

SUMMARY

This ordinance amends Chapter 18, Article XII of the 1984 Detroit City Code, by adding Division 7, "Special Assessments for Snow Removal, Mosquito Abatement, and Security Services", Subdivision A, "General Matters", Sections 18-12-120 to 18-12-123, Subdivision B, "Petition", Sections 18-12-125 to 18-12-128, Subdivision C, "Establishment of District and Assessment", Sections 18-12-130 to 18-12-142, and Subdivision D, "Contracting for Provision of Services", Sections 18-12-145 to 18-12-146, to specifically implement the provisions of Section 5i of the Home Rule City Act, MCL 117.5i, which grants the power to "provide by ordinance a procedure to finance by special assessments the provision by private contractors of snow removal from streets, mosquito abatement, and security services [and] authorize the use of petitions to initiate the establishment of a special assessment district."

1 **BY COUNCIL MEMBER _____:**

2 **AN ORDINANCE** to amend Chapter 18, Article XII of the 1984 Detroit City Code, by
3 adding Division 7, “Special Assessments for Snow Removal, Mosquito Abatement, and Security
4 Services”, Subdivision A, “General Matters”, Sections 18-12-120 to 18-12-123, Subdivision B,
5 “Petition”, Sections 18-12-125 to 18-12-128, Subdivision C, “Establishment of District and
6 Assessment”, Sections 18-12-130 to 18-12-142, and Subdivision D, “Contracting for Provision of
7 Services”, Sections 18-12-145 to 18-12-146, to specifically implement the provisions of Section 5i of
8 the Home Rule City Act, MCL 117.5i, which grants the power to “provide by ordinance a procedure
9 to finance by special assessments the provision by private contractors of snow removal from streets,
10 mosquito abatement, and security services [and] authorize the use of petitions to initiate the
11 establishment of a special assessment district.”

12 **IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CITY OF DETROIT**
13 **THAT:**

14 **Section 1.** Chapter 18 of the 1984 Detroit City Code, titled “Finance and Taxation,” Article
15 XII, titled “Improvements and Assessments,” be amended by adding Division 7, titled “Special
16 Assessments for Snow Removal, Mosquito Abatement, and Security Services”, Subdivision A,
17 “General Matters”, Sections 18-12-120, 18-12-121, 18-12-122, and 18-12-123, Subdivision B,
18 “Petition”, Sections 18-12-125, 18-12-126, 18-12-127, and 18-12-128, Subdivision C, “Establishment
19 of District and Assessment”, Sections 18-12-130, 18-12-131, 18-12-132, 18-12-133, 18-12-134, 18-
20 12-135, 18-12-136, 18-12-137, 18-12-138, 18-12-139, 18-12-140, 18-12-141, and 18-12-142, and
21 Subdivision D, “Contracting for Provision of Services”, Sections 18-12-145, and 18-12-146, to read
22 as follows:

23 **DIVISION 7. SPECIAL ASSESSMENTS FOR SNOW REMOVAL, MOSQUITO**
24 **ABATEMENT, AND SECURITY SERVICES**

1 Subdivision A – General matters

2 Section 18-12-120. Statement of purpose; legislative findings.

3 (a) The purposes of this division are to implement the provisions of section 5i of the Home
4 Rule City Act codified as MCL 117.5i (the “Act”), which grants cities with a population of more
5 than 600,000 the power to “provide by ordinance a procedure to finance by special assessments
6 the provision by private contractors of snow removal from streets, mosquito abatement, and
7 security services” and to “authorize the use of petitions to initiate the establishment of a special
8 assessment district.”

9 (b) The Detroit City Council finds:

10 (1) The population of the City of Detroit exceeds 600,000.

11 (2) Adequate provision of snow removal from streets, mosquito abatement and
12 security services will strengthen property values and enhance the quality of life in City
13 neighborhoods; however, the cost of such services may be above and beyond the basic level of
14 services the City must provide to all of its citizens.

15 (3) The various geographic communities within the City will benefit by allowing the
16 geographic communities to decide the appropriate level of additional services to provide and pay
17 for themselves.

18 (4) As a matter of fundamental fairness, those benefiting from such additional
19 services should share in the cost of the services; this principle has been recognized in the Act,
20 which provides for the financing of certain additional services by special assessment, as, by its
21 legal nature, the cost of a special assessment is limited to the level of benefit provided by the
22 services financed through the special assessment, and only properties so benefited are subject to

1 assessment. The increased level of benefits provided under this division will be reflected in the
2 enhanced value of the properties so benefited.

3 (5) There are many neighborhood or community associations within the City of
4 Detroit actively working to maintain and improve the quality of life in their communities.

