

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 289**

A bill to amend 1996 PA 381, entitled "Brownfield redevelopment financing act," by amending sections 2, 8a, 11, 13, 13b, 13c, 14a, 15, and 16 (MCL 125.2652, 125.2658a, 125.2661, 125.2663, 125.2663b, 125.2663c, 125.2664a, 125.2665, and 125.2666), section 2 as amended by 2022 PA 178, sections 8a and 11 as amended by 2017 PA 46, sections 13, 13b, 15, and 16 as amended by 2020 PA 259, and sections 13c and 14a as amended by 2021 PA 138.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 2. As used in this act:
- 2 (a) "Authority" means a brownfield redevelopment authority
- 3 created under this act.
- 4 (b) "Baseline environmental assessment" means that term as



1 defined in part 201 or 213.

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

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

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

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

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

14 (v) Is **previously developed or** tax reverted property owned by
15 a ~~qualified local governmental unit, by a county, municipality~~ or
16 by this state. The sale, lease, or transfer of **previously developed**
17 **or** tax reverted property by a ~~qualified local governmental unit,~~
18 ~~county, municipality~~ or this state after the property's inclusion
19 in a brownfield plan ~~shall~~**does** not result in the loss to the
20 property of the status as blighted property for purposes of this
21 act.

22 (vi) Is property owned by or under the control of a land bank
23 fast track authority, whether or not located within a qualified
24 local governmental unit. Property included within a brownfield plan
25 ~~prior to~~**before** the date it meets the requirements of this
26 subdivision to be eligible property ~~shall be~~**is** considered to
27 become eligible property as of the date the property is determined
28 to have been or becomes qualified as, or is combined with, other
29 eligible property. The sale, lease, or transfer of the property by



1 a land bank fast track authority after the property's inclusion in
2 a brownfield plan ~~shall~~**does** not result in the loss to the property
3 of the status as blighted property for purposes of this act.

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

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

8 (e) "Brownfield plan" means a plan that meets the requirements
9 of ~~section~~**sections** 13 and ~~section~~13b and is adopted under section
10 14.

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

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

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

27 (i) "Construction period tax capture revenues" means funds
28 equal to the amount of income tax levied and imposed in a calendar
29 year ~~upon~~**on** wages paid to individuals physically present and



1 working within the eligible property for the construction,
2 renovation, or other improvement of eligible property that is an
3 eligible activity within a transformational brownfield plan. As
4 used in this subdivision, "wages" means that term as defined in
5 section 3401 of the internal revenue code of 1986, 26 USC 3401. To
6 calculate the amount of construction period tax capture revenues
7 for a calendar year under a transformational brownfield plan, the
8 state treasurer shall do all of the following:

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

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

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



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

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

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

11 (i) Response activities that are more protective of the public
12 health, safety, and welfare and the environment than required by
13 section 20107a, 20114, or 21304c of the natural resources and
14 environmental protection act, 1994 PA 451, MCL 324.20107a,
15 324.20114, and 324.21304c.

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

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

23 (iv) Dust control related to construction activities.

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

28 (vi) Industrial cleaning.

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



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

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

8 (ix) Environmental insurance.

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

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

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

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

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

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

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

28 (A) Department specific activities.

29 (B) Relocation of public buildings or operations for economic



1 development purposes.

2 (C) Reasonable costs of environmental insurance.

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

7 (E) Reasonable costs of brownfield plan and work plan
8 implementation, including, but not limited to, tracking and
9 reporting of data and plan compliance, **including costs to**
10 **implement, monitor, and maintain compliance with the income and**
11 **price monitoring responsibilities associated with housing**
12 **development activities**, and the reasonable costs incurred to
13 estimate and determine actual costs incurred, whether those costs
14 are incurred by a municipality, authority, or private developer.

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

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

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

27 **(ii) For housing property located in a community that has**
28 **identified a specific housing need and has absorption data or job**
29 **growth data included in the brownfield plan, eligible activities**



1 include all of the following:

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

3 (B) Housing development activities.

