

SENATE BILL No. 1061

September 7, 2016, Introduced by Senators HORN, STAMAS, BIEDA, BRANDENBURG, MACGREGOR, KNEZEK, WARREN, YOUNG, HERTEL, SCHMIDT, KOWALL, ZORN, JONES and EMMONS and referred to the Committee on Economic Development and International Investment.

A bill to amend 1996 PA 381, entitled "Brownfield redevelopment financing act," by amending sections 2, 8a, 11, 13, 15, and 16 (MCL 125.2652, 125.2658a, 125.2661, 125.2663, 125.2665, and 125.2666), section 2 as amended by 2013 PA 67 and section 8a as added and sections 13, 15, and 16 as amended by 2012 PA 502, and by adding sections 13a and 14a.

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.

6 (b) "Authority" means a brownfield redevelopment authority

1 created under this act.

2 (c) "Baseline environmental assessment" means that term as
3 defined in section 20101 of the natural resources and environmental
4 protection act, 1994 PA 451, MCL 324.20101.

5 (d) "Baseline environmental assessment activities" means those
6 response activities identified as part of a brownfield plan that
7 are necessary to complete a baseline environmental assessment for
8 an eligible property in the brownfield plan.

9 (e) "Blighted" means property that meets any of the following
10 criteria as determined by the governing body:

11 (i) Has been declared a public nuisance in accordance with a
12 local housing, building, plumbing, fire, or other related code or
13 ordinance.

14 (ii) Is an attractive nuisance to children because of physical
15 condition, use, or occupancy.

16 (iii) Is a fire hazard or is otherwise dangerous to the safety
17 of persons or property.

18 (iv) Has had the utilities, plumbing, heating, or sewerage
19 permanently disconnected, destroyed, removed, or rendered
20 ineffective so that the property is unfit for its intended use.

21 (v) Is tax reverted property owned by a qualified local
22 governmental unit, by a county, or by this state. The sale, lease,
23 or transfer of tax reverted property by a qualified local
24 governmental unit, county, or this state after the property's
25 inclusion in a brownfield plan shall not result in the loss to the
26 property of the status as blighted property for purposes of this
27 act.

1 (vi) Is property owned or under the control of a land bank
2 fast track authority, whether or not located within a qualified
3 local governmental unit. Property included within a brownfield plan
4 prior to the date it meets the requirements of this subdivision to
5 be eligible property shall be considered to become eligible
6 property as of the date the property is determined to have been or
7 becomes qualified as, or is combined with, other eligible property.
8 The sale, lease, or transfer of the property by a land bank fast
9 track authority after the property's inclusion in a brownfield plan
10 shall not result in the loss to the property of the status as
11 blighted property for purposes of this act.

12 (vii) Has substantial subsurface demolition debris buried on
13 site so that the property is unfit for its intended use.

14 (f) "Board" means the governing body of an authority.

15 (g) "Brownfield plan" means a plan that meets the requirements
16 of section 13 and is adopted under section 14.

17 (h) "Captured taxable value" means the amount in 1 year by
18 which the current taxable value of an eligible property subject to
19 a brownfield plan, including the taxable value or assessed value,
20 as appropriate, of the property for which specific taxes are paid
21 in lieu of property taxes, exceeds the initial taxable value of
22 that eligible property. The state tax commission shall prescribe
23 the method for calculating captured taxable value.

24 (i) "Chief executive officer" means the mayor of a city, the
25 village manager of a village, the township supervisor of a
26 township, or the county executive of a county or, if the county
27 does not have an elected county executive, the chairperson of the

1 county board of commissioners.

2 (j) "Combined brownfield plan" means a brownfield plan that
3 also includes the information necessary to submit the plan to the
4 department or Michigan strategic fund under section 15(25).

5 (k) "Department" means the department of environmental
6 quality.

7 (l) "Due care activities" means those response activities
8 identified as part of a brownfield plan that are necessary to allow
9 the owner or operator of an eligible property in the plan to comply
10 with the requirements of section 20107a of the natural resources
11 and environmental protection act, 1994 PA 451, MCL 324.20107a.

12 (m) "Economic opportunity zone" means 1 or more parcels of
13 property that meet all of the following:

14 (i) That together are 40 or more acres in size.

15 (ii) That contain or contained a manufacturing facility that
16 consists or consisted of 500,000 or more square feet.

17 (iii) That are located in a municipality that has a population
18 of 30,000 or less and that is contiguous to a qualified local
19 governmental unit.

20 (n) "Eligible activities" or "eligible activity" means 1 or
21 more of the following:

22 (i) Baseline environmental assessment activities.

23 (ii) Due care activities.

24 (iii) Additional response activities.

25 (iv) For eligible activities on eligible property that was
26 used or is currently used for commercial, industrial, or
27 residential purposes that is in a qualified local governmental

1 unit, that is owned or under the control of a land bank fast track
2 authority, or that is located in an economic opportunity zone, and
3 is a facility, historic resource, functionally obsolete, or
4 blighted, and except for purposes of section 38d of former 1975 PA
5 228, the following additional activities:

6 (A) Infrastructure improvements that directly benefit eligible
7 property.

8 (B) Demolition of structures that is not response activity
9 under section 20101 of the natural resources and environmental
10 protection act, 1994 PA 451, MCL 324.20101.

11 (C) Lead or asbestos abatement.

12 (D) Site preparation that is not response activity under
13 section 20101 of the natural resources and environmental protection
14 act, 1994 PA 451, MCL 324.20101.

15 (E) Assistance to a land bank fast track authority in clearing
16 or quieting title to, or selling or otherwise conveying, property
17 owned or under the control of a land bank fast track authority or
18 the acquisition of property by the land bank fast track authority
19 if the acquisition of the property is for economic development
20 purposes.

21 (F) Assistance to a qualified local governmental unit or
22 authority in clearing or quieting title to, or selling or otherwise
23 conveying, property owned or under the control of a qualified local
24 governmental unit or authority or the acquisition of property by a
25 qualified local governmental unit or authority if the acquisition
26 of the property is for economic development purposes.

27 (v) Relocation of public buildings or operations for economic

1 development purposes.

2 (vi) For eligible activities on eligible property that is a
3 qualified facility that is not located in a qualified local
4 governmental unit and that is a facility, functionally obsolete, or
5 blighted, the following additional activities:

6 (A) Infrastructure improvements that directly benefit eligible
7 property.

8 (B) Demolition of structures that is not response activity
9 under section 20101 of the natural resources and environmental
10 protection act, 1994 PA 451, MCL 324.20101.

11 (C) Lead or asbestos abatement.

12 (D) Site preparation that is not response activity under
13 section 20101 of the natural resources and environmental protection
14 act, 1994 PA 451, MCL 324.20101.

15 (vii) For eligible activities on eligible property that is not
16 located in a qualified local governmental unit and that is a
17 facility, historic resource, functionally obsolete, or blighted,
18 the following additional activities:

19 (A) Demolition of structures that is not response activity
20 under section 20101 of the natural resources and environmental
21 protection act, 1994 PA 451, MCL 324.20101.

22 (B) Lead or asbestos abatement.

23 (viii) Reasonable costs of developing and preparing brownfield
24 plans, combined brownfield plans, and work plans.

25 (ix) For property that is not located in a qualified local
26 governmental unit and that is a facility, functionally obsolete, or
27 blighted, that is a former mill that has not been used for

1 industrial purposes for the immediately preceding 2 years, that is
2 located along a river that is a federal superfund site listed under
3 the comprehensive environmental response, compensation, and
4 liability act of 1980, 42 USC 9601 to 9675, and that is located in
5 a city with a population of less than 10,000 persons, the following
6 additional activities:

7 (A) Infrastructure improvements that directly benefit the
8 property.

9 (B) Demolition of structures that is not response activity
10 under section 20101 of the natural resources and environmental
11 protection act, 1994 PA 451, MCL 324.20101.

12 (C) Lead or asbestos abatement.

13 (D) Site preparation that is not response activity under
14 section 20101 of the natural resources and environmental protection
15 act, 1994 PA 451, MCL 324.20101.

16 (x) For eligible activities on eligible property that is
17 located north of the 45th parallel, that is a facility,
18 functionally obsolete, or blighted, and the owner or operator of
19 which makes new capital investment of \$250,000,000.00 or more in
20 this state, the following additional activities:

21 (A) Demolition of structures that is not response activity
22 under section 20101 of the natural resources and environmental
23 protection act, 1994 PA 451, MCL 324.20101.

24 (B) Lead or asbestos abatement.

25 (xi) Reasonable costs of environmental insurance.

26 **(xii) FOR ELIGIBLE ACTIVITIES ON ELIGIBLE PROPERTY THAT IS**
27 **INCLUDED IN A TRANSFORMATIONAL BROWNFIELD PLAN, ANY DEMOLITION,**

1 **CONSTRUCTION, RESTORATION, ALTERATION, RENOVATION, OR IMPROVEMENT**
2 **OF BUILDINGS OR SITE IMPROVEMENTS ON ELIGIBLE PROPERTY, INCLUDING**
3 **INFRASTRUCTURE IMPROVEMENTS THAT DIRECTLY BENEFIT ELIGIBLE**
4 **PROPERTY.**

5 (o) Except as otherwise provided in this subdivision,
6 "eligible property" means property for which eligible activities
7 are identified under a brownfield plan that was used or is
8 currently used for commercial, industrial, public, or residential
9 purposes, including personal property located on the property, to
10 the extent included in the brownfield plan, and that is 1 or more
11 of the following:

12 (i) Is in a qualified local governmental unit and is a
13 facility, historic resource, functionally obsolete, or blighted and
14 includes parcels that are adjacent or contiguous to that property
15 if the development of the adjacent and contiguous parcels is
16 estimated to increase the captured taxable value of that property.

17 (ii) Is not in a qualified local governmental unit and is a
18 facility, and includes parcels that are adjacent or contiguous to
19 that property if the development of the adjacent and contiguous
20 parcels is estimated to increase the captured taxable value of that
21 property.

22 (iii) Is tax reverted property owned or under the control of a
23 land bank fast track authority.

24 (iv) Is not in a qualified local governmental unit, is a
25 qualified facility, and is a facility, functionally obsolete, or
26 blighted, if the eligible activities on the property are limited to
27 the eligible activities identified in subdivision (n) (vi).

1 (v) Is not in a qualified local governmental unit and is a
2 facility, historic resource, functionally obsolete, or blighted, if
3 the eligible activities on the property are limited to the eligible
4 activities identified in subdivision (n) (vii).

5 (vi) Is not in a qualified local governmental unit and is a
6 facility, functionally obsolete, or blighted, if the eligible
7 activities on the property are limited to the eligible activities
8 identified in subdivision (n) (ix).

9 (vii) Is located north of the 45th parallel, is a facility,
10 functionally obsolete, or blighted, and the owner or operator makes
11 new capital investment of \$250,000,000.00 or more in this state.
12 Eligible property does not include qualified agricultural property
13 exempt under section 7ee of the general property tax act, 1893 PA
14 206, MCL 211.7ee, from the tax levied by a local school district
15 for school operating purposes to the extent provided under section
16 1211 of the revised school code, 1976 PA 451, MCL 380.1211.

17 (viii) Is a transit-oriented development.

18 (ix) Is a transit-oriented facility.

19 (x) Is located in a qualified local governmental unit and
20 contains a targeted redevelopment area, as designated by resolution
21 of the governing body and approved by the Michigan strategic fund,
22 of not less than 40 and not more than 500 contiguous parcels. A
23 qualified local governmental unit is limited to designating no more
24 than 2 targeted redevelopment areas for the purposes of this
25 section in a calendar year. The Michigan strategic fund may approve
26 no more than 5 redevelopment areas for the purposes of this section
27 in a calendar year.

1 (xi) IS UNDEVELOPED PROPERTY THAT WAS ELIGIBLE PROPERTY IN A
2 PREVIOUSLY APPROVED BROWNFIELD PLAN ABOLISHED UNDER SECTION 16.

3 (p) "Environmental insurance" means liability insurance for
4 environmental contamination and cleanup that is not otherwise
5 required by state or federal law.

6 (q) "Facility" means that term as defined in section 20101 of
7 the natural resources and environmental protection act, 1994 PA
8 451, MCL 324.20101.

9 (r) "Fiscal year" means the fiscal year of the authority.

10 (s) "Functionally obsolete" means that the property is unable
11 to be used to adequately perform the function for which it was
12 intended due to a substantial loss in value resulting from factors
13 such as overcapacity, changes in technology, deficiencies or
14 superadequacies in design, or other similar factors that affect the
15 property itself or the property's relationship with other
16 surrounding property.

17 (t) "Governing body" means the elected body having legislative
18 powers of a municipality creating an authority under this act.

19 (u) "Historic resource" means that term as defined in section
20 90a of the Michigan strategic fund act, 1984 PA 270, MCL 125.2090a.

21 (v) "INCOME TAX" MEANS THE TAX LEVIED AND IMPOSED UNDER PART 1
22 OF THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.1 TO 206.532.

23 (w) "INCOME TAX CAPTURE REVENUES" MEANS FUNDS EQUAL TO THE
24 AMOUNT FOR 1 TAX YEAR BY WHICH THE INCOME TAX REVENUE COLLECTED
25 FROM INDIVIDUALS DOMICILED WITHIN THE ELIGIBLE PROPERTY SUBJECT TO
26 A TRANSFORMATIONAL BROWNFIELD PLAN EXCEEDS THE INITIAL INCOME TAX
27 VALUE. THE STATE TREASURER SHALL CALCULATE ANNUALLY THE INCOME TAX

1 **CAPTURE REVENUES ASSOCIATED WITH EACH TRANSFORMATIONAL BROWNFIELD**
2 **PLAN, AND SHALL DEVELOP THE METHODS NECESSARY TO CARRY OUT THIS**
3 **FUNCTION.**

4 **(X)** ~~(v)~~—"Infrastructure improvements" means a street, road,
5 sidewalk, parking facility, pedestrian mall, alley, bridge, sewer,
6 sewage treatment plant, property designed to reduce, eliminate, or
7 prevent the spread of identified soil or groundwater contamination,
8 drainage system, waterway, waterline, water storage facility, rail
9 line, utility line or pipeline, transit-oriented development,
10 transit-oriented facility, or other similar or related structure or
11 improvement, together with necessary easements for the structure or
12 improvement, owned or used by a public agency or functionally
13 connected to similar or supporting property owned or used by a
14 public agency, or designed and dedicated to use by, for the benefit
15 of, or for the protection of the health, welfare, or safety of the
16 public generally, whether or not used by a single business entity,
17 provided that any road, street, or bridge shall be continuously
18 open to public access and that other property shall be located in
19 public easements or rights-of-way and sized to accommodate
20 reasonably foreseeable development of eligible property in
21 adjoining areas. Infrastructure improvements also include 1 or more
22 of the following whether publicly or privately owned or operated or
23 located on public or private property:

- 24 (i) Underground parking.
25 (ii) Multilevel parking structures.
26 (iii) Urban storm water management systems.