5 (6) The close involvement with their communities enables neighborhood or
6 community associations to be responsive to the particular needs and desires of their
7 communities, which may vary from community to community.

8 (7) In light of the findings above, designated neighborhood or community
9 associations are an appropriate vehicle for the practical implementation of the powers provided
10 in this division to finance, contract for, and deliver the specified additional services authorized
11 by the Act.

12 (8) In accordance with the Preamble and Declaration of Rights of the City Charter,
13 implementation of this division will help the City realize its goals of addressing the services and
14 needs of its citizens, fostering an environment and structure that reflects citizen participation and
15 desires, and, as a service institution, providing for the public peace, health, and safety of its
16 residents.

17 **Section 18-12-121. Definitions.**

18 “Administering Department” means the Finance Department of the City of Detroit.

19 “Assessed Cost” means the total annual cost to be paid by special assessment for the
20 provision of all Services within a Special Assessment District, including amounts paid directly to
21 private contractors and any reasonable costs incurred by the City and/or Designated
22 Neighborhood Improvement Organization for initiating, implementing, and administering the
23 Special Assessment District.

1 “Board of Assessors” means the Board of Assessors described in Section 6-304 of the
2 2012 Detroit City Charter.

3 “Designated Neighborhood Improvement Organization” (“DNIO”) means an
4 organization that meets all of the following criteria, as certified by the Administering
5 Department:

6 (1) Be a Michigan non-profit corporation in good standing.

7 (2) Exist for the purpose of maintaining and improving the quality of life in a
8 neighborhood or community with specific geographic boundaries that are identified in its articles
9 of incorporation or bylaws.

10 (3) Satisfy at least one of the following requirements:

11 (i) Have a board with more than fifty percent (50%) of its board members
12 residing within the geographic boundaries identified in its articles of
13 incorporation or bylaws; or

14 (ii) Have a demonstrated history of serving the geographic boundaries
15 identified in its articles of incorporation or bylaws.

16 (4) Have meetings open to the public, maintain records of such meetings, and
17 compile financial reports.

18 (5) Not be in default in any obligations to the City of Detroit.

19 “Record Owner” means each owner of or party in interest in property to be assessed
20 whose name appears upon the last local tax assessment records. The last local tax assessment
21 records means the last assessment roll for ad valorem tax purposes that has been reviewed and
22 indorsed by the local board of review, as supplemented by any subsequent changes in the names
23 or the addresses of the owners or parties listed on that roll, including but not limited to property

1 transfer affidavits or forms required to be submitted to the Finance Department, Assessment
2 Division, in accordance with Section 27a of the General Property Tax Act, Public Act 206 of
3 1893, being MCL 211.27a(10), and pursuant to Section 2 of the Notice of Special Assessment
4 Hearings Act, Public Act 62 of 1962, being MCL 211.742.

5 “Service” means the provision by private contractors of any of the following within a
6 Special Assessment District for the benefit of all Tax Parcels for which a Tax Parcel Share is
7 assessed for such Service:

8 (1) snow removal from streets, which may include the portion designed for vehicular
9 travel, the portion designed for pedestrian travel, or both;

10 (2) mosquito abatement; and

11 (3) security services.

12 “Special Assessment District” (“SAD”) means a geographic area in which one or more
13 Services are financed by special assessment, as established under this division.

14 “Street” shall mean street as defined by Section 50-7-1 of this Code.

15 “Tax Parcel” means a parcel of real property identified for the separate assessment of ad
16 valorem and other property taxes by a ward and item number according to the records of the
17 Board of Assessors.

18 “Tax Parcel Share” means the total annual amount assessed throughout the Term of a
19 SAD to each Tax Parcel within a SAD for the provision of all Services. Tax Parcel Share for a
20 Tax Parcel is determined annually for each year of the Term so that each Tax Parcel will pay an
21 even share of the total annual assessment by dividing anticipated Assessed Cost for that year in
22 accordance with Section 18-12-134 by the total number of Tax Parcels within a SAD (excluding
23 those that are exempt pursuant to Section 18-12-136), pursuant to the following formula:

1 Tax Parcel Share = Assessed Cost ÷ Total Number of Non-Exempt Tax Parcels within SAD

2 “Term” means the duration of a SAD created pursuant to this division, and shall be as
3 specified in the City Council’s resolution pursuant to Section 18-12-132(a)(6), but shall not be
4 less than seven (7) years. The Term of a SAD shall commence from the date of the City
5 Council’s confirmation of a special assessment roll pursuant to Section 18-12-133. A Term may
6 be discontinued pursuant to Section 18-12-141 prior to its expiration. Any reassessment pursuant
7 to Section 18-12-134 shall not affect the Term of a SAD.

