

# HOUSE BILL No. 6404

September 27, 2018, Introduced by Reps. Iden and Sheppard and referred to the Committee on Oversight.

A bill to amend 1996 PA 381, entitled "Brownfield redevelopment financing act," by amending sections 2, 8, 13, 13b, and 16 (MCL 125.2652, 125.2658, 125.2663, 125.2663b, and 125.2666), section 2 as amended by 2018 PA 203, section 8 as amended by 2016 PA 471, and sections 13, 13b, and 16 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:

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

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

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

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

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

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

1 blighted property for purposes of this act.

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

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

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

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

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

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

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

1 subdivision, "wages" means that term as defined in section 3401 of  
2 the internal revenue code of 1986, 26 USC 3401. To calculate the  
3 amount of construction period tax capture revenues for a calendar  
4 year under a transformational brownfield plan, the state treasurer  
5 shall do all of the following:

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

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

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

27 (j) "Corrective action" means that term as defined in part 111

1 or part 213.

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

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

10 (i) Response activities that are more protective of the public  
11 health, safety, and welfare and the environment than required by  
12 section 20107a, 20114, or 21304c of the natural resources and  
13 environmental protection act, 1994 PA 451, MCL 324.20107a,  
14 324.20114, and 324.21304c.

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

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

21 (iv) Dust control related to construction activities.

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

26 (vi) Industrial cleaning.

27 (vii) Sheet piling and shoring necessary for the removal of

1 materials exceeding part 201 criteria at projects requiring a  
2 permit pursuant to part 301, 303, or 325 of the natural resources  
3 and environmental protection act, 1994 PA 451, MCL 324.30101 to  
4 324.30113, MCL 324.30301 to 324.30328, or MCL 324.32501 to  
5 324.32515a.

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

8 **(ix) ENVIRONMENTAL INSURANCE.**

9 (m) "Due care activities" means those response activities  
10 identified as part of a brownfield plan that are necessary to allow  
11 the owner or operator of an eligible property in the plan to comply  
12 with the requirements of section 20107a or 21304c of the natural  
13 resources and environmental protection act, 1994 PA 451, MCL  
14 324.20107a and 324.21304c.

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

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

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

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

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

25 (i) For all eligible properties, eligible activities include  
26 all of the following:

27 (A) Department specific activities.

1 (B) Relocation of public buildings or operations for economic  
2 development purposes.

3 (C) Reasonable costs of environmental insurance.

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

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

14 (F) Demolition of structures that is not a response activity,  
15 including removal of manufactured debris comprised of discarded,  
16 unused, or unusable manufactured by-products left on the site by a  
17 previous owner. The removal of the manufactured by-products left on  
18 the site described in this sub-subparagraph is not eligible for  
19 interest reimbursement under sub-subparagraph (H).

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

21 (H) Except as otherwise provided in sub-subparagraph (F), the  
22 repayment of principal of and interest on any obligation issued by  
23 an authority to pay the costs of eligible activities attributable  
24 to an eligible property.

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

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

2 (B) Infrastructure improvements that directly benefit eligible  
3 property.

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

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

8 (A) The eligible activities described in subparagraphs (i) and  
9 (ii).

10 (B) Assistance to a land bank fast track authority in clearing  
11 or quieting title to, or selling or otherwise conveying, property  
12 owned by or under the control of a land bank fast track authority  
13 or the acquisition of property by the land bank fast track  
14 authority if the acquisition of the property is for economic  
15 development purposes.

16 (C) Assistance to a qualified local governmental unit or  
17 authority in clearing or quieting title to, or selling or otherwise  
18 conveying, property owned by or under the control of a qualified  
19 local governmental unit or authority or the acquisition of property  
20 by a qualified local governmental unit or authority if the  
21 acquisition of the property is for economic development purposes.

22 (iv) For eligible activities on eligible property that is  
23 included in a transformational brownfield plan, any demolition,  
24 construction, restoration, alteration, renovation, or improvement  
25 of buildings or site improvements on eligible property, including  
26 infrastructure improvements that directly benefit eligible  
27 property.



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

8           (i) Is in a qualified local governmental unit and is a  
9 facility or a site or property as those terms are defined in part  
10 213, historic resource, functionally obsolete, or blighted and  
11 includes parcels that are adjacent or contiguous to that property  
12 if the development of the adjacent and contiguous parcels is  
13 estimated to increase the captured taxable value of that property.

14           (ii) Is not in a qualified local governmental unit and is a  
15 facility, historic resource, functionally obsolete, blighted, or a  
16 site or property as those terms are defined in part 213, and  
17 includes parcels that are adjacent or contiguous to that property  
18 if the development of the adjacent and contiguous parcels is  
19 estimated to increase the captured taxable value of that property.

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

22           (iv) Is a transit-oriented development or transit-oriented  
23 property.

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

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

1           (vii) Eligible property does not include qualified  
2 agricultural property exempt under section 7ee of the general  
3 property tax act, 1893 PA 206, MCL 211.7ee, from the tax levied by  
4 a local school district for school operating purposes to the extent  
5 provided under section 1211 of the revised school code, 1976 PA  
6 451, MCL 380.1211.

