals for the establishment of, and County participation or non-participation in, tax capture or tax abatement programs and districts; and

WHEREAS, the Muskegon County Board of Commissioners deems it appropriate, necessary and advisable to adopt a uniform policy of requiring a Tax Sharing Agreement with other local units of government, as a pre-condition for the County’s optional participation in any such tax capture or tax abatement program or district.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The County of Muskegon hereby establishes the attached Tax Sharing Policy, as the official and mandatory policy of the County of Muskegon.
2. The Tax Sharing Policy shall apply to all requests for tax abatement or tax capture by local units of government within the County of Muskegon.

3. The Tax Sharing Policy shall also apply to any existing or future tax capture or tax abatement program or district by any local unit of government, as to which any state statute provides the County with the option to exempt itself from a new or expanded tax capture or tax abatement program or district.

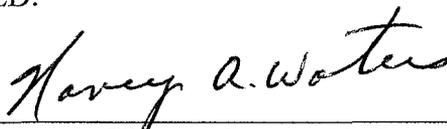
4. It is established as the policy of the County of Muskegon, whenever permitted by law, to exempt itself from the capture of any County property tax revenues in any new, amended, or expanded tax capture or tax abatement program or district, unless the Muskegon County Board of Commissioners has approved a tax sharing agreement with the affected development district and/or the affected municipality.

All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution, shall be and the same are hereby rescinded.

AYES: Buzzell, Collins, Derezinski, Engle, Gill, Mahoney, McMurray, Nash, Scolnik, Snider, Wade

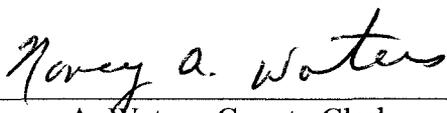
NAYS: None

RESOLUTION DECLARED ADOPTED.



Nancy A. Waters, County Clerk

I hereby certify that the following constitutes a true and complete copy of a resolution adopted by the Muskegon County Board of Commissioners at a regular meeting held on July 14, 2009, and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267 of the Public Acts of Michigan of 1967.



Nancy A. Waters, County Clerk

MUSKEGON COUNTY BOARD OF COMMISSIONERS

COUNTY BOARD TAX SHARING POLICY

POLICY #2009-367

APPROVAL DATE: JULY 14, 2009

1. Purpose. This Policy is intended to establish guidelines under which Muskegon County will participate in tax sharing agreements with other local units of government under existing and future tax capture and tax exemption programs.
2. Authority. The Muskegon County Board of Commissioners currently has the statutory authority to exempt the County from participation in tax capture and tax abatement districts that are organized under the following statutes:

	<u>Public Act</u>	<u>Exemption Provision</u>
Downtown Development Authority	197 of 1975	MCL 125.1653, Sec. 3(3)
Local Development Financing Act (Smartzones)	281 of 1986	MCL 125.2154, Sec. 4(3) ⁽¹⁾
Tax Increment Finance Authority Act (TIFA)	450 of 1980	None ⁽²⁾
Historic Neighborhood TIFA	530 of 2004	MCL 125.2857, Sec. 17(5)
Corridor Improvement Authority Act	280 of 2005	MCL 125.2888, Sec. 18(5)
Commercial Rehabilitation Act	210 of 2005	MCL 207.843, Sec. 3(5)
Neighborhood Improvement Authority Act	61 of 2007	MCL 125.2924, Sec 14(5)

Note (1): Except “Certified Technology Park”

Note (2): MCL 125.1289, Sec. 29(1) – Effective 1/1/1987 no new authorities to be created
r existing authorities expanded.

3. Application. This policy applies to all requests for tax capture or tax abatement that permit the County the option to exempt itself from a new or expanded tax capture or tax abatement district. This policy shall also apply to any existing or future tax capture or tax abatement program in which state statute provides the County the option to exempt itself from a new or expanded tax capture or tax abatement district.
4. Responsibilities. The County Clerk, upon receipt of a notice to establish or expand any tax capture or tax abatement district within the County, shall be responsible for promptly forwarding the request to the Board of Commissioners and to the Administrator. The County Clerk shall also be responsible for transmitting any actions of the Board of Commissioners regarding each such request to the Clerk of the requesting jurisdiction and to the proposed district.

