SENATE BILL No. 936

November 29, 2007, Introduced by Senator SANBORN and referred to the Committee on Finance.

A bill to amend 1996 PA 381, entitled "Brownfield redevelopment financing act," by amending section 2 (MCL 125.2652), as amended by 2006 PA 32.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 2. As used in this act:
- 2 (a) "Additional response activities" means response activities
- 3 identified as part of a brownfield plan that are in addition to
- 4 baseline environmental assessment activities and due care
- 5 activities for an eligible property.
 - (b) "Authority" means a brownfield redevelopment authority
- 7 created under this act.

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- (c) "Baseline environmental assessment" means that term as
- 9 defined in section 20101 of the natural resources and environmental

- 1 protection act, 1994 PA 451, MCL 324.20101.
- 2 (d) "Baseline environmental assessment activities" means those
- 3 response activities identified as part of a brownfield plan that
- 4 are necessary to complete a baseline environmental assessment for
- 5 an eligible property in the brownfield plan.
- 6 (e) "Blighted" means property that meets any of the following
- 7 criteria:
- 8 (i) Has been declared a public nuisance in accordance with a
- 9 local housing, building, plumbing, fire, or other related code or
- 10 ordinance.
- 11 (ii) Is an attractive nuisance to children because of physical
- 12 condition, use, or occupancy.
- 13 (iii) Is a fire hazard or is otherwise dangerous to the safety
- 14 of persons or property.
- 15 (iv) Has had the utilities, plumbing, heating, or sewerage
- 16 permanently disconnected, destroyed, removed, or rendered
- 17 ineffective so that the property is unfit for its intended use.
- 18 (v) Is tax reverted property owned by a qualified local
- 19 governmental unit, by a county, or by this state. The sale, lease,
- 20 or transfer of tax reverted property by a qualified local
- 21 governmental unit, county, or this state after the property's
- 22 inclusion in a brownfield plan shall not result in the loss to the
- 23 property of the status as blighted property for purposes of this
- **24** act.
- (vi) Is property owned or under the control of a land bank fast
- 26 track authority under the land bank fast track act, whether or not
- 27 located within a qualified local governmental unit. Property

- 1 included within a brownfield plan prior to the date it meets the
- 2 requirements of this subdivision to be eligible property shall be
- 3 considered to become eligible property as of the date the property
- 4 is determined to have been or becomes qualified as, or is combined
- 5 with, other eligible property. The sale, lease, or transfer of the
- 6 property by a land bank fast track authority after the property's
- 7 inclusion in a brownfield plan shall not result in the loss to the
- 8 property of the status as blighted property for purposes of this
- 9 act.
- 10 (f) "Board" means the governing body of an authority.
- 11 (g) "Brownfield plan" means a plan that meets the requirements
- 12 of section 13 and is adopted under section 14.
- 13 (h) "Captured taxable value" means the amount in 1 year by
- 14 which the current taxable value of an eligible property subject to
- 15 a brownfield plan, including the taxable value or assessed value,
- 16 as appropriate, of the property for which specific taxes are paid
- 17 in lieu of property taxes, exceeds the initial taxable value of
- 18 that eligible property. The state tax commission shall prescribe
- 19 the method for calculating captured taxable value.
- 20 (i) "Chief executive officer" means the mayor of a city, the
- 21 village manager of a village, the township supervisor of a
- 22 township, or the county executive of a county or, if the county
- 23 does not have an elected county executive, the chairperson of the
- 24 county board of commissioners.
- 25 (j) "Department" means the department of environmental
- 26 quality.
- 27 (k) "Due care activities" means those response activities