7           (q) "Environmental insurance" means liability insurance for  
8 environmental contamination and cleanup that is not otherwise  
9 required by state or federal law.

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

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

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

21          (u) "Functionally obsolete" means that the property is unable  
22 to be used to adequately perform the function for which it was  
23 intended due to a substantial loss in value resulting from factors  
24 such as overcapacity, changes in technology, deficiencies or  
25 superadequacies in design, or other similar factors that affect the  
26 property itself or the property's relationship with other  
27 surrounding property.

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

3 (w) "Historic resource" means that term as defined in section  
4 90a of the Michigan strategic fund act, 1984 PA 270, MCL 125.2090a.

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

7 (y) "Income tax capture revenues" means funds equal to the  
8 amount for each tax year by which the aggregate income tax from  
9 individuals domiciled within the eligible property subject to a  
10 transformational brownfield plan exceeds the initial income tax  
11 value. The state treasurer shall calculate annually the income tax  
12 capture revenues associated with each transformational brownfield  
13 plan. In calculating income tax capture revenues, the state  
14 treasurer shall subtract from the aggregate amount of income tax  
15 credits under sections 255, 265, 266, and chapter 9 of the income  
16 tax act of 1967, 1967 PA 281, MCL 206.255, 206.265, 206.266, and  
17 206.501 to 206.532. The state treasurer shall require the owner or  
18 developer of the eligible property to provide to the department of  
19 treasury all of the following information at the end of each  
20 calendar year, including the year in which the resolution adding  
21 that eligible property in the transformational brownfield plan is  
22 adopted:

23 (i) A list of individuals domiciled within the eligible  
24 property.

25 (ii) The addresses of those individuals identified in  
26 subparagraph (i).

27 (iii) Any other information that may be necessary to calculate

1 the income tax capture revenues. The information required under  
2 this subdivision shall be provided in a manner prescribed by the  
3 state treasurer.

4 (z) "Industrial cleaning" means cleaning or removal of  
5 contaminants from within a structure necessary to achieve the  
6 intended use of the property.

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

27 (i) Underground parking.

1           (ii) Multilevel parking structures.

2           (iii) Urban stormwater management systems.

3           (bb) "Initial income tax value" means the aggregate amount of  
4 income tax less credits under sections 255, 265, 266, and chapter 9  
5 of the income tax act of 1967, 1967 PA 281, MCL 206.255, 206.265,  
6 206.266, and 206.501 to 206.532, from individuals domiciled within  
7 the eligible property subject to a transformational brownfield plan  
8 for the tax year in which the resolution adding that eligible  
9 property in the transformational brownfield plan is adopted.

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

1 financing plan fails to generate captured ~~assessed value~~ **TAXES** for  
2 3 consecutive years due to declines in assessed value.

3 (dd) "Initial withholding tax value" means the amount of  
4 income tax withheld under part 3 of the income tax act of 1967,  
5 1967 PA 281, MCL 206.701 to 206.713, from individuals employed  
6 within the eligible property subject to a transformational  
7 brownfield plan for the calendar year in which the resolution  
8 adding the eligible property to the plan is adopted. For purposes  
9 of this act, an individual is employed within the eligible property  
10 if the eligible property is the individual's principal place of  
11 employment. The initial withholding tax value shall not include  
12 construction period tax capture revenues.

13 (ee) "Land bank fast track authority" means an authority  
14 created under the land bank fast track act, 2003 PA 258, MCL  
15 124.751 to 124.774.

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

18 (gg) "Michigan strategic fund" means the Michigan strategic  
19 fund created under the Michigan strategic fund act, 1984 PA 270,  
20 MCL 125.2001 to 125.2094.

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

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

25 (i) A city.

26 (ii) A village.

27 (iii) A township in those areas of the township that are

1 outside of a village.

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

5 (v) A county.

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

9 (i) An ownership interest in the property.

10 (ii) A tax lien on the property.

11 (iii) A tax deed to the property.

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

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

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

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

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

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

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

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

27 (ll) "Qualified local governmental unit" means that term as

1 defined in the obsolete property rehabilitation act, 2000 PA 146,  
2 MCL 125.2781 to 125.2797.

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

8 (nn) "Release" means that term as defined in part 201 or part  
9 213.

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

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

12 (ii) Corrective action.

13 (pp) "Specific taxes" means a tax levied under 1974 PA 198,  
14 MCL 207.551 to 207.572; the commercial redevelopment act, 1978 PA  
15 255, MCL 207.651 to 207.668; the enterprise zone act, 1985 PA 224,  
16 MCL 125.2101 to 125.2123; 1953 PA 189, MCL 211.181 to 211.182; the  
17 technology park development act, 1984 PA 385, MCL 207.701 to  
18 207.718; the obsolete property rehabilitation act, 2000 PA 146, MCL  
19 125.2781 to 125.2797; the neighborhood enterprise zone act, 1992 PA  
20 147, MCL 207.771 to 207.786; the commercial rehabilitation act,  
21 2005 PA 210, MCL 207.841 to 207.856; or that portion of the tax  
22 levied under the tax reverted clean title act, 2003 PA 260, MCL  
23 211.1021 to 211.1025a, that is not required to be distributed to a  
24 land bank fast track authority.