8 **Section 18-12-122. Certification of a neighborhood organization as a Designated**
9 **Neighborhood Improvement Organization.**

10 A neighborhood organization may apply to the Administering Department for
11 certification as a DNIO by demonstrating in writing that it meets the definition of a DNIO in
12 Section 18-12-121. The Administering Department shall require the applicant to submit
13 appropriate documentation to assist in its evaluation. The Administering Department may request
14 assistance from other departments or agencies, including but not limited to the Law Department,
15 the Planning & Development Department, the City Planning Commission, and the City Council
16 Legislative Policy Division. Based on its review of the documentation submitted by the
17 applicant, the Administering Department shall determine whether the applicant meets the
18 definition of a DNIO in Section 18-12-121. Upon completion of its evaluation, the
19 Administering Department shall provide a letter to the applicant either certifying that the
20 applicant is a DNIO or indicating the deficiencies in the application. If a neighborhood
21 organization fails to qualify as a DNIO, it may reapply for certification after curing any
22 deficiencies identified in the letter. The Administering Department shall keep a register of all
23 DNIO’s and shall provide a copy of such register and of all certification letters to the City Clerk.

1 **Section 18-12-123. Administrative Rules; Fees.**

2 (c) In accordance with Section 5-106 of the 2012 Detroit City Charter, the Administering
3 Department may adopt rules for the implementation and administration of this division.

4 (d) In accordance with subsection (a) of this Section and Section 9-507 of the 2012 Detroit
5 City Charter, the Administering Department may establish a schedule of fees for the services
6 provided by the City under this division. The schedule and rules may require that all such fees be
7 paid in advance of provision of the service, or may provide that some or all of such fees may be
8 deferred until establishment of the SAD. Such fees are eligible expenses of the Assessed Cost of
9 the SAD.

10 **Section 18-12-124. Reserved.**

11 **Subdivision B - Petition**

12 **Section 18-12-125. Petition sponsored by a Designated Neighborhood Improvement**
13 **Organization.**

14 In accordance with this division, a DNIO may, on behalf of the neighborhood or
15 community it represents, sponsor a petition for the creation of a SAD to provide for Services
16 within its geographic boundaries. If a group of residents wishes to circulate a petition under this
17 division, they may form a DNIO solely for the purpose of petitioning to create a SAD under this
18 division and administering the contracts for Services. The geographic boundaries of a proposed
19 SAD need not be contiguous, but may be composed of only the area or portion thereof
20 constituting the DNIO's specific geographic boundaries.

21 If a DNIO desires to sponsor more than one Service at a time, it may combine the
22 information related to all proposed Services on one petition. In such a case, only one signature

1 per Record Owner of a Tax Parcel is required despite the number of Services reflected on a
2 petition.

3 **Section 18-12-126. Form of petition; information to be provided with petition**

4 (e) The Administering Department shall prepare a form of petition to be used to initiate a
5 SAD described in this division and shall make the form available upon request to any certified
6 DNIO. The form of petition shall provide for the inclusion of all of the following information at
7 the top of each sheet:

8 (1) The name and address of the DNIO associated with the petition and contact
9 information for one or more DNIO representatives.

10 (2) A description of the geographic boundaries of the proposed SAD.

11 (3) A description of the Services to be funded by special assessment.

12 (4) A preliminary estimate of the Assessed Cost for the Services described in
13 paragraph (a)(3). The estimate shall be based in part on the DNIO's acquisition of three (3)
14 estimates of the costs of providing the Services to be paid by special assessment. Such estimates
15 shall be from contractors licensed to conduct business in the City of Detroit under all applicable
16 laws.

17 (5) The estimated Tax Parcel Share for the Services to be provided within the
18 proposed SAD. The petition shall state that the estimated Tax Parcel Share may change after a
19 Record Owner signs the petition and that any such change shall not impact the validity of the
20 petition, although a hearing may be required pursuant to Section 18-12-134(b) during the Term
21 of a SAD as a result of such a change.

22 (6) The proposed Term of the SAD.

1 (f) The remainder of each sheet of the petition shall contain a table with columns for Tax
2 Parcel, Record Owner, Record Owner's signature, and the date of such signature. The petition
3 form may contain blank underlined spaces for rows of data for each column, or the petition may
4 be prepared with the data for Tax Parcel and Record Owner pre-printed on the petition form and
5 blank underlined spaces for the signature and date.

6 (g) Each sheet of the petition shall have below the table of signatures a place for certification
7 by the person collecting the signatures of the Record Owners on that sheet, including the printed
8 and signed name of the collector and the date of certification.