Muskegon County’s Corporation Counsel shall be responsible for determining whether Muskegon County has the authority to exempt itself from a proposed tax capture or tax abatement district.

The Administrator shall be responsible for preparing, in a timely fashion, a recommended response to a notice to establish or expand a tax capture or tax abatement district in which the County has the statutory authority to exempt its tax levy from capture. The

Administrator shall also be responsible for negotiating with the affected local unit of government and proposed tax capture/tax abatement district the terms of any tax sharing agreement requested by the Board of Commissioners under this policy.

5. Definitions.

“Tax capture or tax abatement district” and “Tax capture or tax abatement program” means an organization or plan established under any of the following statutes:

Tax Capture:

	<u>Public Act</u>	<u>Exemption Provision</u>
Downtown Development Authority	197 of 1975	MCL 125.1653, Sec. 3(3)
Local Development Financing Act (Smartzones)	281 of 1986	MCL 125.2154, Sec. 4(3) ⁽¹⁾
Tax Increment Finance Authority Act (TIFA)	450 of 1980	None ⁽²⁾
Historic Neighborhood TIFA	530 of 2004	MCL 125.2857, Sec. 17(5)
Corridor Improvement Authority Act	280 of 2005	MCL 125.2888, Sec. 18(5)
Brownfield Redevelopment Financing Act	210 of 2005	None
Neighborhood Improvement Authority Act	61 of 2007	MCL 125.2924, Sec 14(5)

Tax Abatement:

Industrial Facilities Property Tax Abatement Act	198 of 1974	None
Neighborhood Enterprise Zone Act	147 of 1992	None
Renaissance Zone Act	376 of 1996	None
Personal Property Tax Abatement Act	328 of 1998	None
Obsolete Property Rehabilitation Act	146 of 2000	None
Commercial Rehabilitation Act	210 of 2005	MCL 207.843, Sec. 3(5)

Notes:

- (1) Except “Certified Technology Park”
- (2) MCL 125.1289, Sec. 29(1) – Effective 1/1/1987 no new authorities to be created or existing authorities expanded

6. Policy.

6.1 Whenever authorized by statute, the County will not permit the capture of County property tax revenues in any new or amended development district unless the Muskegon County Board of Commissioners has approved a tax sharing agreement with the affected development district and the affected municipality.

6.2 The County will consider the approval of a tax sharing agreement for its tax levy that meets the following conditions:

6.2.1 The agreement must be for specifically defined public infrastructure projects, which are directly related to the economic growth within that

district. Economic growth is understood to be the creation, retention, and expansion of jobs and income.

- 6.2.2 Specifically defined public infrastructure projects must be for specific items of work, each of which is limited to a specific maximum dollar amount, to be completed within a specified time period. The agreement shall specify the maximum amount of captured property tax revenues and the time over which those revenues may be captured. It shall also specify that any excess collections must be returned to the County Treasurer annually.
- 6.2.3 The affected jurisdiction must allow the capture and expenditure of its property tax revenues for the same period of time during which the County tax revenues are being captured and expended in the district.
- 6.2.4 If tax revenue is generated faster than anticipated due to growth within the district exceeding initial projections, the additional revenues may be used to decrease or call any bonds or other debt obligations related to the projects approved by the tax sharing agreement in proportion with funds used from other taxing jurisdictions.
- 6.3 The County Clerk shall immediately forward any notice of creation or expansion of any tax capture or tax abatement district to the Board of Commissioners and the Administrator. The Administrator shall be responsible for evaluating requests for the capture of county property tax revenues as to conformance with this policy, and shall recommend approval or disapproval of any such proposed agreement to the Board of Commissioners within the sixty (60) day statutory requirement.
- 6.4 The Muskegon County Board of Commissioners reserves the right to exempt county taxes from capture for any reason and to modify the terms and conditions it may require for approval of a tax capture/tax abatement agreement.
- 6.5 A copy of any approved agreement shall be provided to the County Treasurer who shall take the necessary steps to assure that captured property tax revenues collected in excess of the amounts permitted by the agreement are returned to the County on an annual basis.
- 6.6 An initial rejection by the Muskegon County Board of Commissioners of a request for tax capture or tax abatement may be rescinded if and when a tax sharing agreement is reached that meets the terms and conditions specified by the Muskegon County Board of Commissioners.