

**STATE OF MICHIGAN
101ST LEGISLATURE
REGULAR SESSION OF 2021**

Introduced by Senators Horn, Hollier and Schmidt

ENROLLED SENATE BILL No. 671

AN ACT to amend 1996 PA 381, entitled “An act to authorize municipalities to create a brownfield redevelopment authority to facilitate the implementation of brownfield plans; to create brownfield redevelopment zones; to promote the revitalization, redevelopment, and reuse of certain property, including, but not limited to, tax reverted, blighted, or functionally obsolete property; to prescribe the powers and duties of brownfield redevelopment authorities; to permit the issuance of bonds and other evidences of indebtedness by an authority; to authorize the acquisition and disposal of certain property; to authorize certain funds; to prescribe certain powers and duties of certain state officers and agencies; and to authorize and permit the use of certain tax increment financing,” by amending sections 2, 13c, and 14a (MCL 125.2652, 125.2663c, and 125.2664a), section 2 as amended by 2020 PA 259 and sections 13c and 14a as added by 2017 PA 46.

The People of the State of Michigan enact:

Sec. 2. As used in this act:

- (a) “Authority” means a brownfield redevelopment authority created under this act.
- (b) “Baseline environmental assessment” means that term as defined in part 201 or 213.
- (c) “Blighted” means property that meets any of the following criteria as determined by the governing body:
 - (i) Has been declared a public nuisance in accordance with a local housing, building, plumbing, fire, or other related code or ordinance.
 - (ii) Is an attractive nuisance to children because of physical condition, use, or occupancy.
 - (iii) Is a fire hazard or is otherwise dangerous to the safety of persons or property.
 - (iv) Has had the utilities, plumbing, heating, or sewerage permanently disconnected, destroyed, removed, or rendered ineffective so that the property is unfit for its intended use.

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

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

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

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

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

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

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

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

(i) "Construction period tax capture revenues" means funds equal to the amount of income tax levied and imposed in a calendar year upon wages paid to individuals physically present and working within the eligible property for the construction, renovation, or other improvement of eligible property that is an eligible activity within a transformational brownfield plan. As used in this subdivision, "wages" means that term as defined in section 3401 of the internal revenue code of 1986, 26 USC 3401. To calculate the amount of construction period tax capture revenues for a calendar year under a transformational brownfield plan, the state treasurer shall do all of the following:

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

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

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

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

(k) "Department" means the department of environment, Great Lakes, and energy.

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

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

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

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

(iv) Dust control related to construction activities.

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

(vi) Industrial cleaning.

(vii) Sheet piling and shoring necessary for the removal of materials exceeding part 201 criteria at projects requiring a permit pursuant to part 301, 303, or 325 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.30101 to 324.30113, MCL 324.30301 to 324.30328, or MCL 324.32501 to 324.32515a.

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

(ix) Environmental insurance.

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

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

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

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

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

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

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

(A) Department specific activities.

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

(C) Reasonable costs of environmental insurance.

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

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

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

(G) Lead, asbestos, or mold abatement.

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

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

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

(B) Infrastructure improvements that directly benefit eligible property.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(q) “Environmental insurance” means liability insurance for environmental contamination and cleanup that is not otherwise required by state or federal law.

(r) “Facility” means that term as defined in part 201.

(s) “Fiscal year” means the fiscal year of the authority.

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

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

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

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

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

(y) “Income tax capture revenues” means, with respect to each eligible property subject to a transformational brownfield plan, funds equal to the amount for each tax year by which the aggregate income tax from individuals residing within the eligible property subject to a transformational brownfield plan exceeds the initial income tax value. Subject to subparagraph (iii), the state treasurer shall calculate annually the income tax capture revenues

associated with each transformational brownfield plan. In calculating income tax capture revenues, the state treasurer shall subtract from the aggregate amount of income tax credits under sections 255, 265, 266, and chapter 9 of the income tax act of 1967, 1967 PA 281, MCL 206.255, 206.265, 206.266, and 206.501 to 206.532. The state treasurer shall require the owner or developer of the eligible property to provide to the department of treasury all of the following information at the end of each calendar year, including the year in which the resolution adding that eligible property in the transformational brownfield plan is adopted:

(i) A list of addresses for all residential units, rental or owner-occupied, within the eligible property.