9 (h) To prepare the form of petition described in subsection (a) for circulation, a DNIO may
10 request from the Board of Assessors or any other applicable City agency or department, as
11 needed, the following information:

12 (1) A listing of all Tax Parcels, with ward and item numbers, within the geographic
13 boundaries of the proposed SAD, the Record Owner of each Tax Parcel, and the area in square
14 feet of each Tax Parcel.

15 (2) Identification of each Tax Parcel that would be exempt from assessment pursuant
16 to Section 18-12-136.

17 (i) The DNIO shall be responsible for circulating the petition to the Record Owners within
18 the proposed SAD and submitting the completed petition to the City Clerk in accordance with
19 the following section. Prior to circulating an unsigned petition, a DNIO shall submit it to the
20 Administering Department for approval as to its form and content. If the Administering
21 Department denies the form and content of the unsigned petition, it shall specify any
22 deficiencies. The DNIO shall then have the opportunity to cure any such deficiencies and re-
23 submit the unsigned petition for approval.

1 **Section 18-12-127. Submission of completed petition**

2 (j) A DNIO seeking to establish a SAD pursuant to this division shall submit the completed
3 petition to the City Clerk. A completed petition may consist of multiple signed counterparts. The
4 Administering Department may require the DNIO to submit on a form provided by the
5 Administering Department a summary of the petition, to include such items as the number of
6 exempt, nonexempt, and total Tax Parcels in the SAD, the area of land in the SAD, the number
7 of signatures, the total area of the Tax Parcels whose Record Owners signed the petition, and the
8 percentage of the land comprising the SAD receiving signatures. To be complete, and in
9 compliance with MCL 117.5i, the petition must be signed by the Record Owners of not less than
10 51% of the land within the geographic boundaries of the proposed SAD.

11 (k) If pursuant to Section 18-12-128, the Administering Department finds that a petition
12 lacks sufficient signatures or is deficient in any other manner, a DNIO may submit to the City
13 Clerk a supplemental petition containing additional signatures or otherwise correcting the
14 deficiencies.

15 (l) For purposes of the calculation in subsection (a), the identities of the Record Owners of
16 Tax Parcels within a SAD and the validity of the signatures on a petition shall be determined as
17 of the records existing on the date a DNIO submits a petition to the City Clerk in accordance
18 with the definition of “Record Owner” under Section 18-12-121.

19 (m) The City Clerk shall report receipt of the petition to the City Council, file the original
20 petition and any supplemental petitions in its records, and forward a copy of the petition and any
21 supplemental petitions to the Administering Department.

22 **Section 18-12-128. Petition; determination of compliance with requirements.**

1 After its receipt of the copy of the petition and any supplemental petitions from the City
2 Clerk, the Administering Department shall review the submitted materials to determine if they
3 satisfy the requirements of this division. If the Administrating Department denies the validity of
4 the petition and any supplemental petitions, it shall specifically describe the deficiencies in
5 writing to the DNIO, after which the DNIO shall have the opportunity to cure any such stated
6 deficiencies and re-submit the petition or supplemental petitions.

7 **Section 18-12-129. Reserved.Subdivision C - Establishment of District and Assessment**

8 **Section 18-12-130. Report from Administering Department; tentative assessment roll.**

9 If, pursuant to Section 18-12-128, the Administering Department determines that the
10 petition and any supplemental petitions meet the requirements of this division, it shall submit a
11 report to the City Council verifying the validity of the petition and including such other
12 information as the Administering Department shall deem appropriate. The Administering
13 Department shall obtain from the Board of Assessors a tentative assessment roll for the proposed
14 SAD, which it shall include with its report to City Council. The Administering Department shall
15 provide the DNIO that submitted the petition a copy of the report and tentative assessment roll.

16 **Section 18-12-131. City Council resolution of intent to establish special assessment district;**
17 **notice of hearing; hearing.**

18 (n) Upon receipt of the report and tentative assessment roll from the Administering
19 Department, the City Council shall adopt a resolution fixing the time and place of a public
20 hearing. Notice of the public hearing shall be given in accordance with Act 162 of 1962, the
21 Notice of Special Assessment Hearings Act, MCL 211.741 et seq., and shall also be published in
22 a newspaper of general circulation at least five (5) days prior to the date fixed for the hearing.

1 (o) In addition to the requirements of such statute, the notice shall set forth all of the
2 following:

3 (1) That the plans and specifications for the proposed Services (including the
4 proposed Term), the estimated annual and aggregate costs for such Services, and the tentative
5 assessment roll are on file in the offices of the City Clerk for public examination. The notice
6 shall set forth the address and hours of those offices.

7 (2) A description of the geographic boundaries of the proposed SAD.

8 (3) The estimated Tax Parcel Share, as set forth in the tentative assessment roll.

9 (4) If periodic redeterminations of cost will be necessary without a change in the
10 SAD, a statement that those redeterminations may be made without further notice, in accordance
11 with Section 18-12-134(b).