27 **(Y) "INITIAL INCOME TAX VALUE" MEANS THE AMOUNT OF INCOME TAX**

1 REVENUE COLLECTED FROM INDIVIDUALS DOMICILED WITHIN THE ELIGIBLE
2 PROPERTY SUBJECT TO A TRANSFORMATIONAL BROWNFIELD PLAN FOR THE TAX
3 YEAR IN WHICH THE RESOLUTION ADDING THAT ELIGIBLE PROPERTY IN THE
4 TRANSFORMATIONAL BROWNFIELD PLAN IS ADOPTED.

5 (Z) "INITIAL SALES AND USE TAX VALUE" MEANS THE AMOUNT OF
6 SALES AND USE TAX COLLECTED FROM WITHIN OR ATTRIBUTABLE TO
7 TRANSACTIONS WITHIN THE ELIGIBLE PROPERTY SUBJECT TO A
8 TRANSFORMATIONAL BROWNFIELD PLAN FOR THE CALENDAR YEAR IN WHICH THE
9 RESOLUTION ADDING THAT ELIGIBLE PROPERTY IN THE TRANSFORMATIONAL
10 BROWNFIELD PLAN IS ADOPTED.

11 (AA) ~~(w)~~ "Initial taxable value" means the taxable value of an
12 eligible property identified in and subject to a brownfield plan at
13 the time the resolution adding that eligible property in the
14 brownfield plan is adopted, as shown either by the most recent
15 assessment roll for which equalization has been completed at the
16 time the resolution is adopted or, if provided by the brownfield
17 plan, by the next assessment roll for which equalization will be
18 completed following the date the resolution adding that eligible
19 property in the brownfield plan is adopted. Property exempt from
20 taxation at the time the initial taxable value is determined shall
21 be included with the initial taxable value of zero. Property for
22 which a specific tax is paid in lieu of property tax shall not be
23 considered exempt from taxation. The state tax commission shall
24 prescribe the method for calculating the initial taxable value of
25 property for which a specific tax was paid in lieu of property tax.

26 (BB) ~~(x)~~ "Land bank fast track authority" means an authority
27 created under the land bank fast track act, 2003 PA 258, MCL

1 124.751 to 124.774.

2 (CC) ~~(y)~~ "Local taxes" means all taxes levied other than taxes
3 levied for school operating purposes.

4 (DD) ~~(z)~~ "Michigan strategic fund" means the Michigan
5 strategic fund created under the Michigan strategic fund act, 1984
6 PA 270, MCL 125.2001 to 125.2094.

7 (EE) "MIXED-USE" MEANS A SINGLE DEVELOPMENT OR RELATED SERIES
8 OF DEVELOPMENTS UNDER AFFILIATED OWNERSHIP THAT COMBINE RESIDENTIAL
9 AND RETAIL OR COMMERCIAL ELEMENTS.

10 (FF) ~~(aa)~~ "Municipality" means all of the following:

11 (i) A city.

12 (ii) A village.

13 (iii) A township in those areas of the township that are
14 outside of a village.

15 (iv) A township in those areas of the township that are in a
16 village upon the concurrence by resolution of the village in which
17 the zone would be located.

18 (v) A county.

19 (GG) ~~(bb)~~ "Owned or under the control of" means that a land
20 bank fast track authority has 1 or more of the following:

21 (i) An ownership interest in the property.

22 (ii) A tax lien on the property.

23 (iii) A tax deed to the property.

24 (iv) A contract with this state or a political subdivision of
25 this state to enforce a lien on the property.

26 (v) A right to collect delinquent taxes, penalties, or
27 interest on the property.

1 (vi) The ability to exercise its authority over the property.

2 **(HH)** ~~(ee)~~ "Qualified facility" means a landfill facility area
3 of 140 or more contiguous acres that is located in a city and that
4 contains a landfill, a material recycling facility, and an asphalt
5 plant that are no longer in operation.

6 **(II)** ~~(de)~~ "Qualified local governmental unit" means that term
7 as defined in the obsolete property rehabilitation act, 2000 PA
8 146, MCL 125.2781 to 125.2797.

9 **(JJ)** ~~(ee)~~ "Qualified taxpayer" means that term as defined in
10 sections 38d and 38g of former 1975 PA 228, or section 437 of the
11 Michigan business tax act, 2007 PA 36, MCL 208.1437, or a recipient
12 of a community revitalization incentive as described in section 90a
13 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2090a.

14 **(KK)** ~~(ff)~~ "Response activity" means either of the following:

15 (i) Response activity as that term is defined in section 20101
16 of the natural resources and environmental protection act, 1994 PA
17 451, MCL 324.20101.

18 (ii) Corrective action as that term is defined in section
19 21302 of the natural resources and environmental protection act,
20 1994 PA 451, MCL 324.21302.

21 **(//) "SALES AND USE TAX" MEANS THE TAX IMPOSED UNDER THE**
22 **GENERAL SALES TAX ACT, 1933 PA 167, MCL 205.51 TO 205.78, AND THE**
23 **TAX IMPOSED UNDER THE USE TAX ACT, 1937 PA 94, MCL 205.91 TO**
24 **205.111.**

25 **(MM) "SALES AND USE TAX CAPTURE REVENUES" MEANS FUNDS EQUAL TO**
26 **THE AMOUNT FOR THE CALENDAR YEAR BY WHICH THE SALES AND USE TAX**
27 **REVENUE COLLECTED FROM WITHIN OR ATTRIBUTABLE TO TRANSACTIONS**

1 **WITHIN THE ELIGIBLE PROPERTY SUBJECT TO A TRANSFORMATIONAL**
2 **BROWNFIELD PLAN EXCEEDS THE INITIAL SALES AND USE TAX VALUE. THE**
3 **STATE TREASURER SHALL CALCULATE ANNUALLY THE AMOUNT OF SALES AND**
4 **USE TAX CAPTURE REVENUES ASSOCIATED WITH EACH TRANSFORMATIONAL**
5 **BROWNFIELD PLAN, AND SHALL DEVELOP THE METHODS NECESSARY TO CARRY**
6 **OUT THIS FUNCTION.**

7 **(NN)** ~~(gg)~~ "Specific taxes" means a tax levied under 1974 PA
8 198, MCL 207.551 to 207.572; the commercial redevelopment act, 1978
9 PA 255, MCL 207.651 to 207.668; the enterprise zone act, 1985 PA
10 224, MCL 125.2101 to 125.2123; 1953 PA 189, MCL 211.181 to 211.182;
11 the technology park development act, 1984 PA 385, MCL 207.701 to
12 207.718; the obsolete property rehabilitation act, 2000 PA 146, MCL
13 125.2781 to 125.2797; the neighborhood enterprise zone act, 1992 PA
14 147, MCL 207.771 to 207.786; the commercial rehabilitation act,
15 2005 PA 210, MCL 207.841 to 207.856; or that portion of the tax
16 levied under the tax reverted clean title act, 2003 PA 260, MCL
17 211.1021 to 211.1025a, that is not required to be distributed to a
18 land bank fast track authority.

19 **(OO)** ~~(hh)~~ "State brownfield redevelopment fund" means the
20 state brownfield redevelopment fund created in section 8a.

21 **(PP)** ~~(ii)~~ "Tax increment revenues" means the amount of ad
22 valorem property taxes and specific taxes attributable to the
23 application of the levy of all taxing jurisdictions upon the
24 captured taxable value of each parcel of eligible property subject
25 to a brownfield plan and personal property located on that
26 property, regardless of whether those taxes began to be levied
27 after the brownfield plan was adopted. Tax increment revenues do

1 not include any of the following:

2 (i) Ad valorem property taxes specifically levied for the
3 payment of principal of and interest on either obligations approved
4 by the electors or obligations pledging the unlimited taxing power
5 of the local governmental unit, and specific taxes attributable to
6 those ad valorem property taxes.

7 (ii) For tax increment revenues attributable to eligible
8 property also exclude the amount of ad valorem property taxes or
9 specific taxes captured by a downtown development authority, tax
10 increment finance authority, or local development finance authority
11 if those taxes were captured by these other authorities on the date
12 that eligible property became subject to a brownfield plan under
13 this act.

14 (iii) Ad valorem property taxes levied under 1 or more of the
15 following or specific taxes attributable to those ad valorem
16 property taxes:

17 (A) The zoological authorities act, 2008 PA 49, MCL 123.1161
18 to 123.1183.

19 (B) The art institute authorities act, 2010 PA 296, MCL
20 123.1201 to 123.1229.

21 **(QQ)** ~~(jj)~~ "Taxable value" means the value determined under
22 section 27a of the general property tax act, 1893 PA 206, MCL
23 211.27a.

24 **(RR)** ~~(kk)~~ "Taxes levied for school operating purposes" means
25 all of the following:

26 (i) The taxes levied by a local school district for operating
27 purposes.

1 (ii) The taxes levied under the state education tax act, 1993
2 PA 331, MCL 211.901 to 211.906.

3 (iii) That portion of specific taxes attributable to taxes
4 described under subparagraphs (i) and (ii).

5 (SS) "TRANSFORMATIONAL BROWNFIELD PLAN" MEANS A BROWNFIELD
6 PLAN THAT MEETS THE REQUIREMENTS OF SECTION 13A AND IS ADOPTED
7 UNDER SECTION 14A AND, AS DESIGNATED BY RESOLUTION OF THE GOVERNING
8 BODY AND APPROVED BY THE MICHIGAN STRATEGIC FUND, WILL HAVE A
9 TRANSFORMATIONAL IMPACT ON LOCAL ECONOMIC DEVELOPMENT AND COMMUNITY
10 REVITALIZATION BASED ON THE EXTENT OF BROWNFIELD REDEVELOPMENT AND
11 GROWTH IN POPULATION, COMMERCIAL ACTIVITY, AND EMPLOYMENT THAT WILL
12 RESULT FROM THE PLAN. TO BE DESIGNATED A TRANSFORMATIONAL
13 BROWNFIELD PLAN, A TRANSFORMATIONAL BROWNFIELD PLAN UNDER THIS
14 SUBDIVISION SHALL BE FOR MIXED-USED DEVELOPMENT AND SHALL BE
15 EXPECTED TO RESULT IN THE FOLLOWING LEVELS OF CAPITAL INVESTMENT:

16 (i) IN A MUNICIPALITY THAT IS NOT A COUNTY AND THAT HAS A
17 POPULATION OF AT LEAST 600,000, \$500,000,000.00.

18 (ii) IN A MUNICIPALITY THAT IS NOT A COUNTY AND THAT HAS A
19 POPULATION OF AT LEAST 150,000 AND NOT MORE THAN 599,000,
20 \$100,000,000.00.

21 (iii) IN A MUNICIPALITY THAT IS NOT A COUNTY AND THAT HAS A
22 POPULATION OF AT LEAST 100,000 AND NOT MORE THAN 149,999,
23 \$75,000,000.00.

24 (iv) IN A MUNICIPALITY THAT IS NOT A COUNTY AND THAT HAS A
25 POPULATION OF AT LEAST 50,000 AND NOT MORE THAN 99,999,
26 \$50,000,000.00.

27 (v) IN A MUNICIPALITY THAT IS NOT A COUNTY AND THAT HAS A

1 **POPULATION OF 50,000 OR LESS, \$25,000,000.00.**

2 **(TT)** ~~(H)~~—"Transit-oriented development" means infrastructure
3 improvements that are located within 1/2 mile of a transit station
4 or transit-oriented facility that promotes transit ridership or
5 passenger rail use as determined by the board and approved by the
6 municipality in which it is located.

7 **(UU)** ~~(mm)~~—"Transit-oriented facility" means a facility that
8 houses a transit station in a manner that promotes transit
9 ridership or passenger rail use.

10 **(VV)** ~~(nn)~~—"Work plan" means a plan that describes each
11 individual activity to be conducted to complete eligible activities
12 and the associated costs of each individual activity.

13 **(WW)** ~~(oo)~~—"Zone" means, for an authority established before
14 June 6, 2000, a brownfield redevelopment zone designated under this
15 act.

16 Sec. 8a. (1) The state brownfield redevelopment fund is
17 created as a revolving fund within the department of treasury to be
18 administered as provided in this section. The state treasurer shall
19 direct the investment of the state brownfield redevelopment fund.
20 Money in the state brownfield redevelopment fund at the close of
21 the fiscal year shall remain in the state brownfield redevelopment
22 fund and shall not lapse to the general fund.

23 (2) The state treasurer shall credit to the fund money from
24 the following sources:

25 (a) All amounts deposited into the state brownfield
26 redevelopment fund under **SUBSECTION (6) AND** section 13(21).

27 (b) The proceeds from repayment of a loan, including interest

1 on those repayments, under subsection (5)(f).

2 (c) Interest on funds deposited into the state brownfield
3 redevelopment fund.

4 (d) Money obtained from any other source authorized by law.

5 (3) The state brownfield redevelopment fund may be used only
6 for the following purposes:

7 (a) To pay administrative costs of all of the following:

8 (i) The Michigan strategic fund to implement this act.

9 (ii) The department to implement this act.

10 (iii) The department to implement part 196 of the natural
11 resources and environmental protection act, 1994 PA 451, MCL
12 324.19601 to 324.19616.

13 (b) To fund a grant and loan program for the costs of eligible
14 activities described in section 13(15) on eligible property as
15 provided in subsection (5).

16 (c) To make deposits into the clean Michigan initiative bond
17 fund under section 19606(2)(d) of the natural resources and
18 environmental protection act, 1994 PA 451, MCL 324.19606, for use
19 in providing grants and loans under part 196 of the natural
20 resources and environmental protection act, 1994 PA 451, MCL
21 324.19601 to 324.19616.