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

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

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

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

13 (B) Infrastructure improvements that directly benefit eligible
14 property.

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

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

20 (A) The eligible activities described in subparagraphs (i), ~~and~~
21 (ii), ~~and~~ (iii).

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

28 (C) Assistance to a ~~qualified local governmental unit~~
29 **municipality** or authority in clearing or quieting title to, or



1 selling or otherwise conveying, property owned by or under the
 2 control of a ~~qualified local governmental unit~~ **municipality** or
 3 authority or the acquisition of property by a qualified local
 4 governmental unit or authority if the acquisition of the property
 5 is for economic development purposes.

6 **(v)** ~~(iv)~~ For eligible activities on eligible property that is
 7 included in a transformational brownfield plan, any demolition,
 8 construction, restoration, alteration, renovation, or improvement
 9 of buildings or site improvements on eligible property, including
 10 infrastructure improvements that directly benefit eligible
 11 property.

12 **(vi)** ~~(v)~~ For eligible activities on eligible property that is a
 13 qualified facility that is not located in a qualified local
 14 governmental unit and that is a facility, functionally obsolete, or
 15 blighted, the following additional activities:

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

17 (B) Infrastructure improvements that directly benefit eligible
 18 property.

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

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

22 **(i) Except** as otherwise provided in ~~this subdivision,~~ **sub-**
 23 **subparagraph (G)**, property for which eligible activities are
 24 identified under a brownfield plan that was used or is currently
 25 used for commercial, industrial, public, or residential purposes,
 26 including personal property located on the property, **or former**
 27 **dumps, landfills, and other areas filled with nonnative material,**
 28 to the extent included in the brownfield plan, and that ~~is~~ **meets** 1
 29 or more of the following **conditions listed in sub-subparagraphs (A)**



1 to (F) :

2 (A) ~~(i)~~—Is in a qualified local governmental unit and is a
3 facility or a site or property as those terms are defined in part
4 213, historic resource, functionally obsolete, or blighted and
5 includes parcels that are adjacent or contiguous to that property
6 if the development of the adjacent and contiguous parcels is
7 estimated to increase the captured taxable value of that property.

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

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

16 (D) ~~(iv)~~—Is a transit-oriented development or transit-oriented
17 property.

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

20 (F) ~~(vi)~~—Is undeveloped property that was eligible property in
21 a previously approved brownfield plan abolished under section
22 14(8).

23 (G) ~~(vii)~~—Eligible property does not include qualified
24 agricultural property exempt under section 7ee of the general
25 property tax act, 1893 PA 206, MCL 211.7ee, from the tax levied by
26 a local school district for school operating purposes to the extent
27 provided under section 1211 of the revised school code, 1976 PA
28 451, MCL 380.1211.

29 (ii) **Housing property for which eligible activities are**



1 identified under a brownfield plan, including personal property
2 located on the property, to the extent included in the brownfield
3 plan.

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

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

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

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

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

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

27 (w) "Historic resource" means that term as defined in section
28 90a of the Michigan strategic fund act, 1984 PA 270, MCL 125.2090a.

29 (x) "Housing development activities" means 1 or more of the



1 following:

2 (i) Reimbursement provided to owners of rental housing units
3 for qualified rehabilitation.

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

6 (iii) Costs of demolition and renovation of existing buildings
7 and site preparation, to the extent necessary to accommodate an
8 income qualified purchaser household or income qualified renting
9 household.

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

12 (v) Acquisition cost for blighted or obsolete rental units, to
13 the extent the acquisition would promote rehabilitation or adaptive
14 reuse of the blighted or obsolete rental unit to accommodate an
15 income qualified purchaser household or income qualified renting
16 household.

17 (vi) Establishing a reserve, under the control of the authority
18 or a local housing commission for qualified rental assistance
19 payments to income qualified renting households. The reserve must
20 be quantified as part of the post completion determination of
21 eligible costs.

22 (vii) Reimbursement provided to a developer to fill a financing
23 gap associated with the development of housing units priced for
24 income qualified households and to assist with costs related to
25 infrastructure improvements and site preparation that are not a
26 response activity and that are necessary for new housing
27 development for income qualified households on eligible property.