12 (p) At the hearing, the City Council shall hear public comment regarding the establishment
13 of the SAD. The president, executive director, or other authorized qualified representative of the
14 DNIO shall attend the hearing and provide testimony as may be requested by the City Council
15 regarding the petition, which may include testimony to support the finding described in Section
16 18-12-132(a)(6). If, after the hearing, the City Council is not satisfied that the proposed SAD is
17 consistent with the purposes and requirements of this division, it may vote at the hearing to
18 revise the proposed SAD, in which case a second public hearing shall be scheduled as soon as
19 practicable, but not later than 60 days after the first hearing. Notice of the second hearing shall
20 be provided as set forth in subsection (a). After considering further comments at the second
21 hearing related to the establishment of the SAD, the City Council may revise the terms of the
22 SAD.

1 **Section 18-12-132. Final City Council resolution regarding proceeding with establishment**
2 **of special assessment district.**

3 (q) At the completion of the hearing(s) required under Section 18-12-131, the City Council
4 may adopt a resolution determining that a petition to create a SAD is consistent with the
5 purposes and requirements of this division, approving establishment of the SAD, and directing
6 the Board of Assessors to prepare and submit to City Council for confirmation a special
7 assessment roll for the proposed SAD. The resolution shall include all of the following:

8 (1) A determination as to the sufficiency of the petition.

9 (2) The geographic boundaries of the SAD.

10 (3) A description of the Services to be provided, as originally presented or as revised.

11 (4) The total annual estimated Assessed Cost, as originally presented or as revised.

12 (5) The estimated Tax Parcel Share for the Services to be provided within the SAD.

13 (6) A preliminary finding that the Tax Parcels will be benefited by an amount
14 proportionate to the Tax Parcel Share.

15 (7) The Term of the SAD, as originally presented or as revised.

16 (8) If the nature of a Service is such that a periodic redetermination of cost will be
17 necessary without a change in the SAD boundaries, the dates upon which the redeterminations
18 are expected to be made.

19 (9) A determination that any contractual Services to be provided pursuant to this
20 division are an expansion or addition to Services already provided by the City and are not a
21 replacement for existing City-provided Services.

22 (10) The date upon which the City Council will hold a public hearing to consider the
23 special assessment roll for confirmation.

1 (r) Notice of the public hearing described in paragraph (a)(10) shall be provided in the
2 manner described in subsection (a).

3 **Section 18-12-133. Special assessment roll; confirmation or revision of special assessment**
4 **roll; endorsement; notice of assessment and collection of assessed amounts; filing protest;**
5 **appealing to the state tax tribunal.**

6 (s) After preparing the tentative special assessment roll pursuant to Section 18-12-130, the
7 Board of Assessors shall file it with the City Clerk, who shall forward it to the City Council for
8 confirmation. Immediately after the public hearing described in Section 18-12-132(a)(10), the
9 City Council may confirm the special assessment roll as prepared by the Board of Assessors. If
10 the special assessment roll is inconsistent with the terms of the SAD as stated in the City
11 Council's resolution pursuant to Section 18-12-132, the City Council may request that the Board
12 of Assessors revise the special assessment roll to correct any such inconsistencies.

13 (t) Once the City Council confirms the special assessment roll, the City Clerk shall endorse
14 on the special assessment roll the date of the confirmation, and shall deliver copies of the
15 assessment roll to the Board of Assessors, Treasurer, and sponsoring DNIO. The Treasurer shall
16 proceed to collect the special assessment, and shall continue to do so annually during the Term
17 of the SAD. The Treasurer may invoice the Record Owners directly for the special assessment,
18 or the Treasurer may include the special assessment as a separate item on the summer or winter
19 tax bill. If the nature of a Service is such that a periodic redetermination of cost will be necessary
20 without a change in the SAD boundaries, the Treasurer shall include with, or send
21 contemporaneously with, the invoice or property tax bill a statement that the cost
22 redetermination(s) may be made without further notice to Record Owners or parties in interest in
23 the property, subject to the limitations in Section 18-12-134(b).

1 (u) Upon confirmation of the special assessment roll, all assessments on that assessment roll
2 are final and conclusive. An aggrieved person may appeal the assessment by filing a petition
3 with the state tax tribunal pursuant to the requirements of the Tax Tribunal Act, Public Act 186
4 of the Public Acts of 1973, MCL 205.701 to 205.779, but only if the person protested the
5 assessment at the hearing held for the purpose of confirming the special assessment roll
6 described in subsection (a).