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

27 (rr) "Targeted redevelopment area" means not fewer than 40 and



1 not more than 500 contiguous parcels of real property located in a  
2 qualified local governmental unit and designated as a targeted  
3 redevelopment area by resolution of the governing body and approved  
4 by the Michigan strategic fund. A qualified local governmental unit  
5 is limited to designating no more than 2 targeted redevelopment  
6 areas for the purposes of this section in a calendar year. The  
7 Michigan strategic fund may approve no more than 5 targeted  
8 redevelopment areas for the purposes of this section in a calendar  
9 year.

10 (ss) "Tax increment revenues" means the amount of ad valorem  
11 property taxes and specific taxes attributable to the application  
12 of the levy of all taxing jurisdictions upon the captured taxable  
13 value of each parcel of eligible property subject to a brownfield  
14 plan and personal property located on that property, regardless of  
15 whether those taxes began to be levied after the brownfield plan  
16 was adopted. Tax increment revenues do not include any of the  
17 following:

18 (i) Ad valorem property taxes specifically levied for the  
19 payment of principal of and interest on either obligations approved  
20 by the electors or obligations pledging the unlimited taxing power  
21 of the local governmental unit, and specific taxes attributable to  
22 those ad valorem property taxes.

23 (ii) For tax increment revenues attributable to eligible  
24 property also exclude the amount of ad valorem property taxes or  
25 specific taxes captured by a downtown development authority under  
26 1975 PA 197, MCL 125.1651 to 125.1681, tax increment finance  
27 authority under the tax increment finance authority act, 1980 PA

1 450, MCL 125.1801 to 125.1830, corridor improvement authority,  
2 under the corridor improvement authority act, 2005 PA 280, MCL  
3 125.2871 to 125.2899, or local development finance authority under  
4 the local development financing act, 1986 PA 281, MCL 125.2151 to  
5 125.2174, if those taxes were captured by these other authorities  
6 on the date that eligible property became subject to a brownfield  
7 plan under this act.

8 (iii) Ad valorem property taxes levied under 1 or more of the  
9 following or specific taxes attributable to those ad valorem  
10 property taxes:

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

13 (B) The art institute authorities act, 2010 PA 296, MCL  
14 123.1201 to 123.1229.

15 (tt) "Taxable value" means the value determined under section  
16 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

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

19 (i) The taxes levied by a local school district for operating  
20 purposes.

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

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

25 (vv) "Transformational brownfield plan" means a brownfield  
26 plan that meets the requirements of section 13c and is adopted  
27 under section 14a and, as designated by resolution of the governing

1 body and approved by the Michigan strategic fund, will have a  
2 transformational impact on local economic development and community  
3 revitalization based on the extent of brownfield redevelopment and  
4 growth in population, commercial activity, and employment that will  
5 result from the plan. To be designated a transformational  
6 brownfield plan, a transformational brownfield plan under this  
7 subdivision shall be for mixed-use development and shall be  
8 expected to result in the following levels of capital investment:

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

11 (ii) In a municipality that is not a county and that has a  
12 population of at least 150,000 and not more than 599,999,  
13 \$100,000,000.00.

14 (iii) In a municipality that is not a county and that has a  
15 population of at least 100,000 and not more than 149,999,  
16 \$75,000,000.00.

17 (iv) In a municipality that is not a county and that has a  
18 population of at least 50,000 and not more than 99,999,  
19 \$50,000,000.00.

20 (v) In a municipality that is not a county and that has a  
21 population of at least 25,000 and not more than 49,999,  
22 \$25,000,000.00.

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

25 (ww) "Transit-oriented development" means infrastructure  
26 improvements that are located within 1/2 mile of a transit station  
27 or transit-oriented property that promotes transit ridership or

1 passenger rail use as determined by the board and approved by the  
2 municipality in which it is located.

3 (xx) "Transit-oriented property" means property that houses a  
4 transit station in a manner that promotes transit ridership or  
5 passenger rail use.

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

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

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

1           (iii) The Michigan strategic fund shall include the following  
2 provisions in the development or reimbursement agreement for any  
3 transformational brownfield plan that utilizes withholding tax  
4 capture revenues:

5           (A) That the owner or developer of the eligible property shall  
6 require each employer occupying the eligible property to comply  
7 with the reporting requirements under this section through a  
8 contract requirement, lease requirement, or other such means.

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

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

17           (aaa) "Zone" means, for an authority established before June  
18 6, 2000, a brownfield redevelopment zone designated under this act.

19           Sec. 8. (1) An authority may establish a local brownfield  
20 revolving fund. A local brownfield revolving fund shall consist of  
21 funds deposited from the following sources:

22           (a) Funds appropriated or otherwise made available from public  
23 or private sources.