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

29 (i) A property on which 1 or more units of residential housing



1 are proposed to be constructed, rehabilitated, or otherwise
2 designed to be used as a dwelling.

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

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

9 (i) "Area median income" means the median income for the area
10 as determined under section 8 of the United States housing act of
11 1937, 42 USC 1437f, adjusted for family size.

12 (ii) "Household income" means all income received by all
13 individuals who are not less than 24 years of age when the
14 household income is determined and who reside in a household while
15 members of the household.

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

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

20 (cc) ~~(x)~~"Income tax" means the tax levied and imposed under
21 part 1 of the income tax act of 1967, 1967 PA 281, MCL 206.1 to
22 206.532.

23 (dd) ~~(y)~~"Income tax capture revenues" means, with respect to
24 each eligible property subject to a transformational brownfield
25 plan, funds equal to the amount for each tax year by which the
26 aggregate income tax from individuals residing within the eligible
27 property subject to a transformational brownfield plan exceeds the
28 initial income tax value. Subject to subparagraph (iii), the state
29 treasurer shall calculate annually the income tax capture revenues



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

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

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

17 (iii) Notwithstanding anything to the contrary in this
18 subdivision, ~~in lieu~~**instead** of the reporting and calculation
19 methods otherwise provided for, the owner or developer of a
20 transformational brownfield project site may elect to utilize a
21 safe harbor method of calculating income tax capture revenues.
22 Under this safe harbor method, the Michigan strategic fund shall
23 establish a safe harbor amount of annual income tax capture
24 revenues for each eligible property ~~at the time~~**when** the Michigan
25 strategic fund approves the transformational brownfield plan, and
26 those amounts shall serve as the basis for the transmittal of
27 income tax capture revenues to the owner or developer of the
28 transformational project site under section 8a(4). The Michigan
29 strategic fund shall establish the safe harbor amount for an



1 eligible property by imputing a standard annual taxable income for
 2 households residing within the eligible property or portion of the
 3 eligible property. The safe harbor is effective only to the extent
 4 that the residential units within the eligible property or portion
 5 of the eligible property are actively leased or, in the case of
 6 units made available for sale, sold in an arms-length transaction.
 7 Imputations as to standard household taxable income may vary based
 8 on location and other relevant factors. The Michigan strategic fund
 9 may adjust the safe harbor amount for an eligible property, or
 10 portion of the eligible property, after the time of
 11 transformational brownfield plan approval as required to reflect
 12 changes in the transformational brownfield plan for the
 13 transformational project site that may occur after approval of the
 14 transformational brownfield plan, ~~provided that if~~ those changes
 15 ~~may do~~ not result in an aggregate increase in the level of income
 16 tax capture revenues from the amount initially established. The
 17 owner or developer of the transformational project site may ~~make~~
 18 ~~the election~~ **elect** to utilize the safe harbor method of accounting
 19 at any time ~~prior to~~ **before** the first reimbursement of income tax
 20 capture revenues under the transformational brownfield plan. ~~7~~
 21 ~~provided that an~~ **An election to utilize the safe harbor method of**
 22 **accounting**, once made, cannot be rescinded.

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

26 (ff) ~~(aa)~~—"Infrastructure improvements" means a street, road,
 27 sidewalk, parking facility, pedestrian mall, alley, bridge, sewer,
 28 sewage treatment plant, property designed to reduce, eliminate, or
 29 prevent the spread of identified soil or groundwater contamination,



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

17 (i) Underground parking.

18 (ii) Multilevel parking structures.

19 (iii) Urban stormwater management systems.

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

28 **(hh)** "Initial sales and use tax value" means, with respect to
 29 each eligible property subject to a transformational brownfield



1 plan, the aggregate amount of sales tax and use tax collected from
 2 persons located within the eligible property for the tax year in
 3 which the resolution adding that eligible property in the
 4 transformational brownfield plan is adopted. For persons with
 5 multiple business locations, the applicable amount of sales tax and
 6 use tax for purposes of this act is only the sales tax and use tax
 7 collections attributable to the business location within the
 8 eligible property.