22 **(D) TO DISTRIBUTE SALES AND USE TAX CAPTURE REVENUES AND**
23 **INCOME TAX CAPTURE REVENUES IN ACCORDANCE WITH A TRANSFORMATIONAL**
24 **BROWNFIELD PLAN UNDER SUBSECTION (6).**

25 (4) Not more than 15% of the amounts deposited annually into
26 the state brownfield redevelopment fund may be used for purposes of
27 subsection (3)(a).

1 (5) The state brownfield redevelopment fund may be used to
2 fund a grant and loan program for the costs of eligible activities
3 described in section 13(15) on eligible property under this
4 subsection. The grant and loan program shall provide for all of the
5 following:

6 (a) The Michigan strategic fund shall create and operate a
7 grant and loan program to provide grants and loans to fund eligible
8 activities described in section 13(15) on eligible property. The
9 Michigan strategic fund shall develop and use a detailed
10 application, approval, and compliance process adopted by resolution
11 of the board of the Michigan strategic fund. This process shall be
12 published and available on the Michigan strategic fund website.
13 Program standards, guidelines, templates, or any other forms to
14 implement the grant and loan program shall be approved by the board
15 of the Michigan strategic fund. The Michigan strategic fund may
16 delegate its approval authority under this subsection to a
17 designee.

18 (b) A person may apply to the Michigan strategic fund for
19 approval of a grant or loan to fund eligible activities described
20 in section 13(15) on eligible property.

21 (c) The Michigan strategic fund shall approve or deny an
22 application not more than 90 days after receipt of an
23 administratively complete application. If the application is
24 neither approved nor denied within 90 days, it shall be considered
25 by the board of the Michigan strategic fund, or its designee if
26 delegated, for action at, or by, the next regularly scheduled board
27 meeting. The Michigan strategic fund may delegate the approval or

1 denial of an application to the chairperson of the Michigan
2 strategic fund or other designees determined by the board.

3 (d) When an application is approved under this subsection, the
4 Michigan strategic fund shall enter into a written agreement with
5 the applicant. The written agreement shall provide all the
6 conditions imposed on the applicant and the terms of the grant or
7 loan. The written agreement shall also provide for penalties if the
8 applicant fails to comply with the provisions of the written
9 agreement.

10 (e) After the Michigan strategic fund and the applicant have
11 entered into a written agreement under subdivision (d), the
12 Michigan strategic fund shall distribute the proceeds to the
13 applicant according to the terms of the written agreement.

14 (f) Any proceeds from repayment of a loan, including interest
15 on those repayments, under this subsection shall be paid into the
16 state brownfield redevelopment fund.

17 **(6) THE STATE TREASURER SHALL DEPOSIT ANNUALLY FROM THE**
18 **GENERAL FUND INTO THE STATE BROWNFIELD REDEVELOPMENT FUND AN AMOUNT**
19 **EQUAL TO THE SALES AND USE TAX CAPTURE REVENUES AND INCOME TAX**
20 **CAPTURE REVENUES DUE TO BE TRANSMITTED UNDER ALL TRANSFORMATIONAL**
21 **BROWNFIELD PLANS. THE MICHIGAN STRATEGIC FUND SHALL DISTRIBUTE THE**
22 **SALES AND USE TAX CAPTURE REVENUES AND INCOME TAX CAPTURE REVENUES**
23 **TO AN AUTHORITY, OR TO THE OWNER OR DEVELOPER OF THE ELIGIBLE**
24 **PROPERTY TO WHICH THE REVENUES ARE ATTRIBUTABLE, IN ACCORDANCE WITH**
25 **SECTION 16(9) AND THE TERMS OF THE WRITTEN DEVELOPMENT OR**
26 **REIMBURSEMENT AGREEMENT FOR EACH TRANSFORMATIONAL BROWNFIELD PLAN.**
27 **AMOUNTS TRANSFERRED INTO THE STATE BROWNFIELD REDEVELOPMENT FUND**

1 **ATTRIBUTABLE TO A SPECIFIC TRANSFORMATIONAL BROWNFIELD PLAN SHALL**
2 **BE ACCOUNTED FOR SEPARATELY WITHIN THE STATE BROWNFIELD**
3 **REDEVELOPMENT FUND AND SHALL NOT BE USED FOR ANY OTHER PURPOSE OR**
4 **ACTIVITY UNDER THIS SECTION OR FOR ANY TRANSFORMATIONAL BROWNFIELD**
5 **PLAN OTHER THAN THE PLAN TO WHICH THE REVENUES ARE ATTRIBUTABLE.**

6 Sec. 11. The activities of the authority shall be financed
7 from 1 or more of the following sources:

8 (a) Contributions, contractual payments, or appropriations to
9 the authority for the performance of its functions or to pay the
10 costs of a brownfield plan of the authority.

11 (b) Revenues from a property, building, or facility owned,
12 leased, licensed, or operated by the authority or under its
13 control, subject to the limitations imposed upon the authority by
14 trusts or other agreements.

15 (c) Subject to the limitations imposed under sections 8, 13,
16 and 15, 1 or both of the following:

17 (i) Tax increment revenues received under a brownfield plan
18 established under sections 13 and 14.

19 (ii) Proceeds of tax increment bonds and notes issued under
20 section 17.

21 (d) Proceeds of revenue bonds and notes issued under section
22 12.

23 (e) Revenue available in the local site remediation revolving
24 fund for the costs described in section 8.

25 **(F) SALES AND USE TAX CAPTURE REVENUES AND INCOME TAX CAPTURE**
26 **REVENUES RECEIVED UNDER A TRANSFORMATIONAL BROWNFIELD PLAN**
27 **ESTABLISHED UNDER SECTIONS 13A AND 14A.**

1 **(G)** ~~(F)~~ Money obtained from all other sources approved by the
2 governing body of the municipality or otherwise authorized by law
3 for use by the authority or the municipality to finance activities
4 authorized under this act.

5 Sec. 13. (1) Subject to section 15, the board may implement a
6 brownfield plan. The brownfield plan may apply to 1 or more parcels
7 of eligible property whether or not those parcels of eligible
8 property are contiguous and may be amended to apply to additional
9 parcels of eligible property. Except as otherwise authorized by
10 this act, if more than 1 eligible property is included within the
11 plan, the tax increment revenues under the plan shall be determined
12 individually for each eligible property. Each plan or an amendment
13 to a plan shall be approved by the governing body of the
14 municipality and shall contain all of the following:

15 (a) A description of the costs of the plan intended to be paid
16 for with the tax increment revenues or, for a plan for eligible
17 properties qualified on the basis that the property is owned or
18 under the control of a land bank fast track authority, a listing of
19 all eligible activities that may be conducted for 1 or more of the
20 eligible properties subject to the plan.

21 (b) A brief summary of the eligible activities that are
22 proposed for each eligible property or, for a plan for eligible
23 properties qualified on the basis that the property is owned or
24 under the control of a land bank fast track authority, a brief
25 summary of eligible activities conducted for 1 or more of the
26 eligible properties subject to the plan.

27 (c) An estimate of the captured taxable value and tax

1 increment revenues for each year of the plan from the eligible
2 property. The plan may provide for the use of part or all of the
3 captured taxable value, including deposits in the local site
4 remediation revolving fund, but the portion intended to be used
5 shall be clearly stated in the plan. The plan shall not provide
6 either for an exclusion from captured taxable value of a portion of
7 the captured taxable value or for an exclusion of the tax levy of 1
8 or more taxing jurisdictions unless the tax levy is excluded from
9 tax increment revenues in section ~~2(ii)~~, **2 (PP)**, or unless the tax
10 levy is excluded from capture under section 15.

11 (d) The method by which the costs of the plan will be
12 financed, including a description of any advances made or
13 anticipated to be made for the costs of the plan from the
14 municipality.

15 (e) The maximum amount of note or bonded indebtedness to be
16 incurred, if any.

17 (f) The beginning date and duration of capture of tax
18 increment revenues for each eligible property as determined under
19 subsection (22).

20 (g) An estimate of the impact of tax increment financing on
21 the revenues of all taxing jurisdictions in which the eligible
22 property is located.

23 (h) A legal description of the eligible property to which the
24 plan applies, a map showing the location and dimensions of each
25 eligible property, a statement of the characteristics that qualify
26 the property as eligible property, and a statement of whether
27 personal property is included as part of the eligible property. If

1 the project is on property that is functionally obsolete, the
2 taxpayer shall include, with the application, an affidavit signed
3 by a level 3 or level 4 assessor, that states that it is the
4 assessor's expert opinion that the property is functionally
5 obsolete and the underlying basis for that opinion.

6 (i) Estimates of the number of persons residing on each
7 eligible property to which the plan applies and the number of
8 families and individuals to be displaced. If occupied residences
9 are designated for acquisition and clearance by the authority, the
10 plan shall include a demographic survey of the persons to be
11 displaced, a statistical description of the housing supply in the
12 community, including the number of private and public units in
13 existence or under construction, the condition of those in
14 existence, the number of owner-occupied and renter-occupied units,
15 the annual rate of turnover of the various types of housing and the
16 range of rents and sale prices, an estimate of the total demand for
17 housing in the community, and the estimated capacity of private and
18 public housing available to displaced families and individuals.

19 (j) A plan for establishing priority for the relocation of
20 persons displaced by implementation of the plan.

21 (k) Provision for the costs of relocating persons displaced by
22 implementation of the plan, and financial assistance and
23 reimbursement of expenses, including litigation expenses and
24 expenses incident to the transfer of title, in accordance with the
25 standards and provisions of the uniform relocation assistance and
26 real property acquisition policies act of 1970, Public Law 91-646.

27 (l) A strategy for compliance with 1972 PA 227, MCL 213.321 to

1 213.332.

2 (m) A description of proposed use of the local site
3 remediation revolving fund.

4 (n) Other material that the authority or governing body
5 considers pertinent.

6 (2) The percentage of all taxes levied on a parcel of eligible
7 property for school operating expenses that is captured and used
8 under a brownfield plan and all tax increment finance plans under
9 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance
10 authority act, 1980 PA 450, MCL 125.1801 to 125.1830, or the local
11 development financing act, 1986 PA 281, MCL 125.2151 to 125.2174,
12 shall not be greater than the combination of the plans' percentage
13 capture and use of all local taxes levied for purposes other than
14 for the payment of principal of and interest on either obligations
15 approved by the electors or obligations pledging the unlimited
16 taxing power of the local unit of government. This subsection shall
17 apply only when taxes levied for school operating purposes are
18 subject to capture under section 15.

19 (3) Except as provided in this subsection, ~~and~~ subsections
20 (5), (15), and (16), **AND SECTION 13A(12)**, tax increment revenues
21 related to a brownfield plan shall be used only for costs of
22 eligible activities attributable to the eligible property, the
23 captured taxable value of which produces the tax increment
24 revenues, including the cost of principal of and interest on any
25 obligation issued by the authority to pay the costs of eligible
26 activities attributable to the eligible property, and the
27 reasonable costs of preparing a brownfield plan, combined

1 brownfield plan, or a work plan for the eligible property. For
2 property owned or under the control of a land bank fast track
3 authority, tax increment revenues related to a brownfield plan may
4 be used for eligible activities attributable to any eligible
5 property owned or under the control of the land bank fast track
6 authority, the cost of principal of and interest on any obligation
7 issued by the authority to pay the costs of eligible activities,
8 the reasonable costs of preparing a combined brownfield plan or
9 work plan. Except as provided in subsection (18), tax increment
10 revenues captured from taxes levied by this state under the state
11 education tax act, 1993 PA 331, MCL 211.901 to 211.906, or taxes
12 levied by a local school district shall not be used for eligible
13 activities described in section 2(n)(iv)(E).

14 (4) Except as provided in subsection (5), a brownfield plan
15 shall not authorize the capture of tax increment revenue from
16 eligible property after the year in which the total amount of tax
17 increment revenues captured is equal to the sum of the costs
18 permitted to be funded with tax increment revenues under this act.

19 (5) A brownfield plan may authorize the capture of additional
20 tax increment revenue from an eligible property in excess of the
21 amount authorized under subsection (4) during the time of capture
22 for the purpose of paying the costs permitted under subsection (3),
23 or for not more than 5 years after the time that capture is
24 required for the purpose of paying the costs permitted under
25 subsection (3), or both. Excess revenues captured under this
26 subsection shall be deposited in the local site remediation
27 revolving fund created under section 8 and used for the purposes

1 authorized in section 8. If tax increment revenues attributable to
2 taxes levied for school operating purposes from eligible property
3 are captured by the authority for purposes authorized under
4 subsection (3), the tax increment revenues captured for deposit in
5 the local site remediation revolving fund also may include tax
6 increment revenues attributable to taxes levied for school
7 operating purposes in an amount not greater than the tax increment
8 revenues levied for school operating purposes captured from the
9 eligible property by the authority for the purposes authorized
10 under subsection (3). Excess tax increment revenues from taxes
11 levied for school operating purposes for eligible activities
12 authorized under subsection (15) by the Michigan strategic fund
13 shall not be captured for deposit in the local site remediation
14 revolving fund.

15 (6) An authority shall not expend tax increment revenues to
16 acquire or prepare eligible property, unless the acquisition or
17 preparation is an eligible activity.

18 (7) Costs of eligible activities attributable to eligible
19 property include all costs that are necessary or related to a
20 release from the eligible property, including eligible activities
21 on properties affected by a release from the eligible property. For
22 purposes of this subsection, "release" means that term as defined
23 in section 20101 of the natural resources and environmental
24 protection act, 1994 PA 451, MCL 324.20101.

25 (8) Costs of a response activity paid with tax increment
26 revenues that are captured pursuant to subsection (3) may be
27 recovered from a person who is liable for the costs of eligible

1 activities at an eligible property. This state or an authority may
2 undertake cost recovery for tax increment revenue captured. Before
3 an authority or this state may institute a cost recovery action, it
4 must provide the other with 120 days' notice. This state or an
5 authority that recovers costs under this subsection shall apply
6 those recovered costs to the following, in the following order of
7 priority:

8 (a) The reasonable attorney fees and costs incurred by this
9 state or an authority in obtaining the cost recovery.

10 (b) One of the following:

11 (i) If an authority undertakes the cost recovery action, the
12 authority shall deposit the remaining recovered funds into the
13 local site remediation fund created pursuant to section 8, if such
14 a fund has been established by the authority. If a local site
15 remediation fund has not been established, the authority shall
16 disburse the remaining recovered funds to the local taxing
17 jurisdictions in the proportion that the local taxing
18 jurisdictions' taxes were captured.