24           (b) Local tax and school operating tax increment revenue  
25 captured in excess of the amount authorized for eligible expenses  
26 under section 13(4) only when all of the following conditions are  
27 met:

1           (i) The excess capture occurs during the time of capture for  
2 the purpose of paying the costs permitted under section 13(4), or  
3 for not more than 5 years after the time that capture is required  
4 for the purpose of paying the costs permitted under section 13(4),  
5 or both.

6           (ii) The excess local tax ~~excess~~-capture shall not exceed the  
7 total of the cost of eligible activities approved in the brownfield  
8 plan.

9           (iii) The excess capture of taxes for school operating  
10 purposes shall not exceed the total of the cost of eligible  
11 department specific activities approved in the applicable  
12 brownfield plan, combined brownfield plan, or work plan. **THE TOTAL**  
13 **EXCESS TAX CAPTURE SHALL NOT EXCEED THE TOTAL OF THE COST OF**  
14 **ELIGIBLE ACTIVITIES APPROVED IN THE BROWNFIELD PLAN.**

15           (iv) Excess tax increment revenues from taxes levied for  
16 school operating purposes for eligible activities authorized under  
17 section 13b(4) by the Michigan strategic fund shall not be captured  
18 for deposit in the local brownfield revolving fund.

19           (2) The capture of school operating tax increment revenue  
20 described in subsection (1) (b) is subject to the 50% capture  
21 specified in section 13b(14).

22           (3) The tax increment revenues from eligible property for  
23 deposit in the local brownfield revolving fund may include tax  
24 increment revenues attributable to taxes levied for school  
25 operating purposes in an amount not greater than the tax increment  
26 revenues levied for school operating purposes captured from the  
27 eligible property pursuant to section 13(4).

1           (4) The local brownfield revolving fund may be used only to  
2 pay the costs of eligible activities on ~~eligible~~ property that is  
3 located within the municipality **AND MEETS AT LEAST 1 OF THE**  
4 **CONDITIONS UNDER SECTION 2(O). HOWEVER, ACTIVITIES OUTLINED IN**  
5 **SECTION 13B(8) MAY BE CONDUCTED AND FUNDED ON PROSPECTIVE**  
6 **PROPERTIES.**

7           (5) An authority or a municipality on behalf of an authority  
8 may incur an obligation for the purpose of funding a local  
9 brownfield revolving fund.

10           Sec. 13. (1) When adopting a brownfield plan, the board shall  
11 comply with the notice and approval provisions of section 14.

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

22           (a) A description of the costs of the plan intended to be paid  
23 for with the tax increment revenues or, for a plan for eligible  
24 properties qualified on the basis that the property is owned by or  
25 under the control of a land bank fast track authority, a listing of  
26 all eligible activities that may be conducted for 1 or more of the  
27 eligible properties subject to the plan.

1 (b) A brief summary of the eligible activities that are  
2 proposed for each eligible property or, for a plan for eligible  
3 properties qualified on the basis that the property is owned by or  
4 under the control of a land bank fast track authority, a brief  
5 summary of eligible activities conducted for 1 or more of the  
6 eligible properties subject to the plan.

7 (c) An estimate of the captured taxable value and tax  
8 increment revenues for each year of the plan from the eligible  
9 property. The plan may provide for the use of part or all of the  
10 captured taxable value, including deposits in the local brownfield  
11 revolving fund, but the portion intended to be used shall be  
12 clearly stated in the plan. The plan shall not provide either for  
13 an exclusion from captured taxable value of a portion of the  
14 captured taxable value or for an exclusion of the tax levy of 1 or  
15 more taxing jurisdictions unless the tax levy is excluded from tax  
16 increment revenues in section 2(ss), or unless the tax levy is  
17 excluded from capture under section 15.

18 (d) The method by which the costs of the plan will be  
19 financed, including a description of any advances made or  
20 anticipated to be made for the costs of the plan from the  
21 municipality.

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

24 (f) The proposed beginning date and duration of capture of tax  
25 increment revenues for each eligible property as determined under  
26 section 13b(16).

27 (g) An estimate of the future tax revenues of all taxing



1 jurisdictions in which the eligible property is located to be  
2 generated during the term of the plan.

3 (h) A legal description of the eligible property to which the  
4 plan applies, a map showing the location and dimensions of each  
5 eligible property, a statement of the characteristics that qualify  
6 the property as eligible property, and a statement of whether  
7 personal property is included as part of the eligible property. If  
8 the project is on property that is functionally obsolete, the  
9 taxpayer shall include, with the application, an affidavit signed  
10 by a level 3 or level 4 assessor, that states that it is the  
11 assessor's expert opinion that the property is functionally  
12 obsolete and the underlying basis for that opinion.

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

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

1 (k) Provision for the costs of relocating persons displaced by  
2 implementation of the plan, and financial assistance and  
3 reimbursement of expenses, including litigation expenses and  
4 expenses incident to the transfer of title, in accordance with the  
5 standards and provisions of the uniform relocation assistance and  
6 real property acquisition policies act of 1970, Public Law 91-646.

7 (l) A strategy for compliance with 1972 PA 227, MCL 213.321 to  
8 213.332.

9 (m) Other material that the authority or governing body  
10 considers pertinent to the brownfield plan.