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

29 (jj) ~~(dd)~~ "Initial withholding tax value" means, with respect



1 to each eligible property subject to a transformational brownfield
 2 plan, the amount of income tax withheld under ~~part 3~~ **chapter 17** of
 3 the income tax act of 1967, 1967 PA 281, MCL 206.701 to ~~206.713,~~
 4 **206.715**, from individuals employed within the eligible property for
 5 the calendar year in which the resolution adding the eligible
 6 property to the plan is adopted. The initial withholding tax value
 7 ~~shall~~ **does** not include construction period tax capture revenues.

8 **(kk)** ~~(ee)~~ "Land bank fast track authority" means an authority
 9 created under the land bank fast track act, 2003 PA 258, MCL
 10 124.751 to 124.774.

11 **(ll)** ~~(ff)~~ "Local taxes" means all taxes levied other than taxes
 12 levied for school operating purposes.

13 **(mm)** "Michigan state housing development authority" means the
 14 Michigan state housing development authority created in section 21
 15 of the state housing development authority act of 1966, 1966 PA
 16 346, MCL 125.1421.

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

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

23 **(pp)** ~~(ii)~~ "Municipality" means all of the following:

24 (i) A city.

25 (ii) A village.

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

28 (iv) A township in those areas of the township that are in a
 29 village ~~upon~~ **on** the concurrence by resolution of the village in



1 which the zone would be located.

2 (v) A county.

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

6 (i) An ownership interest in the property.

7 (ii) A tax lien on the property.

8 (iii) A tax deed to the property.

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

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

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

14 **(rr)** ~~(kk)~~ "Part 111", "part 201", "part 211", or "part 213"
15 means that part as described as follows:

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

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

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

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

24 **(ss)** "Previously developed property" means property that was
25 part of an existing developed residential, commercial, or
26 industrial zone and contained a structure serviced by utilities, or
27 former dumps, landfills, and other areas filled with nonnative
28 material.



1 **(tt)** ~~(H)~~—"Qualified facility" means a landfill facility area
 2 of 15 or more contiguous acres that is located in a city and that
 3 contains, contained, or is adjacent to a landfill, a material
 4 recycling facility, or an asphalt plant that is no longer in
 5 operation.

6 **(uu)** ~~(mm)~~—"Qualified local governmental unit" means that term
 7 as defined in the obsolete property rehabilitation act, 2000 PA
 8 146, MCL 125.2781 to 125.2797.

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

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

24 **(xx)** ~~(oo)~~—"Release" means that term as defined in part 201 or
 25 part 213.

26 **(yy)** ~~(pp)~~—"Response activity" means either of the following:
 27 (i) Response activity as that term is defined in part 201.
 28 (ii) Corrective action.

29 **(zz)** "Sales tax" means the tax levied under the general sales



1 tax act, 1933 PA 167, MCL 205.51 to 205.78.

2 (aaa) "Sales and use tax capture revenues" means, with respect
3 to each eligible property subject to a transformational brownfield
4 plan, the amount for each calendar year by which the sales tax and
5 use tax collected from persons within the eligible property exceeds
6 the initial sales and use tax value. For persons with multiple
7 business locations, the applicable amount of sales tax and use tax
8 for purposes of this act is only the sales tax and use tax
9 collections attributable to the business location within the
10 eligible property. To calculate sales and use tax capture revenues
11 for a calendar year under a transformational brownfield plan, the
12 state treasurer or the Michigan strategic fund shall do all of the
13 following:

14 (i) The state treasurer shall develop methods and processes
15 that are necessary for each applicable person within the eligible
16 property to report the amount of sales and use tax from that
17 location.

18 (ii) The Michigan strategic fund shall include all of the
19 following provisions in the development or reimbursement agreement
20 for any transformational brownfield plan that utilizes sales and
21 use tax capture revenues:

22 (A) That the owner or developer of the eligible property shall
23 require each applicable person occupying the eligible property to
24 comply with the reporting requirements under this section through a
25 contract requirement, lease requirement, or other similar means.

