

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 129**

A bill to amend 1996 PA 381, entitled
"Brownfield redevelopment financing act,"
by amending the title and sections 2, 8, 8a, 13, 13b, 13c, 14, 14a,
15, and 16 (MCL 125.2652, 125.2658, 125.2658a, 125.2663, 125.2663b,
125.2663c, 125.2664, 125.2664a, 125.2665, and 125.2666), the title
as amended by 2003 PA 259, section 2 as amended by 2022 PA 178,
sections 8, 13, 13b, 15, and 16 as amended by 2020 PA 259, section
8a as amended by 2017 PA 46, sections 13c and 14a as amended by
2021 PA 138, and section 14 as amended by 2016 PA 471.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE
2 An act to authorize municipalities to create a brownfield
3 redevelopment authority to facilitate the implementation of



1 brownfield plans; to create brownfield redevelopment zones; to
 2 promote the revitalization, redevelopment, and reuse of certain
 3 property, including, but not limited to, **previously developed**, tax
 4 reverted, blighted, or functionally obsolete property; **to promote**
 5 **the utilization of certain property for housing development**; to
 6 prescribe the powers and duties of brownfield redevelopment
 7 authorities; to permit the issuance of bonds and other evidences of
 8 indebtedness by an authority; to authorize the acquisition and
 9 disposal of certain property; to authorize certain funds; to
 10 prescribe certain powers and duties of certain state officers and
 11 agencies; and to authorize and permit the use of certain tax
 12 increment financing.

13 Sec. 2. As used in this act:

14 (a) "Authority" means a brownfield redevelopment authority
 15 created under this act.

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

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

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

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

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

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



1 (v) Is **previously developed or** tax reverted property owned by
 2 a ~~qualified local governmental unit, by a county, municipality or~~
 3 by this state. The sale, lease, or transfer of **previously developed**
 4 **or** tax reverted property by a ~~qualified local governmental unit,~~
 5 ~~county, municipality~~ or this state after the property's inclusion
 6 in a brownfield plan ~~shall~~**does** not result in the loss to the
 7 property of the status as blighted property for purposes of this
 8 act.

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

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

22 (d) "Board" means the ~~governing body of~~**board that supervises**
 23 **and controls** an authority **under section 5.**

24 (e) "Brownfield plan" means a plan that meets the requirements
 25 of ~~section~~**sections** 13 and ~~section~~13b and is adopted under section
 26 14.

27 (f) "Captured taxable value" means the amount in 1 year by
 28 which the current taxable value of an eligible property subject to
 29 a brownfield plan, including the taxable value or assessed value,



1 as appropriate, of the property for which specific taxes are paid
 2 in lieu of property taxes, exceeds the initial taxable value of
 3 that eligible property. The state tax commission shall prescribe
 4 the method for calculating captured taxable value.

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

10 (h) "Combined brownfield plan" means a brownfield plan that
 11 also includes the information necessary to submit the plan to the
 12 department, **Michigan state housing development authority**, or
 13 Michigan strategic fund under section 15(20).

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

25 (i) Require the owner or developer of the eligible property to
 26 report the total taxable wages paid to individuals for the
 27 construction, renovation, or other improvement of eligible property
 28 that is an eligible activity within the transformational brownfield
 29 plan. The wages reported under this subparagraph ~~shall~~^{must} exclude



1 any wages paid to employees of the owner or developer.

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

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

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

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

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

27 (i) Response activities that are more protective of the public
28 health, safety, and welfare and the environment than required by
29 section 20107a, 20114, or 21304c of the natural resources and



1 environmental protection act, 1994 PA 451, MCL 324.20107a,
2 324.20114, and 324.21304c.

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

5 (iii) Disposal of solid waste, as defined in part 115 of the
6 natural resources and environmental protection act, 1994 PA 451,
7 MCL 324.11501 to ~~324.11554~~, **324.11587**, from the eligible property,
8 ~~provided it if the solid waste~~ was not generated or accumulated by
9 the authority or the developer.

10 (iv) Dust control related to construction activities.

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

15 (vi) Industrial cleaning.

16 (vii) Sheeting and shoring necessary for the removal of
17 materials exceeding part 201 criteria at projects requiring a
18 permit pursuant to part 301, 303, or 325 of the natural resources
19 and environmental protection act, 1994 PA 451, MCL 324.30101 to
20 324.30113, ~~MCL~~ 324.30301 to 324.30328, ~~or MCL~~ **and** 324.32501 to
21 324.32515a.

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

24 (ix) Environmental insurance.

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



1 324.20107a and 324.21304c.

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

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

5 (ii) That contain or contained a manufacturing operation **or an**
6 **enclosed mall** that consists or consisted of ~~500,000~~ **300,000** or more
7 square feet.

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

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

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

15 (A) Department specific activities.

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

18 (C) Reasonable costs of environmental insurance.

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

23 (E) Reasonable costs of brownfield plan and work plan
24 implementation, including, but not limited to, tracking and
25 reporting of data and plan compliance, **including costs to**
26 **implement, monitor, and maintain compliance with the income and**
27 **price monitoring responsibilities associated with housing**
28 **development activities**, and the reasonable costs incurred to
29 estimate and determine actual costs incurred, whether those costs



1 are incurred by a municipality, authority, or private developer.

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

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

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

14 **(ii) For housing property located in a community that has**
15 **identified a specific housing need and has absorption data or job**
16 **growth data included in the brownfield plan, eligible activities**
17 **include all of the following:**

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

19 (B) Housing development activities.

20 (C) Infrastructure improvements that are necessary for housing
21 property and support housing development activities.

22 (D) Site preparation that is not a response activity and that
23 supports housing development activities.

24 **(iii) ~~(ii)~~For eligible properties located in a qualified local**
25 **governmental unit, ~~of government,~~ or an economic opportunity zone,**
26 **or that ~~is~~**are** a former mill, eligible activities include **all of****
27 **the following:**

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

29 (B) Infrastructure improvements that directly benefit eligible



1 property.

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

3 (iv) ~~(iii)~~ For eligible properties that are owned by or under the
4 control of a land bank fast track authority, or a ~~qualified local~~
5 ~~unit of government~~ **municipality** or authority, eligible activities
6 include **all of the following**:

7 (A) The eligible activities described in subparagraphs (i), ~~and~~
8 (ii), **and (iii)**.

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

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

22 (v) ~~(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.

28 (vi) ~~(v)~~ For eligible activities on eligible property that is a
29 qualified facility that is not located in a qualified local



1 governmental unit and that is a facility, functionally obsolete, or
 2 blighted, the following additional activities:

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

4 (B) Infrastructure improvements that directly benefit eligible
 5 property.

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

7 (p) "Eligible property" means ~~, except either of the~~
 8 **following:**

9 (i) **Except** as otherwise provided in ~~this subdivision, sub-~~
 10 **subparagraph (G)**, property for which eligible activities are
 11 identified under a brownfield plan that was used or is currently
 12 used for commercial, industrial, public, or residential purposes,
 13 including personal property located on the property, **or former**
 14 **dumps, landfills, and other areas filled with nonnative material,**
 15 to the extent included in the brownfield plan, and that ~~is~~ **meets** 1
 16 or more of the following **conditions listed in sub-subparagraphs (A)**
 17 **to (F):**

18 (A) ~~(i)~~—Is in a qualified local governmental unit and is a
 19 facility or a site or property as those terms are defined in part
 20 213, historic resource, functionally obsolete, or blighted and
 21 includes parcels that are adjacent or contiguous to that property
 22 if the development of the adjacent and contiguous parcels is
 23 estimated to increase the captured taxable value of that property.

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



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

3 (D) ~~(iv)~~—Is a transit-oriented development or transit-oriented
4 property.

5 (E) ~~(v)~~—Is located in a qualified local governmental unit and
6 contains a targeted redevelopment area.

7 (F) ~~(vi)~~—Is undeveloped property that was eligible property in
8 a previously approved brownfield plan abolished under section
9 14(8).

10 (G) ~~(vii)~~—Eligible property does not include qualified
11 agricultural property exempt under section 7ee of the general
12 property tax act, 1893 PA 206, MCL 211.7ee, from the tax levied by
13 a local school district for school operating purposes to the extent
14 provided under section 1211 of the revised school code, 1976 PA
15 451, MCL 380.1211.

16 (ii) **Housing property for which eligible activities are**
17 **identified under a brownfield plan, including personal property**
18 **located on the property, to the extent included in the brownfield**
19 **plan.**

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

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

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

25 (t) "Former mill" means a former mill that has not been used
26 for industrial purposes for the immediately preceding 2 years, that
27 is not located in a qualified local governmental unit, that is a
28 facility or is a site or a property as those terms are defined in
29 part 213, functionally obsolete, or blighted, and that is located



1 within 15 miles of a river that is a federal superfund site listed
2 under the comprehensive environmental response, compensation and
3 liability act of 1980, 42 USC 9601 to 9675, and that is located in
4 a municipality with a population of less than 10,000.

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

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

14 (w) "Historic resource" means that term as defined in section
15 90a of the Michigan strategic fund act, 1984 PA 270, MCL 125.2090a.

16 (x) "Housing development activities" means 1 or more of the
17 following:

18 (i) Reimbursement provided to owners of rental housing units
19 for qualified rehabilitation.

20 (ii) Costs for infrastructure available for public use and
21 safety improvements necessary for a housing project.

22 (iii) Costs of demolition and renovation of existing buildings
23 and site preparation, to the extent necessary to accommodate an
24 income qualified purchaser household or income qualified renting
25 household.

26 (iv) Temporary household relocation costs for an income
27 qualified household for a period not to exceed 1 year.

28 (v) Acquisition cost for blighted or obsolete rental units, to
29 the extent the acquisition would promote rehabilitation or adaptive



1 reuse of the blighted or obsolete rental unit to accommodate an
 2 income qualified purchaser household or income qualified renting
 3 household.

4 (vi) Establishing a reserve, under the control of the authority
 5 or a local housing commission for qualified rental assistance
 6 payments to income qualified renting households. The reserve must
 7 be quantified as part of the post completion determination of
 8 eligible costs.

9 (vii) Reimbursement provided to a developer to fill a financing
 10 gap associated with the development of housing units priced for
 11 income qualified households and to assist with costs related to
 12 infrastructure improvements and site preparation that are not a
 13 response activity and that are necessary for new housing
 14 development for income qualified households on eligible property.

15 (y) "Housing property" means 1 or more of the following:

16 (i) A property on which 1 or more units of residential housing
 17 are proposed to be constructed, rehabilitated, or otherwise
 18 designed to be used as a dwelling.

19 (ii) One or more units of residential housing proposed to be
 20 constructed or rehabilitated and located in a mixed-use project.

21 (z) "Income qualified household" means a person, a family, or
 22 unrelated persons living together, whose annual household income is
 23 not more than 120% of the area median income. As used in this
 24 subdivision:

25 (i) "Area median income" means the median income for the area
 26 as determined under section 8 of the United States housing act of
 27 1937, 42 USC 1437f, adjusted for family size.

28 (ii) "Household income" means all income received by all
 29 individuals who are not less than 24 years of age when the



1 household income is determined and who reside in a household while
2 members of the household.

3 (aa) "Income qualified purchaser household" means a purchaser
4 who is, or who is a member of, an income qualified household.

5 (bb) "Income qualified renting household" means a renter who
6 is, or who is a member of, an income qualified household.

7 (cc) ~~(x)~~"Income tax" means the tax levied and imposed under
8 part 1 of the income tax act of 1967, 1967 PA 281, MCL 206.1 to
9 206.532.