11 (3) When taxes levied for school operating purposes are  
12 subject to capture under section 15, the percentage of school  
13 operating tax increment revenues captured relating to a parcel of  
14 eligible property under a brownfield plan shall not be greater than  
15 the percentage of local tax increment revenues that are captured  
16 under the brownfield plan relating to that parcel of eligible  
17 property.

18 (4) Except as provided in subsection (5) and sections 8,  
19 13b(4) and (5), and 13c(12), tax increment revenues related to a  
20 brownfield plan shall be used only for 1 or more of the following:

21 (a) Costs of eligible activities attributable to the eligible  
22 property that produces the tax increment revenues.

23 (b) Eligible activities attributable to any eligible property  
24 for property that is owned by or under the control of a land bank  
25 fast track authority or a qualified local unit of government.

26 (5) A brownfield plan ~~shall not~~ **MAY ONLY** authorize the capture  
27 of tax increment revenue from eligible property ~~after~~ **UNTIL** the

1 year in which the total amount of tax increment revenues captured  
 2 is equal to the sum of the costs permitted to be funded with tax  
 3 increment revenues under this act or **FOR NOT MORE THAN** 30 years  
 4 from the beginning date of the capture of the tax increment  
 5 revenues for that eligible property, whichever occurs first. ~~7~~  
 6 ~~except that a~~ **A** brownfield plan may authorize the capture of  
 7 additional local and school operating tax increment revenue from an  
 8 eligible property ~~if~~ **FOR THE LOCAL BROWNFIELD REVOLVING FUND**  
 9 **CREATED UNDER SECTION 8 DURING** 1 or more of the following  
 10 ~~apply:~~ **TIME FRAMES:**

11 (a) ~~During the~~ **THE** time of capture described in this  
 12 subsection for the purpose of paying the costs permitted under  
 13 subsection (4) or section 13b(4).

14 (b) For not more than 5 years after the date specified in  
 15 subdivision (a). ~~, for payment to the local brownfield revolving~~  
 16 ~~fund created under section 8.~~

17 Sec. 13b. (1) An authority shall not expend tax increment  
 18 revenues to acquire or prepare eligible property unless the  
 19 acquisition or preparation is an eligible activity.

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

1           (3) Tax increment revenues captured from taxes levied by this  
2 state under the state education tax act, 1993 PA 331, MCL 211.901  
3 to 211.906, or taxes levied by a local school district shall not be  
4 used to assist a land bank fast track authority with clearing or  
5 quieting title, acquiring, selling, or conveying property, except  
6 as provided in subsection (4).

7           (4) If a brownfield plan includes the use of taxes levied for  
8 school operating purposes captured from an eligible property for  
9 eligible activities that are not department specific activities,  
10 then 1 or more of the following apply:

11           (a) A combined brownfield plan or a work plan shall be  
12 approved by the Michigan strategic fund and a development agreement  
13 or reimbursement agreement between the municipality or authority  
14 and an owner or developer of eligible property is required before  
15 such tax increment may be used for infrastructure improvements that  
16 directly benefit eligible property, demolition of structures that  
17 is not response activity, lead, mold, or asbestos abatement that is  
18 not a department specific activity, site preparation that is not  
19 response activity, relocation of public buildings or operations for  
20 economic development purposes, or acquisition of property by a land  
21 bank fast track authority if acquisition of the property is for  
22 economic development purposes.

23           (b) Approval of a combined brownfield plan or a work plan by  
24 the Michigan strategic fund in the manner required under section  
25 15(12) to (14) or (20) is required in order to use the tax  
26 increment revenues to assist a land bank fast track authority or  
27 qualified local governmental unit with clearing or quieting title,

1 acquiring, selling, or conveying property.

2 (c) The combined brownfield plan or work plan to be submitted  
3 to the Michigan strategic fund under this subsection shall be in a  
4 form prescribed by the Michigan strategic fund.

5 (d) The eligible activities to be conducted and described in  
6 this subsection shall be consistent with the combined brownfield  
7 plan or work plan submitted by the authority to the Michigan  
8 strategic fund.

9 (e) The department's approval is not required for the capture  
10 of taxes levied for school operating purposes for eligible  
11 activities described in this section.

12 (5) If a brownfield plan includes the use of taxes levied for  
13 school operating purposes captured from eligible property for  
14 department specific activities, a combined brownfield plan or a  
15 work plan must be approved by the department with the exception of  
16 those activities identified in subsections (8) and (9).

17 (6) An authority shall not do any of the following:

18 (a) Use taxes captured from eligible property to pay for  
19 eligible activities conducted before approval of the brownfield  
20 plan.

21 (b) Use taxes captured from eligible property to pay for  
22 administrative and operating activities of the authority or the  
23 municipality on behalf of the authority for activities, other than  
24 those identified in subsection (7).