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

(iii) Notwithstanding anything to the contrary in this subdivision, in lieu of the reporting and calculation methods otherwise provided for, the owner or developer of a transformational brownfield project site may elect to utilize a safe harbor method of calculating income tax capture revenues. Under this safe harbor method, the Michigan strategic fund shall establish a safe harbor amount of annual income tax capture revenues for each eligible property at the time the Michigan strategic fund approves the transformational brownfield plan, and those amounts shall serve as the basis for the transmittal of income tax capture revenues to the owner or developer of the transformational project site under section 8a(4). The Michigan strategic fund shall establish the safe harbor amount for an eligible property by imputing a standard annual taxable income for households residing within the eligible property or portion of the eligible property. The safe harbor is effective only to the extent that the residential units within the eligible property or portion of the eligible property are actively leased or, in the case of units made available for sale, sold in an arms-length transaction. Imputations as to standard household taxable income may vary based on location and other relevant factors. The Michigan strategic fund may adjust the safe harbor amount for an eligible property, or portion of the eligible property, after the time of transformational brownfield plan approval as required to reflect changes in the transformational brownfield plan for the transformational project site that may occur after approval of the transformational brownfield plan, provided that those changes may not result in an aggregate increase in the level of income tax capture revenues from the amount initially established. The owner or developer of the transformational project site may make the election to utilize the safe harbor method of accounting at any time prior to the first reimbursement of income tax capture revenues under the transformational brownfield plan, provided that an election, once made, cannot be rescinded.

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

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

(i) Underground parking.

(ii) Multilevel parking structures.

(iii) Urban stormwater management systems.

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

(cc) "Initial taxable value" means the taxable value of an eligible property identified in and subject to a brownfield plan at the time the resolution adding that eligible property in the brownfield plan is adopted, as shown either by the most recent assessment roll for which equalization has been completed at the time the resolution is adopted or, if provided by the brownfield plan, by the next assessment roll for which equalization will be completed following the date the resolution adding that eligible property in the brownfield plan is adopted.

Property exempt from taxation at the time the initial taxable value is determined shall be included with the initial taxable value of zero. Property for which a specific tax is paid in lieu of property tax shall not be considered exempt from taxation. The state tax commission shall prescribe the method for calculating the initial taxable value of property for which a specific tax was paid in lieu of property tax. The initial assessed value may be modified by lowering the initial assessed value once during the term of the brownfield plan through an amendment as provided in section 14 after the tax increment financing plan fails to generate captured taxes for 3 consecutive years due to declines in assessed value.

(dd) "Initial withholding tax value" means, with respect to each eligible property subject to a transformational brownfield plan, the amount of income tax withheld under part 3 of the income tax act of 1967, 1967 PA 281, MCL 206.701 to 206.713, from individuals employed within the eligible property for the calendar year in which the resolution adding the eligible property to the plan is adopted. The initial withholding tax value shall not include construction period tax capture revenues.

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

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

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

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

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

(i) A city.

(ii) A village.

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

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

(v) A county.

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

(i) An ownership interest in the property.

(ii) A tax lien on the property.

(iii) A tax deed to the property.

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

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

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

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

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

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

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

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

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

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

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

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

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

(ii) Corrective action.

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

(qq) “State brownfield redevelopment fund” means the state brownfield redevelopment fund created in section 8a.

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

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

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

(ii) For tax increment revenues attributable to eligible property also exclude the amount of ad valorem property taxes or specific taxes captured by a downtown development authority under part 2 of the recodified tax increment financing act, 2018 PA 57, MCL 125.4201 to 125.4230, tax increment finance authority under the tax increment finance authority act, part 3 of the recodified tax increment financing act, 2018 PA 57, MCL 125.4301 to 125.4329, corridor improvement authority under part 6 of the recodified tax increment financing act, 2018 PA 57, MCL 125.4602 to 125.4629, or local development finance authority under part 4 of the recodified tax increment financing act, 2018 PA 57, MCL 125.4401 to 125.4420, if those taxes were captured by these other authorities on the date that eligible property became subject to a brownfield plan under this act.