19 (ii) If this state undertakes a cost recovery action, this
20 state shall deposit the remaining recovered funds into the
21 revitalization revolving loan fund established under section 20108a
22 of the natural resources and environmental protection act, 1994 PA
23 451, MCL 324.20108a.

24 (iii) If this state and an authority each undertake a cost
25 recovery action, undertake a cost recovery action jointly, or 1 on
26 behalf of the other, the amount of any remaining recovered funds
27 shall be deposited pursuant to subparagraphs (i) and (ii) in the

1 proportion that the tax increment revenues being recovered
2 represent local taxes and taxes levied for school operating
3 purposes, respectively.

4 (9) Approval of the brownfield plan or an amendment to a
5 brownfield plan shall be in accordance with the notice and approval
6 provisions of this section and section 14.

7 (10) Before approving a brownfield plan for an eligible
8 property, the governing body shall hold a public hearing on the
9 brownfield plan. By resolution, the governing body may delegate the
10 public hearing process to the authority or to a subcommittee of the
11 governing body subject to final approval by the governing body.

12 (11) Notice of the time and place of the hearing on a
13 brownfield plan shall contain all of the following:

14 (a) A description of the property to which the plan applies in
15 relation to existing or proposed highways, streets, streams, or
16 otherwise.

17 (b) A statement that maps, plats, and a description of the
18 brownfield plan are available for public inspection at a place
19 designated in the notice and that all aspects of the brownfield
20 plan are open for discussion at the public hearing required by this
21 section.

22 (c) Any other information that the governing body considers
23 appropriate.

24 (12) At the time set for the hearing on the brownfield plan
25 required under subsection (10), the governing body shall ensure
26 that interested persons have an opportunity to be heard and that
27 written communications with reference to the brownfield plan are

1 received and considered. The governing body shall ensure that a
2 record of the public hearing is made and preserved, including all
3 data presented at the hearing.

4 (13) Not less than 10 days before the hearing on the
5 brownfield plan, the governing body shall provide notice of the
6 hearing to the taxing jurisdictions that levy taxes subject to
7 capture under this act. The authority shall fully inform the taxing
8 jurisdictions about the fiscal and economic implications of the
9 proposed brownfield plan. At that hearing, an official from a
10 taxing jurisdiction with millage that would be subject to capture
11 under this act has the right to be heard in regard to the adoption
12 of the brownfield plan. Not less than 10 days before the hearing on
13 the brownfield plan, the governing body shall provide notice of the
14 hearing to the department if the brownfield plan involves the use
15 of taxes levied for school operating purposes to pay for eligible
16 activities that require the approval of a combined brownfield plan
17 or a work plan by the department under section 15(1)(a) and the
18 Michigan strategic fund, or its designee, if the brownfield plan
19 involves the use of taxes levied for school operating purposes to
20 pay for eligible activities subject to subsection (15) or (18).

21 (14) The authority shall not enter into agreements with the
22 taxing jurisdictions and the governing body of the municipality to
23 share a portion of the captured taxable value of an eligible
24 property. Upon adoption of the plan, the collection and
25 transmission of the amount of tax increment revenues as specified
26 in this act shall be binding on all taxing units levying ad valorem
27 property taxes or specific taxes against property located in the

1 zone.

2 (15) Except as provided by subsection (18), if a brownfield
3 plan includes the capture of taxes levied for school operating
4 purposes approval of a combined brownfield plan or a work plan by
5 the Michigan strategic fund to use taxes levied for school
6 operating purposes and a development agreement or reimbursement
7 agreement between the municipality or authority and an owner or
8 developer of eligible property are required if the taxes levied for
9 school operating purposes will be used for infrastructure
10 improvements that directly benefit eligible property, demolition of
11 structures that is not response activity under part 201 of the
12 natural resources and environmental protection act, 1994 PA 451,
13 MCL 324.20101 to 324.20142, lead or asbestos abatement, site
14 preparation that is not response activity under section 20101 of
15 the natural resources and environmental protection act, 1994 PA
16 451, MCL 324.20101, relocation of public buildings or operations
17 for economic development purposes, or acquisition of property by a
18 land bank fast track authority if acquisition of the property is
19 for economic development purposes. The eligible activities to be
20 conducted described in this subsection shall be consistent with the
21 work plan submitted by the authority to the Michigan strategic
22 fund. The department's approval is not required for the capture of
23 taxes levied for school operating purposes for eligible activities
24 described in this subsection.

25 (16) The limitations of section 15(1) upon use of tax
26 increment revenues by an authority shall apply except as follows:

27 (a) The limitations of section 15(1) upon use of tax increment

1 revenues by an authority shall not apply to the following costs and
2 expenses:

3 (i) In each fiscal year of the authority, the amount described
4 in subsection (19) for the following purposes for tax increment
5 revenues attributable to local taxes:

6 (A) Reasonable and actual administrative and operating
7 expenses of the authority.

8 (B) Baseline environmental assessments, due care activities,
9 and additional response activities conducted by or on behalf of the
10 authority related directly to work conducted on prospective
11 eligible properties prior to approval of the brownfield plan.

12 (ii) Reasonable costs of preparing a work plan for which tax
13 increment revenues may be used under section 13(3).

14 (b) The limitations of section 15(1) (a), (b), and (c) upon the
15 use of taxes levied for school operating purposes by an authority
16 shall not apply to the costs of 1 or more of the following incurred
17 by a person other than the authority:

18 (i) Site investigation activities required to conduct a
19 baseline environmental assessment and to evaluate compliance with
20 section 20107a of the natural resources and environmental
21 protection act, 1994 PA 451, MCL 324.20107a.

22 (ii) Completing a baseline environmental assessment report.

23 (iii) Preparing a plan for compliance with section 20107a of
24 the natural resources and environmental protection act, 1994 PA
25 451, MCL 324.20107a.

26 (c) The limitations of section 15(1) (b) upon use of tax
27 increment revenues by an authority shall not apply to the following

1 costs and expenses:

2 (i) For tax increment revenues attributable to taxes levied
3 for school operating purposes, eligible activities associated with
4 unanticipated response activities conducted on eligible property if
5 that eligible property has been included in a brownfield plan, if
6 the department is consulted on the unanticipated response
7 activities before they are conducted and the costs of those
8 activities are subsequently included in a brownfield plan approved
9 by the authority and a combined brownfield plan or a work plan
10 approved by the department.

11 (ii) For tax increment revenues attributable to local taxes,
12 any eligible activities conducted on eligible property or
13 prospective eligible properties prior to approval of the brownfield
14 plan, if those costs and the eligible property are subsequently
15 included in a brownfield plan approved by the authority.

16 (iii) For tax increment revenues attributable to taxes levied
17 for school operating purposes, eligible activities described in
18 section 13(15) and conducted on eligible property or prospective
19 eligible properties prior to approval of the brownfield plan, if
20 those costs and the eligible property are subsequently included in
21 a brownfield plan approved by the authority and a combined
22 brownfield plan or work plan approved by the Michigan strategic
23 fund.

24 (17) A brownfield authority may reimburse advances, with or
25 without interest, made by a municipality under section 7(3), a land
26 bank fast track authority, or any other person or entity for costs
27 of eligible activities with any source of revenue available for use

1 of the brownfield authority under this act. If an authority
2 reimburses a person or entity under this section for an advance for
3 the payment or reimbursement of the cost of eligible activities and
4 interest thereon, the authority may capture local taxes for the
5 payment of that interest. If an authority reimburses a person or
6 entity under this section for an advance for the payment or
7 reimbursement of the cost of baseline environmental assessments,
8 due care, and additional response activities and interest thereon
9 included in a combined brownfield plan or a work plan approved by
10 the department, the authority may capture taxes levied for school
11 operating purposes and local taxes for the payment of that
12 interest. If an authority reimburses a person or entity under this
13 section for an advance for the payment or reimbursement of the cost
14 of eligible activities that are not baseline environmental
15 assessments, due care, and additional response activities and
16 interest thereon included in a combined brownfield plan or a work
17 plan approved by the Michigan strategic fund, the authority may
18 capture taxes levied for school operating purposes and local taxes
19 for the payment of that interest provided that the Michigan
20 strategic fund grants an approval for the capture of taxes levied
21 for school operating purposes to pay such interest. An authority
22 may enter into agreements related to these reimbursements and
23 payments. A reimbursement agreement for these purposes and the
24 obligations under that reimbursement agreement shall not be subject
25 to section 12 or the revised municipal finance act, 2001 PA 34, MCL
26 141.2101 to 141.2821.

27 (18) If a brownfield plan includes the capture of taxes levied

1 for school operating purposes, approval of a combined brownfield
2 plan or a work plan by the Michigan strategic fund in the manner
3 required under section 15(14) to (16) or (25) is required in order
4 to use tax increment revenues attributable to taxes levied for
5 school operating purposes for purposes of eligible activities
6 described in section 2(n) (iv) (E) for 1 or more parcels of eligible
7 property. The combined brownfield plan or work plan to be submitted
8 to the Michigan strategic fund under this subsection shall be in a
9 form prescribed by the Michigan strategic fund. The eligible
10 activities to be conducted and described in this subsection shall
11 be consistent with the combined brownfield plan or work plan
12 submitted by the authority to the Michigan strategic fund. The
13 department's approval is not required for the capture of taxes
14 levied for school operating purposes for eligible activities
15 described in this section.

16 (19) In each fiscal year of the authority, the amount of tax
17 increment revenues attributable to local taxes that an authority
18 can use for the purposes described in subsection (16) (a) shall be
19 determined as follows:

20 (a) For authorities that have 5 or fewer active projects,
21 \$100,000.00.

22 (b) For authorities that have 6 or more but fewer than 11
23 active projects, \$125,000.00.

24 (c) For authorities that have 11 or more but fewer than 16
25 active projects, \$150,000.00.

26 (d) For authorities that have 16 or more but fewer than 21
27 active projects, \$175,000.00.

1 (e) For authorities that have 21 or more but fewer than 26
2 active projects, \$200,000.00.

3 (f) For authorities that have 26 or more but fewer than 31
4 active projects, \$300,000.00.

5 (g) For authorities that have 31 or more active projects,
6 \$500,000.00.

7 (20) As used in subsection (19), "active project" means a
8 project in which the authority is currently capturing taxes under
9 this act. The amounts of tax increment revenues attributable to
10 local taxes listed in subsection (19) that an authority can use for
11 the purposes described in subsection (16)(a) may be increased by 2%
12 for each written agreement entered into by an authority in either
13 of the following situations up to a total maximum increase of 10%:

14 (a) The authority is an authority established by a county and
15 that authority enters into a written agreement with 1 or more
16 municipalities within that county to serve as the only authority
17 for those other municipalities.

18 (b) The authority enters into a written agreement with 1 or
19 more other authorities to administer 1 or more administrative
20 operations of those other authorities.

21 (21) Notwithstanding anything to the contrary in this act, for
22 a brownfield plan that includes the capture of taxes levied for
23 school operating purposes from eligible property included in a
24 brownfield plan after January 1, 2013, an authority shall pay to
25 the department of treasury at least once annually an amount equal
26 to 3 mills of the taxes levied under the state education tax, 1993
27 PA 331, MCL 211.901 to 211.906, that are captured under the

1 brownfield plan for up to the first 25 years of the duration of
2 capture of tax increment revenues for each eligible property
3 included in the brownfield plan. The department of treasury shall
4 deposit these amounts into the state brownfield redevelopment fund.
5 If an authority pays an amount equal to 3 mills of the taxes levied
6 under the state education tax, 1993 PA 331, MCL 211.901 to 211.906,
7 on a parcel of eligible property to the department of treasury
8 under this subsection, the percentage of local taxes levied on that
9 parcel and used to reimburse eligible activities for a project
10 under a brownfield plan shall not exceed the percentage of local
11 taxes levied on that parcel that would have been used to reimburse
12 eligible activities for the project under a brownfield plan if the
13 3 mills of the taxes levied under the state education tax, 1993 PA
14 331, MCL 211.901 to 211.906, on that parcel were not paid to the
15 department of treasury under this subsection. If, due to an appeal
16 of any tax assessment, an authority is required to reimburse a
17 taxpayer for any portion of the 3 mills that are paid to the
18 department of treasury under this subsection, the department of
19 treasury shall reimburse that amount to the authority within 30
20 days after receiving a request from the authority for
21 reimbursement.

22 (22) The duration of capture of tax increment revenues under a
23 brownfield plan for a particular eligible property shall not exceed
24 the lesser of the period authorized under subsections (4) and (5)
25 or 30 years from the beginning date of the capture of tax increment
26 revenues for that eligible property. The beginning date of capture
27 of tax increment revenues for an eligible property shall not be

1 later than 5 years following the date of the resolution including
2 the eligible property in the brownfield plan. The authority may
3 amend the beginning date of capture of tax increment revenues for a
4 particular eligible property to a date not later than 5 years
5 following the date of the resolution including the eligible
6 property in the brownfield plan. The authority may not amend the
7 beginning date of capture of tax increment revenues for a
8 particular eligible property if the authority has begun to
9 reimburse eligible activities from the capture of tax increment
10 revenues from that eligible property. Any tax increment revenues
11 captured from an eligible property before the beginning date of
12 capture of tax increment revenues for that eligible property shall
13 revert proportionately to the respective tax bodies. If an
14 authority amends the beginning date for capture of tax increment
15 revenues that includes the capture of tax increment revenues for
16 school operating purposes, then the authority shall notify the
17 department or the Michigan strategic fund, as applicable, within 30
18 days after amending the beginning date.

