

HOUSE BILL No. 5900

May 1, 2018, Introduced by Reps. Whiteford, Hughes, Miller, Victory, Pagel, Howrylak, Hornberger, Alexander, Rendon, Runestad, Howell and Crawford and referred to the Committee on Tax Policy.

A bill to amend 1996 PA 381, entitled
"Brownfield redevelopment financing act,"
by amending section 2 (MCL 125.2652), as amended by 2017 PA 46.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. As used in this act:

2 (a) "Authority" means a brownfield redevelopment authority
3 created under this act.

4 (b) "Baseline environmental assessment" means that term as
5 defined in part 201 or 213.

6 (c) "Blighted" means property that meets any of the following
7 criteria as determined by the governing body:

8 (i) Has been declared a public nuisance in accordance with a

1 local housing, building, plumbing, fire, or other related code or
2 ordinance.

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

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

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

10 (v) Is tax reverted property owned by a qualified local
11 governmental unit, by a county, or by this state. The sale, lease,
12 or transfer of tax reverted property by a qualified local
13 governmental unit, county, or this state after the property's
14 inclusion in a brownfield plan shall not result in the loss to the
15 property of the status as blighted property for purposes of this
16 act.

17 (vi) Is property owned by or under the control of a land bank
18 fast track authority, whether or not located within a qualified
19 local governmental unit. Property included within a brownfield plan
20 prior to the date it meets the requirements of this subdivision to
21 be eligible property shall be considered to become eligible
22 property as of the date the property is determined to have been or
23 becomes qualified as, or is combined with, other eligible property.
24 The sale, lease, or transfer of the property by a land bank fast
25 track authority after the property's inclusion in a brownfield plan
26 shall not result in the loss to the property of the status as
27 blighted property for purposes of this act.

1 (vii) Has substantial buried subsurface demolition debris
2 present so that the property is unfit for its intended use.

3 (d) "Board" means the governing body of an authority.

4 (e) "Brownfield plan" means a plan that meets the requirements
5 of section 13 and section 13b and is adopted under section 14.

6 (f) "Captured taxable value" means the amount in 1 year by
7 which the current taxable value of an eligible property subject to
8 a brownfield plan, including the taxable value or assessed value,
9 as appropriate, of the property for which specific taxes are paid
10 in lieu of property taxes, exceeds the initial taxable value of
11 that eligible property. The state tax commission shall prescribe
12 the method for calculating captured taxable value.

13 (g) "Chief executive officer" means the mayor of a city, the
14 village manager of a village, the township supervisor of a
15 township, or the county executive of a county or, if the county
16 does not have an elected county executive, the chairperson of the
17 county board of commissioners.

18 (h) "Combined brownfield plan" means a brownfield plan that
19 also includes the information necessary to submit the plan to the
20 department or Michigan strategic fund under section 15(20).

21 (i) "Construction period tax capture revenues" means funds
22 equal to the amount of income tax levied and imposed in a calendar
23 year upon wages paid to individuals physically present and working
24 within the eligible property for the construction, renovation, or
25 other improvement of eligible property that is an eligible activity
26 within a transformational brownfield plan. As used in this
27 subdivision, "wages" means that term as defined in section 3401 of

1 the internal revenue code of 1986, 26 USC 3401. To calculate the
2 amount of construction period tax capture revenues for a calendar
3 year under a transformational brownfield plan, the state treasurer
4 shall do all of the following:

5 (i) Require the owner or developer of the eligible property to
6 report the total taxable wages paid to individuals for the
7 construction, renovation, or other improvement of eligible property
8 that is an eligible activity within the transformational brownfield
9 plan. The wages reported under this subparagraph shall exclude any
10 wages paid to employees of the owner or developer.