25 ~~(c) For eligible activities not described in subsection (4),~~  
26 ~~an authority shall not use **USE** taxes levied for school operating~~  
27 ~~purposes captured from eligible property unless the eligible~~

1 ~~activities to be conducted on the eligible property are eligible~~  
2 ~~department specific activities, consistent with a combined~~  
3 ~~brownfield plan or a work plan approved by the department after~~  
4 ~~July 24, 1996.~~ **FOR ACTIVITIES OTHER THAN THOSE IDENTIFIED IN**  
5 **SUBSECTIONS (4), (5), AND (12).**

6 (d) Use construction period tax capture revenues, withholding  
7 tax capture revenues, or income tax capture revenues to pay for  
8 eligible activities conducted before approval of the  
9 transformational brownfield plan except for costs described in  
10 section 13c(10).

11 (e) Use construction period tax capture revenues, withholding  
12 tax capture revenues, and income tax capture revenues for any  
13 expense other than as provided for in section 13c(2), except for  
14 the reasonable costs for preparing a transformational brownfield  
15 plan and the additional administrative and operating expenses of  
16 the authority or municipality as are specifically associated with  
17 the implementation of a transformational brownfield plan. For  
18 purposes of this subsection, the reasonable costs of preparing a  
19 transformational brownfield plan include the reasonable costs of  
20 preparing an associated work plan, combined brownfield plan, and  
21 development or reimbursement agreement.

22 (7) An authority may use taxes captured from eligible property  
23 to pay for the administrative and operating costs under 1 or more  
24 of the following:

25 (a) Local taxes captured may be used for 1 or more of the  
26 following administrative and operating purposes:

27 (i) Reasonable and actual administrative and operating

1 expenses of the authority.

2 (ii) Department specific activities conducted by or on behalf  
3 of the authority related directly to work conducted on prospective  
4 eligible properties prior to approval of the brownfield plan.

5 (iii) Reasonable costs of developing and preparing brownfield  
6 plans, combined plans, or work plans for which tax increment  
7 revenues may be used under subsection (4), including, but not  
8 limited to, legal and consulting fees that are not in the ordinary  
9 course of acquiring and developing real estate.

10 (iv) **REASONABLE COST OF BROWNFIELD PLAN OR WORK PLAN**  
11 **IMPLEMENTATION, INCLUDING, BUT NOT LIMITED TO, TRACKING AND**  
12 **REPORTING DATA AND PLAN COMPLIANCE.**

13 (b) Taxes levied for school operating purposes may be used for  
14 1 or more of the following administrative and operating purposes:

15 (i) Reasonable costs of developing and preparing brownfield  
16 plans, combined brownfield plans, or work plans for which tax  
17 increment revenues may be used under section 13(4), including, but  
18 not limited to, legal and consulting fees that are not in the  
19 ordinary course of acquiring and developing real estate, not to  
20 exceed \$30,000.00.

21 (ii) Reasonable costs of brownfield plan or work plan  
22 implementation, including, but not limited to, tracking and  
23 reporting of data and plan compliance, not to exceed \$30,000.00.

24 (c) In each fiscal year of the authority, the amount of tax  
25 increment revenues attributable to local taxes that an authority  
26 can use for the purposes described in subdivisions (a) and (b)  
27 shall be determined as follows:

1           (i) For authorities that have 5 or fewer active projects,  
2 \$100,000.00.

3           (ii) For authorities that have 6 or more but fewer than 11  
4 active projects, \$125,000.00.

5           (iii) For authorities that have 11 or more but fewer than 16  
6 active projects, \$150,000.00.

7           (iv) For authorities that have 16 or more but fewer than 21  
8 active projects, \$175,000.00.

9           (v) For authorities that have 21 or more but fewer than 26  
10 active projects, \$200,000.00.

11           (vi) For authorities that have 26 or more but fewer than 31  
12 active projects, \$300,000.00.

13           (vii) For authorities that have 31 or more active projects,  
14 \$500,000.00.

15           (d) Nothing contained in this subsection shall limit the  
16 amount of funds that may be granted, loaned, or expended by a local  
17 brownfield revolving fund for eligible activities.

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

25           (i) The authority is an authority established by a county and  
26 that authority enters into a written agreement with 1 or more  
27 municipalities within that county to serve as the only authority



1 for those other municipalities.

2 (ii) The authority enters into a written agreement with 1 or  
3 more other authorities to administer 1 or more administrative  
4 operations of those other authorities.

5 (8) The limitations of subsections (4), (5), and (6) upon the  
6 use of taxes levied for school operating purposes shall not apply  
7 to the costs of 1 or more of the following incurred by a person  
8 other than the authority:

9 (a) Site investigation activities required to conduct a  
10 baseline environmental assessment and to evaluate compliance with  
11 sections 20107a and 21304c of the natural resources and  
12 environmental protection act, 1994 PA 451, MCL 324.20107a and  
13 324.21304c.

14 (b) Completing a baseline environmental assessment.

15 (c) Preparing a plan for compliance with sections 20107a and  
16 21304c of the natural resources and environmental protection act,  
17 1994 PA 451, MCL 324.20107a and 324.21304c.

18 (d) Performing pre-demolition and building hazardous materials  
19 surveys.

20 (e) Asbestos, mold, and lead surveys.