- 1 identified as part of a brownfield plan that are necessary to allow
- 2 the owner or operator of an eligible property in the plan to comply
- 3 with the requirements of section 20107a of the natural resources
- 4 and environmental protection act, 1994 PA 451, MCL 324.20107a.
- 5 (1) "Economic opportunity zone" means 1 or more parcels of
- 6 property that meet all of the following:
- 7 (i) That together are 40 or more acres in size.
- 8 (ii) That contain a manufacturing facility that consists of
- 9 500,000 or more square feet.
- 10 (iii) That are located in a municipality that has a population
- 11 of 30,000 or less and that is contiguous to a qualified local
- 12 governmental unit.
- 13 (m) "Eligible activities" or "eligible activity" does not
- 14 include activities related to multisource commercial hazardous
- 15 waste disposal wells as that term is defined in section 62506a of
- 16 the natural resources and environmental protection act, 1994 PA
- 17 451, MCL 324.62506a, but means 1 or more of the following:
- 18 (i) Baseline environmental assessment activities.
- 19 (ii) Due care activities.
- 20 (iii) Additional response activities.
- (iv) For eligible activities on eligible property that was used
- 22 or is currently used for commercial, industrial, or residential
- 23 purposes that is in a qualified local governmental unit, that is
- 24 owned or under the control of a land bank fast track authority, or
- 25 that is located in an economic opportunity zone, and is a facility,
- 26 functionally obsolete, or blighted, and except for purposes of
- 27 section 38d of the single business tax act, 1975 PA 228, MCL

- 1 208.38d, OR SECTION 437 OF THE MICHIGAN BUSINESS TAX ACT, 2007 PA
- 2 36, MCL 208.1437, the following additional activities:
- 3 (A) Infrastructure improvements that directly benefit eligible
- 4 property.
- 5 (B) Demolition of structures that is not response activity
- 6 under section 20101 of the natural resources and environmental
- 7 protection act, 1994 PA 451, MCL 324.20101.
- 8 (C) Lead or asbestos abatement.
- 9 (D) Site preparation that is not response activity under
- 10 section 20101 of the natural resources and environmental protection
- 11 act, 1994 PA 451, MCL 324.20101.
- 12 (E) Assistance to a land bank fast track authority in clearing
- 13 or quieting title to, or selling or otherwise conveying, property
- 14 owned or under the control of a land bank fast track authority.
- 15 (v) Relocation of public buildings or operations for economic
- 16 development purposes with prior approval of the Michigan economic
- 17 development authority.
- 18 (vi) For eligible activities on eligible property that is a
- 19 qualified facility that is not located in a qualified local
- 20 governmental unit and that is a facility, functionally obsolete, or
- 21 blighted, the following additional activities:
- (A) Infrastructure improvements that directly benefit eligible
- 23 property.
- 24 (B) Demolition of structures that is not response activity
- 25 under section 20101 of the natural resources and environmental
- 26 protection act, 1994 PA 451, MCL 324.20101.
- (C) Lead or asbestos abatement.

- 1 (D) Site preparation that is not response activity under
- 2 section 20101 of the natural resources and environmental protection
- 3 act, 1994 PA 451, MCL 324.20101.
- 4 (n) "Eligible property" means property for which eligible
- 5 activities are identified under a brownfield plan that was used or
- 6 is currently used for commercial, industrial, or residential
- 7 purposes that is either in a qualified local governmental unit and
- 8 is a facility, functionally obsolete, or blighted or is not in a
- 9 qualified local governmental unit and is a facility, and includes
- 10 parcels that are adjacent or contiguous to that property if the
- 11 development of the adjacent and contiguous parcels is estimated to
- 12 increase the captured taxable value of that property or tax
- 13 reverted property owned or under the control of a land bank fast
- 14 track authority. Eligible property includes, to the extent included
- 15 in the brownfield plan, personal property located on the property.
- 16 Eligible property does not include qualified agricultural property
- 17 exempt under section 7ee of the general property tax act, 1893 PA
- 18 206, MCL 211.7ee, from the tax levied by a local school district
- 19 for school operating purposes to the extent provided under section
- 20 1211 of the revised school code, 1976 PA 451, MCL 380.1211.
- 21 (o) "Facility" means that term as defined in section 20101 of
- 22 the natural resources and environmental protection act, 1994 PA
- **23** 451, MCL 324.20101.
- 24 (p) "Fiscal year" means the fiscal year of the authority.
- 25 (q) "Functionally obsolete" means that the property is unable
- 26 to be used to adequately perform the function for which it was
- 27 intended due to a substantial loss in value resulting from factors