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

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

29 (ii) Any other information that may be necessary to calculate



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

4 (iii) Notwithstanding anything to the contrary in this
 5 subdivision, ~~in lieu~~**instead** of the reporting and calculation
 6 methods otherwise provided for, the owner or developer of a
 7 transformational brownfield project site may elect to utilize a
 8 safe harbor method of calculating income tax capture revenues.
 9 Under this safe harbor method, the Michigan strategic fund shall
 10 establish a safe harbor amount of annual income tax capture
 11 revenues for each eligible property ~~at the time~~**when** the Michigan
 12 strategic fund approves the transformational brownfield plan, and
 13 those amounts shall serve as the basis for the transmittal of
 14 income tax capture revenues to the owner or developer of the
 15 transformational project site under section 8a(4). The Michigan
 16 strategic fund shall establish the safe harbor amount for an
 17 eligible property by imputing a standard annual taxable income for
 18 households residing within the eligible property or portion of the
 19 eligible property. The safe harbor is effective only to the extent
 20 that the residential units within the eligible property or portion
 21 of the eligible property are actively leased or, in the case of
 22 units made available for sale, sold in an arms-length transaction.
 23 Imputations as to standard household taxable income may vary based
 24 on location and other relevant factors. The Michigan strategic fund
 25 may adjust the safe harbor amount for an eligible property, or
 26 portion of the eligible property, after the time of
 27 transformational brownfield plan approval as required to reflect
 28 changes in the transformational brownfield plan for the
 29 transformational project site that may occur after approval of the



1 transformational brownfield plan, ~~provided that~~ **if** those changes
 2 ~~may do~~ not result in an aggregate increase in the level of income
 3 tax capture revenues from the amount initially established. The
 4 owner or developer of the transformational project site may ~~make~~
 5 ~~the election~~ **elect** to utilize the safe harbor method of accounting
 6 at any time ~~prior to~~ **before** the first reimbursement of income tax
 7 capture revenues under the transformational brownfield plan. ~~7~~
 8 ~~provided that an~~ **An election to utilize the safe harbor method of**
 9 **accounting**, once made, cannot be rescinded.

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

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



1 in adjoining areas. Infrastructure improvements also include 1 or
 2 more of the following whether publicly or privately owned or
 3 operated or located on public or private property:

4 (i) Underground parking.

5 (ii) Multilevel parking structures.

6 (iii) Urban stormwater management systems.

7 **(gg)** ~~(bb)~~ "Initial income tax value" means, with respect to
 8 each eligible property subject to a transformational brownfield
 9 plan, the aggregate amount of income tax less credits under
 10 sections 255, 265, 266, and chapter 9 of the income tax act of
 11 1967, 1967 PA 281, MCL 206.255, 206.265, 206.266, and 206.501 to
 12 206.532, from individuals residing within the eligible property for
 13 the tax year in which the resolution adding that eligible property
 14 in the transformational brownfield plan is adopted.

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



1 The initial assessed value may be modified by lowering the initial
 2 assessed value once during the term of the brownfield plan through
 3 an amendment as provided in section 14 after the tax increment
 4 financing plan fails to generate captured taxes for 3 consecutive
 5 years due to declines in assessed value.

6 **(ii)** ~~(dd)~~ "Initial withholding tax value" means, with respect
 7 to each eligible property subject to a transformational brownfield
 8 plan, the amount of income tax withheld under ~~part 3~~ **chapter 17** of
 9 the income tax act of 1967, 1967 PA 281, MCL 206.701 to ~~206.713,~~
 10 **206.715**, from individuals employed within the eligible property for
 11 the calendar year in which the resolution adding the eligible
 12 property to the plan is adopted. The initial withholding tax value
 13 ~~shall~~ **does** not include construction period tax capture revenues.

14 **(jj)** ~~(ee)~~ "Land bank fast track authority" means an authority
 15 created under the land bank fast track act, 2003 PA 258, MCL
 16 124.751 to 124.774.

17 **(kk)** ~~(ff)~~ "Local taxes" means all taxes levied other than
 18 taxes levied for school operating purposes.

19 **(ll)** "Michigan state housing development authority" means the
 20 Michigan state housing development authority created in section 21
 21 of the state housing development authority act of 1966, 1966 PA
 22 346, MCL 125.1421.

23 **(mm)** ~~(gg)~~ "Michigan strategic fund" means the Michigan
 24 strategic fund created under the Michigan strategic fund act, 1984
 25 PA 270, MCL 125.2001 to 125.2094.

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

29 **(oo)** ~~(ii)~~ "Municipality" means all of the following:



1 (i) A city.

2 (ii) A village.

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

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

8 (v) A county.

9 **(pp)** ~~(jj)~~ "Owned by or under the control of" means that a land
10 bank fast track authority, **a municipality**, or a qualified local
11 **governmental** unit ~~of government~~ has 1 or more of the following:

12 (i) An ownership interest in the property.

13 (ii) A tax lien on the property.

14 (iii) A tax deed to the property.

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

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

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

20 **(qq)** ~~(kk)~~ "Part 111", "part 201", "part 211", or "part 213"
21 means that part as described as follows:

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

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

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

28 (iv) Part 213 of the natural resources and environmental



1 protection act, 1994 PA 451, MCL 324.21301a to 324.21334.

2 (rr) "Previously developed property" means property that was
3 part of an existing developed residential, commercial, or
4 industrial zone and contained a structure serviced by utilities, or
5 former dumps, landfills, and other areas filled with nonnative
6 material.

7 (ss) ~~(ll)~~—"Qualified facility" means a landfill facility area
8 of 15 or more contiguous acres that is located in a city and that
9 contains, contained, or is adjacent to a landfill, a material
10 recycling facility, or an asphalt plant that is no longer in
11 operation.

12 (tt) ~~(mm)~~—"Qualified local governmental unit" means that term
13 as defined in the obsolete property rehabilitation act, 2000 PA
14 146, MCL 125.2781 to 125.2797.

15 (uu) "Qualified rehabilitation" means rehabilitation of
16 existing structures that is necessary to make a housing unit
17 suitable for sale to an income qualified purchaser household or
18 rent to an income qualified renting household. Qualified
19 rehabilitation also includes proposed rehabilitation that will
20 bring the structure into conformance with minimum local building
21 code standards for occupancy or improve the livability of the units
22 while meeting minimum local building code standards. As used in
23 this subsection, "existing structures" includes any structure
24 designed to be used as a dwelling.

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



1 **(ww)** ~~(oo)~~ "Release" means that term as defined in part 201 or
2 part 213.

3 **(xx)** ~~(pp)~~ "Response activity" means either of the following:

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

5 (ii) Corrective action.

6 **(yy)** ~~(qq)~~ "Specific taxes" means ~~a~~ **all of the following:**

7 (i) **A** tax levied under **any of the following:**

8 **(A)** 1974 PA 198, MCL 207.551 to 207.572. ~~;~~ ~~the~~

9 **(B)** **The** commercial redevelopment act, 1978 PA 255, MCL 207.651
10 to 207.668. ~~;~~ ~~the~~

11 **(C)** **The** enterprise zone act, 1985 PA 224, MCL 125.2101 to
12 125.2123. ~~;~~

13 **(D)** 1953 PA 189, MCL 211.181 to 211.182. ~~;~~ ~~the~~

14 **(E)** **The** technology park development act, 1984 PA 385, MCL
15 207.701 to 207.718. ~~;~~ ~~the~~

16 **(F)** **The** obsolete property rehabilitation act, 2000 PA 146, MCL
17 125.2781 to 125.2797. ~~;~~ ~~the~~

18 **(G)** **The** neighborhood enterprise zone act, 1992 PA 147, MCL
19 207.771 to 207.786. ~~;~~ ~~the~~

20 **(H)** **The** commercial rehabilitation act, 2005 PA 210, MCL
21 207.841 to 207.856. ~~;~~ ~~or that~~

22 **(I)** **The attainable housing facilities act, 2022 PA 236, MCL**
23 **207.901 to 207.916.**

24 **(J)** **The residential housing facilities act, 2022 PA 237, MCL**
25 **207.951 to 207.966.**

26 (ii) **That** portion of the tax levied under the tax reverted
27 clean title act, 2003 PA 260, MCL 211.1021 to 211.1025a, that is
28 not required to be distributed to a land bank fast track authority.

29 **(zz)** ~~(rr)~~ "State brownfield redevelopment fund" means the



1 state brownfield redevelopment fund created in section 8a.

2 (aaa) ~~(ss)~~—"Targeted redevelopment area" means not fewer than
 3 40 and not more than 500 contiguous parcels of real property
 4 located in a qualified local governmental unit and designated as a
 5 targeted redevelopment area by resolution of the governing body and
 6 approved by the Michigan strategic fund. A qualified local
 7 governmental unit is limited to designating no more than 2 targeted
 8 redevelopment areas for the purposes of this section in a calendar
 9 year. The Michigan strategic fund may approve no more than 5
 10 targeted redevelopment areas for the purposes of this section in a
 11 calendar year.

12 (bbb) ~~(tt)~~—"Tax increment revenues" means the amount of ad
 13 valorem property taxes and specific taxes attributable to the
 14 application of the levy of all taxing jurisdictions ~~upon~~ on the
 15 captured taxable value of each parcel of eligible property subject
 16 to a brownfield plan and personal property located on that
 17 property, regardless of whether those taxes began to be levied
 18 after the brownfield plan was adopted. **Tax increment revenues also**
 19 **include the amount of any payment in lieu of taxes under section**
 20 **15a(3) of the state housing development authority act of 1966, 1966**
 21 **PA 346, MCL 125.1415a, paid on an eligible property subject to a**
 22 **brownfield plan, less the amount of property taxes levied on the**
 23 **eligible property subject to the brownfield plan for the year the**
 24 **eligible property became subject to the brownfield plan. Tax**
 25 **increment revenues do not include any of the following:**

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



1 those ad valorem property taxes.

2 (ii) For tax increment revenues attributable to eligible
 3 property, ~~also exclude~~ the amount of ad valorem property taxes or
 4 specific taxes captured by a downtown development authority under
 5 part 2 of the recodified tax increment financing act, 2018 PA 57,
 6 MCL 125.4201 to 125.4230, tax increment finance authority under ~~the~~
 7 ~~tax increment finance authority act,~~ part 3 of the recodified tax
 8 increment financing act, 2018 PA 57, MCL 125.4301 to 125.4329,
 9 corridor improvement authority under part 6 of the recodified tax
 10 increment financing act, 2018 PA 57, MCL 125.4602 to 125.4629, or
 11 local development finance authority under part 4 of the recodified
 12 tax increment financing act, 2018 PA 57, MCL 125.4401 to 125.4420,
 13 if those taxes were captured by these other authorities on the date
 14 that eligible property became subject to a brownfield plan under
 15 this act, **unless these other authorities agree to forgo or transfer**
 16 **their taxes in support of the brownfield plan.**

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

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

22 (B) The art institute authorities act, 2010 PA 296, MCL
 23 123.1201 to 123.1229.

24 (ccc) ~~(uu)~~ "Taxable value" means the value determined under
 25 section 27a of the general property tax act, 1893 PA 206, MCL
 26 211.27a.

27 (ddd) ~~(vv)~~ "Taxes levied for school operating purposes" means
 28 all of the following:

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



1 purposes.

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

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

6 (eee) ~~(ww)~~ "Transformational brownfield plan" means a
7 brownfield plan that meets the requirements of section 13c and is
8 adopted under section 14a and, as designated by resolution of the
9 governing body and approved by the Michigan strategic fund, will
10 have a transformational impact on local economic development and
11 community revitalization based on the extent of brownfield
12 redevelopment and growth in population, commercial activity, and
13 employment that will result from the plan. To be designated a
14 transformational brownfield plan, a transformational brownfield
15 plan under this subdivision ~~shall~~**must** be for mixed-use development
16 unless waived by the Michigan strategic fund as provided under
17 section 14a(26) and ~~shall~~**must** be expected to result in the
18 following levels of capital investment:

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

21 (ii) In a municipality that is not a county and that has a
22 population of ~~at least~~**not less than** 150,000 and not more than
23 599,999, \$100,000,000.00.

24 (iii) In a municipality that is not a county and that has a
25 population of ~~at least~~**not less than** 100,000 and not more than
26 149,999, \$75,000,000.00.

27 (iv) In a municipality that is not a county and that has a
28 population of ~~at least~~**not less than** 50,000 and not more than
29 99,999, \$50,000,000.00.



1 (v) In a municipality that is not a county and that has a
 2 population of ~~at least~~ **not less than** 25,000 and not more than
 3 49,999, \$25,000,000.00.

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

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

11 **(ggg)** ~~(yy)~~ "Transit-oriented property" means property that
 12 houses a transit station in a manner that promotes transit
 13 ridership or passenger rail use.

14 **(hhh)** ~~(zz)~~ "Withholding tax capture revenues" means, with
 15 respect to each eligible property subject to a transformational
 16 brownfield plan, the amount for each calendar year by which the
 17 income tax withheld under ~~part 3~~ **chapter 17** of the income tax act
 18 of 1967, 1967 PA 281, MCL 206.701 to ~~206.713~~, **206.715**, from
 19 individuals employed within the eligible property exceeds the
 20 initial withholding tax value. Withholding tax capture revenues
 21 ~~shall do~~ not include income tax from individuals domiciled within
 22 the eligible property or construction period tax capture revenues.
 23 To calculate withholding tax capture revenues for a calendar year
 24 under a transformational brownfield plan, the state treasurer or
 25 the Michigan strategic fund shall do all of the following:

26 (i) The state treasurer shall require the owner or developer of
 27 the eligible property to provide the department of treasury with
 28 notice not more than 10 days from the date an employer commences or
 29 terminates occupancy within the eligible property. As used in this



1 subdivision, "employer" means that term as defined in section 8 of
2 the income tax act of 1967, 1967 PA 281, MCL 206.8.