19 **SEC. 13A. (1) SUBJECT TO THE APPROVAL OF THE GOVERNING BODY**
20 **AND MICHIGAN STRATEGIC FUND UNDER SECTION 14A, THE BOARD MAY**
21 **IMPLEMENT A TRANSFORMATIONAL BROWNFIELD PLAN. THE TRANSFORMATIONAL**
22 **BROWNFIELD PLAN MAY CONSIST OF A SINGLE DEVELOPMENT ON ELIGIBLE**
23 **PROPERTY OR A SERIES OF DEVELOPMENTS ON ELIGIBLE PROPERTY THAT ARE**
24 **PART OF A RELATED PROGRAM OF INVESTMENT, WHETHER OR NOT LOCATED ON**
25 **CONTIGUOUS PARCELS, AND MAY BE AMENDED TO APPLY TO ADDITIONAL**
26 **PARCELS OF ELIGIBLE PROPERTY. EACH AMENDMENT TO A TRANSFORMATIONAL**
27 **BROWNFIELD PLAN SHALL BE APPROVED BY THE GOVERNING BODY OF THE**

1 MUNICIPALITY IN WHICH IT IS LOCATED AND THE MICHIGAN STRATEGIC
2 FUND.

3 (2) A TRANSFORMATIONAL BROWNFIELD PLAN MAY AUTHORIZE THE USE
4 OF SALES AND USE TAX CAPTURE REVENUES, INCOME TAX CAPTURE REVENUES,
5 AND TAX INCREMENT REVENUES FOR ELIGIBLE ACTIVITIES DESCRIBED IN
6 SECTION 2(N) (xii) . EXCEPT AS PROVIDED FOR IN SECTION 15(1) (E) ,
7 SALES AND USE TAX CAPTURE REVENUES AND INCOME TAX CAPTURE REVENUES
8 SHALL BE USED ONLY FOR THE COSTS OF ELIGIBLE ACTIVITIES INCLUDED
9 WITHIN THE TRANSFORMATIONAL BROWNFIELD PLAN TO WHICH THE REVENUES
10 ARE ATTRIBUTABLE, INCLUDING THE COST OF PRINCIPAL OF AND INTEREST
11 ON ANY OBLIGATION TO PAY THE COST OF THE ELIGIBLE ACTIVITIES.

12 (3) A TRANSFORMATIONAL BROWNFIELD PLAN IS A BROWNFIELD PLAN
13 AND, EXCEPT AS OTHERWISE PROVIDED, IS SUBJECT TO SECTIONS 13, 14,
14 AND 15 OF THIS ACT. IN ADDITION TO THE INFORMATION REQUIRED UNDER
15 SECTION 13(1) , A TRANSFORMATIONAL BROWNFIELD PLAN SHALL CONTAIN ALL
16 OF THE FOLLOWING:

17 (A) THE BASIS FOR DESIGNATING THE PLAN AS A TRANSFORMATIONAL
18 BROWNFIELD PLAN UNDER SECTION 2(SS) .

19 (B) A DESCRIPTION OF THE COSTS OF THE TRANSFORMATIONAL
20 BROWNFIELD PLAN INTENDED TO BE PAID FOR WITH SALES AND USE TAX
21 CAPTURE REVENUES AND INCOME TAX CAPTURE REVENUES.

22 (C) AN ESTIMATE OF THE AMOUNT OF SALES AND USE TAX CAPTURE
23 REVENUES AND INCOME TAX CAPTURE REVENUES EXPECTED TO BE GENERATED
24 FOR EACH YEAR OF THE TRANSFORMATIONAL BROWNFIELD PLAN FROM THE
25 ELIGIBLE PROPERTY.

26 (D) THE BEGINNING DATE AND DURATION OF CAPTURE OF SALES AND
27 USE TAX CAPTURE REVENUES AND INCOME TAX CAPTURE REVENUES FOR EACH

1 ELIGIBLE PROPERTY AS DETERMINED UNDER SUBSECTIONS (8) AND (11).

2 (4) SUBJECT TO SECTION 14A(5), THE TRANSFORMATIONAL BROWNFIELD
3 PLAN MAY PROVIDE FOR THE USE OF PART OR ALL OF THE SALES AND USE
4 TAX CAPTURE REVENUES AND INCOME TAX CAPTURE REVENUES. THE PORTION
5 OF SALES AND USE TAX CAPTURE REVENUES AND INCOME TAX REVENUES TO BE
6 USED MAY VARY OVER THE DURATION OF THE TRANSFORMATIONAL BROWNFIELD
7 PLAN, BUT THE PORTION INTENDED TO BE USED SHALL BE CLEARLY STATED
8 IN THE TRANSFORMATIONAL BROWNFIELD PLAN.

9 (5) APPROVAL OF A TRANSFORMATIONAL BROWNFIELD PLAN, OR AN
10 AMENDMENT TO A TRANSFORMATIONAL BROWNFIELD PLAN, SHALL BE IN
11 ACCORDANCE WITH THE NOTICE, APPROVAL, AND PUBLIC HEARING
12 REQUIREMENTS OF SECTIONS 13 AND 14A, EXCEPT THAT THE GOVERNING BODY
13 SHALL PROVIDE NOTICE TO THE MICHIGAN STRATEGIC FUND NOT LESS THAN
14 30 DAYS BEFORE THE HEARING ON A TRANSFORMATIONAL BROWNFIELD PLAN.

15 (6) IF A TRANSFORMATIONAL BROWNFIELD PLAN AUTHORIZES THE USE
16 OF SALES AND USE TAX CAPTURE REVENUES OR INCOME TAX CAPTURE
17 REVENUES, APPROVAL OF A COMBINED BROWNFIELD PLAN OR WORK PLAN BY
18 THE MICHIGAN STRATEGIC FUND AND A WRITTEN DEVELOPMENT OR
19 REIMBURSEMENT AGREEMENT ARE REQUIRED BETWEEN THE OWNER OR DEVELOPER
20 OF THE ELIGIBLE PROPERTY, THE AUTHORITY, AND THE MICHIGAN STRATEGIC
21 FUND. IF A PLAN AUTHORIZES THE USE OF TAX INCREMENT REVENUES FOR
22 ELIGIBLE ACTIVITIES UNDER SECTION 2(N) (xii) OTHER THAN ELIGIBLE
23 ACTIVITIES DESCRIBED IN SECTION 13, APPROVAL OF A WORK PLAN OR
24 COMBINED BROWNFIELD PLAN BY THE MICHIGAN STRATEGIC FUND TO USE TAX
25 INCREMENT REVENUES FOR THOSE ADDITIONAL ELIGIBLE ACTIVITIES IS
26 REQUIRED. A WORK PLAN OR COMBINED BROWNFIELD PLAN UNDER THIS
27 SUBSECTION SHALL BE CONSOLIDATED WITH A WORK PLAN OR COMBINED

1 BROWNFIELD PLAN UNDER SECTION 13(15). THE ELIGIBLE ACTIVITIES TO BE
2 CONDUCTED SHALL BE CONSISTENT WITH THE WORK PLAN SUBMITTED BY THE
3 AUTHORITY TO THE MICHIGAN STRATEGIC FUND.

4 (7) UPON APPROVAL OF THE TRANSFORMATIONAL BROWNFIELD PLAN BY
5 THE GOVERNING BODY AND MICHIGAN STRATEGIC FUND, AND THE EXECUTION
6 OF THE WRITTEN DEVELOPMENT OR REIMBURSEMENT AGREEMENT, THE TRANSFER
7 AND DISTRIBUTION OF SALES AND USE TAX CAPTURE REVENUES AND INCOME
8 TAX CAPTURE REVENUES AS SPECIFIED IN THIS ACT AND IN THE PLAN SHALL
9 BE BINDING ON THIS STATE.

10 (8) A TRANSFORMATIONAL BROWNFIELD PLAN SHALL NOT AUTHORIZE THE
11 CAPTURE OR USE OF SALES AND USE TAX CAPTURE REVENUES OR INCOME TAX
12 CAPTURE REVENUES AFTER THE YEAR IN WHICH THE TOTAL AMOUNT OF THE
13 REVENUE CAPTURED UNDER THE TRANSFORMATIONAL BROWNFIELD PLAN IS
14 EQUAL TO THE SUM OF THE COSTS PERMITTED TO BE FUNDED WITH THE
15 REVENUE UNDER THE TRANSFORMATIONAL BROWNFIELD PLAN.

16 (9) THE BROWNFIELD AUTHORITY AND MICHIGAN STRATEGIC FUND MAY
17 REIMBURSE ADVANCES, WITH OR WITHOUT INTEREST, MADE BY A
18 MUNICIPALITY UNDER SECTION 7(3), A LAND BANK FAST TRACK AUTHORITY,
19 OR ANY OTHER PERSON OR ENTITY FOR COSTS OF ELIGIBLE ACTIVITIES
20 INCLUDED WITHIN A TRANSFORMATIONAL BROWNFIELD PLAN USING SALES AND
21 USE TAX CAPTURE REVENUES OR INCOME TAX CAPTURE REVENUES
22 ATTRIBUTABLE TO THAT PLAN. UPON APPROVAL OF THE MICHIGAN STRATEGIC
23 FUND, THE AMOUNT OF SALES AND USE TAX INCREMENT REVENUES AND INCOME
24 TAX CAPTURE REVENUES AUTHORIZED TO BE CAPTURED UNDER A
25 TRANSFORMATIONAL BROWNFIELD PLAN MAY INCLUDE AMOUNTS REQUIRED FOR
26 THE PAYMENT OF INTEREST UNDER THIS SUBSECTION. A WRITTEN
27 DEVELOPMENT OR REIMBURSEMENT AGREEMENT SHALL BE ENTERED INTO UNDER

1 SUBSECTION (5) BEFORE ANY REIMBURSEMENT OR PAYMENT USING SALES AND
2 USE TAX CAPTURE REVENUES OR INCOME TAX CAPTURE REVENUES MAY
3 COMMENCE. A REIMBURSEMENT AGREEMENT FOR THESE PURPOSES AND THE
4 OBLIGATIONS UNDER THAT REIMBURSEMENT AGREEMENT SHALL NOT BE SUBJECT
5 TO SECTION 12 OR THE REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL
6 141.2101 TO 141.2821.

7 (10) ELIGIBLE ACTIVITIES CONDUCTED ON ELIGIBLE PROPERTY PRIOR
8 TO APPROVAL OF THE TRANSFORMATIONAL BROWNFIELD PLAN MAY BE
9 REIMBURSED FROM SALES AND USE TAX CAPTURE REVENUES AND INCOME TAX
10 CAPTURE REVENUES IF THOSE COSTS AND THE ELIGIBLE PROPERTY ARE
11 SUBSEQUENTLY INCLUDED IN A TRANSFORMATIONAL BROWNFIELD PLAN
12 APPROVED BY THE GOVERNING BODY AND MICHIGAN STRATEGIC FUND, A
13 COMBINED WORK BROWNFIELD PLAN OR WORK PLAN APPROVED BY THE MICHIGAN
14 STRATEGIC FUND, AND A WRITTEN DEVELOPMENT OR REIMBURSEMENT
15 AGREEMENT UNDER SUBSECTION (5).

16 (11) THE DURATION OF THE CAPTURE OF SALES AND USE TAX CAPTURE
17 REVENUES AND INCOME TAX CAPTURE REVENUES UNDER A TRANSFORMATIONAL
18 BROWNFIELD PLAN FOR A PARTICULAR ELIGIBLE PROPERTY SHALL NOT EXCEED
19 THE LESSER OF THE PERIOD AUTHORIZED UNDER SUBSECTION (7) OR 30
20 YEARS FROM THE BEGINNING DATE OF THE CAPTURE OF SALES AND USE TAX
21 CAPTURE REVENUES AND INCOME TAX CAPTURE REVENUES FOR THAT ELIGIBLE
22 PROPERTY. THE BEGINNING DATE FOR THE CAPTURE OF SALES AND USE TAX
23 CAPTURE REVENUES AND INCOME TAX CAPTURE REVENUES FOR AN ELIGIBLE
24 PROPERTY SHALL NOT BE LATER THAN 5 YEARS FOLLOWING THE DATE THE
25 MICHIGAN STRATEGIC FUND APPROVES THE INCLUSION OF THE ELIGIBLE
26 PROPERTY IN A TRANSFORMATIONAL BROWNFIELD PLAN. SUBJECT TO THE
27 APPROVAL OF THE GOVERNING BODY AND MICHIGAN STRATEGIC FUND, THE

1 AUTHORITY MAY AMEND THE BEGINNING DATE OF CAPTURE OF SALES AND USE
2 TAX CAPTURE REVENUES AND INCOME TAX CAPTURE REVENUES TO A DATE NOT
3 LATER THAN 5 YEARS FOLLOWING THE DATE THE MICHIGAN STRATEGIC FUND
4 APPROVED INCLUSION OF THE ELIGIBLE PROPERTY IN THE TRANSFORMATIONAL
5 BROWNFIELD PLAN SO LONG AS CAPTURE OF THE REVENUES UNDER THE
6 TRANSFORMATIONAL BROWNFIELD PLAN HAS NOT YET COMMENCED.

7 (12) FOR PURPOSES OF SUBSECTION (1), A SERIES OF DEVELOPMENTS
8 ON PARCELS THAT ARE NOT CONTIGUOUS SHALL BE CONSIDERED A RELATED
9 PROGRAM OF INVESTMENT IF ALL OF THE FOLLOWING ARE MET:

10 (A) THE DEVELOPMENTS ARE PROPOSED TO BE UNDERTAKEN
11 CONCURRENTLY OR IN REASONABLE SUCCESSION.

12 (B) FOR DEVELOPMENTS UNDER AFFILIATED OWNERSHIP, THE
13 DEVELOPMENTS ARE PART OF A PROGRAM OF INVESTMENT IN A LOGICALLY
14 DEFINED GEOGRAPHY, INCLUDING, BUT NOT LIMITED TO, A DOWNTOWN
15 DISTRICT AS DEFINED IN SECTION 1 OF 1975 PA 197, MCL 125.1651, OR A
16 PRINCIPAL SHOPPING DISTRICT OR BUSINESS IMPROVEMENT DISTRICT AS
17 DEFINED IN SECTION 1 OF 1961 PA 120, MCL 125.981, AND INCLUDING
18 AREAS THAT ARE LOGICALLY RELATED TO THOSE DISTRICTS AND THAT WILL
19 PROMOTE INFILL DEVELOPMENT.

20 (C) FOR DEVELOPMENTS UNDER UNRELATED OWNERSHIP, THE
21 DEVELOPMENTS ARE PART OF A MASTER DEVELOPMENT PLAN, AREA PLAN, SUB-
22 AREA PLAN, OR SIMILAR DEVELOPMENT PLAN THAT HAS BEEN APPROVED OR
23 ADOPTED BY RESOLUTION OF THE GOVERNING BODY.