26 (B) That reimbursement of sales and use tax capture revenues
27 is limited to amounts that are reported in accordance with this
28 section, and this state has no obligation with respect to sales and
29 use tax capture revenues that are not reported or paid.



1 **(bbb)** ~~(cc)~~ "Specific taxes" means ~~a~~**all of the following:**

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

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

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

6 **(C)** **The** enterprise zone act, 1985 PA 224, MCL 125.2101 to
7 125.2123. ~~;~~

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

9 **(E)** **The** technology park development act, 1984 PA 385, MCL
10 207.701 to 207.718. ~~;~~~~the~~

11 **(F)** **The** obsolete property rehabilitation act, 2000 PA 146, MCL
12 125.2781 to 125.2797. ~~;~~~~the~~

13 **(G)** **The** neighborhood enterprise zone act, 1992 PA 147, MCL
14 207.771 to 207.786. ~~;~~~~the~~

15 **(H)** **The** commercial rehabilitation act, 2005 PA 210, MCL
16 207.841 to 207.856. ~~;~~~~or that~~

17 **(I)** **The** attainable housing facilities act, 2022 PA 236, MCL
18 207.901 to 207.916.

19 **(J)** **The** residential housing facilities act, 2022 PA 237, MCL
20 207.951 to 207.966.

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

24 **(ccc)** ~~(rr)~~ "State brownfield redevelopment fund" means the
25 state brownfield redevelopment fund created in section 8a.

26 **(ddd)** ~~(ss)~~ "Targeted redevelopment area" means not fewer than
27 40 and not more than 500 contiguous parcels of real property
28 located in a qualified local governmental unit and designated as a
29 targeted redevelopment area by resolution of the governing body and



1 approved by the Michigan strategic fund. A qualified local
 2 governmental unit is limited to designating no more than 2 targeted
 3 redevelopment areas for the purposes of this section in a calendar
 4 year. The Michigan strategic fund may approve no more than 5
 5 targeted redevelopment areas for the purposes of this section in a
 6 calendar year.

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

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

26 (ii) For tax increment revenues attributable to eligible
 27 property, ~~also exclude~~ the amount of ad valorem property taxes or
 28 specific taxes captured by a downtown development authority under
 29 part 2 of the recodified tax increment financing act, 2018 PA 57,



1 MCL 125.4201 to 125.4230, tax increment finance authority under ~~the~~
 2 ~~tax increment finance authority act,~~ part 3 of the recodified tax
 3 increment financing act, 2018 PA 57, MCL 125.4301 to 125.4329,
 4 corridor improvement authority under part 6 of the recodified tax
 5 increment financing act, 2018 PA 57, MCL 125.4602 to 125.4629, or
 6 local development finance authority under part 4 of the recodified
 7 tax increment financing act, 2018 PA 57, MCL 125.4401 to 125.4420,
 8 if those taxes were captured by these other authorities on the date
 9 that eligible property became subject to a brownfield plan under
 10 this act, **unless these other authorities agree to forgo or transfer**
 11 **their taxes in support of the brownfield plan.**

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

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

17 (B) The art institute authorities act, 2010 PA 296, MCL
 18 123.1201 to 123.1229.

19 **(fff)** ~~(uu)~~ "Taxable value" means the value determined under
 20 section 27a of the general property tax act, 1893 PA 206, MCL
 21 211.27a.

22 **(ggg)** ~~(vv)~~ "Taxes levied for school operating purposes" means
 23 all of the following:

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

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

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



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

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

16 (ii) In a municipality that is not a county and that has a
 17 population of ~~at least~~**not less than** 150,000 and not more than
 18 599,999, \$100,000,000.00.

19 (iii) In a municipality that is not a county and that has a
 20 population of ~~at least~~**not less than** 100,000 and not more than
 21 149,999, \$75,000,000.00.