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

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

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

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

(uu) “Taxes levied for school operating purposes” means all of the following:

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

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

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

(vv) “Transformational brownfield plan” means a brownfield plan that meets the requirements of section 13c and is adopted under section 14a and, as designated by resolution of the governing body and approved by the Michigan strategic fund, will have a transformational impact on local economic development and community revitalization based on the extent of brownfield redevelopment and growth in population, commercial activity, and employment that will result from the plan. To be designated a transformational brownfield plan, a transformational brownfield plan under this subdivision shall be for mixed-use development unless waived by the Michigan strategic fund as provided under section 14a(26) and shall be expected to result in the following levels of capital investment:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(iv) Notwithstanding anything to the contrary in this subdivision, in lieu of the reporting and calculation methods otherwise provided for, the owner or developer of a transformational project site may elect to utilize a safe harbor method of calculating withholding tax capture revenues. Under this safe harbor method, the Michigan strategic fund shall establish a safe harbor amount of annual withholding tax capture revenues for each eligible property at the time the Michigan strategic fund approves the transformational brownfield plan, and those amounts shall serve as the basis for the transmittal of withholding tax capture revenues to the owner or developer of the transformational project site under section 8a(4). The Michigan strategic fund shall establish the safe harbor amount for an eligible property by imputing a standard level of employee occupancy that corresponds to the size and use of the eligible property or portion of the eligible property and a safe harbor average annual taxable wage for the individuals employed within the eligible property or portion of the eligible property. The safe harbor shall be effective only to the extent the eligible property or portion of the eligible property is actively occupied, as evidenced by the existence of a binding lease agreement or similar instrument. Imputations as to occupancy and wages may vary between projects based on location, the type and use of the eligible property, and other relevant factors. The Michigan strategic fund may adjust the safe harbor amount for an eligible property, or portion of the eligible property, after the time of plan approval as required to reflect changes in the transformational brownfield plan for the transformational project site that may occur after approval of the transformational brownfield plan, provided that any of those changes may not result in an aggregate increase in the level of withholding tax capture revenues from the amount initially established. The owner or developer of the transformational project site may make the election to utilize the safe harbor method of accounting at any time prior to the first reimbursement of withholding tax capture revenues under the plan, provided that an election, once made, cannot be rescinded.

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

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

Sec. 13c. (1) Subject to the approval of the governing body and Michigan strategic fund under section 14a, the board may implement a transformational brownfield plan. The transformational brownfield plan may consist of a single development on eligible property or a series of developments on eligible property that are part of a related program of investment, whether or not located on contiguous parcels, and may be amended to apply to additional parcels of eligible property. Each amendment to a transformational brownfield plan shall be approved by the governing body of the municipality in which it is located and the Michigan strategic fund and shall be consistent with the approval requirements in this section.

(2) A transformational brownfield plan may authorize the use of construction period tax capture revenues, withholding tax capture revenues, income tax capture revenues, and tax increment revenues for eligible activities described in section 2(o)(iv). Except as provided for in section 13b(6)(d), tax increment revenues, construction period tax capture revenues, withholding tax capture revenues, and income tax capture revenues shall be used only for the costs of eligible activities included within the transformational brownfield plan to which the revenues are attributable, including the cost of principal of and interest on any obligation to pay the cost of the eligible activities.

(3) A transformational brownfield plan is a brownfield plan and, except as otherwise provided, is subject to sections 13, 13a, 13b, 14, and 15 of this act. In addition to the information required under section 13(2), a transformational brownfield plan shall contain all of the following:

(a) The basis for designating the plan as a transformational brownfield plan under section 2(vv).

(b) A description of the costs of the transformational brownfield plan intended to be paid for with construction period tax capture revenues, withholding tax capture revenues, and income tax capture revenues.

(c) An estimate of the amount of construction period tax capture revenues, withholding tax capture revenues, and income tax capture revenues expected to be generated for each year of the transformational brownfield plan from the eligible property.

(d) The beginning date and duration of capture of construction period tax capture revenues, withholding tax capture revenues, and income tax capture revenues for each eligible property as determined under subsections (8) and (11).

(4) Subject to section 14a(7), the transformational brownfield plan may provide for the use of part or all of the tax increment revenues, construction period tax capture revenues, withholding tax capture revenues, and income tax capture revenues. The portion of tax increment revenues, construction period tax capture revenues, withholding tax capture revenues, and income tax capture revenues to be used may vary over the duration of the transformational brownfield plan, but the portion intended to be used shall be clearly stated in the transformational brownfield plan.

(5) Approval of a transformational brownfield plan, or an amendment to a transformational brownfield plan, shall be in accordance with the notice, approval, and public hearing requirements of sections 14 and 14a, except that the governing body shall provide notice to the Michigan strategic fund not less than 30 days before the hearing on a transformational brownfield plan.

