



Senate Fiscal Agency
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House Bill 4159 (Substitute S-1 as reported)
Sponsor: Representative Brandt Iden
House Committee: Local Government and Municipal Finance
Ways and Means
Senate Committee: Economic and Small Business Development

CONTENT

The bill would amend the Brownfield Redevelopment Financing Act to do the following:

- Require, as a condition to deposit local tax and school operating tax increment revenue into a local brownfield revolving fund, that the total excess capture of taxes for school operating purposes not exceed the total of the cost of eligible activities approved in a brownfield plan.
- Specify that a fund could be used only to pay the costs of eligible activities on property that was located within the municipality and met at least one of the conditions required for an eligible activity.
- Prohibit a brownfield redevelopment authority from using taxes levied for school operating purposes captured from eligible property for activities not identified under the bill.
- Allow an authority to use taxes captured from eligible property to pay for the reasonable cost of brownfield plan or work plan implementation, including tracking and reporting data and plan compliance.
- Exempt certain costs from the limitations on the use of local taxes and taxes levied for school operating purposes from an eligible property.
- Allow the beginning date of capture of tax increment revenue to be later than five years for a brownfield plan.
- Allow an authority to amend the beginning date of capture of tax increment revenues for a particular eligible property if the authority had not begun to reimburse eligible activities from the capture of tax increment revenues from that property.
- Modify the requirements of the annual financial report on the status of the activities of the authority to include certain information.
- Modify the timeline for the Michigan Strategic Fund to respond to an authority seeking approval of a work plan.

MCL 125.2652 et al.

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

The bill could have a negative fiscal impact on local units of government and the School Aid Fund. The total cost likely would be minor, but would depend on individual brownfield plans. The additional uses for tax increment could result in increased property tax capture, which would reduce revenue to local units of government. This also would affect property taxes for the State Education Tax, which goes into the School Aid Fund.

The reduced authority of Michigan Strategic Fund Board chairperson would have little fiscal impact on the Michigan Strategic Fund.

Date Completed: 9-30-20

Fiscal Analyst: Cory Savino

[floor/hb4159](#)

Bill Analysis @ www.senate.michigan.gov/sfa

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