3 (ii) The state treasurer shall develop methods and processes
4 that are necessary for each employer occupying the eligible
5 property to report the amount of withholding under ~~part 3~~ **chapter**
6 **17** of the income tax act of 1967, 1967 PA 281, MCL 206.701 to
7 ~~206.713,~~ **206.715**, from individuals employed within the eligible
8 property.

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

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

18 (B) That reimbursement of withholding tax capture revenues is
19 limited to amounts that are reported in accordance with ~~part 3~~
20 **chapter 17** of the income tax act of 1967, 1967 PA 281, MCL 206.701
21 to ~~206.713,~~ **206.715**, and this state has no obligation with respect
22 to withholding tax capture revenues that are not reported or paid.

23 (iv) Notwithstanding anything to the contrary in this
24 subdivision, ~~in lieu~~ **instead** of the reporting and calculation
25 methods otherwise provided for, the owner or developer of a
26 transformational project site may elect to utilize a safe harbor
27 method of calculating withholding tax capture revenues. Under this
28 safe harbor method, the Michigan strategic fund shall establish a
29 safe harbor amount of annual withholding tax capture revenues for



1 each eligible property ~~at the time~~ **when** the Michigan strategic fund
 2 approves the transformational brownfield plan, and those amounts
 3 shall serve as the basis for the transmittal of withholding tax
 4 capture revenues to the owner or developer of the transformational
 5 project site under section 8a(4). The Michigan strategic fund shall
 6 establish the safe harbor amount for an eligible property by
 7 imputing a standard level of employee occupancy that corresponds to
 8 the size and use of the eligible property or portion of the
 9 eligible property and a safe harbor average annual taxable wage for
 10 the individuals employed within the eligible property or portion of
 11 the eligible property. The safe harbor ~~shall be~~ **is** effective only
 12 to the extent the eligible property or portion of the eligible
 13 property is actively occupied, as evidenced by the existence of a
 14 binding lease agreement or similar instrument. Imputations as to
 15 occupancy and wages may vary between projects based on location,
 16 the type and use of the eligible property, and other relevant
 17 factors. The Michigan strategic fund may adjust the safe harbor
 18 amount for an eligible property, or portion of the eligible
 19 property, after the time of plan approval as required to reflect
 20 changes in the transformational brownfield plan for the
 21 transformational project site that may occur after approval of the
 22 transformational brownfield plan, ~~provided that any of~~ **if** those
 23 changes ~~may~~ **do** not result in an aggregate increase in the level of
 24 withholding tax capture revenues from the amount initially
 25 established. The owner or developer of the transformational project
 26 site may ~~make the election~~ **elect** to utilize the safe harbor method
 27 of accounting at any time ~~prior to~~ **before** the first reimbursement
 28 of withholding tax capture revenues under the plan. ~~, provided that~~
 29 ~~an~~ **An election to utilize the safe harbor method of accounting,**



1 once made, cannot be rescinded.

2 (iii) ~~(aaa)~~ "Work plan" means a plan that describes each
3 individual activity to be conducted to complete eligible activities
4 and the associated costs of each individual activity.

5 (jjj) ~~(bbb)~~ "Zone" means, for an authority established before
6 June 6, 2000, a brownfield redevelopment zone designated under this
7 act.

8 Sec. 8. (1) An authority may establish a local brownfield
9 revolving fund. A local brownfield revolving fund ~~shall~~**may** consist
10 of funds deposited from the following sources:

11 (a) Funds appropriated or otherwise made available from public
12 or private sources.

13 (b) Local tax and school operating tax increment revenue
14 captured in excess of the amount authorized for eligible expenses
15 under section 13(4) only ~~when~~**if** all of the following conditions
16 are met:

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

22 (ii) The excess local tax capture ~~shall~~**does** not exceed the
23 total of the cost of eligible activities approved in the brownfield
24 plan.

25 (iii) The excess capture of taxes for school operating purposes
26 ~~shall~~**does** not exceed the total of the cost of eligible department
27 specific activities approved in the applicable brownfield plan,
28 combined brownfield plan, or work plan, ~~The~~**and the** total excess
29 tax capture ~~shall~~**does** not exceed the total of the cost of eligible



1 activities approved in the brownfield plan.

2 (iv) Excess tax increment revenues from taxes levied for school
3 operating purposes for eligible activities authorized under section
4 13b(4) by the Michigan strategic fund ~~shall~~**or the Michigan state**
5 **housing development authority are** not ~~be~~ captured for deposit in
6 the local brownfield revolving fund.

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

10 (3) The tax increment revenues from eligible property for
11 deposit in the local brownfield revolving fund may include tax
12 increment revenues attributable to taxes levied for school
13 operating purposes in an amount not greater than the tax increment
14 revenues levied for school operating purposes captured from the
15 eligible property pursuant to section 13(4).

16 (4) The local brownfield revolving fund may be used only to
17 pay the costs of eligible activities on property that is located
18 within the municipality and meets at least 1 of the conditions
19 under section ~~2(e)~~**2(p)**, **regardless of whether or not the property**
20 **is included in a brownfield plan.** However, activities outlined in
21 section 13b(8) may be conducted and funded on prospective
22 properties.

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

26 Sec. 8a. (1) The state brownfield redevelopment fund is
27 created as a revolving fund within the department of treasury to be
28 administered as provided in this section. The state treasurer shall
29 direct the investment of the state brownfield redevelopment fund.



1 Money in the state brownfield redevelopment fund at the close of
 2 the fiscal year ~~shall remain~~ **remains** in the state brownfield
 3 redevelopment fund and ~~shall does~~ not lapse to the general fund.

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

6 (a) All amounts deposited into the state brownfield
 7 redevelopment fund under subsection (4) and section 13b(14).

8 (b) The proceeds from repayment of a loan, including interest
 9 on those repayments, under subsection (3) (c) (vi).

10 (c) Interest on funds deposited into the state brownfield
 11 redevelopment fund.

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

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

15 (a) Up to 15% of the amounts deposited annually into the state
 16 brownfield redevelopment fund may be used to pay administrative
 17 costs of all of the following:

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

19 (ii) The department to implement this act.

20 (iii) The department to implement part 196 of the natural
 21 resources and environmental protection act, 1994 PA 451, MCL
 22 324.19601 to 324.19616.

23 (iv) The department of treasury to implement this act.

24 (b) To make deposits into the clean Michigan initiative bond
 25 fund under section 19606(2) (d) of the natural resources and
 26 environmental protection act, 1994 PA 451, MCL 324.19606, for use
 27 in providing grants and loans under section 19608(1) (a) (iv) of the
 28 natural resources and environmental protection act, 1994 PA 451,
 29 MCL 324.19608.



1 (c) To fund a grant and loan program created and operated by
2 the Michigan strategic fund for the costs of eligible activities
3 described in section 13b(4) on eligible properties. The grant and
4 loan program ~~shall~~**must** provide for all of the following:

5 (i) The Michigan strategic fund shall create and operate a
6 grant and loan program to provide grants and loans to fund eligible
7 activities described in section 13b(4) on eligible property. The
8 Michigan strategic fund shall develop and use a detailed
9 application, approval, and compliance process adopted by resolution
10 of the board of the Michigan strategic fund. This process ~~shall~~
11 **must** be published and available on the Michigan strategic fund
12 website. Program standards, guidelines, templates, or any other
13 forms to implement the grant and loan program ~~shall~~**must** be
14 approved by the board of the Michigan strategic fund. The Michigan
15 strategic fund may delegate its approval authority under this
16 subsection to a designee.

17 (ii) A person may apply to the Michigan strategic fund for
18 approval of a grant or loan to fund eligible activities described
19 in section 13b(4) on eligible property.

20 (iii) The Michigan strategic fund shall approve or deny an
21 application not more than 60 days after receipt of an
22 administratively complete application. If the application is
23 neither approved nor denied within 60 days, it ~~shall~~**must** be
24 considered by the board of the Michigan strategic fund, or its
25 designee if delegated, for action at, or by, the next regularly
26 scheduled board meeting. The Michigan strategic fund may delegate
27 the approval or denial of an application to the chairperson of the
28 Michigan strategic fund or other designees determined by the board.

29 (iv) ~~When~~**If** an application is approved under this subsection,



1 the Michigan strategic fund shall enter into a written agreement
 2 with the applicant. The written agreement ~~shall~~**must** provide all
 3 the conditions imposed on the applicant and the terms of the grant
 4 or loan. The written agreement ~~shall~~**must** also provide for
 5 penalties if the applicant fails to comply with the provisions of
 6 the written agreement.

7 (v) After the Michigan strategic fund and the applicant have
 8 entered into a written agreement under subparagraph (iv), the
 9 Michigan strategic fund shall distribute the proceeds to the
 10 applicant according to the terms of the written agreement.

11 (vi) Any proceeds from repayment of a loan, including interest
 12 on those repayments, under this subsection ~~shall~~**must** be paid into
 13 the state brownfield redevelopment fund or to the fund from which
 14 the loan was generated, as ~~defined in subsection (3) (b) and~~
 15 ~~(c)~~**described in subdivision (b) and this subdivision.**

16 (d) To distribute construction period tax capture revenues,
 17 withholding tax capture revenues, and income tax capture revenues
 18 in accordance with a transformational brownfield plan under
 19 subsection (4).

20 (e) **To distribute revenue deposited in the state brownfield**
 21 **redevelopment fund from a brownfield plan that includes housing**
 22 **development activities and that was approved by the Michigan state**
 23 **housing development authority under section 13b(4) (b) to the**
 24 **housing development fund created in section 23 of the state housing**
 25 **development authority act of 1966, 1966 PA 346, MCL 125.1423.**

26 (4) The state treasurer shall deposit annually from the
 27 general fund into the state brownfield redevelopment fund an amount
 28 equal to the construction period tax capture revenues, withholding
 29 tax capture revenues, and income tax capture revenues due to be



1 transmitted under all transformational brownfield plans. The
 2 department of treasury shall distribute the construction period tax
 3 capture revenues, withholding tax capture revenues, and income tax
 4 capture revenues to an authority, or to the owner or developer of
 5 the eligible property to which the revenues are attributable, in
 6 accordance with section 16(8) and the terms of the written
 7 development or reimbursement agreement for each transformational
 8 brownfield plan. Amounts transferred into the state brownfield
 9 redevelopment fund attributable to a specific transformational
 10 brownfield plan ~~shall~~**must** be accounted for separately within the
 11 state brownfield redevelopment fund and ~~shall~~**must** not be used for
 12 any other purpose or activity under this section or for any
 13 transformational brownfield plan other than the plan to which the
 14 revenues are attributable or for the additional administrative
 15 costs under this section associated with the implementation of a
 16 transformational brownfield plan.

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

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

29 (a) A description of the costs of the plan intended to be paid



1 for with the tax increment revenues or, for a plan for eligible
 2 properties qualified on the basis that the property is owned by or
 3 under the control of a land bank fast track authority, a listing of
 4 all eligible activities that may be conducted for 1 or more of the
 5 eligible properties subject to the plan.

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

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

23 (d) The method by which the costs of the plan will be
 24 financed, including a description of any advances made or
 25 anticipated to be made for the costs of the plan from the
 26 municipality.

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

29 (f) The proposed beginning date and duration of capture of tax



1 increment revenues for each eligible property as determined under
2 section 13b(16).

3 (g) An estimate of the future tax revenues of all taxing
4 jurisdictions in which the eligible property is located to be
5 generated during the term of the plan.

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

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

29 (j) A plan for establishing priority for the relocation of



1 persons displaced by implementation of the plan.

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

8 (l) A strategy for compliance with 1972 PA 227, MCL 213.321 to
 9 213.332.