24 (D) THE DESIGNATION OF THE DEVELOPMENTS AS A RELATED PROGRAM
25 OF INVESTMENT IS CONSISTENT WITH THE PURPOSES OF THIS ACT.

26 (13) WHERE UNDEVELOPED PROPERTY INCLUDED IN A TRANSFORMATIONAL
27 BROWNFIELD PLAN HAS BEEN DESIGNATED AS A RENAISSANCE ZONE UNDER THE

1 MICHIGAN RENAISSANCE ZONE ACT, 1996 PA 376, MCL 125.2681 TO
2 125.2696, UPON THE REQUEST OF THE OWNER OR DEVELOPER OF THE
3 ELIGIBLE PROPERTY AND THE LOCAL GOVERNMENT UNIT THAT DESIGNATED THE
4 ZONE, THE MICHIGAN STRATEGIC FUND, AND A CITY LEVYING A TAX UNDER
5 THE CITY INCOME TAX ACT, 1964 PA 284, MCL 141.501 TO 141.787, MAY
6 ELECT UNDER SECTION 9(4) OF THE MICHIGAN RENAISSANCE ZONE ACT, 1996
7 PA 376, MCL 125.2689, TO TERMINATE THE EXEMPTIONS, DEDUCTIONS, OR
8 CREDITS PROVIDED FOR IN SECTION 9(1) (B) AND (C) OF THAT ACT, AND
9 REIMBURSE THE AUTHORITY, OR OWNER OR DEVELOPER OF THE ELIGIBLE
10 PROPERTY, AN ANNUAL AMOUNT EQUAL TO THE REVENUE COLLECTED FOR EACH
11 TAX YEAR AS A RESULT OF THE TERMINATION OF THE EXEMPTIONS,
12 DEDUCTIONS, OR CREDITS THAT WOULD OTHERWISE BE IN EFFECT. IN
13 IMPLEMENTING THIS SUBSECTION, ALL OF THE FOLLOWING APPLY:

14 (A) THE AUTHORITY AND MICHIGAN STRATEGIC FUND SHALL INCLUDE
15 AMOUNTS ANTICIPATED TO BE COLLECTED UNDER THIS SUBSECTION IN THE
16 INCOME TAX CAPTURE REVENUES AUTHORIZED TO BE USED UNDER THE
17 TRANSFORMATIONAL BROWNFIELD PLAN AND ASSOCIATED WORK PLAN OR
18 COMBINED BROWNFIELD PLAN.

19 (B) THE STATE TREASURER SHALL CALCULATE FOR EACH TAX YEAR THE
20 AMOUNT OF REVENUE THE STATE OF MICHIGAN COLLECTED AS A RESULT OF
21 THE OPERATION OF THIS SUBSECTION AND SHALL DEPOSIT THAT AMOUNT AS
22 INCOME TAX CAPTURE REVENUES INTO THE STATE BROWNFIELD REDEVELOPMENT
23 FUND, WHERE THE FUNDS SHALL BE TRANSMITTED IN THE MANNER PROVIDED
24 FOR IN SECTIONS 8A(6) AND 16(9).

25 (C) A CITY LEVYING A CITY INCOME TAX UNDER THE CITY INCOME TAX
26 ACT, 1964 PA 284, MCL 141.501 TO 141.787, SHALL CALCULATE FOR EACH
27 TAX YEAR THE AMOUNT OF REVENUE THE CITY COLLECTED AS A RESULT OF

1 THE OPERATION OF THIS SUBSECTION AND SHALL ENTER INTO A BINDING
2 REIMBURSEMENT AGREEMENT WITH THE AUTHORITY, AND OWNER OR DEVELOPER
3 OF THE ELIGIBLE PROPERTY, PROVIDING FOR THE PAYMENT OF THE AMOUNTS
4 TO THE AUTHORITY, OR THE OWNER OR DEVELOPER OF THE ELIGIBLE
5 PROPERTY, FOR ELIGIBLE ACTIVITIES AS PROVIDED FOR IN THE
6 TRANSFORMATIONAL BROWNFIELD PLAN.

7 SEC. 14A. (1) THE GOVERNING BODY AND MICHIGAN STRATEGIC FUND
8 SHALL DETERMINE WHETHER TO APPROVE A TRANSFORMATIONAL BROWNFIELD
9 PLAN IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION.

10 (2) THE GOVERNING BODY SHALL MAKE AN INITIAL DETERMINATION AS
11 TO WHETHER THE TRANSFORMATIONAL BROWNFIELD PLAN CONSTITUTES A
12 PUBLIC PURPOSE IN ACCORDANCE WITH SECTION 14(1). IF THE GOVERNING
13 BODY DETERMINES THE TRANSFORMATIONAL BROWNFIELD PLAN DOES NOT
14 CONSTITUTE A PUBLIC PURPOSE, IT SHALL REJECT THE TRANSFORMATIONAL
15 BROWNFIELD PLAN.

16 (3) IF THE GOVERNING BODY DETERMINES THAT THE TRANSFORMATIONAL
17 BROWNFIELD PLAN CONSTITUTES A PUBLIC PURPOSE, THE GOVERNING BODY
18 MAY THEN APPROVE OR REJECT THE TRANSFORMATIONAL BROWNFIELD PLAN, OR
19 APPROVE IT WITH MODIFICATION, BY RESOLUTION BASED ON ALL OF THE
20 FOLLOWING CONSIDERATIONS:

21 (A) WHETHER THE TRANSFORMATIONAL BROWNFIELD PLAN MEETS THE
22 REQUIREMENTS OF SECTION 2(SS), WHICH MUST INCLUDE A DETERMINATION
23 THAT THE TRANSFORMATIONAL BROWNFIELD PLAN IS CALCULATED TO, AND HAS
24 THE REASONABLE LIKELIHOOD TO, HAVE A TRANSFORMATIONAL IMPACT ON
25 LOCAL ECONOMIC DEVELOPMENT AND COMMUNITY REVITALIZATION BASED ON
26 THE EXTENT OF BROWNFIELD REDEVELOPMENT AND GROWTH IN POPULATION,
27 COMMERCIAL ACTIVITY, AND EMPLOYMENT THAT WILL RESULT FROM THE

1 TRANSFORMATIONAL BROWNFIELD PLAN.

2 (B) WHETHER THE TRANSFORMATIONAL BROWNFIELD PLAN MEETS THE
3 REQUIREMENTS OF SECTION 13 AND SECTION 13A.

4 (C) WHETHER THE COSTS OF ELIGIBLE ACTIVITIES PROPOSED ARE
5 REASONABLE AND NECESSARY TO CARRY OUT THE PURPOSES OF THIS ACT.

6 (D) WHETHER THE AMOUNT OF CAPTURED TAXABLE VALUE, SALES AND
7 USE TAX CAPTURE REVENUES, AND INCOME TAX CAPTURE REVENUES ESTIMATED
8 TO RESULT FROM ADOPTION OF THE TRANSFORMATIONAL BROWNFIELD PLAN ARE
9 REASONABLE.

10 (E) WHETHER THE TRANSFORMATIONAL BROWNFIELD PLAN WILL RESULT
11 IN AN OVERALL BENEFIT FOR THIS STATE.

12 (F) WHETHER THE TRANSFORMATIONAL BROWNFIELD PLAN TAKES INTO
13 ACCOUNT THE CRITERIA DESCRIBED IN SECTION 90B(4) OF THE MICHIGAN
14 STRATEGIC FUND ACT, 1984 PA 270, MCL 125.2090B.

15 (4) WITHIN 90 DAYS OF THE APPROVAL OF A TRANSFORMATIONAL
16 BROWNFIELD PLAN BY THE GOVERNING BODY, THE MICHIGAN STRATEGIC FUND
17 SHALL APPROVE OR REJECT THE TRANSFORMATIONAL BROWNFIELD PLAN, OR
18 APPROVE IT WITH MODIFICATION, BY RESOLUTION BASED ON THE CRITERIA
19 IN SUBSECTION (3).

20 (5) IN DETERMINING WHETHER TO APPROVE A TRANSFORMATIONAL
21 BROWNFIELD PLAN UNDER SUBSECTION (3) (C) AND (D), THE MICHIGAN
22 STRATEGIC FUND SHALL CONDUCT A FINANCIAL ANALYSIS AND SHALL APPROVE
23 A TRANSFORMATIONAL BROWNFIELD PLAN ONLY WHERE IT DETERMINES, BASED
24 ON THE PRO FORMA FOR THE DEVELOPMENTS INCLUDED IN THE
25 TRANSFORMATIONAL BROWNFIELD PLAN, THAT THERE IS A FINANCIAL NEED
26 FOR THE TAX INCREMENT REVENUES, SALES AND USE TAX CAPTURE REVENUES,
27 AND INCOME TAX CAPTURE REVENUES IN THE AMOUNTS PROVIDED FOR IN THE

1 TRANSFORMATIONAL BROWNFIELD PLAN. THE MICHIGAN STRATEGIC FUND MAY
2 MODIFY THE AMOUNT OF SALES AND USE TAX CAPTURE REVENUES AND INCOME
3 TAX CAPTURE REVENUES BASED ON ITS DETERMINATIONS UNDER THIS
4 SUBSECTION, AND BASED ON ITS DETERMINATION AS TO WHETHER THE
5 TRANSFORMATIONAL BROWNFIELD PLAN RESULTS IN AN OVERALL BENEFIT FOR
6 THIS STATE UNDER SUBSECTION (3) (E). THE MICHIGAN STRATEGIC FUND
7 SHALL PRESUME THAT A TRANSFORMATIONAL BROWNFIELD PLAN THAT PROPOSES
8 TO USE 25% OR LESS OF THE INCOME TAX CAPTURE REVENUES SATISFIES THE
9 REQUIREMENTS OF THIS SUBSECTION WITH RESPECT TO INCOME TAX CAPTURE
10 REVENUES. THE MICHIGAN STRATEGIC FUND MAY NOT APPROVE A
11 TRANSFORMATIONAL BROWNFIELD PLAN THAT PROPOSES TO USE MORE THAN 50%
12 OF THE INCOME TAX CAPTURE REVENUES UNLESS THOSE REVENUES ARE
13 ATTRIBUTABLE TO THE ELECTION UNDER SECTION 13A(13).

14 (6) A GOVERNING BODY OF A MUNICIPALITY MAY APPROVE NOT MORE
15 THAN 1 TRANSFORMATIONAL BROWNFIELD PLAN IN A CALENDAR YEAR. THE
16 MICHIGAN STRATEGIC FUND MAY APPROVE NOT MORE THAN 5
17 TRANSFORMATIONAL BROWNFIELD PLANS IN A CALENDAR YEAR.

18 (7) UPON APPROVAL BY THE MICHIGAN STRATEGIC FUND, THE MINIMUM
19 INVESTMENT REQUIREMENTS IN SECTION 2(SS) AND LIMITATION ON
20 DESIGNATIONS UNDER SUBSECTION (6) MAY BE WAIVED IF THE
21 TRANSFORMATIONAL BROWNFIELD PLAN MEETS 1 OF THE FOLLOWING CRITERIA.

22 (A) IS FOR ELIGIBLE PROPERTY IN AN AREA APPROVED BY THE STATE
23 HOUSING DEVELOPMENT AUTHORITY AS ELIGIBLE FOR BLIGHT ELIMINATION
24 PROGRAM FUNDING UNDER THE HOUSING FINANCE AGENCY INNOVATION FUND
25 FOR THE HARDEST HIT HOUSING MARKETS AUTHORIZED PURSUANT TO THE
26 EMERGENCY ECONOMIC STABILIZATION ACT OF 2008, PUBLIC LAW 110-343,
27 12 USC 5201 TO 5261.

1 (B) IS FOR ELIGIBLE PROPERTY IN A MUNICIPALITY THAT WAS
2 SUBJECT TO A STATE OF EMERGENCY UNDER THE MICHIGAN EMERGENCY
3 MANAGEMENT ACT ISSUED FOR DRINKING WATER CONTAMINATION.

4 (8) IN DETERMINING WHETHER A PLAN UNDER SUBSECTION (7) HAS A
5 TRANSFORMATIONAL IMPACT FOR PURPOSES OF SECTION 2(SS) AND
6 SUBSECTION (3) (A) , THE GOVERNING BODY AND MICHIGAN STRATEGIC FUND
7 SHALL CONSIDER THE IMPACT OF THE TRANSFORMATIONAL BROWNFIELD PLAN
8 IN RELATION TO EXISTING INVESTMENT AND DEVELOPMENT CONDITIONS IN
9 THE PROJECT AREA AND WHETHER THE TRANSFORMATIONAL BROWNFIELD PLAN
10 WILL ACT AS A CATALYST FOR ADDITIONAL REVITALIZATION OF THE AREA IN
11 WHICH IT IS LOCATED.

12 (9) A GOVERNING BODY OF A MUNICIPALITY MAY APPROVE NOT MORE
13 THAN 1 TRANSFORMATIONAL BROWNFIELD PLAN IN A CALENDAR YEAR, AND THE
14 MICHIGAN STRATEGIC FUND MAY APPROVE NOT MORE THAN 5
15 TRANSFORMATIONAL BROWNFIELD PLANS IN A CALENDAR YEAR, UNDER
16 SUBSECTION (7) .

17 (10) EXCEPT AS PROVIDED IN THIS SUBSECTION, AMENDMENTS TO AN
18 APPROVED TRANSFORMATIONAL BROWNFIELD PLAN SHALL BE SUBMITTED BY THE
19 AUTHORITY TO THE GOVERNING BODY AND TO THE MICHIGAN STRATEGIC FUND
20 FOR APPROVAL OR REJECTION FOLLOWING THE SAME NOTICE NECESSARY FOR
21 APPROVAL OR REJECTION OF THE ORIGINAL TRANSFORMATIONAL BROWNFIELD
22 PLAN. NOTICE IS NOT REQUIRED FOR REVISIONS IN THE ESTIMATES OF
23 SALES AND USE TAX CAPTURE REVENUES OR INCOME TAX CAPTURE REVENUES.