11 (ii) Multiply the amount under subparagraph (i) by the
12 effective rate as determined by the state treasurer at which the
13 income tax is levied on an individual in this state. The state
14 treasurer shall estimate the effective rate by taking into account
15 the effect of any exemptions, additions, subtractions, and credits
16 allowable under part 1 of the income tax act of 1967, 1967 PA 281,
17 MCL 206.1 to 206.532. The state treasurer may require the owner or
18 developer to submit any information necessary for the calculation
19 under this subparagraph.

20 (iii) The wage information and other information required
21 under this subdivision shall be provided to the department of
22 treasury by the owner or developer in a manner prescribed by the
23 state treasurer. The state treasurer may require the owner or
24 developer to provide a review or reconciliation of the wages by an
25 independent auditing firm.

26 (j) "Corrective action" means that term as defined in part 111
27 or part 213.

1 (k) "Department" means the department of environmental
2 quality.

3 (l) "Department specific activities" means baseline
4 environmental assessments, due care activities, response
5 activities, and other environmentally related actions that are
6 eligible activities and are identified as a part of a brownfield
7 plan that are in addition to the minimum due care activities
8 required by part 201, including, but not limited to:

9 (i) Response activities that are more protective of the public
10 health, safety, and welfare and the environment than required by
11 section 20107a, 20114, or 21304c of the natural resources and
12 environmental protection act, 1994 PA 451, MCL 324.20107a,
13 324.20114, and 324.21304c.

14 (ii) Removal and closure of underground storage tanks pursuant
15 to part 211 or 213.

16 (iii) Disposal of solid waste, as defined in part 115 of the
17 natural resources and environmental protection act, 1994 PA 451,
18 MCL 324.11501 to 324.11554, from the eligible property, provided it
19 was not generated or accumulated by the authority or the developer.

20 (iv) Dust control related to construction activities.

21 (v) Removal and disposal of lake or river sediments exceeding
22 part 201 criteria from, at, or related to an economic development
23 project where the upland property is either a facility or would
24 become a facility as a result of the deposition of dredged spoils.

25 (vi) Industrial cleaning.

26 (vii) Sheet piling and shoring necessary for the removal of
27 materials exceeding part 201 criteria at projects requiring a

1 permit pursuant to part 301, 303, or 325 of the natural resources
2 and environmental protection act, 1994 PA 451, MCL 324.30101 to
3 324.30113, MCL 324.30301 to 324.30328, or MCL 324.32501 to
4 324.32515a.

5 (viii) Lead, mold, or asbestos abatement when lead, mold, or
6 asbestos pose an imminent and significant threat to human health.

7 (m) "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 or 21304c of the natural
11 resources and environmental protection act, 1994 PA 451, MCL
12 324.20107a and 324.21304c.

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

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

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

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

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

23 (i) For all eligible properties, eligible activities include
24 all of the following:

25 (A) Department specific activities.

26 (B) Relocation of public buildings or operations for economic
27 development purposes.

1 (C) Reasonable costs of environmental insurance.

2 (D) Reasonable costs incurred to develop and prepare
3 brownfield plans, combined brownfield plans, or work plans for the
4 eligible property, including legal and consulting fees that are not
5 in the ordinary course of acquiring and developing real estate.

6 (E) Reasonable costs of brownfield plan and work plan
7 implementation, including, but not limited to, tracking and
8 reporting of data and plan compliance and the reasonable costs
9 incurred to estimate and determine actual costs incurred, whether
10 those costs are incurred by a municipality, authority, or private
11 developer.

12 (F) Demolition of structures that is not a response activity.

13 (G) Lead, asbestos, or mold abatement.

14 (H) The repayment of principal of and interest on any
15 obligation issued by an authority to pay the costs of eligible
16 activities attributable to an eligible property.

17 (ii) For eligible properties located in a qualified local unit
18 of government, or an economic opportunity zone, or that is a former
19 mill, eligible activities include:

20 (A) The activities described in subparagraph (i).

21 (B) Infrastructure improvements that directly benefit eligible
22 property.

23 (C) Site preparation that is not a response activity.