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

12 (3) ~~When~~ **If** taxes levied for school operating purposes are
 13 subject to capture under section 15, the percentage of school
 14 operating tax increment revenues captured relating to a parcel of
 15 eligible property under a brownfield plan ~~shall~~ **must** not be greater
 16 than the percentage of local tax increment revenues that are
 17 captured under the brownfield plan relating to that parcel of
 18 eligible property, **unless there is another approved local**
 19 **contribution to the project that provides a value reasonably**
 20 **equivalent to that percentage of local capture.**

21 (4) Except as **otherwise** provided in subsection (5) and
 22 sections 8, 13b(4) and (5), and 13c(12), tax increment revenues
 23 related to a brownfield plan ~~shall~~ **must** be used only for 1 or more
 24 of the following:

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

27 (b) Eligible activities attributable to any eligible property
 28 for property that is owned by or under the control of a land bank
 29 fast track authority or a qualified local **governmental** unit. ~~of~~



1 ~~government.~~

2 (5) A brownfield plan may only authorize the capture of tax
3 increment revenue from eligible property until the year in which
4 the total amount of tax increment revenues captured is equal to the
5 sum of the costs permitted to be funded with tax increment revenues
6 under this act or for not more than 30 years from the beginning
7 date of the capture of the tax increment revenues for that eligible
8 property, whichever occurs first. A brownfield plan may authorize
9 the capture of additional local and school operating tax increment
10 revenue from an eligible property for the local brownfield
11 revolving fund created under section 8 during 1 or more of the
12 following time frames:

13 (a) The time of capture described in this subsection for the
14 purpose of paying the costs permitted under subsection (4) or
15 section 13b(4).

16 (b) For not more than 5 years after the date specified in
17 subdivision (a).

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

21 (2) An authority shall not enter into agreements with the
22 taxing jurisdictions and the governing body of the municipality to
23 share a portion of the taxes captured from an eligible property
24 under this act, **unless the agreement is related to another tax**
25 **increment finance authority that has been established under the**
26 **recodified tax increment finance act, 2018 PA 57, MCL 125.4101 to**
27 **125.4915, forgoing or transferring its tax capture to allow an**
28 **authority to instead capture and utilize those taxes to pay for the**
29 **eligible activities for an eligible property and only for a period**



1 **of time not to exceed the duration of the plan for that eligible**
 2 **property.** ~~Upon~~ **On** adoption of the plan, the collection and
 3 transmission of the amount of tax increment revenues as specified
 4 in this act ~~shall be~~ **are** binding on all taxing units levying ad
 5 valorem property taxes or specific taxes against property located
 6 in the zone.

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

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

17 (a) A combined brownfield plan or a work plan ~~shall~~ **must** be
 18 approved by the Michigan strategic fund and a development agreement
 19 or reimbursement agreement between the municipality or authority
 20 and an owner or developer of eligible property is required before
 21 such tax increment may be used for ~~infrastructure~~ **any of the**
 22 **following:**

23 (i) **Infrastructure** improvements that directly benefit eligible
 24 property. ~~demolition~~

25 (ii) **Demolition** of structures that is not response activity. ~~lead~~

27 (iii) **Lead**, mold, or asbestos abatement that is not a department
 28 specific activity. ~~site~~

29 (iv) **Site** preparation that is not response activity.



1 ~~relocation~~

2 **(v) Relocation** of public buildings or operations for economic
3 development purposes. ~~7-or-acquisition~~

4 **(vi) Acquisition** of property by a land bank fast track
5 authority if acquisition of the property is for economic
6 development purposes.

7 **(b) Except as otherwise provided in this subdivision, if the**
8 **work plan or combined brownfield plan is requesting reimbursement**
9 **for housing development activities, the work plan or combined**
10 **brownfield plan must be approved by the Michigan state housing**
11 **development authority and a development agreement or reimbursement**
12 **agreement between the municipality or authority and an owner or**
13 **developer of eligible property that stipulates price and income**
14 **monitoring for residential units is required before such tax**
15 **increment may be used for housing development activities. A work**
16 **plan or combined brownfield plan is not required to be approved by**
17 **the Michigan state housing development authority under this**
18 **subdivision if all of the housing property for which housing**
19 **development activities are identified under the plan will be sold**
20 **or rented at a market rate and will not be subsidized.**

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

27 **(d) ~~(e)~~**The combined brownfield plan or work plan to be
28 submitted to the Michigan strategic fund **or Michigan state housing**
29 **development authority** under this subsection ~~shall~~**must** be in a form



1 prescribed by the Michigan strategic fund **or the Michigan state**
 2 **housing development authority, as applicable.**

3 (e) ~~(d)~~—The eligible activities to be conducted and described
 4 in this subsection shall ~~must~~ be consistent with the combined
 5 brownfield plan or work plan submitted by the authority to the
 6 Michigan strategic fund **or the Michigan state housing development**
 7 **authority, or both, as applicable.**

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

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

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

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

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

24 (c) Use taxes levied for school operating purposes captured
 25 from eligible property for activities other than those identified
 26 in subsections (4), (5), and (12).

27 (d) Use construction period tax capture revenues, withholding
 28 tax capture revenues, or income tax capture revenues to pay for
 29 eligible activities conducted before approval of the



1 transformational brownfield plan except for costs described in
2 section 13c(10).

3 (e) Use construction period tax capture revenues, withholding
4 tax capture revenues, and income tax capture revenues for any
5 expense other than as provided for in section 13c(2), except for
6 the reasonable costs for preparing a transformational brownfield
7 plan and the additional administrative and operating expenses of
8 the authority or municipality as are specifically associated with
9 the implementation of a transformational brownfield plan. For
10 purposes of this subsection, the reasonable costs of preparing a
11 transformational brownfield plan include the reasonable costs of
12 preparing an associated work plan, combined brownfield plan, and
13 development or reimbursement agreement.

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

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

19 (i) Reasonable and actual administrative and operating expenses
20 of the authority, **including costs to implement, monitor, and**
21 **maintain compliance with the income and price monitoring**
22 **responsibilities associated with housing development activities.**

23 (ii) Department specific activities conducted by or on behalf
24 of the authority related directly to work conducted on prospective
25 eligible properties ~~prior to~~ **before** approval of the brownfield
26 plan.

27 (iii) Reasonable costs of developing and preparing brownfield
28 plans, combined plans, or work plans for which tax increment
29 revenues may be used under subsection (4), including, but not



1 limited to, ~~legal~~ **both of the following:**

2 **(A) Legal** and consulting fees that are not in the ordinary
3 course of acquiring and developing real estate.

4 **(B) Fees and expenses, including licensing, permitting,**
5 **planning, engineering, architectural, testing, legal, and**
6 **accounting fees, not described in sub-subparagraph (A).**

7 (iv) Reasonable cost of brownfield plan or work plan
8 implementation, including, but not limited to, tracking and
9 reporting data and plan compliance **and costs to implement, monitor,**
10 **and maintain compliance with the income and price monitoring**
11 **responsibilities associated with housing development activities.**

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

14 (i) Reasonable costs of developing and preparing brownfield
15 plans, combined brownfield plans, or work plans for which tax
16 increment revenues may be used under section 13(4), including, but
17 not limited to, ~~legal~~ **both of the following:**

18 **(A) Legal** and consulting fees that are not in the ordinary
19 course of acquiring and developing real estate, not to exceed
20 \$30,000.00.

21 **(B) Fees and expenses, including licensing, permitting,**
22 **planning, engineering, architectural, testing, legal, and**
23 **accounting fees, not described in sub-subparagraph (A).**

24 (ii) Reasonable costs of brownfield plan or work plan
25 implementation, including, but not limited to, tracking and
26 reporting of data and plan compliance, **and costs to implement,**
27 **monitor, and maintain compliance with the income and price**
28 **monitoring responsibilities associated with housing development**
29 **activities, not to exceed ~~\$30,000.00~~ \$50,000.00.**



1 (c) In each fiscal year of the authority, the amount of tax
 2 increment revenues attributable to local taxes that an authority
 3 ~~can~~**may** use for the purposes described in subdivisions (a) and (b)
 4 ~~shall be~~**is** determined as follows:

5 (i) For authorities that have 5 or fewer active projects,
 6 ~~\$100,000.00.~~**\$125,000.00.**

7 (ii) For authorities that have 6 or more but fewer than 11
 8 active projects, ~~\$125,000.00.~~**\$165,000.00.**

9 (iii) For authorities that have 11 or more but fewer than 16
 10 active projects, ~~\$150,000.00.~~**\$200,000.00.**

11 (iv) For authorities that have 16 or more but fewer than 21
 12 active projects, ~~\$175,000.00.~~**\$225,000.00.**

13 (v) For authorities that have 21 or more but fewer than 26
 14 active projects, ~~\$200,000.00.~~**\$250,000.00.**

15 (vi) For authorities that have 26 or more but fewer than 31
 16 active projects, ~~\$300,000.00.~~**\$400,000.00.**

17 (vii) For authorities that have 31 or more but fewer than 54
 18 active projects, ~~\$500,000.00.~~**\$650,000.00.**

19 (viii) For authorities that have 54 or more but fewer than 74
 20 active projects, ~~\$700,000.00.~~**\$900,000.00.**

21 (ix) For authorities that have 74 or more but fewer than 99
 22 active projects, ~~\$900,000.00.~~**\$1,400,000.00.**

23 (x) For authorities that have 99 or more active projects,
 24 ~~\$1,000,000.00.~~**\$2,000,000.00.**

25 (d) ~~Nothing contained in this~~**This** subsection ~~shall~~**does not**
 26 limit the amount of funds that may be granted, loaned, or expended
 27 by a local brownfield revolving fund for eligible activities.

28 (e) As used in this subsection, "active project" means **either**
 29 a project ~~in~~**for** which the authority is currently capturing taxes



1 under this act **or a project for which an authority has ongoing**
 2 **obligations to implement, monitor, or maintain compliance with the**
 3 **income and price monitoring responsibilities associated with**
 4 **housing development activities, or both.** The amounts of tax
 5 increment revenues attributable to local taxes listed in this
 6 subsection that an authority can use for the purposes described in
 7 this subsection may be increased by 2% for each written agreement
 8 entered into by an authority in either of the following situations
 9 up to a total maximum increase of 10%:

10 (i) The authority is an authority established by a county and
 11 that authority enters into a written agreement with 1 or more
 12 municipalities within that county to serve as the only authority
 13 for those other municipalities.

14 (ii) The authority enters into a written agreement with 1 or
 15 more other authorities to administer 1 or more administrative
 16 operations of those other authorities.

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

21 (a) Site investigation activities required to conduct a
 22 baseline environmental assessment and to evaluate compliance with
 23 sections 20107a and 21304c of the natural resources and
 24 environmental protection act, 1994 PA 451, MCL 324.20107a and
 25 324.21304c.

26 (b) Completing a baseline environmental assessment.

27 (c) Preparing a plan for compliance with sections 20107a and
 28 21304c of the natural resources and environmental protection act,
 29 1994 PA 451, MCL 324.20107a and 324.21304c.



1 (d) Performing pre-demolition and building hazardous materials
2 surveys.

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

4 (f) **Asbestos, mold, lead, and building hazardous materials**
5 **abatement and demolition, in an amount not to exceed \$250,000.00.**

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

9 (a) For tax increment revenues attributable to taxes levied
10 for school operating purposes, eligible activities associated with
11 unanticipated response activities conducted on eligible property if
12 that eligible property has been included in a brownfield plan, ~~if~~
13 the department is consulted in writing on the unanticipated
14 response activities before they are conducted, and the costs of
15 those activities are subsequently included in a brownfield plan,
16 combined brownfield plan or a work plan or amendment approved by
17 the authority and approved by the department.

18 (b) For tax increment revenues attributable to local taxes,
19 any eligible activities conducted on eligible property or
20 prospective eligible properties ~~prior to~~ **before** approval of the
21 brownfield plan, if those costs and the eligible property are
22 subsequently included in a brownfield plan approved by the
23 authority.

24 (c) For tax increment revenues attributable to taxes levied
25 for school operating purposes, eligible activities described in
26 subsection (4) and conducted on eligible property or prospective
27 eligible properties ~~prior to~~ **before** approval of the brownfield
28 plan, if those costs and the eligible property are subsequently
29 included in a brownfield plan approved by the authority and a



1 combined brownfield plan or work plan approved by the Michigan
 2 strategic fund **or the Michigan state housing development authority,**
 3 **or both, as applicable.**

4 (d) Reasonable cost of developing and preparing brownfield
 5 plans, combined brownfield plans, or work plans for which tax
 6 increment revenues may be used under section 13(4), including, but
 7 not limited to, legal and consulting fees that are not in the
 8 ordinary course of acquiring and developing real estate.

9 (e) Reasonable cost of brownfield plan or work plan
 10 implementation, including, but not limited to, tracking and
 11 reporting of data and plan compliance.