- 1 such as overcapacity, changes in technology, deficiencies or
- 2 superadequacies in design, or other similar factors that affect the
- 3 property itself or the property's relationship with other
- 4 surrounding property.
- 5 (r) "Governing body" means the elected body having legislative
- 6 powers of a municipality creating an authority under this act.
- 7 (s) "Infrastructure improvements" means a street, road,
- 8 sidewalk, parking facility, pedestrian mall, alley, bridge, sewer,
- 9 sewage treatment plant, property designed to reduce, eliminate, or
- 10 prevent the spread of identified soil or groundwater contamination,
- 11 drainage system, waterway, waterline, water storage facility, rail
- 12 line, utility line or pipeline, or other similar or related
- 13 structure or improvement, together with necessary easements for the
- 14 structure or improvement, owned or used by a public agency or
- 15 functionally connected to similar or supporting property owned or
- 16 used by a public agency, or designed and dedicated to use by, for
- 17 the benefit of, or for the protection of the health, welfare, or
- 18 safety of the public generally, whether or not used by a single
- 19 business entity, provided that any road, street, or bridge shall be
- 20 continuously open to public access and that other property shall be
- 21 located in public easements or rights-of-way and sized to
- 22 accommodate reasonably foreseeable development of eligible property
- 23 in adjoining areas.
- 24 (t) "Initial taxable value" means the taxable value of an
- 25 eligible property identified in and subject to a brownfield plan at
- 26 the time the resolution adding that eligible property in the
- 27 brownfield plan is adopted, as shown either by the most recent

- 1 assessment roll for which equalization has been completed at the
- 2 time the resolution is adopted or, if provided by the brownfield
- 3 plan, by the next assessment roll for which equalization will be
- 4 completed following the date the resolution adding that eligible
- 5 property in the brownfield plan is adopted. Property exempt from
- 6 taxation at the time the initial taxable value is determined shall
- 7 be included with the initial taxable value of zero. Property for
- 8 which a specific tax is paid in lieu of property tax shall not be
- 9 considered exempt from taxation. The state tax commission shall
- 10 prescribe the method for calculating the initial taxable value of
- 11 property for which a specific tax was paid in lieu of property tax.
- 12 (u) "Land bank fast track authority" means an authority
- 13 created under the land bank fast track act, 2003 PA 258, MCL
- **14** 124.751 to 124.774.
- 15 (v) "Local taxes" means all taxes levied other than taxes
- 16 levied for school operating purposes.
- 17 (w) "Municipality" means all of the following:
- 18 (i) A city.
- 19 (ii) A village.
- 20 (iii) A township in those areas of the township that are outside
- 21 of a village.
- 22 (iv) A township in those areas of the township that are in a
- 23 village upon the concurrence by resolution of the village in which
- 24 the zone would be located.
- (v) A county.
- 26 (x) "Owned or under the control of" means that a land bank
- 27 fast track authority has 1 or more of the following:

- 1 (i) An ownership interest in the property.
- 2 (ii) A tax lien on the property.
- 3 (iii) A tax deed to the property.
- 4 (iv) A contract with this state or a political subdivision of
- 5 this state to enforce a lien on the property.
- 6 (v) A right to collect delinquent taxes, penalties, or
- 7 interest on the property.
- 8 (vi) The ability to exercise its authority over the property.
- 9 (y) "Qualified facility" means a landfill facility area of 140
- 10 or more contiguous acres that is located in a city and that
- 11 contains a landfill, a material recycling facility, and an asphalt
- 12 plant that are no longer in operation.
- 13 (z) "Qualified local governmental unit" means that term as
- 14 defined in the obsolete property rehabilitation act, 2000 PA 146,
- **15** MCL 125.2781 to 125.2797.
- 16 (aa) "Qualified taxpayer" means that term as defined in
- 17 sections 38d and 38g of the single business tax act, 1975 PA 228,
- 18 MCL 208.38d and 208.38g, OR IN SECTION 437 OF THE MICHIGAN BUSINESS
- 19 TAX ACT, 2007 PA 36, MCL 208.1437.
- 20 (bb) "Remedial action plan" means a plan that meets both of
- 21 the following requirements:
- 22 (i) Is a remedial action plan as that term is defined in
- 23 section 20101 of the natural resources and environmental protection
- 24 act, 1994 PA 451, MCL 324.20101.
- 25 (ii) Describes each individual activity to be conducted to
- 26 complete eligible activities and the associated costs of each
- 27 individual activity.

- 1 (cc) "Response activity" means that term as defined in section
- 2 20101 of the natural resources and environmental protection act,
- 3 1994 PA 451, MCL 324.20101.
- 4 (dd) "Specific taxes" means a tax levied under 1974 PA 198,
- 5 MCL 207.551 to 207.572; the commercial redevelopment act, 1978 PA
- 6 255, MCL 207.651 to 207.668; the enterprise zone act, 1985 PA 224,
- 7 MCL 125.2101 to 125.2123; 1953 PA 189, MCL 211.181 to 211.182; the
- 8 technology park development act, 1984 PA 385, MCL 207.701 to
- 9 207.718; the obsolete property rehabilitation act, 2000 PA 146, MCL
- 10 125.2781 to 125.2797; the neighborhood enterprise zone act, 1992 PA
- 11 147, MCL 207.771 to 207.786; or that portion of the tax levied
- 12 under the tax reverted clean title act, 2003 PA 260, MCL 211.1021
- 13 to 211.1026, that is not required to be distributed to a land bank
- 14 fast track authority.
- 15 (ee) "Tax increment revenues" means the amount of ad valorem
- 16 property taxes and specific taxes attributable to the application
- 17 of the levy of all taxing jurisdictions upon the captured taxable
- 18 value of each parcel of eligible property subject to a brownfield
- 19 plan and personal property located on that property. Tax increment
- 20 revenues exclude ad valorem property taxes specifically levied for
- 21 the payment of principal of and interest on either obligations
- 22 approved by the electors or obligations pledging the unlimited
- 23 taxing power of the local governmental unit, and specific taxes
- 24 attributable to those ad valorem property taxes. Tax increment
- 25 revenues attributable to eliqible property also exclude the amount
- 26 of ad valorem property taxes or specific taxes captured by a
- 27 downtown development authority, tax increment finance authority, or

- 1 local development finance authority if those taxes were captured by
- 2 these other authorities on the date that eligible property became
- 3 subject to a brownfield plan under this act.
- 4 (ff) "Taxable value" means the value determined under section
- 5 27a of the general property tax act, 1893 PA 206, MCL 211.27a.
- 6 (gg) "Taxes levied for school operating purposes" means all of
- 7 the following:
- 8 (i) The taxes levied by a local school district for operating
- 9 purposes.
- 10 (ii) The taxes levied under the state education tax act, 1993
- 11 PA 331, MCL 211.901 to 211.906.
- 12 (iii) That portion of specific taxes attributable to taxes
- 13 described under subparagraphs (i) and (ii).
- 14 (hh) "Work plan" means a plan that describes each individual
- 15 activity to be conducted to complete eligible activities and the
- 16 associated costs of each individual activity.
- 17 (ii) "Zone" means, for an authority established before June 6,
- 18 2000, a brownfield redevelopment zone designated under this act.

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