

## WATER RESOURCE IMPROVEMENT TIFA

Through the provisions of Public Act 94 of 2008, a water resource improvement (WRIA) TIFA may be established around an inland lake. A WRIA may use its funds, including tax increment financing, to enhance water quality, water dependant natural resources and access to an inland lake.

### HOW CAN THIS TOOL BE USED?

- Eliminate the causes and proliferation of aquatic nuisance species.
  - > However, chemical treatment is specifically prohibited under the act.
- Replace failing on-site disposal systems with sewer systems.
- Provide storm water systems to service existing infrastructure.
- Provide a project that aids in access to an inland lake.

### WHO IS ELIGIBLE TO CREATE A WRIA?

Any city, village or township may establish a district around a natural or artificial inland lake, pond or impoundment with a surface area of greater than 5 acres. Multiple municipalities may jointly administer a WRIA. The Great Lakes and Lake St. Clair are not considered inland lakes under the act.

### HOW DOES IT WORK?

Once established, the WRIA prepares a development plan and a tax increment financing plan to submit for approval to the local municipality. A development plan describes the costs, location and resources for the implementation of the public improvements that are projected to take place in the WRIA district. A tax increment financing plan includes the development plan and details the tax increment procedure, the amount of bonded indebtedness to be incurred and the duration of the program. After adoption of the two plans, the development plan is implemented and the tax incre-

ments, which occur as a result of improvements in the eligible property, accrue to the WRIA to be used as required by the development plan. The activities of the WRIA may be financed by:

1. Donations to the authority
2. Revenue bonds
3. Revenues from buildings or property owned or leased by the WRIA
4. Tax increments
5. Special assessment
6. Grants

### WHAT IS THE PROCESS?

1. Municipalities may have multiple authorities and an authority may contain multiple municipalities.
2. The governing body finds that it is in the best interests of the public to promote water resource improvement or access to inland lakes, or both, in a water resource improvement district.
3. The governing body sets a public hearing, based upon its resolution of intent, to create a WRIA.
4. Notice must be given of a public hearing by publication and mail to taxpayers within a proposed district and to the governing body of each taxing jurisdiction levying taxes that would be subject to capture of tax increment revenues.
5. Public hearing is held.
6. Not less than 60 days following the public hearing, the governing body may adopt by resolution the creation of the WRIA and designating the boundaries of the WRIA district.
7. The resolution must be published at least once in the local newspaper and filed with the Secretary of State.

8. The governing board of the WRIA shall consist of a chief executive officer of the municipality or his or her designee and between 5 and 9 members.
    - a. Members shall be appointed by the chief executive officer of the municipality, subject to approval by the governing body of the municipality.
    - b. Not less than a majority of the members shall be persons having an ownership or business interest in property located in the development area.
    - c. At least 1 of the members shall be a resident of the development area or of an area within 1/2 mile of any part of the development area.
- School and library millages are exempt from capture.
  - All other taxing jurisdictions have the opportunity to negotiate the terms of, or opt out of capture, within 60 days of the public hearing establishing the TIF plan.
  - An annual report must be submitted to the municipality and to the State Tax Commission on the status of the tax increment financing plan.
  - A WRIA may not be created or expanded after December 31, 2011.

#### OTHER IMPORTANT NOTES

- If an inland lake contains at least 1 public access, the TIF capture district may extend up to one (1) mile from the lakeshore. If it is a private lake, the capture district may only include lakefront properties.

#### SUPPORTING STATUTE

Public Act 94 of 2008

Water Resource Improvement Authority