24 (iii) For eligible properties that are owned by or under the
25 control of a land bank fast track authority, or a qualified local
26 unit of government or authority, eligible activities include:

27 (A) The eligible activities described in subparagraphs (i) and

1 (ii) .

2 (B) Assistance to a land bank fast track authority in clearing
3 or quieting title to, or selling or otherwise conveying, property
4 owned by or under the control of a land bank fast track authority
5 or the acquisition of property by the land bank fast track
6 authority if the acquisition of the property is for economic
7 development purposes.

8 (C) Assistance to a qualified local governmental unit or
9 authority in clearing or quieting title to, or selling or otherwise
10 conveying, property owned by or under the control of a qualified
11 local governmental unit or authority or the acquisition of property
12 by a qualified local governmental unit or authority if the
13 acquisition of the property is for economic development purposes.

14 (iv) For eligible activities on eligible property that is
15 included in a transformational brownfield plan, any demolition,
16 construction, restoration, alteration, renovation, or improvement
17 of buildings or site improvements on eligible property, including
18 infrastructure improvements that directly benefit eligible
19 property.

20 (p) "Eligible property" means, except as otherwise provided in
21 this subdivision, property for which eligible activities are
22 identified under a brownfield plan that was used or is currently
23 used for commercial, industrial, public, or residential purposes,
24 including personal property located on the property, to the extent
25 included in the brownfield plan, and that is 1 or more of the
26 following:

27 (i) Is in a qualified local governmental unit and is a

1 facility or a site or property as those terms are defined in part
2 213, historic resource, functionally obsolete, or blighted and
3 includes parcels that are adjacent or contiguous to that property
4 if the development of the adjacent and contiguous parcels is
5 estimated to increase the captured taxable value of that property.

6 (ii) Is not in a qualified local governmental unit and is a
7 facility, historic resource, functionally obsolete, blighted, or a
8 site or property as those terms are defined in part 213, and
9 includes parcels that are adjacent or contiguous to that property
10 if the development of the adjacent and contiguous parcels is
11 estimated to increase the captured taxable value of that property.

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

14 (iv) Is a transit-oriented development or transit-oriented
15 property.

16 (v) Is located in a qualified local governmental unit and
17 contains a targeted redevelopment area.

18 (vi) Is undeveloped property that was eligible property in a
19 previously approved brownfield plan abolished under section 14(8).

20 (vii) Eligible property does not include qualified
21 agricultural property exempt under section 7ee of the general
22 property tax act, 1893 PA 206, MCL 211.7ee, from the tax levied by
23 a local school district for school operating purposes to the extent
24 provided under section 1211 of the revised school code, 1976 PA
25 451, MCL 380.1211.

26 (q) "Environmental insurance" means liability insurance for
27 environmental contamination and cleanup that is not otherwise

1 required by state or federal law.

2 (r) "Facility" means that term as defined in part 201.

3 (s) "Fiscal year" means the fiscal year of the authority.

4 (t) "Former mill" means a former mill that has not been used
5 for industrial purposes for the immediately preceding 2 years, that
6 is not located in a qualified local governmental unit, that is a
7 facility or is a site or a property as those terms are defined in
8 part 213, functionally obsolete, or blighted, and that is located
9 within 15 miles of a river that is a federal superfund site listed
10 under the comprehensive environmental response, compensation and
11 liability act of 1980, 42 USC 9601 to 9675, and that is located in
12 a municipality with a population of less than 10,000.

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

20 (v) "Governing body" means the elected body having legislative
21 powers of a municipality creating an authority under this act.

22 (w) "Historic resource" means that term as defined in section
23 90a of the Michigan strategic fund act, 1984 PA 270, MCL 125.2090a.

24 (x) "Income tax" means the tax levied and imposed under part 1
25 of the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532.