12 (10) An authority shall not use taxes levied for school
 13 operating purposes captured from eligible property for response
 14 activities that benefit a party responsible for an activity causing
 15 a release under section 20126 or 21323a of the natural resources
 16 and environmental protection act, 1994 PA 451, MCL 324.20126 and
 17 324.21323a, except that a municipality that established the
 18 authority may use taxes levied for school operating purposes
 19 captured from eligible property for response activities associated
 20 with a landfill.

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

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

28 (a) If an authority reimburses a person or entity under this
 29 section for an advance for the payment or reimbursement of the cost



1 of eligible activities and interest thereon, the authority may
2 capture local taxes for the payment of that interest.

3 (b) If an authority reimburses a person or entity under this
4 section for an advance for the payment or reimbursement of the cost
5 of department specific activities and interest thereon included in
6 a combined brownfield plan or a work plan approved by the
7 department, the authority may capture taxes levied for school
8 operating purposes and local taxes for the payment of that
9 interest.

10 (c) If an authority reimburses a person or entity under this
11 section for an advance for the payment or reimbursement of the cost
12 of eligible activities that are not department specific activities
13 and interest thereon included in a combined brownfield plan or a
14 work plan approved by the Michigan strategic fund **or the Michigan**
15 **state housing development authority, or both, as applicable,** the
16 authority may capture taxes levied for school operating purposes
17 and local taxes for the payment of that interest ~~provided that if~~
18 the Michigan strategic fund **or the Michigan state housing**
19 **development authority, as applicable,** grants an approval for the
20 capture of taxes levied for school operating purposes to pay such
21 interest.

22 (13) An authority may enter into agreements related to these
23 reimbursements and payments described in this section. A
24 reimbursement agreement for these purposes and the obligations
25 under that reimbursement agreement ~~shall is~~ not be subject to
26 section 13 or the revised municipal finance act, 2001 PA 34, MCL
27 141.2101 to 141.2821.

28 (14) Notwithstanding anything to the contrary in this act, for
29 a brownfield plan that includes the capture of taxes levied for



1 school operating purposes from each eligible property included in a
 2 brownfield plan after January 1, 2013, an authority shall pay to
 3 the department of treasury at least once annually an amount equal
 4 to 50% of the taxes levied under the state education tax act, 1993
 5 PA 331, MCL 211.901 to 211.906, including 50% of that portion of
 6 specific taxes attributable to, but not levied under, the state
 7 education tax act, 1993 PA 331, MCL 211.901 to 211.906, that are
 8 captured under the brownfield plan until the expiration of the
 9 earlier of the following:

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

12 (b) The later of **the following**:

13 (i) The date of repayment of all eligible expenses relative to
 14 such eligible property.

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

17 (15) The department of treasury shall deposit the amounts
 18 described in subsection (14) into the state brownfield
 19 redevelopment fund. If an authority makes a payment as required
 20 under subsection (14) to the department of treasury, the local
 21 taxes levied on that parcel and used to reimburse eligible
 22 activities under a brownfield plan ~~shall~~**must** not be increased or
 23 decreased due to that payment. If, due to an appeal of any tax
 24 assessment, an authority is required to reimburse a taxpayer for
 25 any portion of the amount paid to the department of treasury under
 26 this subsection, the department of treasury shall reimburse that
 27 amount to the authority within 30 days after receiving a request
 28 from the authority for reimbursement.

29 (16) The brownfield plan ~~shall~~**must** include a proposed



1 beginning date of capture. If the actual beginning date of capture
 2 of tax increment revenues is later than 5 years following the date
 3 of the adoption of the brownfield plan resolution, then the maximum
 4 number of years of capture will decrease. The end date of capture
 5 must be no later than 35 years after the date of the adoption of
 6 the brownfield plan resolution. The authority may amend the
 7 beginning date of capture of tax increment revenues for a
 8 particular eligible property as long as the authority has not begun
 9 to reimburse eligible activities from the capture of tax increment
 10 revenues from that eligible property. Any tax increment revenues
 11 captured from an eligible property before the beginning date of
 12 capture of tax increment revenues for that eligible property ~~shall~~
 13 **must** revert proportionately to the respective tax bodies.

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

26 (2) A transformational brownfield plan may authorize the use
 27 of construction period tax capture revenues, withholding tax
 28 capture revenues, income tax capture revenues, and tax increment
 29 revenues for eligible activities described in section ~~2(e)(iv)~~.



1 **2(o)(v)**. Except as **otherwise** provided ~~for~~ in section 13b(6)(d), tax
 2 increment revenues, construction period tax capture revenues,
 3 withholding tax capture revenues, and income tax capture revenues
 4 ~~shall~~**must** be used only for the costs of eligible activities
 5 included within the transformational brownfield plan to which the
 6 revenues are attributable, including the cost of principal of and
 7 interest on any obligation to pay the cost of the eligible
 8 activities.

9 (3) A transformational brownfield plan is a brownfield plan
 10 and, except as otherwise provided, is subject to sections 13, 13a,
 11 13b, 14, and 15. ~~of this act.~~ In addition to the information
 12 required under section 13(2), a transformational brownfield plan
 13 ~~shall~~**must** contain all of the following:

14 (a) The basis for designating the plan as a transformational
 15 brownfield plan under section ~~2(vv)~~**2(eee)**.

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

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

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

28 (4) Subject to section 14a(7), the transformational brownfield
 29 plan may provide for the use of part or all of the tax increment



1 revenues, construction period tax capture revenues, withholding tax
 2 capture revenues, and income tax capture revenues. The portion of
 3 tax increment revenues, construction period tax capture revenues,
 4 withholding tax capture revenues, and income tax capture revenues
 5 to be used may vary over the duration of the transformational
 6 brownfield plan, but the portion intended to be used ~~shall~~**must** be
 7 clearly stated in the transformational brownfield plan.

8 (5) Approval of a transformational brownfield plan, or an
 9 amendment to a transformational brownfield plan, ~~shall~~**must** be in
 10 accordance with the notice, approval, and public hearing
 11 requirements of sections 14 and 14a, except that the governing body
 12 shall provide notice to the Michigan strategic fund not less than
 13 30 days before the hearing on a transformational brownfield plan.

14 (6) If a transformational brownfield plan authorizes the use
 15 of construction period tax capture revenues, withholding tax
 16 capture revenues, or income tax capture revenues, approval of a
 17 combined brownfield plan or work plan by the Michigan strategic
 18 fund and a written development or reimbursement agreement between
 19 the owner or developer of the eligible property, the authority, and
 20 the Michigan strategic fund are required. If a plan authorizes the
 21 use of tax increment revenues for eligible activities under section
 22 ~~2(o)(iv)~~**2(o)(v)** other than eligible activities described in section
 23 13b, approval of a work plan or combined brownfield plan by the
 24 Michigan strategic fund to use tax increment revenues for those
 25 additional eligible activities is required. A work plan or combined
 26 brownfield plan under this subsection ~~shall~~**must** be consolidated
 27 with a work plan or combined brownfield plan under section 13b(4).
 28 The eligible activities to be conducted ~~shall~~**must** be consistent
 29 with the work plan submitted by the authority to the Michigan



1 strategic fund.

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

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

20 (9) The brownfield authority and Michigan strategic fund may
 21 reimburse advances, with or without interest, made by a
 22 municipality under section 7(3), a land bank fast track authority,
 23 or any other person or entity for costs of eligible activities
 24 included within a transformational brownfield plan using tax
 25 increment revenues, construction period tax capture revenues,
 26 withholding tax capture revenues, or income tax capture revenues
 27 attributable to that plan. ~~Upon~~**On** approval of the Michigan
 28 strategic fund, the amount of tax increment revenues, construction
 29 period tax capture revenues, withholding tax capture revenues, and



1 income tax capture revenues authorized to be captured under a
 2 transformational brownfield plan may include amounts required for
 3 the payment of interest under this subsection. A written
 4 development or reimbursement agreement ~~shall~~**must** be entered into
 5 under subsection (6) before any reimbursement or payment using tax
 6 increment revenues, construction period tax capture revenues,
 7 withholding tax capture revenues, or income tax capture revenues
 8 may commence. A reimbursement agreement for these purposes and the
 9 obligations under that reimbursement agreement ~~shall~~**are** not be
 10 subject to section 12 or the revised municipal finance act, 2001 PA
 11 34, MCL 141.2101 to 141.2821.

12 (10) Eligible activities conducted on eligible property ~~prior~~
 13 ~~to~~**before** approval of the transformational brownfield plan may be
 14 reimbursed from tax increment revenues, construction period tax
 15 capture revenues, withholding tax capture revenues, and income tax
 16 capture revenues if those costs and the eligible property are
 17 subsequently included in a transformational brownfield plan
 18 approved by the governing body and Michigan strategic fund, a
 19 combined brownfield plan or work plan approved by the Michigan
 20 strategic fund, and a written development or reimbursement
 21 agreement under subsection (6). Reimbursement under this subsection
 22 ~~shall be~~**is** limited to eligible expenses incurred within 90 days of
 23 the approval of the transformational brownfield plan by the
 24 Michigan strategic fund.

25 (11) The duration of the capture of withholding tax capture
 26 revenues and income tax capture revenues under a transformational
 27 brownfield plan for a particular eligible property ~~shall~~**must** not
 28 exceed the lesser of the period authorized under subsection (8) or
 29 20 years from the beginning date of the capture of withholding tax



1 capture revenues and income tax capture revenues for that eligible
 2 property. The beginning date for the capture of tax increment
 3 revenues, withholding tax capture revenues, and income tax capture
 4 revenues for an eligible property ~~shall~~**must** not be later than 5
 5 years following the date the Michigan strategic fund approves the
 6 inclusion of the eligible property in a transformational brownfield
 7 plan. Subject to the approval of the governing body and Michigan
 8 strategic fund, the authority may amend the beginning date of
 9 capture of tax increment revenues, withholding tax capture
 10 revenues, and income tax capture revenues to a date not later than
 11 5 years following the date the Michigan strategic fund approved
 12 inclusion of the eligible property in the transformational
 13 brownfield plan ~~so long as~~**if** capture of the revenues under the
 14 transformational brownfield plan has not yet commenced.

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

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

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

29 (c) For developments under unrelated ownership, in addition to



1 the criteria described in subdivisions (a) and (b), the
 2 developments are part of a master development plan, area plan, sub-
 3 area plan, or similar development plan that has been approved or
 4 adopted by resolution of the governing body.

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

9 (13) ~~Where~~**If** undeveloped property included in a
 10 transformational brownfield plan has been designated as a
 11 renaissance zone under the Michigan renaissance zone act, 1996 PA
 12 376, MCL 125.2681 to 125.2696, ~~upon~~**on** the request of the owner or
 13 developer of the eligible property and the local governmental unit
 14 that designated the zone, the Michigan strategic fund, and a city
 15 levying a tax under the city income tax act, 1964 PA 284, MCL
 16 141.501 to 141.787, may elect under section 9(4) of the Michigan
 17 renaissance zone act, 1996 PA 376, MCL 125.2689, to terminate the
 18 exemptions, deductions, or credits provided for in section 9(1)(b)
 19 and (c) of that act, and reimburse the authority, or owner or
 20 developer of the eligible property, an annual amount equal to the
 21 revenue collected for each tax year as a result of the termination
 22 of the exemptions, deductions, or credits that would otherwise be
 23 in effect. In implementing this subsection, all of the following
 24 apply:

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



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

7 (c) A city levying a city income tax under the city income tax
 8 act, 1964 PA 284, MCL 141.501 to 141.787, shall calculate for each
 9 tax year the amount of revenue the city collected as a result of
 10 the operation of this subsection and shall enter into a binding
 11 reimbursement agreement with the authority, and owner or developer
 12 of the eligible property, providing for the payment of the amounts
 13 to the authority, or the owner or developer of the eligible
 14 property, for eligible activities as provided ~~for~~ in the
 15 transformational brownfield plan. City income taxes administered by
 16 the department of treasury pursuant to the city income tax act,
 17 1964 PA 284, MCL 141.501 to 141.787, ~~shall be~~**are** subject to the
 18 procedures of subdivision (b) regarding the calculation and deposit
 19 of any revenue collected as a result of the operation of this
 20 subsection.

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

27 (14) The authority and governing body are solely responsible
 28 for deciding whether to seek approval of a brownfield plan as a
 29 transformational brownfield plan. Nothing in this section or



1 section 14a ~~shall operate~~ **operates** to prejudice or limit
 2 consideration of a brownfield plan under sections 13 and 14,
 3 including a decision by the Michigan strategic fund not to approve
 4 a plan as a transformational brownfield plan.