24 (11) THE PROCEDURE, ADEQUACY OF NOTICE, AND FINDINGS UNDER
25 THIS SECTION SHALL BE PRESUMPTIVELY VALID UNLESS CONTESTED IN A
26 COURT OF COMPETENT JURISDICTION WITHIN 60 DAYS AFTER APPROVAL OF
27 THE TRANSFORMATIONAL BROWNFIELD PLAN BY THE MICHIGAN STRATEGIC

1 FUND. AN APPROVED AMENDMENT TO A CONCLUSIVE TRANSFORMATIONAL
2 BROWNFIELD PLAN SHALL LIKEWISE BE CONCLUSIVE UNLESS CONTESTED
3 WITHIN 60 DAYS AFTER APPROVAL OF THE AMENDMENT BY THE MICHIGAN
4 STRATEGIC FUND. IF A RESOLUTION ADOPTING AN AMENDMENT TO THE
5 TRANSFORMATIONAL BROWNFIELD PLAN IS CONTESTED, THE ORIGINAL
6 RESOLUTION ADOPTING THE TRANSFORMATIONAL BROWNFIELD PLAN IS NOT
7 OPEN TO CONTEST.

8 (12) THE DETERMINATION AS TO WHETHER A TRANSFORMATIONAL
9 BROWNFIELD PLAN COMPLIES WITH THE MINIMUM INVESTMENT REQUIREMENTS
10 IN SECTION 2(SS) SHALL BE MADE WITH REFERENCE TO THE MOST RECENT
11 DECENNIAL CENSUS DATA AVAILABLE AT THE TIME OF APPROVAL BY THE
12 AUTHORITY. A PLAN IN A MUNICIPALITY THAT EXCEEDS A POPULATION TIER
13 UNDER SECTION 2(SS) BY NOT MORE THAN 10 PERCENT OF THE MAXIMUM
14 POPULATION FOR THAT TIER SHALL, UPON ELECTION OF THE AUTHORITY, BE
15 SUBJECT TO THE INVESTMENT REQUIREMENT FOR THAT TIER.

16 Sec. 15. (1) An authority shall not do any of the following:

17 (a) For eligible activities not described in section 13(15) OR
18 SECTION 13A(5), use taxes levied for school operating purposes
19 captured from eligible property unless the eligible activities to
20 be conducted on the eligible property are eligible activities under
21 part 201 of the natural resources and environmental protection act,
22 1994 PA 451, MCL 324.20101 to 324.20142, consistent with a combined
23 brownfield plan or a work plan approved by the department after
24 July 24, 1996.

25 (b) Use taxes captured from eligible property to pay for
26 eligible activities conducted before approval of the brownfield
27 plan except for costs described in section 13(16).

1 (c) Use taxes levied for school operating purposes captured
2 from eligible property for response activities that benefit a party
3 liable under section 20126 of the natural resources and
4 environmental protection act, 1994 PA 451, MCL 324.20126, except
5 that a municipality that established the authority may use taxes
6 levied for school operating purposes captured from eligible
7 property for response activities associated with a landfill.

8 (d) Use taxes captured from eligible property to pay for
9 administrative and operating activities of the authority or the
10 municipality on behalf of the authority except for costs described
11 in section 13(16) and for the reasonable costs for preparing a
12 combined brownfield plan or a work plan for the eligible property.

13 **(E) USE SALES AND USE TAX CAPTURE REVENUES OR INCOME TAX**
14 **CAPTURE REVENUES TO PAY FOR ELIGIBLE ACTIVITIES CONDUCTED BEFORE**
15 **APPROVAL OF THE TRANSFORMATIONAL BROWNFIELD PLAN EXCEPT FOR COSTS**
16 **DESCRIBED IN SECTION 13A(10) .**

17 **(F) USE SALES AND USE TAX CAPTURE REVENUES AND INCOME TAX**
18 **CAPTURE REVENUES FOR ANY EXPENSE OTHER THAN AS PROVIDED FOR IN**
19 **SECTION 13A(2) , EXCEPT FOR THE REASONABLE COSTS FOR PREPARING A**
20 **TRANSFORMATIONAL BROWNFIELD PLAN AND THE ADDITIONAL ADMINISTRATIVE**
21 **AND OPERATING EXPENSES OF THE AUTHORITY OR MUNICIPALITY AS ARE**
22 **SPECIFICALLY ASSOCIATED WITH THE IMPLEMENTATION OF A**
23 **TRANSFORMATIONAL BROWNFIELD PLAN. FOR PURPOSES OF THIS SUBSECTION,**
24 **THE REASONABLE COSTS OF PREPARING A TRANSFORMATIONAL BROWNFIELD**
25 **PLAN INCLUDE THE REASONABLE COSTS OF PREPARING AN ASSOCIATED WORK**
26 **PLAN, COMBINED BROWNFIELD PLAN, AND DEVELOPMENT OR REIMBURSEMENT**
27 **AGREEMENT .**

1 (2) To seek department approval of a work plan under
2 subsection (1)(a), the authority shall submit all of the following
3 for each eligible property:

4 (a) A copy of the brownfield plan.

5 (b) Current ownership information for each eligible property
6 and a summary of available information on proposed future
7 ownership, including the amount of any delinquent taxes, interest,
8 and penalties that may be due.

9 (c) A summary of available information on the historical and
10 current use of each eligible property, including a brief summary of
11 site conditions and what is known about environmental contamination
12 as that term is defined in section 20101 of the natural resources
13 and environmental protection act, 1994 PA 451, MCL 324.20101.

14 (d) Existing and proposed future zoning for each eligible
15 property.

16 (e) A brief summary of the proposed redevelopment and future
17 use for each eligible property.

18 (3) Upon receipt of a request for approval of a work plan
19 under subsection (2) or a portion of a work plan that pertains to
20 only baseline environmental assessment activities or due care
21 activities, or both, the department shall review the work plan
22 according to subsection (4) and provide 1 of the following written
23 responses to the requesting authority within 60 days:

24 (a) An unconditional approval.

25 (b) A conditional approval that delineates specific necessary
26 modifications to the work plan to meet the criteria of subsection
27 (4), including, but not limited to, individual activities to be

1 added or deleted from the work plan and revision of costs.

2 (c) If the work plan lacks sufficient information for the
3 department to respond under subdivision (a), (b), or (d) for any
4 specific activity, a letter stating with specificity the necessary
5 additions or changes to the work plan to be submitted before that
6 activity will be considered by the department. The department shall
7 respond under subdivision (a), (b), or (d) according to this
8 section for the other activities in the work plan.

9 (d) A denial if the property is not an eligible property under
10 this act, if the work plan contemplates the use of taxes levied for
11 school operating purposes prohibited by subsection (1)(c), or for
12 any specific activity if the activity is prohibited by subsection
13 (1)(b). The department may also deny any activity in a work plan
14 that does not meet the conditions in subsection (4) only if the
15 department cannot respond under subdivision (b) or (c). The
16 department shall accompany the denial with a letter that states
17 with specificity the reason for the denial. The department shall
18 respond under subdivision (a), (b), or (c) according to this
19 section for any activities in the work plan that are not denied
20 under this subdivision. If the department denies all or a portion
21 of a work plan under this subdivision, the authority may
22 subsequently resubmit the work plan.

23 (4) The department may approve a work plan if the following
24 conditions have been met:

25 (a) Whether some or all of the activities constitute due care
26 activities or additional response activities other than activities
27 that are exempt from the work plan approval process under

1 subsection (1) (a).

2 (b) The due care activities and response activities, other
3 than the activities that are exempt from the work plan approval
4 process under subsection (1) (a), are protective of the public
5 health, safety, and welfare and the environment. The department may
6 approve additional response activities that are more protective of
7 the public health, safety, and welfare and the environment than
8 required by section 20107a of the natural resources and
9 environmental protection act, 1994 PA 451, MCL 324.20107a, if those
10 activities provide public health or environmental benefit. In
11 review of a work plan that includes activities that are more
12 protective of the public health, safety, and welfare and the
13 environment, the department's considerations may include, but are
14 not limited to, all of the following:

15 (i) Proposed new land use and reliability of restrictions to
16 prevent exposure to contamination.

17 (ii) Cost of implementation activities minimally necessary to
18 achieve due care compliance, the incremental cost of all additional
19 response activities relative to the cost of all response
20 activities, and the total cost of all response activities.

21 (iii) Long-term obligations associated with leaving
22 contamination in place and the value of reducing or eliminating
23 these obligations.

24 (c) The estimated costs for the activities as a whole are
25 reasonable for the stated purpose. Except as provided in
26 subdivision (b), the department shall make the determination in
27 this subdivision only after the department determines that the

1 conditions in subdivisions (a) and (b) have been met.

2 (5) If the department fails to provide a written response
3 under subsection (3) within 60 days after receipt of a request for
4 approval of a work plan, the authority may proceed with the
5 activities as outlined in the work plan as submitted for approval.
6 Except as provided in subsection (6), activities conducted pursuant
7 to a work plan that was submitted to the department for approval
8 but for which the department failed to provide a written response
9 under subsection (3) shall be considered approved for the purposes
10 of subsection (1). Within 45 days after receiving additional
11 information requested from the authority under subsection (3)(c),
12 the department shall review the additional information according to
13 subsection (4) and provide 1 of the responses described in
14 subsection (3) to the requesting authority for the specific
15 activity. If the department does not provide a response to the
16 requesting authority within 45 days after receiving the additional
17 information requested under subsection (3)(c), the activity is
18 approved under subsection (1).

19 (6) The department may issue a written response to a work plan
20 more than 60 days but less than 6 months after receipt of a request
21 for approval. If the department issues a written response under
22 this subsection, the authority is not required to conduct
23 individual activities that are in addition to the individual
24 activities included in the work plan as it was submitted for
25 approval and failure to conduct these additional activities shall
26 not affect the authority's ability to capture taxes under
27 subsection (1) for the eligible activities described in the work

1 plan initially submitted under subsection (5). In addition, at the
2 option of the authority, these additional individual activities
3 shall be considered part of the work plan of the authority and
4 approved for purposes of subsection (1). However, any response by
5 the department under this subsection that identifies additional
6 individual activities that must be carried out to satisfy part 201
7 of the natural resources and environmental protection act, 1994 PA
8 451, MCL 324.20101 to 324.20142, must be satisfactorily completed
9 for the activities to be considered acceptable for the purposes of
10 compliance with part 201 of the natural resources and environmental
11 protection act, 1994 PA 451, MCL 324.20101 to 324.20142.

12 (7) If the department issues a written response under
13 subsection (6) to a work plan and if the department's written
14 response modifies an individual activity proposed by the work plan
15 of the authority in a manner that reduces or eliminates a proposed
16 response activity, the authority must complete those individual
17 activities in accordance with the department's response in order
18 for that portion of the work plan to be considered approved for
19 purposes of subsection (1), unless 1 or more of the following
20 conditions apply:

21 (a) Obligations for the individual activity have been issued
22 by the authority, or by a municipality on behalf of the authority,
23 to fund the individual activity prior to issuance of the
24 department's response.

25 (b) The individual activity has commenced or payment for the
26 work has been irrevocably obligated prior to issuance of the
27 department's response.

1 (8) It shall be in the sole discretion of an authority to
2 propose to undertake additional response activities at an eligible
3 property under a brownfield plan. The department shall not require
4 a work plan to include additional response activities.

5 (9) The department shall review the portion of a work plan
6 that includes additional response activities in accordance with
7 subsection (4).

8 (10) The department's approval or denial of a work plan
9 submitted under this section constitutes a final decision in regard
10 to the use of taxes levied for school operating purposes but does
11 not restrict an authority's use of tax increment revenues
12 attributable to local taxes to pay for eligible activities under a
13 brownfield plan. If a person is aggrieved by the final decision,
14 the person may appeal under section 631 of the revised judicature
15 act of 1961, 1961 PA 236, MCL 600.631.

16 (11) Through December 31, 2012, the authority shall reimburse
17 the department for the actual cost incurred by the department or a
18 contractor of the department to review a work plan under subsection
19 (1)(a) under this section. Funds paid to the department under this
20 subsection shall be deposited in the cost recovery subaccount of
21 the cleanup and redevelopment fund created under section 20108 of
22 the natural resources and environmental protection act, 1994 PA
23 451, MCL 324.20108.

24 (12) The department shall submit a report each year to each
25 member of the legislature as provided in section 16(4).

26 (13) To seek Michigan strategic fund approval of a work plan
27 under section 13(15) **OR SECTION 13A(5)**, the authority shall submit

1 all of the following for each eligible property:

2 (a) A copy of the brownfield plan **OR TRANSFORMATIONAL**
3 **BROWNFIELD PLAN.**

4 (b) Current ownership information for each eligible property
5 and a summary of available information on proposed future
6 ownership, including the amount of any delinquent taxes, interest,
7 and penalties that may be due.

8 (c) A summary of available information on the historical and
9 current use of each eligible property.

10 (d) Existing and proposed future zoning for each eligible
11 property.

12 (e) A brief summary of the proposed redevelopment and future
13 use for each eligible property.

14 (f) A separate work plan, or part of a work plan, for each
15 eligible activity described in section 13(15) to be undertaken. **FOR**
16 **A TRANSFORMATIONAL BROWNFIELD PLAN, THE MICHIGAN STRATEGIC FUND**
17 **SHALL PRESCRIBE THE FORM AND CONTENT FOR THE WORK PLAN TO ADDRESS**
18 **ADDITIONAL ELIGIBLE ACTIVITIES UNDER SECTION 2 (N) (xii) .**

19 (g) A copy of the development agreement or reimbursement
20 agreement required under section 13(15) **OR SECTION 13A(5)**, which
21 shall include, but is not limited to, a detailed summary of any and
22 all ownership interests, monetary considerations, fees, revenue and
23 cost sharing, charges, or other financial arrangements or other
24 consideration between the parties.

25 (14) Upon receipt of a request for approval of a work plan,
26 the Michigan strategic fund shall provide 1 of the following
27 written responses to the requesting authority within 65 days:

1 (a) An unconditional approval that includes an enumeration of
2 eligible activities and a maximum allowable capture amount.

3 (b) A conditional approval that delineates specific necessary
4 modifications to the work plan, including, but not limited to,
5 individual activities to be added or deleted from the work plan and
6 revision of costs.

7 (c) A denial and a letter stating with specificity the reason
8 for the denial. If a work plan is denied under this subsection, the
9 work plan may be subsequently resubmitted.

10 (15) In its review of a work plan under section 13(15) **AND**
11 **SECTION 13A(5)**, the Michigan strategic fund shall consider the
12 following criteria to the extent reasonably applicable to the type
13 of activities proposed as part of that work plan when approving or
14 denying a work plan:

15 (a) Whether the individual activities included in the work
16 plan are sufficient to complete the eligible activity.