(6) If a transformational brownfield plan authorizes the use of construction period tax capture revenues, withholding tax capture revenues, or income tax capture revenues, approval of a combined brownfield plan or work plan by the Michigan strategic fund and a written development or reimbursement agreement between the owner or developer of the eligible property, the authority, and the Michigan strategic fund are required. If a plan authorizes the use of tax increment revenues for eligible activities under section 2(o)(iv) other than eligible activities described in section 13b, approval of a work plan or combined brownfield plan by the Michigan strategic fund to use tax increment revenues for those additional eligible activities is required. A work plan or combined brownfield plan under this subsection shall be consolidated with a work plan or combined brownfield plan under section 13b(4). The eligible activities to be conducted shall be consistent with the work plan submitted by the authority to the Michigan strategic fund.

(7) Upon approval of the transformational brownfield plan by the governing body and Michigan strategic fund, and the execution of the written development or reimbursement agreement, the transfer and distribution of construction period tax capture revenues, withholding tax capture revenues, and income tax capture revenues as specified in this act and in the plan shall be binding on this state and the collection and transmission of the amount of tax increment revenues as specified in this act and in the plan shall be binding on all taxing units levying ad valorem property taxes or specific taxes against property subject to the transformational brownfield plan.

(8) A transformational brownfield plan shall not authorize the capture or use of tax increment revenues, construction period tax capture revenues, withholding tax capture revenues, or income tax capture revenues after the year in which the total amount of the revenue captured under the transformational brownfield plan is equal to the sum of the costs permitted to be funded with the revenue under the transformational brownfield plan.

(9) The brownfield authority and Michigan strategic fund may reimburse advances, with or without interest, made by a municipality under section 7(3), a land bank fast track authority, or any other person or entity for costs of eligible activities included within a transformational brownfield plan using tax increment revenues, construction period tax capture revenues, withholding tax capture revenues, or income tax capture revenues attributable to that plan. Upon approval of the Michigan strategic fund, the amount of tax increment revenues, construction period tax capture revenues, withholding tax capture revenues, and income tax capture revenues authorized to be captured under a transformational brownfield plan may include amounts required for the payment of interest under this subsection. A written development or reimbursement agreement shall be entered into under subsection (6) before any reimbursement or payment using tax increment revenues, construction period tax capture revenues, withholding tax capture revenues, or income tax capture revenues may commence. A reimbursement agreement for these purposes and the obligations under that reimbursement agreement shall not be subject to section 12 or the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(10) Eligible activities conducted on eligible property prior to approval of the transformational brownfield plan may be reimbursed from tax increment revenues, construction period tax capture revenues, withholding tax capture revenues, and income tax capture revenues if those costs and the eligible property are subsequently included in a transformational brownfield plan approved by the governing body and Michigan strategic fund, a combined brownfield plan or work plan approved by the Michigan strategic fund, and a written development or reimbursement agreement under subsection (6). Reimbursement under this subsection shall be limited to eligible expenses incurred within 90 days of the approval of the transformational brownfield plan by the Michigan strategic fund.

(11) The duration of the capture of withholding tax capture revenues and income tax capture revenues under a transformational brownfield plan for a particular eligible property shall not exceed the lesser of the period authorized under subsection (8) or 20 years from the beginning date of the capture of withholding tax capture revenues and income tax capture revenues for that eligible property. The beginning date for the capture of tax increment revenues, withholding tax capture revenues, and income tax capture revenues for an eligible property shall not be later than 5 years following the date the Michigan strategic fund approves the inclusion of the eligible property in a transformational brownfield plan. Subject to the approval of the governing body and Michigan strategic fund, the authority may amend the beginning date of capture of tax increment revenues, withholding tax capture revenues, and income tax capture revenues to a date not later than 5 years following the date the Michigan strategic fund approved inclusion of the eligible property in the transformational brownfield plan so long as capture of the revenues under the transformational brownfield plan has not yet commenced.

(12) For purposes of subsection (1), a series of developments on parcels that are not contiguous shall be considered a related program of investment if all of the following are met:

(a) The developments are proposed to be undertaken concurrently or in reasonable succession.

(b) For developments under affiliated ownership, the developments are reasonably contiguous and are part of a program of investment in a logically defined geography, including, but not limited to, a downtown district as defined in section 201 of the recodified tax increment financing act, 2018 PA 57, MCL 125.4201, or a principal shopping district or business improvement district as defined in section 1 of 1961 PA 120, MCL 125.981, and including areas that are logically related to those districts and that will promote infill development.