21 (9) The limitations of subsections (4), (5), and (6) upon the  
22 use of local taxes and taxes levied for school operating purposes  
23 shall not apply to the following costs and expenses:

24 (a) For tax increment revenues attributable to taxes levied  
25 for school operating purposes, eligible activities associated with  
26 unanticipated response activities conducted on eligible property if  
27 that eligible property has been included in a brownfield plan, if

1 the department is consulted in writing on the unanticipated  
2 response activities before they are conducted and the costs of  
3 those activities are subsequently included in a brownfield plan,  
4 combined brownfield plan or a work plan or amendment approved by  
5 the authority and approved by the department.

6 (b) For tax increment revenues attributable to local taxes,  
7 any eligible activities conducted on eligible property or  
8 prospective eligible properties prior to approval of the brownfield  
9 plan, if those costs and the eligible property are subsequently  
10 included in a brownfield plan approved by the authority.

11 (c) For tax increment revenues attributable to taxes levied  
12 for school operating purposes, eligible activities described in  
13 subsection (4) and conducted on eligible property or prospective  
14 eligible properties prior to approval of the brownfield plan, if  
15 those costs and the eligible property are subsequently included in  
16 a brownfield plan approved by the authority and a combined  
17 brownfield plan or work plan approved by the Michigan strategic  
18 fund.

19 **(D) REASONABLE COST OF DEVELOPING AND PREPARING BROWNFIELD**  
20 **PLANS, COMBINED BROWNFIELD PLANS, OR WORK PLANS FOR WHICH TAX**  
21 **INCREMENT REVENUES MAY BE USED UNDER SECTION 13(4), INCLUDING, BUT**  
22 **NOT LIMITED TO, LEGAL AND CONSULTING FEES THAT ARE NOT IN THE**  
23 **ORDINARY COURSE OF ACQUIRING AND DEVELOPING REAL ESTATE.**

24 **(E) REASONABLE COST OF BROWNFIELD PLAN OR WORK PLAN**  
25 **IMPLEMENTATION, INCLUDING, BUT NOT LIMITED TO, TRACKING AND**  
26 **REPORTING OF DATA AND PLAN COMPLIANCE.**

27 (10) An authority shall not use taxes levied for school

1 operating purposes captured from eligible property for response  
2 activities that benefit a party responsible for an activity causing  
3 a release under section 20126 or 21323a of the natural resources  
4 and environmental protection act, 1994 PA 451, MCL 324.20126 and  
5 324.21323a, except that a municipality that established the  
6 authority may use taxes levied for school operating purposes  
7 captured from eligible property for response activities associated  
8 with a landfill.

9 (11) A brownfield authority may reimburse advances, with or  
10 without interest, made by a municipality under section 7(3), a land  
11 bank fast track authority, or any other person or entity for costs  
12 of eligible activities with any source of revenue available for use  
13 of the brownfield authority under this act.

14 (12) A brownfield authority may capture taxes for the payment  
15 of interest, as follows:

16 (a) If an authority reimburses a person or entity under this  
17 section for an advance for the payment or reimbursement of the cost  
18 of eligible activities and interest thereon, the authority may  
19 capture local taxes for the payment of that interest.

20 (b) If an authority reimburses a person or entity under this  
21 section for an advance for the payment or reimbursement of the cost  
22 of department specific activities and interest thereon included in  
23 a combined brownfield plan or a work plan approved by the  
24 department, the authority may capture taxes levied for school  
25 operating purposes and local taxes for the payment of that  
26 interest.

27 (c) If an authority reimburses a person or entity under this

1 section for an advance for the payment or reimbursement of the cost  
2 of eligible activities that are not department specific activities  
3 and interest thereon included in a combined brownfield plan or a  
4 work plan approved by the Michigan strategic fund, the authority  
5 may capture taxes levied for school operating purposes and local  
6 taxes for the payment of that interest provided that the Michigan  
7 strategic fund grants an approval for the capture of taxes levied  
8 for school operating purposes to pay such interest.

9 (13) An authority may enter into agreements related to these  
10 reimbursements and payments described in this section. A  
11 reimbursement agreement for these purposes and the obligations  
12 under that reimbursement agreement shall not be subject to section  
13 13 or the revised municipal finance act, 2001 PA 34, MCL 141.2101  
14 to 141.2821.

15 (14) Notwithstanding anything to the contrary in this act, for  
16 a brownfield plan that includes the capture of taxes levied for  
17 school operating purposes from each eligible property included in a  
18 brownfield plan after January 1, 2013, an authority shall pay to  
19 the department of treasury at least once annually an amount equal  
20 to 50% of the taxes levied under the state education tax act, 1993  
21 PA 331, MCL 211.901 to 211.906, including 50% of that portion of  
22 specific taxes attributable to, but not levied under, the state  
23 education tax act, 1993 PA 331, MCL 211.901 to 211.906, that are  
24 captured under the brownfield plan until the expiration of the  
25 earlier of the following:

26 (a) Twenty-five years of capture of tax increment revenues  
27 from such eligible property included in the brownfield plan.