7 **Section 18-12-134. Special assessment; periodic redetermination of assessment; when**
8 **rehearing is required; insufficient or surplus amount collected.**

9 (v) The Administering Department shall annually conduct an accounting of the status of the
10 SAD collections and the costs incurred under the contracts for Services in the SAD. The results
11 of the accounting shall be used to estimate the amount to be assessed the following year for
12 Services to be provided. The Administering Department shall make a report of such accounting
13 and estimates to City Council and the sponsoring DNIO. After considering the report, the City
14 Council shall ask the Board of Assessors to prepare a new special assessment roll for the SAD
15 for the following year. The reassessment shall incorporate any overassessments or
16 underassessments from the preceding year, and shall take into account any unpaid assessments,
17 any collections of delinquent assessments from prior years, and any changes pursuant to Section
18 18-13-135. The Board of Assessors shall re-calculate the Tax Parcel Share for all Tax Parcels
19 within the SAD based on this section.

20 (w) The revised Assessed Cost may exceed the original Assessed Cost (as stated in the City
21 Council's resolution pursuant to Section 18-12-132(a)(4)) by up to fifteen percent (15%) without
22 requiring notice or a public hearing. If at any time during the Term of the SAD the amount of the
23 revised Assessed Cost exceeds the original Assessed Cost by more than fifteen percent (15%),

1 then a reassessment shall be required, including notice, public hearing, and confirmation of the
2 revised special assessment roll. No petition shall be required for a reassessment.

3 (x) If any Record Owner has paid more than its Tax Parcel Share as provided in the
4 assessment roll, then the City Treasurer shall apply such overpayment to that Record Owner's
5 Tax Parcel Share for the following year. At the conclusion of the Term of the SAD, then any
6 overpayments in excess of five percent (5%) shall be refunded to the Record Owner.
7 Overpayments up to five percent (5%) shall first be applied to unpaid expenses of the SAD,
8 including unpaid or underpaid assessments. Any balance remaining shall be applied to the City's
9 general fund.

10 **Section 18-12-135. Divisions or combinations of land; changes in exempt status.**

11 (y) If, after a special assessment on the Tax Parcel is confirmed and before a special
12 assessment is collected, a Tax Parcel is divided into two or more Tax Parcels, or two or more
13 Tax Parcels are combined into one Tax Parcel, then payment of the current year's Tax Parcel
14 Share(s) for the original Tax Parcel(s) shall be due immediately as a condition to the
15 combination or division. For each subsequent year of the Term, each resultant Tax Parcel shall
16 be assessed a Tax Parcel Share as if the resultant Tax Parcel were in existence at the initial
17 assessment.

18 (z) The exempt status of a Tax Parcel pursuant to the following section shall be determined
19 as of tax day, as that term is defined in Section 2(2) of the General Property Tax Act, Public Act
20 206 of 1893, MCL 206.2(2). Payment of a Tax Parcel Share shall be required or exempt based on
21 the exempt status as of tax day, not as of the day payment is due. If a Tax Parcel's exempt status
22 changes from exempt to non-exempt, the Tax Parcel shall be assessed a Tax Parcel Share for
23 each subsequent year of the Term that it is non-exempt.

1 **Section 18-12-136. Exempt Tax Parcels.**

2 (aa) Tax Parcels owned by the following Record Owners shall be exempt from any special
3 assessment under this division:

4 (1) The United States;

5 (2) Any state (including the State of Michigan);

6 (3) The City of Detroit;

7 (4) Any public school district; or

8 (5) Any authority, municipal corporation, school district, or other governmental or
9 quasi-governmental entity exempted from payment of special assessments by statute or other
10 applicable law.

11 (bb) Tax Parcels exempt by a Record Owner listed in subsection (a) shall be exempt
12 regardless of the use or purpose of such Tax Parcel. All other Tax Parcels are subject to a special
13 assessment created under this division, even if such Tax Parcels are exempt from property taxes
14 under Michigan's General Property Tax Act, MCL 211.1 et seq., unless such Tax Parcels are
15 otherwise exempt from special assessments under applicable law.

16 **Section 18-12-137. Agreement of exempt person to pay special assessments.**

17 The Record Owner of any Tax Parcel that is exempt pursuant to Section 18-12-136 may
18 nonetheless elect to pay a special assessment against an exempt Tax Parcel by providing written
19 notice of such election to the Board of Assessors. Upon receipt of such notice, the Board of
20 Assessors shall proceed to assess such an exempt Tax Parcel as if it were not exempt, and such
21 assessment shall be a valid claim against such Tax Parcel. The election may not be revoked
22 without consent by resolution of the City Council. An election to revoke shall only be effective
23 for subsequent years.