(c) For developments under unrelated ownership, in addition to the criteria described in subdivisions (a) and (b), the developments are part of a master development plan, area plan, sub-area plan, or similar development plan that has been approved or adopted by resolution of the governing body.

(d) The designation of the developments as a related program of investment is consistent with the purposes of this act and is not a combination of unrelated or minimally related projects calculated to meet the minimum investment threshold.

(13) Where undeveloped property included in a transformational brownfield plan has been designated as a renaissance zone under the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, upon the request of the owner or developer of the eligible property and the local governmental unit that designated the zone, the Michigan strategic fund, and a city levying a tax under the city income tax act, 1964 PA 284, MCL 141.501 to 141.787, may elect under section 9(4) of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2689, to terminate the exemptions, deductions, or credits provided for in section 9(1)(b) and (c) of that act, and reimburse the authority, or owner or developer of the eligible property, an annual amount equal to the revenue collected for each tax year as a result of the termination of the exemptions, deductions, or credits that would otherwise be in effect. In implementing this subsection, all of the following apply:

(a) The authority and Michigan strategic fund shall include amounts anticipated to be collected under this subsection in the income tax capture revenues authorized to be used under the transformational brownfield plan and associated work plan or combined brownfield plan.

(b) The state treasurer shall calculate for each tax year the amount of revenue the state of Michigan collected as a result of the operation of this subsection and shall deposit that amount as income tax capture revenues into the state brownfield redevelopment fund, where the funds shall be transmitted in the manner provided for in sections 8a(4) and 16(8).

(c) A city levying a city income tax under the city income tax act, 1964 PA 284, MCL 141.501 to 141.787, shall calculate for each tax year the amount of revenue the city collected as a result of the operation of this subsection and shall enter into a binding reimbursement agreement with the authority, and owner or developer of the eligible property, providing for the payment of the amounts to the authority, or the owner or developer of the eligible property, for eligible activities as provided for in the transformational brownfield plan. City income taxes administered by the department of treasury pursuant to the city income tax act, 1964 PA 284, MCL 141.501 to 141.787, shall be subject to the procedures of subdivision (b) regarding the calculation and deposit of any revenue collected as a result of the operation of this subsection.

(d) The department of treasury may require the owner or developer to submit any information necessary for the calculation of revenue collected pursuant to the operation of this subsection. This state has no obligation for calculating revenues to be collected pursuant to the operation of this subsection where the required information is not reported.

(14) The authority and governing body are solely responsible for deciding whether to seek approval of a brownfield plan as a transformational brownfield plan. Nothing in this section or section 14a shall operate to prejudice or limit consideration of a brownfield plan under sections 13 and 14, including a decision by the Michigan strategic fund not to approve a plan as a transformational brownfield plan.

(15) Nothing in this act is intended to preclude an authority established by a county from seeking approval of a brownfield plan as a transformational brownfield plan. In the event that an authority established by a county seeks approval of a plan that extends into more than 1 of its component local units of government and that plan includes eligible property in more than 1 municipality that is not a county, the minimum investment requirements of section 2(vv) shall be established with reference to combined population of the municipalities that are not a county in which the eligible property is located.

Sec. 14a. (1) The governing body and Michigan strategic fund shall determine whether to approve a transformational brownfield plan in accordance with the provisions of this section.

(2) The governing body shall make an initial determination as to whether the transformational brownfield plan constitutes a public purpose in accordance with section 14(5). If the governing body determines the transformational brownfield plan does not constitute a public purpose, it shall reject the transformational brownfield plan.

(3) If the governing body determines that the transformational brownfield plan constitutes a public purpose, the governing body may then approve or reject the transformational brownfield plan, or approve it with modification, by resolution based on all of the following considerations:

(a) Whether the transformational brownfield plan meets the requirements of section 2(vv), which must include a determination that the transformational brownfield plan is calculated to, and has the reasonable likelihood to, have a transformational impact on local economic development and community revitalization based on the extent of brownfield redevelopment and growth in population, commercial activity, and employment that will result from the transformational brownfield plan.

(b) Whether the transformational brownfield plan meets the requirements of sections 13, 13b, and 13c.

(c) Whether the costs of eligible activities proposed are reasonable and necessary to carry out the purposes of this act.

(d) Whether the amount of captured taxable value, construction period tax capture revenues, withholding tax capture revenues, and income tax capture revenues estimated to result from adoption of the transformational brownfield plan are reasonable.