26 (y) "Income tax capture revenues" means funds equal to the
27 amount for each tax year by which the aggregate income tax from

1 individuals domiciled within the eligible property subject to a
2 transformational brownfield plan exceeds the initial income tax
3 value. The state treasurer shall calculate annually the income tax
4 capture revenues associated with each transformational brownfield
5 plan. In calculating income tax capture revenues, the state
6 treasurer shall subtract from the aggregate amount of income tax
7 credits under sections 255, 265, 266, and chapter 9 of the income
8 tax act of 1967, 1967 PA 281, MCL 206.255, 206.265, 206.266, and
9 206.501 to 206.532. The state treasurer shall require the owner or
10 developer of the eligible property to provide to the department of
11 treasury all of the following information at the end of each
12 calendar year, including the year in which the resolution adding
13 that eligible property in the transformational brownfield plan is
14 adopted:

15 (i) A list of individuals domiciled within the eligible
16 property.

17 (ii) The addresses of those individuals identified in
18 subparagraph (i).

19 (iii) Any other information that may be necessary to calculate
20 the income tax capture revenues. The information required under
21 this subdivision shall be provided in a manner prescribed by the
22 state treasurer.

23 (z) "Industrial cleaning" means cleaning or removal of
24 contaminants from within a structure necessary to achieve the
25 intended use of the property.

26 (aa) "Infrastructure improvements" means a street, road,
27 sidewalk, parking facility, pedestrian mall, alley, bridge, sewer,

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

19 (i) Underground parking.

20 (ii) Multilevel parking structures.

21 (iii) Urban stormwater management systems.

22 (bb) "Initial income tax value" means the aggregate amount of
23 income tax less credits under sections 255, 265, 266, and chapter 9
24 of the income tax act of 1967, 1967 PA 281, MCL 206.255, 206.265,
25 206.266, and 206.501 to 206.532, from individuals domiciled within
26 the eligible property subject to a transformational brownfield plan
27 for the tax year in which the resolution adding that eligible

1 property in the transformational brownfield plan is adopted.

2 (cc) "Initial taxable value" means the taxable value of an
3 eligible property identified in and subject to a brownfield plan at
4 the time the resolution adding that eligible property in the
5 brownfield plan is adopted, as shown either by the most recent
6 assessment roll for which equalization has been completed at the
7 time the resolution is adopted or, if provided by the brownfield
8 plan, by the next assessment roll for which equalization will be
9 completed following the date the resolution adding that eligible
10 property in the brownfield plan is adopted. Property exempt from
11 taxation at the time the initial taxable value is determined shall
12 be included with the initial taxable value of zero. Property for
13 which a specific tax is paid in lieu of property tax shall not be
14 considered exempt from taxation. The state tax commission shall
15 prescribe the method for calculating the initial taxable value of
16 property for which a specific tax was paid in lieu of property tax.
17 The initial assessed value may be modified by lowering the initial
18 assessed value once during the term of the brownfield plan through
19 an amendment as provided in section 14 after the tax increment
20 financing plan fails to generate captured assessed value for 3
21 consecutive years due to declines in assessed value.

22 (dd) "Initial withholding tax value" means the amount of
23 income tax withheld under part 3 of the income tax act of 1967,
24 1967 PA 281, MCL 206.701 to 206.713, from individuals employed
25 within the eligible property subject to a transformational
26 brownfield plan for the calendar year in which the resolution
27 adding the eligible property to the plan is adopted. For purposes

1 of this act, an individual is employed within the eligible property
2 if the eligible property is the individual's principal place of
3 employment. The initial withholding tax value shall not include
4 construction period tax capture revenues.

5 (ee) "Land bank fast track authority" means an authority
6 created under the land bank fast track act, 2003 PA 258, MCL
7 124.751 to 124.774.

8 (ff) "Local taxes" means all taxes levied other than taxes
9 levied for school operating purposes.

10 (gg) "Michigan strategic fund" means the Michigan strategic
11 fund created under the Michigan strategic fund act, 1984 PA 270,
12 MCL 125.2001 to 125.2094.

13 (hh) "Mixed-use" means a real estate project with planned
14 integration of some combination of retail, office, residential, or
15 hotel uses.