1 **Section 18-12-138. Special assessment as lien.**

2 From the date of confirmation of the special assessment roll, any unpaid Tax Parcel
3 Share, including any part of a Tax Parcel Share deferred as to payment, shall be a lien on the
4 associated Tax Parcel, and shall also be a debt of the Record Owner. The lien shall be of the
5 same character and effect as the lien created for municipal property taxes and shall accrue
6 interest and penalties in the same manner. The lien shall be enforced in the manner prescribed in
7 state law, the Detroit City Charter, and this Code for the enforcement of special assessment liens
8 or tax liens.

9 **Section 18-12-139. Addition of Tax Parcels to special assessment district.**

10 (cc) An SAD shall not be amended so as to add Tax Parcels to the existing district unless
11 notice is provided to the Record Owners of both (1) the Tax Parcels in the existing SAD and (2)
12 the Tax Parcels to be added to the existing SAD, and the City Council holds a public hearing
13 regarding the addition of the tax parcels and approves the amended SAD. If the property to be
14 added to the SAD does not reduce the signatures on the original petition below the 51%
15 threshold, no additional petition is needed. If the property to be added to the SAD does reduce
16 the signatures on the original petition below the 51% threshold, then a supplemental petition
17 shall be filed containing sufficient additional signatures of Record Owners. This section shall
18 not apply to divisions, combinations, or changes in exempt status under Section 18-12-135.

19 (dd) If, after the hearing regarding the addition of Tax Parcels to the SAD, the City Council is
20 satisfied that adding the additional Tax Parcels to the existing SAD is consistent with the
21 purposes and requirements of this division, it shall adopt a resolution confirming the addition of
22 the new Tax Parcels to the existing SAD, after which the Board of Assessors shall re-calculate
23 the Tax Parcel Share for all Tax Parcels within the SAD based on the inclusion of the newly

1 added Tax Parcels. Tax Parcels added to an existing SAD shall have the same Term as the
2 existing SAD.

3 **Section 18-12-140. Continuation of special assessment district upon expiration of Term.**

4 If a DNIO wishes to continue an existing SAD beyond its Term, it must take action to
5 continue the SAD for an additional Term in the same manner that a SAD is created pursuant to
6 this division. The same DNIO does not need to serve as the DNIO during both the initial or
7 subsequent Term of a SAD and any additional Term. To avoid a lapse in Services, a DNIO may
8 begin petitioning to initiate an additional Term of a SAD prior to the expiration of the existing
9 Term, subject to the requirement in Section 18-12-127(c) regarding the validity of signatures. An
10 additional Term of a SAD shall commence as of the expiration date of the existing Term of the
11 SAD.

12 **Section 18-12-141. Discontinuance of special assessment district through discontinuance**
13 **petition.**

14 (ee) Pursuant to Section 5i(2) of the Home Rule City Act, MCL 117.5i(2), a SAD created
15 under this division may be discontinued at any time during its Term through a discontinuance
16 petition. A discontinuance petition may be completed and submitted to the City Clerk by any
17 Record Owner or Owners within a SAD, or by a DNIO. A discontinuance petition is subject to
18 the same rules as a petition to initiate a SAD as set forth in Sections 18-12-126 and 18-12-127,
19 including among other applicable rules the requirement for signatures of Record Owners of 51%
20 of the land comprising the special assessment district, except that no information regarding
21 Assessed Cost, Tax Parcel Share, or Term shall be required on a discontinuance petition.

22 (ff) After receipt of a completed discontinuance petition, the City Clerk shall report receipt of
23 the petition to the City Council, file the original petition in its record, and forward a copy to the

1 Administering Department and the DNIO if the DNIO is not the submitting party. The
2 Administering Department shall confirm or reject the validity of the discontinuance petition. If
3 the Administering Department rejects the validity of the discontinuance petition, it shall
4 specifically explain to the petitioner in writing the deficiencies in the discontinuance petition,
5 after which the petitioner shall have the opportunity to cure any such stated deficiencies and re-
6 submit the discontinuance petition. If the Administering Department confirms the validity of the
7 original or re-submitted discontinuance petition, it shall submit a report to the City Council
8 verifying the validity of the petition and including such other information as the Administering
9 Department shall deem appropriate.

10 (gg) Upon receipt of the report from the Administering Department, the City Council shall
11 hold a public hearing, with notice provided as set forth in Section 18-12-131. After the public
12 hearing, the City Council shall adopt a resolution either accepting or rejecting the discontinuance
13 petition. If the resolution rejects the discontinuance petition, the SAD shall continue. If the
14 resolution accepts the discontinuance petition, then the contract(s) for services pursuant to
15 Section 18-12-145 shall be terminated, and the Administering Department shall conduct a final
16 accounting consistent with Section 18-12-134. The Administering Department shall report the
17 results of the final accounting to City Council. Upon receipt of the final accounting, City Council
18 shall adopt a resolution terminating the special assessment. No further assessments shall be made
19 except for any reassessment required to address any deficit shown in the final accounting. Such
20 reassessment shall be subject to notice and public hearing. Any surplus shown by the final
21 accounting shall be distributed as set forth in Section 18-12-134, subsection (c).