(e) Whether the transformational brownfield plan takes into account the criteria described in section 90b(4) of the Michigan strategic fund act, 1984 PA 270, MCL 125.2090b.

(f) Whether subject to subsection (2)(d), the transformational brownfield plan includes provisions for affordable housing.

(4) Within 90 days of the completion of an administratively complete application and the analysis required under subsection (5), the Michigan strategic fund shall approve or reject the transformational brownfield plan, or approve it with modification, by resolution based on the criteria in subsection (3).

(5) In determining whether to approve a transformational brownfield plan under subsection (3)(c) and (d), the Michigan strategic fund shall conduct a financial and underwriting analysis of the developments included in the plan. The analysis shall consider both projected rental rates at the time of project delivery and potential increases in rental rates over time. The Michigan strategic fund shall not approve the use of construction period tax capture revenues, withholding tax capture revenues, and income tax capture revenues beyond the amount determined to be necessary for the project to be economically viable. The Michigan strategic fund shall develop standardized underwriting criteria for determining economic viability. The Michigan strategic fund shall take into account the impact of the sales and use tax exemptions under section 4d(n) of the general sales tax act, 1933 PA 167, MCL 205.54d, and section 4dd of the use tax act, 1937 PA 94, MCL 205.94dd, in determining the amount of construction period tax capture revenues, withholding tax capture revenues, and income tax capture revenues required for the project to be economically viable. The Michigan strategic fund shall ensure that each transformational brownfield plan includes a significant equity contribution from the owner or developer as determined by the fund.

(6) The Michigan strategic fund shall require an independent, third-party underwriting analysis under subsection (3)(d) for any plan that proposes to use more than \$10,000,000.00 in any year in withholding tax capture revenues and income tax capture revenues, as determined by the first full year of tax capture under the plan. The cost of the independent, third-party underwriting analysis shall be paid by the owner or developer of the eligible property. The Michigan strategic fund shall consult with the state treasurer prior to approving any transformational brownfield plan subject to this subsection. Nothing in this subsection shall limit the ability of the Michigan strategic fund to utilize independent, third-party analyses on plans not subject to this subsection.

(7) Except as otherwise provided in this subsection, the Michigan strategic fund may not approve a transformational brownfield plan that proposes to use more than 50% of the withholding tax capture revenues or 50% of the income tax capture revenues. The Michigan strategic fund may modify the amount of withholding tax capture revenues and income tax capture revenues before approving a transformational brownfield plan in order to bring the transformational brownfield plan into compliance with subsection (5). The Michigan strategic fund may approve a transformational brownfield plan that proposes to use more than 50% of the income tax capture revenues if 1 of the following applies:

(a) The income tax capture revenues are attributable to the election under section 13c(13).

(b) The applicable eligible properties within the transformational brownfield plan are subject to a written, binding affordable housing agreement with the local governmental unit, which agreement shall be provided to the Michigan strategic fund, in which case the Michigan strategic fund may approve a transformational brownfield plan that proposes to use up to 100% of the income tax capture revenues, subject to the underwriting and financial analysis required under subsection (5).

(8) The Michigan strategic fund shall require the owner or developer of the eligible property to certify the actual capital investment, as determined in accordance with section 2(o)(iv) and section 2(vv), upon the completion of construction and before the commencement of reimbursement from withholding tax capture revenues, income tax capture revenues, or tax increment revenues, for the plan or the distinct phase or project within the plan for which reimbursement will be provided. If the actual capital investment is less than the amount included in the plan, the Michigan strategic fund shall review the determination under subsection (5) and may modify the amount of reimbursement if, and to the extent, such a modification is necessary to maintain compliance with subsection (5). The transformational brownfield plan, work plan, and development and reimbursement agreement shall include provisions to enforce the requirements and remedies under this subsection. If the actual level of capital investment does not meet the applicable minimum investment requirement under section 2(vv) and is outside of the safe harbor under subsection (15), the Michigan strategic fund may take 1 of the following remedial actions:

(a) For a plan that consists of a single development, reduce the amount of reimbursement under the plan.

(b) For a plan that consists of distinct phases or projects, where the failure to meet the minimum investment threshold is the result of failure to undertake additional distinct phases or projects as provided for in the plan, 1 or more of the following:

(i) Permanently rescind the authorization to use tax increment revenues, construction period tax capture revenues, withholding tax capture revenues, and income tax capture revenues for the additional distinct phases or projects in the plan.