16 (ii) "Municipality" means all of the following:

17 (i) A city.

18 (ii) A village.

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

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

24 (v) A county.

25 (jj) "Owned by or under the control of" means that a land bank
26 fast track authority or a qualified local unit of government has 1
27 or more of the following:

1 (i) An ownership interest in the property.

2 (ii) A tax lien on the property.

3 (iii) A tax deed to the property.

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

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

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

9 (kk) "Part 111", "part 201", "part 211", or "part 213" means
10 that part as described as follows:

11 (i) Part 111 of the natural resources and environmental
12 protection act, 1994 PA 451, MCL 324.11101 to 324.11153.

13 (ii) Part 201 of the natural resources and environmental
14 protection act, 1994 PA 451, MCL 324.20101 to 324.20142.

15 (iii) Part 211 of the natural resources and environmental
16 protection act, 1994 PA 451, MCL 324.21101 to 324.21113.

17 (iv) Part 213 of the natural resources and environmental
18 protection act, 1994 PA 451, MCL 324.21301a to 324.21334.

19 (ll) "Qualified local governmental unit" means that term as
20 defined in the obsolete property rehabilitation act, 2000 PA 146,
21 MCL 125.2781 to 125.2797.

22 (mm) "Qualified taxpayer" means that term as defined in
23 sections 38d and 38g of former 1975 PA 228, or section 437 of the
24 Michigan business tax act, 2007 PA 36, MCL 208.1437, or a recipient
25 of a community revitalization incentive as described in section 90a
26 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2090a.

27 (nn) "Release" means that term as defined in part 201 or part

1 213.

2 (oo) "Response activity" means either of the following:

3 (i) Response activity as that term is defined in part 201.

4 (ii) Corrective action.

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

17 (qq) "State brownfield redevelopment fund" means the state
18 brownfield redevelopment fund created in section 8a.

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

1 year.

2 (ss) "Tax increment revenues" means the amount of ad valorem
3 property taxes and specific taxes attributable to the application
4 of the levy of all taxing jurisdictions upon the captured taxable
5 value of each parcel of eligible property subject to a brownfield
6 plan and personal property located on that property, regardless of
7 whether those taxes began to be levied after the brownfield plan
8 was adopted. Tax increment revenues do not include any of the
9 following:

10 (i) Ad valorem property taxes specifically levied for the
11 payment of principal of and interest on either obligations approved
12 by the electors or obligations pledging the unlimited taxing power
13 of the local governmental unit, and specific taxes attributable to
14 those ad valorem property taxes.

15 (ii) For tax increment revenues attributable to eligible
16 property also exclude the amount of ad valorem property taxes or
17 specific taxes captured by a downtown development authority under
18 1975 PA 197, MCL 125.1651 to 125.1681, tax increment finance
19 authority under the tax increment finance authority act, 1980 PA
20 450, MCL 125.1801 to 125.1830, corridor improvement authority,
21 under the corridor improvement authority act, 2005 PA 280, MCL
22 125.2871 to 125.2899, or local development finance authority under
23 the local development financing act, 1986 PA 281, MCL 125.2151 to
24 125.2174, if those taxes were captured by these other authorities
25 on the date that eligible property became subject to a brownfield
26 plan under this act.

27 (iii) Ad valorem property taxes levied under 1 or more of the

1 following or specific taxes attributable to those ad valorem
2 property taxes:

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

5 (B) The art institute authorities act, 2010 PA 296, MCL
6 123.1201 to 123.1229.

7 **(C) THE TAXES LEVIED BY AN INTERMEDIATE SCHOOL DISTRICT UNDER**
8 **SECTION 625A, 681, 705, OR 1724A OF THE REVISED SCHOOL CODE, 1976**
9 **PA 451, MCL 380.625A, 380.681, 380.705, AND 380.1724A.**

10 (tt) "Taxable value" means the value determined under section
11 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

12 (uu) "Taxes levied for school operating purposes" means all of
13 the following:

14 (i) The taxes levied by a local school district for operating
15 purposes.