17 (b) Whether each individual activity included in the work plan
18 is required to complete the eligible activity.

19 (c) Whether the cost for each individual activity is
20 reasonable.

21 (d) The overall benefit to the public.

22 (e) The extent of reuse of vacant buildings and redevelopment
23 of blighted property.

24 (f) Creation of jobs.

25 (g) Whether the eligible property is in an area of high
26 unemployment.

27 (h) The level and extent of contamination alleviated by or in

1 connection with the eligible activities.

2 (i) The level of private sector contribution.

3 (j) The cost gap that exists between the site and a similar
4 greenfield site as determined by the Michigan strategic fund.

5 (k) If the developer or projected occupant of the new
6 development is moving from another location in this state, whether
7 the move will create a brownfield.

8 (l) Whether the project of the developer, landowner, or
9 corporate entity that is included in the work plan is financially
10 and economically sound.

11 (m) Other state and local incentives available to the
12 developer, landowner, or corporate entity for the project of the
13 developer, landowner, or corporate entity that is included in the
14 work plan.

15 (n) Any other criteria that the Michigan strategic fund
16 considers appropriate for the determination of eligibility or for
17 approval of the work plan.

18 (16) If the Michigan strategic fund fails to provide a written
19 response under subsection (14) within 65 days after receipt of a
20 request for approval of a work plan **OR 90 DAYS IN THE CASE OF A**
21 **TRANSFORMATIONAL BROWNFIELD PLAN**, the eligible activities shall be
22 considered approved and the authority may proceed with the eligible
23 activities described in section 13(15) **AND SECTION 13A(5)** as
24 outlined in the work plan as submitted for approval.

25 (17) The Michigan strategic fund approval of a work plan under
26 section 13(15) **AND SECTION 13A(5)** is final.

27 (18) Through December 31, 2012, the authority shall reimburse

1 the Michigan strategic fund for the actual cost incurred by the
2 Michigan strategic fund or a contractor of the Michigan strategic
3 fund to review a work plan under this section.

4 (19) The Michigan strategic fund shall submit a report each
5 year to each member of the legislature as provided in section
6 16(4).

7 (20) All taxes levied for school operating purposes that are
8 not used for eligible activities consistent with a combined
9 brownfield plan or a work plan approved by the department or the
10 Michigan strategic fund or for the payment of interest under
11 section 13 and that are not deposited in a local site remediation
12 revolving fund shall be distributed proportionately between the
13 local school district and the school aid fund.

14 (21) An authority shall not use taxes levied for school
15 operating purposes captured from eligible property for eligible
16 activities for a qualified facility or for eligible activities for
17 property located in an economic opportunity zone.

18 (22) The department's approval of a work plan under subsection
19 (3)(a) or (b) does not imply an entitlement to reimbursement of the
20 costs of the eligible activities if the work plan is not
21 implemented as approved.

22 (23) The applicant and the department can, by mutual
23 agreement, extend the time period for any review described in this
24 section. An agreement described in this subsection shall be
25 documented in writing.

26 (24) If a brownfield plan includes the capture of taxes levied
27 for school operating purposes, the chairperson of the Michigan

1 strategic fund may approve combined brownfield plans and work plans
2 that address eligible activities described in section 13(15)
3 totaling an amount of \$500,000.00 or less according to subsections
4 (13), (14), (15), (16), (17), and (18).

5 (25) In lieu of seeking approval of a work plan under section
6 13(15), **SECTION 13A(5)**, or subsection (1)(a), an authority may seek
7 approval of a combined brownfield plan from the department or
8 Michigan strategic fund under this subsection as follows:

9 (a) To seek approval of a combined brownfield plan under this
10 subsection, the authority shall, at least 30 days before the
11 hearing on the combined brownfield plan to allow for consultation
12 between the authority and the department or the Michigan strategic
13 fund, **AND AT LEAST 60 DAYS IN THE CASE OF A TRANSFORMATIONAL**
14 **BROWNFIELD PLAN**, provide notice that the authority will be seeking
15 approval of a combined brownfield plan in lieu of a work plan to 1
16 or more of the following:

17 (i) The department, if the combined brownfield plan involves
18 the use of taxes levied for school operating purposes to pay for
19 eligible activities that require approval by the department under
20 subsection (1)(a).

21 (ii) The Michigan strategic fund, if the combined brownfield
22 plan involves the use of taxes levied for school operating purposes
23 to pay for eligible activities subject to subsection (15) **OR**
24 **SECTION 13A(5), OR THE USE OF SALES AND USE TAX CAPTURE REVENUES OR**
25 **INCOME TAX CAPTURE REVENUES.**

26 (b) After the governing body approves a combined brownfield
27 plan, the authority shall submit the combined brownfield plan to

1 the department under the circumstances described in subdivision
2 (a) (i) or Michigan strategic fund under the circumstances described
3 in subdivision (a) (ii).

4 (c) The department shall review a combined brownfield plan
5 according to subdivision (e). The Michigan strategic fund shall
6 review a combined brownfield plan according to subdivision (f).

7 (d) Upon receipt of a combined brownfield plan under
8 subdivision (b), the department or Michigan strategic fund shall
9 provide 1 of the following written responses to the requesting
10 authority within 65 days **OR, IN THE CASE OF A TRANSFORMATIONAL**
11 **BROWNFIELD PLAN, WITHIN 90 DAYS:**

12 (i) An unconditional approval that includes an enumeration of
13 eligible activities and a maximum allowable capture amount.

14 (ii) A conditional approval that delineates specific necessary
15 modifications to the combined brownfield plan, including, but not
16 limited to, individual activities to be added to or deleted from
17 the combined brownfield plan and revision of costs.

18 (iii) A denial and a letter stating with specificity the
19 reason for the denial. If a combined brownfield plan is denied
20 under this subdivision, the combined brownfield plan may be
21 subsequently resubmitted.

22 (e) The department may approve a combined brownfield plan if
23 the authority submits the information identified in subsection
24 (2) (b) to (e) and if the conditions identified in subsection (4)
25 are met.

26 (f) The Michigan strategic fund shall consider the criteria
27 identified in subsection (15) (a) to (n) to the extent reasonably

1 applicable to the type of activities proposed as part of a combined
2 brownfield plan when approving or denying the combined brownfield
3 plan **AND, IN THE CASE OF A TRANSFORMATIONAL BROWNFIELD PLAN, SHALL**
4 **ALSO CONSIDER THE CRITERIA DESCRIBED IN SECTION 14A(3) .**

5 (g) If the department or Michigan strategic fund issues a
6 written response to a requesting authority under subdivision (d) (i)
7 or (ii), the governing body or its designee may administratively
8 approve any modifications to a combined brownfield plan required by
9 the written response without the need to follow the notice and
10 approval process required by section 14(2) unless the modifications
11 add 1 or more parcels of eligible property or increase the maximum
12 amount of tax increment revenues **OR, IN THE CASE OF A**
13 **TRANSFORMATIONAL BROWNFIELD PLAN, SALES AND USE TAX CAPTURE**
14 **REVENUES AND INCOME TAX CAPTURE REVENUES** approved for the project.

15 (h) If the department or Michigan strategic fund fails to
16 provide a written response under subdivision (d) within 65 days
17 after receipt of a combined brownfield plan, **OR 90 DAYS IN THE CASE**
18 **OF A TRANSFORMATIONAL BROWNFIELD PLAN,** the eligible activities
19 shall be considered approved as submitted.

20 (i) The approval of a combined brownfield plan by the
21 department or Michigan strategic fund under this subsection is
22 final.

23 Sec. 16. (1) The municipal and county treasurers shall
24 transmit tax increment revenues to the authority not more than 30
25 days after tax increment revenues are collected.

26 (2) The authority shall expend the tax increment revenues
27 received only in accordance with the brownfield plan. All surplus

1 funds not deposited in the local site remediation revolving fund of
2 the authority under section 13(5) shall revert proportionately to
3 the respective taxing bodies, except as provided in section 15(20).

4 (3) The authority shall submit annually to the governing body,
5 the department, and the Michigan strategic fund a financial report
6 on the status of the activities of the authority for each calendar
7 year. The report shall include all of the following:

8 (a) The amount and source of tax increment revenues received.

9 (b) The amount and purpose of expenditures of tax increment
10 revenues.

11 (c) The amount of principal and interest on all outstanding
12 indebtedness.

13 (d) The initial taxable value of all eligible property subject
14 to the brownfield plan.

15 (e) The captured taxable value realized by the authority for
16 each eligible property subject to the brownfield plan.

17 (f) The amount of actual capital investment made for each
18 project.

19 (g) The amount of tax increment revenues attributable to taxes
20 levied for school operating purposes used for activities described
21 in section 15(1) (a) and section 2(n) (vii) .

22 (h) The number of residential units constructed or
23 rehabilitated for each project.

24 (i) The amount, by square foot, of new or rehabilitated
25 residential, retail, commercial, or industrial space for each
26 project.

27 (j) The number of new jobs created at the project.

1 (k) All additional information that the governing body, the
2 department, or the Michigan strategic fund considers necessary.

3 (4) The department and the Michigan strategic fund shall
4 collect the financial reports submitted under subsection (3),
5 compile a combined report, which includes the use of local taxes,
6 taxes levied for school operating purposes, and the state
7 brownfield redevelopment fund, based on the information contained
8 in those reports and any additional information considered
9 necessary, and submit annually a report based on that information
10 to each member of the legislature.

11 (5) Beginning on January 1, 2013, all of the following
12 reporting obligations apply:

13 (a) The department shall on a quarterly basis post on its
14 website the name, location, and amount of tax increment revenues,
15 including taxes levied for school operating purposes, for each
16 project approved by the department under this act during the
17 immediately preceding quarter.

18 (b) The Michigan strategic fund shall on a quarterly basis
19 post on its website the name, location, and amount of tax increment
20 revenues, including taxes levied for school operating purposes, for
21 each project approved by the Michigan strategic fund under this act
22 during the immediately preceding quarter.

23 (6) In addition to any other requirements under this act, not
24 less than once every 3 years beginning not later than June 30,
25 2008, the auditor general shall conduct and report a performance
26 postaudit on the effectiveness of the program established under
27 this act. As part of the performance postaudit, the auditor general

1 shall assess the extent to which the implementation of the program
2 by the department and the Michigan strategic fund facilitate and
3 affect the redevelopment or reuse of eligible property and identify
4 any factors that inhibit the program's effectiveness. The
5 performance postaudit shall also assess the extent to which the
6 interpretation of statutory language, the development of guidance
7 or administrative rules, and the implementation of the program by
8 the department and the Michigan strategic fund is consistent with
9 the fundamental objective of facilitating and supporting timely and
10 efficient brownfield redevelopment of eligible properties.

11 (7) The owner or developer for an active project included
12 within a brownfield plan must annually submit to the authority a
13 report on the status of the project. The report shall be in a form
14 developed by the authority and must contain information necessary
15 for the authority to report under subsection (3)(f), (h), (i), (j),
16 and (k). The authority may waive the requirement to submit a report
17 under this subsection. As used in this subsection, "active project"
18 means a project for which the authority is currently capturing
19 taxes under this act.

20 (8) A brownfield plan or plan amendment may be abolished or
21 terminated according to this subsection subject to all of the
22 following:

23 (a) The governing body may abolish a brownfield plan when it
24 finds that the purposes for which the plan was established are
25 accomplished.

26 (b) The governing body may terminate a brownfield plan or plan
27 amendment for an eligible property if the project for which

1 eligible activities were identified in the brownfield plan or plan
2 amendment fails to occur with respect to the eligible property for
3 at least 5 years following the date of the resolution approving the
4 brownfield plan or plan amendment.

5 (c) If a brownfield plan or plan amendment is terminated under
6 subdivision (b), the governing body may approve a new brownfield
7 plan or plan amendment for the eligible property under which tax
8 increment revenues may be captured for up to 30 years as provided
9 in section 13(22).

10 (d) Notwithstanding anything in this subsection to the
11 contrary, a brownfield plan or plan amendment shall not be
12 abolished or terminated until the principal and interest on bonds
13 issued under section 17 and all other obligations to which the tax
14 increment revenues are pledged have been paid or funds sufficient
15 to make the payment have been identified or segregated.

16 **(9) FOR A TRANSFORMATIONAL BROWNFIELD PLAN, ALL OF THE**
17 **FOLLOWING SHALL ALSO APPLY:**

18 **(A) THE STATE TREASURER SHALL TRANSFER TO THE STATE BROWNFIELD**
19 **REDEVELOPMENT FUND EACH FISCAL YEAR AN AMOUNT EQUAL TO THE SALES**
20 **AND USE TAX CAPTURE REVENUES AND INCOME TAX CAPTURE REVENUES UNDER**
21 **ALL APPROVED PLANS AS PROVIDED FOR IN SECTION 8A(6). FUNDS SHALL BE**
22 **TRANSMITTED TO THE AUTHORITY, OR OWNER OR DEVELOPER OF THE ELIGIBLE**
23 **PROPERTY TO WHICH THE REVENUES ARE ATTRIBUTABLE, WITHIN 30 DAYS OF**
24 **TRANSFER TO THE STATE BROWNFIELD REDEVELOPMENT FUND.**

25 **(B) THE AUTHORITY, THE DEPARTMENT, AND THE MICHIGAN STRATEGIC**
26 **FUND SHALL FOLLOW THE REPORTING REQUIREMENTS OF SUBSECTIONS (3),**
27 **(4), AND (5) WITH RESPECT TO ALL APPROVED TRANSFORMATIONAL**

1 BROWNFIELD PLANS, AND SHALL PROVIDE INFORMATION ON THE AMOUNT AND
2 USE OF SALES AND USE TAX CAPTURE REVENUES AND INCOME TAX CAPTURE
3 REVENUES TO THE SAME EXTENT REQUIRED FOR TAX INCREMENT REVENUES.

4 (C) THE OWNER OR DEVELOPER OF ACTIVE PROJECTS INCLUDED WITHIN
5 A TRANSFORMATIONAL BROWNFIELD PLAN SHALL PROVIDE THE INFORMATION
6 REQUIRED FOR THE AUTHORITY, THE DEPARTMENT, AND THE MICHIGAN
7 STRATEGIC FUND TO SATISFY THE REPORTING REQUIREMENTS OF THIS
8 SECTION.