(ii) If the Michigan strategic fund determines that the applicable owner or developer acted in bad faith, reduce the amount of reimbursement for completed phases of the plan.

(9) Upon approval by the Michigan strategic fund, the minimum investment requirements in section 2(vv) and limitation under subsection (22)(a) and (b) may be waived if the transformational brownfield plan meets 1 of the following criteria:

(a) Is for eligible property in an area approved by the state housing development authority as eligible for blight elimination program funding under the housing finance agency innovation fund for the hardest hit housing

markets authorized pursuant to the emergency economic stabilization act of 2008, Public Law 110-343, 12 USC 5201 to 5261. For purposes of this subdivision, an area approved as eligible for blight elimination program funding means that specific portion or portions of a municipality where the Michigan state housing development authority approved the expenditure of blight elimination program funds pursuant to an application identifying the target areas.

(b) Is for eligible property in a municipality that was subject to a state of emergency under the emergency management act, 1976 PA 390, MCL 30.401 to 30.421, issued for drinking water contamination.

(c) Is for eligible property that is a historic resource if the Michigan strategic fund determines the redevelopment is not economically feasible absent the transformational brownfield plan.

(d) Is for eligible property that is located in a city, village, or township with a population of less than 25,000 or that is otherwise eligible for the corresponding population tier in section 2(vv)(vi), as determined in accordance with subsection (15), if the Michigan strategic fund determines that the redevelopment is not economically feasible absent the transformational brownfield plan.

(10) In determining whether a plan under subsection (9) has a transformational impact for purposes of section 2(vv) and subsection (3)(a), the governing body and Michigan strategic fund shall consider the impact of the transformational brownfield plan in relation to existing investment and development conditions in the project area and whether the transformational brownfield plan will act as a catalyst for additional revitalization of the area in which it is located.

(11) The Michigan strategic fund may not approve more than 5 transformational brownfield plans under subsection (9) in a calendar year, except that if the Michigan strategic fund approves fewer than 5 plans in a calendar year under subsection (9), the unused approval authority shall carry forward into future calendar years and remain available until December 31, 2027. The Michigan strategic fund also shall not approve more than 5 transformational brownfield plans under subsection (9) in any individual city, village, or township prior to December 31, 2022.

(12) Except as provided in this subsection, amendments to an approved transformational brownfield plan shall be submitted by the authority to the governing body and to the Michigan strategic fund for approval or rejection following the same notice necessary for approval or rejection of the original transformational brownfield plan. Notice is not required for revisions in the estimates of tax increment revenues, construction period tax capture revenues, withholding tax capture revenues, or income tax capture revenues.

(13) Except as provided in this subsection, an amendment to an approved transformational brownfield plan under section 13c(1) shall not be considered a new plan approval subject to the limitation in subsection (22)(a). The Michigan strategic fund may consider an amendment as a new plan approval only where the amendment adds eligible property and the Michigan strategic fund determines that approving the addition as an amendment would be inconsistent with the purposes of this act.

(14) The procedure, adequacy of notice, and findings under this section shall be presumptively valid unless contested in a court of competent jurisdiction within 60 days after approval of the transformational brownfield plan by the Michigan strategic fund. An approved amendment to a conclusive transformational brownfield plan shall likewise be conclusive unless contested within 60 days after approval of the amendment by the Michigan strategic fund. If a resolution adopting an amendment to the transformational brownfield plan is contested, the original resolution adopting the transformational brownfield plan is not open to contest.

(15) The determination as to whether a transformational brownfield plan complies with the minimum investment requirements in section 2(vv) shall be made with reference to the most recent decennial census data available at the time of approval by the authority. A plan in a municipality that exceeds a population tier under section 2(vv) by not more than 10% of the maximum population for that tier shall, upon election of the authority, be subject to the investment requirement for that tier. A transformational brownfield plan that is expected to result in, or does result in, a total capital investment that is within 10% of the applicable minimum investment requirement shall be considered to satisfy the applicable requirement under section 2(vv).

(16) For purposes of a transformational brownfield plan, determination as to whether property is functionally obsolete as defined under section 2(u) may include considerations of economic obsolescence as determined in accordance with the Michigan state tax commission's assessor's manual.

(17) Any positive or negative determination by the Michigan strategic fund under this section shall be supported by objective analysis and documented in the record of its proceedings.

(18) The Michigan strategic fund shall charge and collect a reasonable application fee as necessary to cover the costs associated with the review and approval of a transformational brownfield plan.