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

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

20 (vv) "Transformational brownfield plan" means a brownfield
21 plan that meets the requirements of section 13c and is adopted
22 under section 14a and, as designated by resolution of the governing
23 body and approved by the Michigan strategic fund, will have a
24 transformational impact on local economic development and community
25 revitalization based on the extent of brownfield redevelopment and
26 growth in population, commercial activity, and employment that will
27 result from the plan. To be designated a transformational

1 brownfield plan, a transformational brownfield plan under this
2 subdivision shall be for mixed-use development and shall be
3 expected to result in the following levels of capital investment:

4 (i) In a municipality that is not a county and that has a
5 population of at least 600,000, \$500,000,000.00.

6 (ii) In a municipality that is not a county and that has a
7 population of at least 150,000 and not more than 599,999,
8 \$100,000,000.00.

9 (iii) In a municipality that is not a county and that has a
10 population of at least 100,000 and not more than 149,999,
11 \$75,000,000.00.

12 (iv) In a municipality that is not a county and that has a
13 population of at least 50,000 and not more than 99,999,
14 \$50,000,000.00.

15 (v) In a municipality that is not a county and that has a
16 population of at least 25,000 and not more than 49,999,
17 \$25,000,000.00.

18 (vi) In a municipality that is not a county and that has a
19 population of less than 25,000, \$15,000,000.00.

20 (ww) "Transit-oriented development" means infrastructure
21 improvements that are located within 1/2 mile of a transit station
22 or transit-oriented property that promotes transit ridership or
23 passenger rail use as determined by the board and approved by the
24 municipality in which it is located.

25 (xx) "Transit-oriented property" means property that houses a
26 transit station in a manner that promotes transit ridership or
27 passenger rail use.

1 (yy) "Withholding tax capture revenues" means the amount for
2 each calendar year by which the income tax withheld under part 3 of
3 the income tax act of 1967, 1967 PA 281, MCL 206.701 to 206.713,
4 from individuals employed within the eligible property subject to a
5 transformational brownfield plan exceeds the initial withholding
6 tax value. Withholding tax capture revenues shall not include
7 income tax from individuals domiciled within the eligible property
8 or construction period tax capture revenues. To calculate
9 withholding tax capture revenues for a calendar year under a
10 transformational brownfield plan, the state treasurer or the
11 Michigan strategic fund shall do all of the following:

12 (i) The state treasurer shall require the owner or developer
13 of the eligible property to provide the department of treasury with
14 notice not more than 10 days from the date an employer commences or
15 terminates occupancy within the eligible property. As used in this
16 subdivision, "employer" means that term as defined in section 8 of
17 the income tax act of 1967, 1967 PA 281, MCL 206.8.

18 (ii) The state treasurer shall develop methods and processes
19 that are necessary for each employer occupying the eligible
20 property to report the amount of withholding under part 3 of the
21 income tax act of 1967, 1967 PA 281, MCL 206.701 to 206.713, from
22 individuals employed within the eligible property.

23 (iii) The Michigan strategic fund shall include the following
24 provisions in the development or reimbursement agreement for any
25 transformational brownfield plan that utilizes withholding tax
26 capture revenues:

27 (A) That the owner or developer of the eligible property shall

1 require each employer occupying the eligible property to comply
2 with the reporting requirements under this section through a
3 contract requirement, lease requirement, or other such means.

4 (B) That reimbursement of withholding tax capture revenues is
5 limited to amounts that are reported in accordance with part 3 of
6 the income tax act of 1967, 1967 PA 281, MCL 206.701 to 206.713,
7 and this state has no obligation with respect to withholding tax
8 capture revenues that are not reported or paid.

9 (zz) "Work plan" means a plan that describes each individual
10 activity to be conducted to complete eligible activities and the
11 associated costs of each individual activity.

12 (aaa) "Zone" means, for an authority established before June
13 6, 2000, a brownfield redevelopment zone designated under this act.