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

15 Sec. 14. (1) Before approving a brownfield plan for an
 16 eligible property, the governing body shall hold a public hearing
 17 on the brownfield plan. By resolution, the governing body may
 18 delegate the public hearing process to the authority or to a
 19 subcommittee of the governing body subject to final approval by the
 20 governing body.

21 (2) Notice of the time and place of the hearing on a
 22 brownfield plan ~~shall~~ **must** contain all of the following:

23 (a) A description of the property to which the plan applies in
 24 relation to existing or proposed highways, streets, streams, or
 25 otherwise.

26 (b) A statement that maps, plats, and a description of the
 27 brownfield plan are available for public inspection at a place
 28 designated in the notice and that all aspects of the brownfield
 29 plan are open for discussion at the public hearing required by this



1 section.

2 (c) Any other information that the governing body considers
3 appropriate.

4 (3) At the time set for the hearing on the brownfield plan
5 required under subsection (1), the governing body shall ensure that
6 interested persons have an opportunity to be heard and that written
7 communications with reference to the brownfield plan are received
8 and considered. The governing body shall ensure that a record of
9 the public hearing is made and preserved, including all data
10 presented at the hearing.

11 (4) Not less than 10 days before the hearing on the brownfield
12 plan, the governing body shall provide notice of the hearing to the
13 taxing jurisdictions that levy taxes subject to capture under this
14 act. The authority shall notify the taxing jurisdictions of the
15 proposed brownfield plan. At that hearing, an official from a
16 taxing jurisdiction with millage that would be subject to capture
17 under this act has the right to be heard in regard to the adoption
18 of the brownfield plan. Not less than 10 days before the hearing on
19 the brownfield plan, the governing body shall provide notice of the
20 hearing to the department if the brownfield plan involves the use
21 of taxes levied for school operating purposes to pay for eligible
22 activities that require the approval of a combined brownfield plan
23 or a work plan by the department under section 13b(6)(c), **the**
24 **Michigan state housing development authority, or its designee, if**
25 **the brownfield plan involves the use of taxes levied for school**
26 **operating purposes to pay for eligible activities subject to**
27 **13b(4)(b)**, and the Michigan strategic fund, or its designee, if the
28 brownfield plan involves the use of taxes levied for school
29 operating purposes to pay for eligible activities subject to



1 section 13b(4) **other than eligible activities subject to 13b(4) (b)** .

2 (5) Not less than 10 days after notice of the proposed
3 brownfield plan is provided to the taxing jurisdictions, the
4 governing body shall determine whether the plan constitutes a
5 public purpose. If the governing body determines that the plan does
6 not constitute a public purpose, the governing body shall reject
7 the plan. If the governing body determines that the plan
8 constitutes a public purpose, the governing body may then approve
9 or reject the plan, or approve it with modification, by resolution,
10 based on the following considerations:

11 (a) Whether the plan meets the requirements of sections 13 and
12 13b.

13 (b) Whether the proposed method of financing the costs of
14 eligible activities is feasible and the authority has the ability
15 to arrange the financing.

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

18 (d) Whether the amount of captured taxable value estimated to
19 result from adoption of the plan is reasonable.

20 (6) Except as provided in this subsection, amendments to an
21 approved brownfield plan must be submitted by the authority to the
22 governing body for approval or rejection following the same notice
23 necessary for approval or rejection of the original plan. Notice is
24 not required for revisions in the estimates of captured taxable
25 value or tax increment revenues.

26 (7) The procedure, adequacy of notice, and findings with
27 respect to purpose and captured taxable value ~~shall be~~ **are**
28 presumptively valid unless contested in a court of competent
29 jurisdiction within 60 days after adoption of the resolution



1 adopting the brownfield plan. An amendment, adopted by resolution,
 2 to a conclusive plan ~~shall is~~ likewise ~~be~~ conclusive unless
 3 contested within 60 days after adoption of the resolution adopting
 4 the amendment. If a resolution adopting an amendment to the plan is
 5 contested, the original resolution adopting the plan is not
 6 therefore open to contest.

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

10 (a) The governing body may abolish a brownfield plan ~~when if~~
 11 it finds that the purposes for which the plan was established are
 12 accomplished.

13 (b) The governing body may terminate a brownfield plan or plan
 14 amendment for an eligible property if the project for which
 15 eligible activities were identified in the brownfield plan or plan
 16 amendment fails to occur with respect to the eligible property for
 17 ~~at least~~ **not less than** 2 years following the date of the resolution
 18 approving the brownfield plan or plan amendment, ~~provided that if~~
 19 the governing body first does both of the following:

20 (i) Gives 30 days' prior written notice to the developer at its
 21 last known address by certified mail or other method that documents
 22 proof of delivery attempted.

23 (ii) Provides the developer an opportunity to be heard at a
 24 public meeting.

25 (c) If a brownfield plan or plan amendment is terminated under
 26 subdivision (b), the governing body may approve a new brownfield
 27 plan or plan amendment for the eligible property under which tax
 28 increment revenues may be captured for up to the period of time
 29 provided under section 13(5).



1 (d) Notwithstanding anything in this subsection to the
 2 contrary, a brownfield plan or plan amendment ~~shall~~**must** not be
 3 abolished or terminated until the principal and interest on bonds
 4 issued under section 17 and all other obligations to which the tax
 5 increment revenues are pledged have been paid or funds sufficient
 6 to make the payment have been identified or segregated.

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

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

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

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

29 (b) Whether the transformational brownfield plan meets the



1 requirements of sections 13, 13b, and 13c.

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

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

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

11 (f) Whether subject to subsection (22)(d), the
12 transformational brownfield plan includes provisions for affordable
13 housing.

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

19 (5) In determining whether to approve a transformational
20 brownfield plan under subsection (3)(c) and (d), the Michigan
21 strategic fund shall conduct a financial and underwriting analysis
22 of the developments included in the plan. The analysis ~~shall~~**must**
23 consider both projected rental rates at the time of project
24 delivery and potential increases in rental rates over time. The
25 Michigan strategic fund shall not approve the use of construction
26 period tax capture revenues, withholding tax capture revenues, and
27 income tax capture revenues beyond the amount determined to be
28 necessary for the project to be economically viable. The Michigan
29 strategic fund shall develop standardized underwriting criteria for



1 determining economic viability. The Michigan strategic fund shall
 2 take into account the impact of the sales and use tax exemptions
 3 under section 4d(n) of the general sales tax act, 1933 PA 167, MCL
 4 205.54d, and section 4dd of the use tax act, 1937 PA 94, MCL
 5 205.94dd, in determining the amount of construction period tax
 6 capture revenues, withholding tax capture revenues, and income tax
 7 capture revenues required for the project to be economically
 8 viable. The Michigan strategic fund shall ensure that each
 9 transformational brownfield plan includes a significant equity
 10 contribution from the owner or developer as determined by the fund.

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

24 (7) Except as otherwise provided in this subsection, the
 25 Michigan strategic fund may not approve a transformational
 26 brownfield plan that proposes to use more than 50% of the
 27 withholding tax capture revenues or 50% of the income tax capture
 28 revenues. The Michigan strategic fund may modify the amount of
 29 withholding tax capture revenues and income tax capture revenues



1 before approving a transformational brownfield plan ~~in order to~~
 2 bring the transformational brownfield plan into compliance with
 3 subsection (5). The Michigan strategic fund may approve a
 4 transformational brownfield plan that proposes to use more than 50%
 5 of the income tax capture revenues if 1 of the following applies:

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

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

16 (8) The Michigan strategic fund shall require the owner or
 17 developer of the eligible property to certify the actual capital
 18 investment, as determined in accordance with section ~~2(e)(iv)~~
 19 **2(o)(v)** and ~~section 2(vv), upon 2(eee)~~, **on** the completion of
 20 construction and before the commencement of reimbursement from
 21 withholding tax capture revenues, income tax capture revenues, or
 22 tax increment revenues, for the plan or the distinct phase or
 23 project within the plan for which reimbursement will be provided.
 24 If the actual capital investment is less than the amount included
 25 in the plan, the Michigan strategic fund shall review the
 26 determination under subsection (5) and may modify the amount of
 27 reimbursement if, and to the extent, such a modification is
 28 necessary to maintain compliance with subsection (5). The
 29 transformational brownfield plan, work plan, and development and



1 reimbursement agreement ~~shall~~**must** include provisions to enforce
 2 the requirements and remedies under this subsection. If the actual
 3 level of capital investment does not meet the applicable minimum
 4 investment requirement under section ~~2(vv)~~**2(eee)** and is outside of
 5 the safe harbor under subsection (15), the Michigan strategic fund
 6 may take 1 of the following remedial actions:

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

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

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

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

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

24 (a) Is for eligible property in an area approved by the
 25 **Michigan** state housing development authority as eligible for blight
 26 elimination program funding under the housing finance agency
 27 innovation fund for the hardest hit housing markets authorized
 28 pursuant to the emergency economic stabilization act of 2008,
 29 **division A of** Public Law 110-343, 12 USC 5201 to 5261. For purposes



1 of this subdivision, an area approved as eligible for blight
 2 elimination program funding means that specific portion or portions
 3 of a municipality where the Michigan state housing development
 4 authority approved the expenditure of blight elimination program
 5 funds pursuant to an application identifying the target areas.

6 (b) Is for eligible property in a municipality that was
 7 subject to a state of emergency under the emergency management act,
 8 1976 PA 390, MCL 30.401 to 30.421, issued for drinking water
 9 contamination.

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

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

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

28 (11) The Michigan strategic fund may not approve more than 5
 29 transformational brownfield plans under subsection (9) in a



1 calendar year, except that if the Michigan strategic fund approves
 2 fewer than 5 plans in a calendar year under subsection (9), the
 3 unused approval authority ~~shall carry~~ **carries** forward into future
 4 calendar years and ~~remain~~ **remains** available until December 31,
 5 2027. The Michigan strategic fund also shall not approve more than
 6 5 transformational brownfield plans under subsection (9) in any
 7 individual city, village, or township ~~prior to~~ **before** December 31,
 8 2022.

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

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

26 (14) The procedure, adequacy of notice, and findings under
 27 this section ~~shall be~~ **are** presumptively valid unless contested in a
 28 court of competent jurisdiction within 60 days after approval of
 29 the transformational brownfield plan by the Michigan strategic



1 fund. An approved amendment to a conclusive transformational
 2 brownfield plan ~~shall is~~ likewise ~~be~~ conclusive unless contested
 3 within 60 days after approval of the amendment by the Michigan
 4 strategic fund. If a resolution adopting an amendment to the
 5 transformational brownfield plan is contested, the original
 6 resolution adopting the transformational brownfield plan is not
 7 open to contest.

8 (15) The determination as to whether a transformational
 9 brownfield plan complies with the minimum investment requirements
 10 in section ~~2(vv) shall~~ **2(eee) must** be made with reference to the
 11 most recent decennial census data available at the time of approval
 12 by the authority. A plan in a municipality that exceeds a
 13 population tier under section ~~2(vv) 2(eee)~~ by not more than 10% of
 14 the maximum population for that tier ~~shall, upon is, on~~ election of
 15 the authority, ~~be~~ subject to the investment requirement for that
 16 tier. A transformational brownfield plan that is expected to result
 17 in, or does result in, a total capital investment that is within
 18 10% of the applicable minimum investment requirement ~~shall be is~~
 19 considered to satisfy the applicable requirement under section
 20 ~~2(vv) 2(eee)~~ .

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

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

29 (18) The Michigan strategic fund shall charge and collect a



1 reasonable application fee as necessary to cover the costs
 2 associated with the review and approval of a transformational
 3 brownfield plan.

4 (19) The Michigan strategic fund shall not commit, and the
 5 department of treasury shall not disburse, more than \$40,000,000.00
 6 in total annual tax capture. ~~For purposes of~~ **As used in** this
 7 subsection, "total annual tax capture" means the total annual
 8 amount of income tax capture revenues and withholding tax capture
 9 revenues that may be reimbursed each calendar year under all
 10 transformational brownfield plans. If the amount committed or
 11 disbursed in a calendar year is less than \$40,000,000.00, the
 12 difference between that amount and \$40,000,000.00 ~~shall be~~ **is**
 13 available to be committed or disbursed in subsequent calendar years
 14 and ~~shall be~~ **is** in addition to the annual limit otherwise
 15 applicable.