(19) The Michigan strategic fund shall not commit, and the department of treasury shall not disburse, more than \$40,000,000.00 in total annual tax capture. For purposes of this subsection, “total annual tax capture” means the total annual amount of income tax capture revenues and withholding tax capture revenues that may be reimbursed each calendar year under all transformational brownfield plans. If the amount committed or disbursed in a calendar year is less than \$40,000,000.00, the difference between that amount and \$40,000,000.00 shall be available to be committed or disbursed in subsequent calendar years and shall be in addition to the annual limit otherwise applicable.

(20) The Michigan strategic fund shall not commit, and the department of treasury shall not disburse, a total amount of income tax capture revenues and withholding tax capture revenues that exceeds \$800,000,000.00.

(21) The Michigan strategic fund shall not approve more than a total of \$200,000,000.00 in construction period tax capture revenues and in projected sales and use tax exemptions under section 4d(n) of the general sales tax act, 1933 PA 167, MCL 205.54d, and section 4dd of the use tax act, 1937 PA 94, MCL 205.94dd. The Michigan strategic fund shall project the value of the sales and use tax exemptions under each transformational brownfield plan at the time of plan approval and shall require such information from the owner or developer as is necessary to perform this calculation. The Michigan strategic fund also shall require the owner or developer of the eligible property to report the actual value of the sales and use tax exemptions each tax year of the construction period and at the end of the construction period. If the value of the actual sales and use tax exemptions and construction period tax capture revenues under all transformational brownfield plans exceeds the limit of \$200,000,000.00 under this subsection by more than a de minimis amount, as determined by the state treasurer, the state treasurer shall take corrective action and may reduce future disbursements to achieve compliance with the aggregate limitation under subsection (20) and this subsection. The corrective action described in this subsection shall not reduce the disbursement for an individual plan by an amount that is more than the amount by which the value of the sales and use tax exemptions for that plan exceeded the amount projected at the time of plan approval and included in the plan. The Michigan strategic fund and department of treasury shall prescribe specific methods for implementing this section within 60 days of the effective date of the amendatory act that added this section.

(22) The Michigan strategic fund shall comply with all of the following:

(a) Not approve more than 5 transformational brownfield plans in a calendar year, except that if the Michigan strategic fund approves fewer than 5 plans in a calendar year, the unused approval authority shall carry forward into future calendar years and remain available until December 31, 2027.

(b) Not approve more than 5 transformational brownfield plans in any individual city, village, or township prior to December 31, 2022.

(c) Ensure an equitable geographic distribution of plans approved under this subsection, which shall achieve a balance between the needs of municipalities of differing sizes and differing geographic areas of the state. Subject to the receipt of qualified transformational brownfield plans meeting the criteria under this section and section 13c, the Michigan strategic fund shall set a target that not less than 35% of the total transformational brownfield plans approved under this act prior to December 31, 2027 will be located in cities, villages, and townships with a population of less than 100,000.

(d) In coordination with the governing body, shall determine the appropriate provisions regarding affordable housing on a plan-by-plan basis.

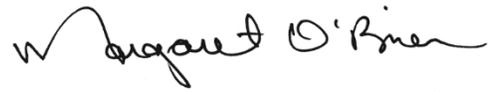
(23) In the event of a proposed change in ownership of eligible property subject to a transformational brownfield plan for which reimbursement will continue, the approval of the Michigan strategic fund is required prior to the assignment or transfer of the development and reimbursement agreement.

(24) If the Michigan strategic fund approves a transformational brownfield plan and work plan, and subsequent to that approval, amendments are made to this act, the Michigan strategic fund may amend those plans to make conforming and consistent changes to the approved transformational brownfield plan and work plan on an administrative basis, provided that those changes do not result in any increase in the aggregate total amount of reimbursement authorized under the initial transformational brownfield plan. The authority of the Michigan strategic fund to administratively amend transformational brownfield plans and work plans under this subsection also applies to transformational brownfield plans and work plans entered into before the effective date of the amendatory act that added this sentence.

(25) The Michigan strategic fund shall not approve any new transformational brownfield plans after December 31, 2027. A transformational brownfield plan approved prior to December 31, 2022 shall remain in effect and may be amended in accordance with the provisions of this act.

(26) Upon approval by the Michigan strategic fund, the mixed-use requirement in section 2(vv) may be waived for a brownfield plan that otherwise meets the location, population, and minimum investment requirement under section 2(vv)(vi).

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved _____

Governor