1 (hh) Only an entire SAD may be discontinued through a petition under this section, not a
2 portion of a SAD. Any such discontinuance shall not impair any current obligations of the City
3 or the SAD.

4 **Section 18-12-142. Provision of benefits under this division not to reduce provision of**
5 **general City benefits.**

6 Services funded by a SAD are supplemental to City-provided Services. Notwithstanding
7 the establishment of a SAD under this division, the City shall continue to provide Services to a
8 SAD at the same level and frequency that it provides Services to other comparable areas of the
9 City that do not contain a SAD. The existence of a SAD shall not be a basis for the subsequent
10 discontinuance or diminution of City-provided Services within a SAD.

11 **Sections 18-12-143 – 18-12-144. Reserved.Subdivision D - Contracting for Provision of**
12 **Services**

13 **Section 18-12-145. Contracting for Services.**

14 (ii) Section 5i of the Home Rule City Act, MCL 117.5i, requires that the services under this
15 division be provided by private contractors. The City prefers to enter into a contract with the
16 DNIO for the services, with the expectation that the DNIO will enter into one or more
17 subcontracts with the service providers. If the DNIO desires to administer the SAD services, and
18 the Administering Department determines that the DNIO is qualified, the Administering
19 Department shall negotiate a contract with the DNIO in form satisfactory to the Law Department
20 for administering the SAD. The contract shall address the methods by which the DNIO shall
21 solicit and obtain bids from potential providers of the service(s) for which the SAD was
22 established, and the awarding of subcontracts for such services, the procedures for requesting
23 and obtaining prompt payment from the City (which shall include (1) invoices from private

1 contractors that a DNIO has contracted with for the provision of Services within a SAD, and (2)
2 a statement of the DNIO's reasonable costs incurred for administering the SAD, if any), auditing
3 and accounting procedures, establishment or determination of appropriate administration fee(s),
4 and such other issues as the DNIO, the Administering Department and the Law Department shall
5 deem appropriate. If the DNIO does not desire to administer the contract(s) for services, the
6 Administering Department may identify another entity to administer the contract(s) for services,
7 or may elect to contract directly for such services in accordance with standard city procedures. If
8 both the DNIO and the Administering Department decline to administer the contract(s) for the
9 services, and the Administering Department is unable to identify another entity to administer the
10 contracts, then the special assessment shall be canceled.

11 (jj) The contract shall contain provisions requiring the DNIO and all subcontractors to
12 provide in a timely manner all information needed for redetermining costs in accordance with
13 Section 18-12-134.

14 (kk) The contract shall terminate upon acceptance of a discontinuance petition pursuant to
15 Section 18-12-141, and shall contain a provision so stating.

16 (ll) A DNIO may agree to, but shall not be required to, administer contracts for services in a
17 district outside its own geographical area.

18 **Section 18-12-146. City Council approval of contract(s); source of funds for payment of**
19 **Assessed Cost.**

20 The contract(s) with the DNIO or other administering entity described in Section 18-12-
21 145, but not the subcontracts with the service providers, shall be submitted for approval by City
22 Council in accordance with the requirements of the Charter and this Code. The Assessed Cost of
23 the improvement shall be paid by the Treasurer out of funds collected pursuant to the special

1 assessment roll. The City's payment obligations under this division shall be limited to payment
2 under the contract(s) entered into by the City pursuant to Subsection 18-12-141(a). The City
3 shall be under no obligation to pay the subcontractors of the DNIO.

4 **Section 2.** All ordinances or parts of ordinances in conflict with this ordinance are repealed.

5 **Section 3.** This ordinance is declared necessary for the preservation of the public peace,
6 health, safety, and welfare of the people of the City of Detroit.

7 **Section 4.** If this ordinance is passed by a two-thirds (2/3) majority of City Council
8 members serving, it shall be given immediate effect and shall become effective upon publication in
9 accordance with Section 4-118 of the 2012 Detroit City Charter; if passed by less than a two-thirds
10 (2/3) majority of City Council members serving, it shall become effective no later than thirty (30)
11 days after publication in accordance with Section 4-118 of the 2012 Detroit City Charter; if this
12 ordinance specifies a certain date to become effective, it shall become effective in accordance with
13 the date specified therein, subject to the publication requirement in Section 4-118 of the 2012
14 Detroit City Charter.

APPROVED AS TO FORM ONLY:

By _____
Melvin B. Hollowell
Corporation Counsel