

STATE OF MICHIGAN



JAMES J. BLANCHARD, Governor

**DEPARTMENT OF TREASURY**

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**STATE TAX COMMISSION**

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**TO: All Assessing Officers**

**FROM: Michigan State Tax Commission**

**SUBJECT: REQUIRED REPORTS FROM DOWNTOWN DEVELOPMENT AUTHORITIES OR TAX  
INCREMENT FINANCE AUTHORITIES**

Every Tax Increment Finance Authority or Downtown Development Authority is required by law, beginning with 1989 tax levies, to annually submit a financial report to the governing body of the municipality and to the State Tax Commission. The reporting requirements were prescribed by Acts No. 420 and No. 425 of the Public Acts of 1988 as follows:

(Downtown Development Authority Required Reports, Act 425)

**MCL 125.1665(3) Annual report on status of tax increment financing account; contents; publication.**

Section 15(3)

"(3) Annually the authority shall submit to the governing body of the municipality and the state tax commission a report on the status of the tax increment financing account. The report shall include: the amount and source of revenue in the account; the amount and purpose of expenditures from the account; the amount of principal and interest on any outstanding bonded indebtedness; the initial assessed value of the project area; the captured assessed value retained by the authority; the tax increments received; and any additional information the governing body or the state tax commission considers necessary. The report shall be published in a newspaper of general circulation in the municipality."

**MCL 125.1681 Proceedings to compel enforcement of act; rules.**

"Sec. 31(1) The state tax commission may institute proceedings to compel enforcement of this act.

(2) The state tax commission may promulgate rules necessary for the administration of this act pursuant to the administrative procedures act of 1969..."

(Tax Increment Finance Authority Required Reports, Act 420)

**MCL 125.1814(3) Financial report.**

Section 14(3)

"(3) The authority shall submit annually to the governing body and the state tax commission a financial report on the status of the tax increment financing plan. The report shall include the following:

- (a) The amount and source of tax increments received.
- (b) The amount in any bond reserve account.
- (c) The amount and purpose of expenditures of tax increment revenues.
- (d) The amount of principal and interest on any outstanding bonded indebtedness.
- (e) The initial assessed value of the development area.
- (f) The captured assessed value retained by the authority.
- (g) Any additional information the governing body or the state tax commission considers necessary."

**MCL 125.1830 Proceedings to compel enforcement of act; rules.**

"Sec. 30. (1) The state tax commission may institute proceedings to compel enforcement of this act.

(2) The state tax commission may promulgate rules necessary for the administration of this act pursuant to the administrative procedures act of 1969..."

At this time the State Tax Commission requests a statement from each township and city that has a Downtown Development Authority or a Tax Increment Finance Authority. The statement should list the name of each authority and also list the name and address of the authority director.