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

20 (21) The Michigan strategic fund shall not approve more than a
 21 total of \$200,000,000.00 in construction period tax capture
 22 revenues and in projected sales and use tax exemptions under
 23 section 4d(n) of the general sales tax act, 1933 PA 167, MCL
 24 205.54d, and section 4dd of the use tax act, 1937 PA 94, MCL
 25 205.94dd. The Michigan strategic fund shall project the value of
 26 the sales and use tax exemptions under each transformational
 27 brownfield plan at the time of plan approval and shall require such
 28 information from the owner or developer as is necessary to perform
 29 this calculation. The Michigan strategic fund also shall require



1 the owner or developer of the eligible property to report the
 2 actual value of the sales and use tax exemptions each tax year of
 3 the construction period and at the end of the construction period.
 4 If the value of the actual sales and use tax exemptions and
 5 construction period tax capture revenues under all transformational
 6 brownfield plans exceeds the limit of \$200,000,000.00 under this
 7 subsection by more than a de minimis amount, as determined by the
 8 state treasurer, the state treasurer shall take corrective action
 9 and may reduce future disbursements to achieve compliance with the
 10 aggregate limitation under subsection (20) and this subsection. The
 11 corrective action described in this subsection ~~shall~~**must** not
 12 reduce the disbursement for an individual plan by an amount that is
 13 more than the amount by which the value of the sales and use tax
 14 exemptions for that plan exceeded the amount projected at the time
 15 of plan approval and included in the plan. The Michigan strategic
 16 fund and department of treasury shall prescribe specific methods
 17 for implementing this section ~~within 60 days of the effective date~~
 18 ~~of the amendatory act that added this section.~~**by September 22,**
 19 **2017.**

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

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

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



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

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

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

19 (24) If the Michigan strategic fund approves a
 20 transformational brownfield plan and work plan, and subsequent to
 21 that approval, amendments are made to this act, the Michigan
 22 strategic fund may amend those plans to make conforming and
 23 consistent changes to the approved transformational brownfield plan
 24 and work plan on an administrative basis, ~~provided that~~**if** those
 25 changes do not result in any increase in the aggregate total amount
 26 of reimbursement authorized under the initial transformational
 27 brownfield plan. The authority of the Michigan strategic fund to
 28 administratively amend transformational brownfield plans and work
 29 plans under this subsection also applies to transformational



1 brownfield plans and work plans entered into before ~~the effective~~
 2 ~~date of the amendatory act that added this sentence.~~ **December 27,**
 3 **2021.**

4 (25) The Michigan strategic fund shall not approve any new
 5 transformational brownfield plans after December 31, 2027. A
 6 transformational brownfield plan approved ~~prior to~~ **before** December
 7 31, 2022 ~~shall remain~~ **remains** in effect and may be amended in
 8 accordance with ~~the provisions of~~ this act.

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

13 Sec. 15. (1) To seek department approval of a work plan under
 14 section 13b(6)(c), the authority shall submit all of the following
 15 for each eligible property:

16 (a) A copy of the brownfield plan.

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

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

26 (d) Existing and proposed future zoning for each eligible
 27 property.

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



1 (2) ~~Upon~~**On** receipt of a request for approval of a work plan
 2 under subsection (1) or a portion of a work plan that pertains to
 3 only department specific activities, the department shall review
 4 the work plan according to subsection (3) and provide 1 of the
 5 following written responses to the requesting authority within 60
 6 days:

7 (a) An unconditional approval.

8 (b) A conditional approval that delineates specific necessary
 9 modifications to the work plan to meet the criteria of subsection
 10 (3), including, but not limited to, individual activities to be
 11 modified, added, or deleted from the work plan and revision of
 12 costs. The department may not condition its approval on deletions
 13 from or modifications of the work plan relating to activities to be
 14 funded solely by tax increment revenues not attributable to taxes
 15 levied for school operating purposes.

16 (c) If the work plan lacks sufficient information for the
 17 department to respond under subdivision (a), (b), or (d) for any
 18 specific activity, a letter stating with specificity the necessary
 19 additions or changes to the work plan to be submitted before that
 20 activity will be considered by the department. The department shall
 21 respond under subdivision (a), (b), or (d) according to this
 22 section for the other activities in the work plan.

23 (d) A denial if the property is not an eligible property under
 24 this act, if the work plan contemplates the use of taxes levied for
 25 school operating purposes prohibited by section 13b(10), or for any
 26 specific activity if the activity is prohibited by section
 27 13b(6) (a). The department may also deny any activity in a work plan
 28 that does not meet the conditions in subsection (3) only if the
 29 department cannot respond under ~~subsection (2) (b)~~**subdivision (b)**



1 or (c). The department shall accompany the denial with a letter
 2 that states with specificity the reason for the denial. The
 3 department shall respond under ~~subsection (2) (a)~~, **subdivision (a)**,
 4 (b), or (c) according to this section for any activities in the
 5 work plan that are not denied under this subdivision. If the
 6 department denies all or a portion of a work plan under this
 7 subdivision, the authority may subsequently resubmit the work plan.

8 (3) The department may approve a work plan if the following
 9 conditions have been met:

10 (a) Whether some or all of the activities constitute
 11 department specific activities other than activities that are
 12 exempt from the work plan approval process under section 13b(8).

13 (b) The department specific activities, other than the
 14 activities that are exempt from the work plan approval process
 15 under section 13b(8), are protective of the public health, safety,
 16 and welfare and the environment. The department may approve
 17 department specific activities that are more protective of the
 18 public health, safety, and welfare and the environment than
 19 required by section 20107a of the natural resources and
 20 environmental protection act, 1994 PA 451, MCL 324.20107a, if those
 21 activities provide public health or environmental benefit. In
 22 review of a work plan that includes department specific activities
 23 that are more protective of the public health, safety, and welfare
 24 and the environment, the department's considerations may include,
 25 but are not limited to, all of the following:

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

28 (ii) The cost to implement activities minimally necessary to
 29 achieve due care compliance, the total cost of response activities,



1 and the incremental cost of department specific activities in
 2 excess of those activities minimally necessary to achieve due care
 3 compliance.

4 (iii) Long-term obligations associated with leaving
 5 contamination in place and the value of reducing or eliminating
 6 these obligations.

7 (c) The estimated costs for the activities as a whole are
 8 reasonable for the stated purpose. Except as **otherwise** provided in
 9 subdivision (b), the department shall make the determination in
 10 this subdivision only after the department determines that the
 11 conditions in subdivisions (a) and (b) have been met.

12 (4) If the department fails to provide a written response
 13 under subsection (2) within 60 days after receipt of a request for
 14 approval of a work plan, the authority may proceed with the
 15 activities as outlined in the work plan as submitted for approval.
 16 Except as provided in subsection (5), activities conducted pursuant
 17 to a work plan that was submitted to the department for approval
 18 but for which the department failed to provide a written response
 19 under subsection (2) ~~shall be~~ **are** considered approved for the
 20 purposes of subsection (1). Within 45 days after receiving
 21 additional information requested from the authority under
 22 subsection (2)(c), the department shall review the additional
 23 information according to subsection (3) and provide 1 of the
 24 responses described in subsection (2) to the requesting authority
 25 for the specific activity. If the department does not provide a
 26 response to the requesting authority within 45 days after receiving
 27 the additional information requested under subsection (2)(c), the
 28 activity is approved under section 13b.

29 (5) The department may issue a written response to a work plan



1 more than 60 days but less than 6 months after receipt of a request
 2 for approval. If the department issues a written response under
 3 this subsection, the authority is not required to conduct
 4 individual activities that are in addition to the individual
 5 activities included in the work plan as it was submitted for
 6 approval and failure to conduct these additional activities ~~shall~~
 7 **does** not affect the authority's ability to capture taxes under
 8 section 13b for the eligible activities described in the work plan
 9 initially submitted under subsection (4). In addition, at the
 10 option of the authority, these additional individual activities
 11 ~~shall be~~**are** considered part of the work plan of the authority and
 12 approved for purposes of section 13b. However, any response by the
 13 department under this subsection that identifies additional
 14 individual activities that must be carried out to satisfy part 201
 15 or part 213 must be satisfactorily completed for the activities to
 16 be considered acceptable for the purposes of compliance with part
 17 201 or part 213.

18 (6) If the department issues a written response under
 19 subsection (5) to a work plan and if the department's written
 20 response modifies an individual activity proposed by the work plan
 21 of the authority in a manner that reduces or eliminates a proposed
 22 response activity, the authority must complete those individual
 23 activities in accordance with the department's response in order
 24 for that portion of the work plan to be considered approved for
 25 purposes of section 13b, unless 1 or more of the following
 26 conditions apply:

27 (a) Obligations for the individual activity have been issued
 28 by the authority, or by a municipality on behalf of the authority,
 29 to fund the individual activity ~~prior to~~**before** issuance of the



1 department's response.

2 (b) The individual activity has commenced or payment for the
3 work has been irrevocably obligated ~~prior to~~ **before** issuance of the
4 department's response.

5 (7) It ~~shall be~~ **is** in the sole discretion of an authority to
6 propose to undertake department specific activities under
7 subsection (3)(b) at an eligible property under a brownfield plan.
8 The department shall not require a work plan to include department
9 specific activities that are more protective of public health,
10 safety, welfare, and the environment.

11 (8) The department shall review the portion of a work plan
12 that includes department specific activities in accordance with
13 subsection (3).

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

22 (10) To seek Michigan strategic fund approval of a work plan
23 under section 13b(4) or 13c(6) **or Michigan state housing**
24 **development authority approval of a work plan under section 13b(4),**
25 the authority shall submit all of the following for each eligible
26 property:

27 (a) A copy of the brownfield plan or the transformational
28 brownfield plan.

29 (b) Current ownership information for each eligible property



1 and a summary of available information on proposed future
 2 ownership, including the amount of any delinquent taxes, interest,
 3 and penalties that may be due.

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

6 (d) Existing and proposed future zoning for each eligible
 7 property.

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

10 (f) A separate work plan, or part of a work plan, for each
 11 eligible activity described in section 13b(4) to be undertaken. For
 12 a transformational brownfield plan, the Michigan strategic fund
 13 shall prescribe the form and content for the work plan to address
 14 additional eligible activities under section ~~2(e)(iv)~~. **2(o)(v)**.

15 (g) A copy of the development agreement or reimbursement
 16 agreement required under section 13b(4) or 13c(6), which ~~shall~~ **must**
 17 include, but is not limited to, a detailed summary of any and all
 18 ownership interests, monetary considerations, fees, revenue and
 19 cost sharing, charges, or other financial arrangements or other
 20 consideration between the parties.

21 **(h) For work plans that include housing development**
 22 **activities, a summary of proposed income and price monitoring**
 23 **responsibilities and related expenses.**

24 (11) ~~Upon~~ **On** receipt of a request for approval of a work plan,
 25 the Michigan strategic fund **or the Michigan state housing**
 26 **development authority** shall provide 1 of the following written
 27 responses to the requesting authority within 60 days following
 28 receipt of a request for approval or within 7 days following the
 29 first meeting of the board after the 60-day period following



1 receipt of the request for approval, whichever is later:

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

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

8 (c) A denial and a letter stating with specificity the reason
9 for the denial. If **the Michigan strategic fund or the Michigan**
10 **state housing development authority denies** a work plan ~~is denied~~
11 under this subsection, **the authority may subsequently resubmit** the
12 work plan. ~~may be subsequently resubmitted.~~

13 (12) In its review of a work plan under section 13b(4) or
14 13c(6) **for approval or denial**, the Michigan strategic fund **or the**
15 **Michigan state housing development authority** shall consider the
16 following criteria to the extent reasonably applicable to the type
17 of activities proposed as part of that work plan when approving or
18 denying a work plan:

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

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

23 (c) Whether the cost for each individual activity is
24 reasonable.

25 (d) The overall benefit to the public.

26 (e) The extent of reuse of vacant buildings and redevelopment
27 of blighted property.

28 (f) Creation of jobs.

29 (g) Whether the eligible property is in an area of high



1 unemployment.

2 (h) The level and extent of contamination alleviated by or in
3 connection with the eligible activities.

4 (i) The level of private sector contribution.