1 (b) The later of:

2 (i) The date of repayment of all eligible expenses relative to  
3 such eligible property.

4 (ii) The date excess capture is terminated under subsection  
5 (16).

6 (15) The department of treasury shall deposit the amounts  
7 described in subsection (14) into the state brownfield  
8 redevelopment fund. If an authority makes a payment as required  
9 under subsection (14) to the department of treasury, the local  
10 taxes levied on that parcel and used to reimburse eligible  
11 activities under a brownfield plan shall not be increased or  
12 decreased due to that payment. If, due to an appeal of any tax  
13 assessment, an authority is required to reimburse a taxpayer for  
14 any portion of the amount paid to the department of treasury under  
15 this subsection, the department of treasury shall reimburse that  
16 amount to the authority within 30 days after receiving a request  
17 from the authority for reimbursement.

18 (16) The brownfield plan shall include a proposed beginning  
19 date of capture. ~~The~~ **IF THE ACTUAL** beginning date of capture of tax  
20 increment revenues ~~shall not be~~ **IS** later than 5 years following the  
21 date of the **ADOPTION OF THE BROWNFIELD PLAN** resolution, ~~including~~  
22 ~~the eligible property in the brownfield plan.~~ **THEN THE MAXIMUM**  
23 **NUMBER OF YEARS OF CAPTURE WILL DECREASE. THE END DATE OF CAPTURE**  
24 **MUST BE NO LATER THAN 35 YEARS AFTER THE DATE OF THE ADOPTION OF**  
25 **THE BROWNFIELD PLAN RESOLUTION.** The authority may amend the  
26 beginning date of capture of tax increment revenues for a  
27 particular eligible property ~~to a date not later than 5 years~~

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

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

18       (2) The authority shall expend the tax increment revenues  
19 received only in accordance with the brownfield plan. All surplus  
20 funds not deposited in the local brownfield revolving fund of the  
21 authority under section 8 shall revert proportionately to the  
22 respective taxing bodies, except as provided in section 15(16).

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

27       (a) ~~The amount and source of tax increment revenues~~

1 ~~received.~~**TOTAL AMOUNT OF LOCAL TAXES THAT ARE APPROVED FOR CAPTURE**  
 2 **AND THE TOTAL AMOUNT OF TAXES LEVIED FOR SCHOOL OPERATING PURPOSES**  
 3 **THAT ARE APPROVED FOR CAPTURE FOR EACH PARCEL INCLUDED IN A**  
 4 **BROWNFIELD PLAN.**

5 (b) The amount and purpose of expenditures of tax increment  
 6 revenues.

7 (c) ~~The amount of principal and interest on all outstanding~~  
 8 ~~indebtedness.~~**AND SOURCE OF TAX INCREMENT REVENUES RECEIVED FOR EACH**  
 9 **ACTIVE BROWNFIELD PLAN, INCLUDING THE AMOUNT OF TAX INCREMENT**  
 10 **REVENUES CAPTURED IN THE MOST RECENT TAX YEAR AND THE CUMULATIVE**  
 11 **AMOUNT OF TAX INCREMENT REVENUES CAPTURED FOR EACH BROWNFIELD PLAN.**

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

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

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

18 (g) The amount of tax increment revenues attributable to taxes  
 19 levied for school operating purposes used for activities described  
 20 in section 13b(6)(c), section ~~2(e)(i)(H)~~, **2(O)(i)(F) AND (G)**, and  
 21 section ~~2(e)(i)(B)~~ **2(O)(ii)(B)** and (C).

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) A COPY OF ALL BROWNFIELD PLAN AMENDMENTS APPROVED BY THE**  
2 **LOCAL UNIT OF GOVERNMENT.**

3           **(I)** ~~(k)~~—All additional information that the governing body,  
4 the department, or the Michigan strategic fund considers necessary.

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

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

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

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

25           (6) In addition to any other requirements under this act, not  
26 less than once every 3 years beginning not later than June 30,  
27 2008, the auditor general shall conduct and report a performance



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

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

22 (8) For a transformational brownfield plan, all of the  
23 following shall also apply:

24 (a) The state treasurer shall transfer to the state brownfield  
25 redevelopment fund each fiscal year an amount equal to the  
26 construction period tax capture revenues, withholding tax capture  
27 revenues, and income tax capture revenues under all approved plans

1 as provided for in section 8a(4). Funds shall be transmitted to the  
2 authority, or owner or developer of the eligible property to which  
3 the revenues are attributable, within 30 days of transfer to the  
4 state brownfield redevelopment fund.

5 (b) The authority, the department, and the Michigan strategic  
6 fund shall follow the reporting requirements of subsections (3),  
7 (4), and (5) with respect to all approved transformational  
8 brownfield plans, and shall provide information on the amount and  
9 use of construction period tax capture revenues, withholding tax  
10 capture revenues, and income tax capture revenues to the same  
11 extent required for tax increment revenues.

12 (c) The owner or developer of active projects included within  
13 a transformational brownfield plan shall provide the information  
14 required for the authority, the department, and the Michigan  
15 strategic fund to satisfy the reporting and audit requirements of  
16 this section.