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

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

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

15 **(m) If housing development activities are included in the work**
16 **plan, in addition to the other criteria under this subsection, all**
17 **of the following may be considered:**

18 **(i) Alignment with the statewide housing plan developed.**

19 **(ii) The capacity of the entity or agency that is monitoring**
20 **price and income, and the duration of the monitoring.**

21 **(iii) Whether the project will support housing at price points**
22 **that align with the local workforce.**

23 **(iv) If the property will be deed restricted to regulate short-**
24 **term rentals or otherwise ensure long-term local housing needs.**

25 **(n) ~~(m)~~—Any other criteria that the Michigan strategic fund or**
26 **the Michigan state housing development authority considers**
27 **appropriate for the determination of eligibility or for approval of**
28 **the work plan.**

29 **(13) If the Michigan strategic fund or the Michigan state**



1 **housing development authority** fails to provide a written response
 2 under subsection (11) within 60 days following receipt of a request
 3 for approval of a work plan or within 7 days following the first
 4 meeting of the board after the 60-day period following receipt of
 5 the request for approval of a work plan, whichever is later, or 90
 6 days following receipt of a request for approval in the case of a
 7 transformational brownfield plan or within 7 days following the
 8 first meeting of the board after the 90-day period following
 9 receipt of a request for approval in the case of a transformational
 10 brownfield plan, whichever is later, the eligible activities ~~shall~~
 11 ~~be~~**are** considered approved and the authority may proceed with the
 12 eligible activities described in sections 13b(4) and 13c(6) as
 13 outlined in the work plan as submitted for approval.

14 (14) The Michigan strategic ~~fund~~**fund's** approval of a work
 15 plan under sections 13b(4) and 13c(6) is final. **The Michigan state**
 16 **housing development authority's approval of a work plan under**
 17 **section 13b(4) is final.**

18 (15) The Michigan strategic fund shall submit a report each
 19 year to each member of the legislature as provided in section
 20 16(4).

21 (16) All taxes levied for school operating purposes that are
 22 not used for eligible activities consistent with a combined
 23 brownfield plan or a work plan approved by the department, **the**
 24 **Michigan state housing development authority**, or the Michigan
 25 strategic fund or for the payment of interest under sections 13 and
 26 13b and that are not deposited in a local brownfield revolving fund
 27 ~~shall~~**must** be distributed proportionately between the local school
 28 district and the school aid fund.

29 (17) The department's approval of a work plan under subsection



1 (2) (a) or (b) does not imply an entitlement to reimbursement of the
 2 costs of the eligible activities if the work plan is not
 3 implemented as approved.

4 (18) The party seeking work plan approval and the department
 5 ~~can, may~~, by mutual agreement, extend the time period for any
 6 review described in this section. An agreement described in this
 7 subsection ~~shall must~~ be documented in writing.

8 (19) If a brownfield plan includes the capture of taxes levied
 9 for school operating purposes, the chairperson of the Michigan
 10 strategic fund may approve, without a meeting of the fund board,
 11 combined brownfield plans and work plans that address eligible
 12 activities described in section 13b(4), **other than eligible**
 13 **activities subject to section 13b(4) (b)**, totaling an amount of
 14 \$1,000,000.00 or less according to subsections (10), (11), (12),
 15 (13), and (14) that include reimbursement of taxes levied for
 16 school operating purposes.

17 (20) ~~In lieu~~ **Instead** of seeking approval of a work plan under
 18 section 13b(4) or (6) (c) or section 13c(6), an authority may seek
 19 approval of a combined brownfield plan from the department,
 20 **Michigan state housing development authority**, or Michigan strategic
 21 fund under this subsection as follows:

22 (a) To seek approval of a combined brownfield plan under this
 23 subsection, the authority shall, ~~at least not less than~~ 30 days
 24 before the hearing on the combined brownfield plan to allow for
 25 consultation between the authority and the department, **the Michigan**
 26 **state housing development authority**, or the Michigan strategic fund
 27 and ~~at least not less than~~ 60 days in the case of a
 28 transformational brownfield plan, provide notice that the authority
 29 will be seeking approval of a combined brownfield plan ~~in lieu~~



1 **instead** of a work plan to 1 or more of the following:

2 (i) The department, if the combined brownfield plan involves
3 the use of taxes levied for school operating purposes to pay for
4 eligible activities that require approval by the department under
5 section 13b(6) (c) .

6 (ii) The Michigan strategic fund, if the combined brownfield
7 plan involves the use of taxes levied for school operating purposes
8 to pay for eligible activities subject to subsection (12) or
9 section 13c(6), **other than eligible activities subject to section**
10 **13b(4) (b)** , or the use of construction period tax capture revenues,
11 withholding tax capture revenues, or income tax capture revenues.

12 (iii) **The Michigan state housing development authority if the**
13 **combined brownfield plan involves the use of taxes levied for**
14 **school operating purposes to pay for eligible activities that**
15 **require approval by the Michigan state housing development**
16 **authority under section 13b(4) (b) .**

17 (b) After the governing body approves a combined brownfield
18 plan, the authority shall submit the combined brownfield plan to
19 the department under the circumstances described in subdivision
20 (a) (i) , ~~or~~ **the Michigan strategic fund** under the circumstances
21 described in subdivision (a) (ii) , **or the Michigan state housing**
22 **development authority under the circumstances described in**
23 **subdivision (a) (iii) .**

24 (c) The department shall review a combined brownfield plan
25 according to subdivision (e). The Michigan strategic fund shall
26 review a combined brownfield plan according to subdivision (f). **The**
27 **Michigan state housing development authority shall review a**
28 **combined brownfield plan according to subdivision (g) .**

29 (d) ~~Upon~~ **On** receipt of a combined brownfield plan under



1 subdivision (b), the department, **Michigan state housing development**
2 **authority**, or Michigan strategic fund shall provide 1 of the
3 following written responses to the requesting authority within 60
4 days or, in the case of a transformational brownfield plan, within
5 90 days:

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

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

12 (iii) A denial and a letter stating with specificity the reason
13 for the denial. If a combined brownfield plan is denied under this
14 subdivision, the combined brownfield plan may be subsequently
15 resubmitted.

16 (e) The department may approve a combined brownfield plan if
17 the authority submits the information identified in subsection (1)
18 and if the conditions identified in subsection (3) are met.

19 (f) The Michigan strategic fund shall consider the criteria
20 identified in subsection (12) to the extent reasonably applicable
21 to the type of activities proposed as part of a combined brownfield
22 plan when approving or denying the combined brownfield plan and, in
23 the case of a transformational brownfield plan, shall also consider
24 the criteria described in section 14a(3).

25 (g) **The Michigan state housing development authority shall**
26 **consider the criteria identified in subsection (12) to the extent**
27 **reasonably applicable to the type of activities proposed as part of**
28 **a combined brownfield plan when approving or denying the combined**
29 **brownfield plan.**



1 (h) ~~(g)~~—If the department, **Michigan state housing development**
 2 **authority**, or Michigan strategic fund issues a written response to
 3 a requesting authority under subdivision (d) (i) or (ii), the
 4 governing body or its designee may administratively approve any
 5 modifications to a combined brownfield plan required by the written
 6 response without the need to follow the notice and approval process
 7 required by section 14(6) unless the modifications add 1 or more
 8 parcels of eligible property or increase the maximum amount of tax
 9 increment revenues or, in the case of a transformational brownfield
 10 plan, construction period tax capture revenues, withholding tax
 11 capture revenues, and income tax capture revenues approved for the
 12 project.

13 (i) ~~(h)~~—If the department, **Michigan state housing development**
 14 **authority**, or Michigan strategic fund fails to provide a written
 15 response under subdivision (d) within 60 days after receipt of a
 16 complete combined brownfield plan, or 90 days in the case of a
 17 transformational brownfield plan, the eligible activities ~~shall be~~
 18 **are** considered approved as submitted.

19 (j) ~~(i)~~—The approval of a combined brownfield plan by the
 20 department, **Michigan state housing development authority**, or
 21 Michigan strategic fund under this subsection is final.

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

25 (2) The authority shall expend the tax increment revenues
 26 received only in accordance with the brownfield plan. All surplus
 27 funds not deposited in the local brownfield revolving fund of the
 28 authority under section 8 ~~shall~~ **must** revert proportionately to the
 29 respective taxing bodies, except as provided in section 15(16).



1 (3) The authority shall submit annually to the governing body,
 2 the department, **the Michigan state housing development authority**,
 3 and the Michigan strategic fund a financial report on the status of
 4 the activities of the authority for each calendar year. The report
 5 ~~shall~~**must** include all of the following:

6 (a) The total amount of local taxes that are approved for
 7 capture and the total amount of taxes levied for school operating
 8 purposes that are approved for capture for each parcel included in
 9 a brownfield plan.

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

12 (c) The amount and source of tax increment revenues received
 13 for each active brownfield plan, including the amount of tax
 14 increment revenues captured in the most recent tax year and the
 15 cumulative amount of tax increment revenues captured for each
 16 brownfield plan.

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

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

21 (f) The amount of actual capital investment made for each
 22 project.

23 (g) The amount of tax increment revenues attributable to taxes
 24 levied for school operating purposes used for activities described
 25 in section 13b(6)(c), section 2(o)(i)(F) and (G), and section
 26 ~~2(o)(ii)(B) and (C)~~**2(o)(iii)(B) and (C)**.

27 (h) The number of residential units constructed or
 28 rehabilitated for each project.

29 (i) The amount, by square foot, of new or rehabilitated



1 residential, retail, commercial, or industrial space for each
2 project.

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

4 (k) A copy of all brownfield plan amendments approved by the
5 local **governmental** unit. ~~of government.~~

6 (l) All additional information that the governing body, the
7 department, or the Michigan strategic fund considers necessary.

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

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

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

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

29 (c) **The Michigan state housing development authority shall on**



1 a quarterly basis post on its website the name, location, and
 2 amount of tax increment revenues, including taxes levied for school
 3 operating purposes, for each project approved by the Michigan state
 4 housing development authority under this act during the immediately
 5 preceding quarter.

6 (6) In addition to any other requirements under this act, not
 7 less than once every 3 years beginning not later than June 30,
 8 2008, the auditor general shall conduct and report a performance
 9 postaudit on the effectiveness of the program established under
 10 this act. As part of the performance postaudit, the auditor general
 11 shall assess the extent to which the implementation of the program
 12 by the department, **the Michigan state housing development**
 13 **authority**, and the Michigan strategic fund facilitate and affect
 14 the redevelopment or reuse of eligible property and identify any
 15 factors that inhibit the program's effectiveness. The performance
 16 postaudit ~~shall~~**must** also assess the extent to which the
 17 interpretation of statutory language, the development of guidance
 18 or administrative rules, and the implementation of the program by
 19 the department, **the Michigan state housing development authority**,
 20 and the Michigan strategic fund is consistent with the fundamental
 21 objective of facilitating and supporting timely and efficient
 22 brownfield redevelopment of eligible properties.

23 (7) The owner or developer for an active project included
 24 within a brownfield plan must annually submit to the authority a
 25 report on the status of the project. The report ~~shall~~**must** be in a
 26 form developed by the authority and must contain information
 27 necessary for the authority to report under subsection (3)(f), (h),
 28 (i), (j), and (k). The authority may waive the requirement to
 29 submit a report under this subsection. As used in this subsection,



1 "active project" means a project for which the authority is
2 currently capturing taxes under this act.

3 (8) For a transformational brownfield plan, all of the
4 following ~~shall~~ also apply:

5 (a) The state treasurer shall transfer to the state brownfield
6 redevelopment fund each fiscal year an amount equal to the
7 construction period tax capture revenues, withholding tax capture
8 revenues, and income tax capture revenues under all approved plans
9 as provided for in section 8a(4). Funds ~~shall~~ **must** be transmitted
10 to the authority, or owner or developer of the eligible property to
11 which the revenues are attributable, within 30 days of transfer to
12 the state brownfield redevelopment fund.

13 (b) The authority, the department, and the Michigan strategic
14 fund shall follow the reporting requirements of subsections (3),
15 (4), and (5) with respect to all approved transformational
16 brownfield plans, and shall provide information on the amount and
17 use of construction period tax capture revenues, withholding tax
18 capture revenues, and income tax capture revenues to the same
19 extent required for tax increment revenues.

20 (c) The owner or developer of active projects included within
21 a transformational brownfield plan shall provide the information
22 required for the authority, the department, and the Michigan
23 strategic fund to satisfy the reporting and audit requirements of
24 this section.

25 **(9) If activities of the authority include housing development**
26 **activities, the report under subsection (3) must also include all**
27 **of the following:**

28 **(a) The number of housing units produced.**

29 **(b) The number of income qualified purchaser households**



1 served.

2 (c) The number of income qualified renting households
3 assisted.

4 (d) For the initial reporting period, the prices at which the
5 housing units were sold or rented.

6 (e) Racial and socioeconomic data on the individuals
7 purchasing or renting the housing units, or, if this data is not
8 available, racial and socioeconomic data on the census tract in
9 which the housing units are located.