22 (iv) In a municipality that is not a county and that has a
 23 population of ~~at least~~**not less than** 50,000 and not more than
 24 99,999, \$50,000,000.00.

25 (v) In a municipality that is not a county and that has a
 26 population of ~~at least~~**not less than** 25,000 and not more than
 27 49,999, \$25,000,000.00.

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



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

6 **(jjj)** ~~(yy)~~ "Transit-oriented property" means property that
 7 houses a transit station in a manner that promotes transit
 8 ridership or passenger rail use.

9 **(kkk)** "Use tax" means the tax levied under the use tax act,
 10 1937 PA 94, MCL 205.91 to 205.111, including both the local
 11 community stabilization share and the state share as those terms
 12 are defined in section 2c of the use tax act, 1937 PA 94, MCL
 13 205.92c.

14 **(lll)** ~~(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 (mmm) ~~(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 (nnn) ~~(bbb)~~ "Zone" means, for an authority established before
6 June 6, 2000, a brownfield redevelopment zone designated under this
7 act.

8 Sec. 8a. (1) The state brownfield redevelopment fund is
9 created as a revolving fund within the department of treasury to be
10 administered as provided in this section. The state treasurer shall
11 direct the investment of the state brownfield redevelopment fund.
12 Money in the state brownfield redevelopment fund at the close of
13 the fiscal year ~~shall remain~~ **remains** in the state brownfield
14 redevelopment fund and ~~shall~~ **does** not lapse to the general fund.

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

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

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

21 (c) Interest on funds deposited into the state brownfield
22 redevelopment fund.

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

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

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

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



1 (ii) The department to implement this act.

2 (iii) The department to implement part 196 of the natural
3 resources and environmental protection act, 1994 PA 451, MCL
4 324.19601 to 324.19616.

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

6 (b) To make deposits into the clean Michigan initiative bond
7 fund under section 19606(2) (d) of the natural resources and
8 environmental protection act, 1994 PA 451, MCL 324.19606, for use
9 in providing grants and loans under section 19608(1) (a) (iv) of the
10 natural resources and environmental protection act, 1994 PA 451,
11 MCL 324.19608.

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

16 (i) The Michigan strategic fund shall create and operate a
17 grant and loan program to provide grants and loans to fund eligible
18 activities described in section 13b(4) on eligible property. The
19 Michigan strategic fund shall develop and use a detailed
20 application, approval, and compliance process adopted by resolution
21 of the board of the Michigan strategic fund. This process ~~shall~~
22 **must** be published and available on the Michigan strategic fund
23 website. Program standards, guidelines, templates, or any other
24 forms to implement the grant and loan program ~~shall~~**must** be
25 approved by the board of the Michigan strategic fund. The Michigan
26 strategic fund may delegate its approval authority under this
27 subsection to a designee.

28 (ii) A person may apply to the Michigan strategic fund for
29 approval of a grant or loan to fund eligible activities described



1 in section 13b(4) on eligible property.

2 (iii) The Michigan strategic fund shall approve or deny an
3 application not more than 60 days after receipt of an
4 administratively complete application. If the application is
5 neither approved nor denied within 60 days, it ~~shall~~**must** be
6 considered by the board of the Michigan strategic fund, or its
7 designee if delegated, for action at, or by, the next regularly
8 scheduled board meeting. The Michigan strategic fund may delegate
9 the approval or denial of an application to the chairperson of the
10 Michigan strategic fund or other designees determined by the board.

11 (iv) ~~When~~**If** an application is approved under this subsection,
12 the Michigan strategic fund shall enter into a written agreement
13 with the applicant. The written agreement ~~shall~~**must** provide all
14 the conditions imposed on the applicant and the terms of the grant
15 or loan. The written agreement ~~shall~~**must** also provide for
16 penalties if the applicant fails to comply with the provisions of
17 the written agreement.

18 (v) After the Michigan strategic fund and the applicant have
19 entered into a written agreement under subparagraph (iv), the
20 Michigan strategic fund shall distribute the proceeds to the
21 applicant according to the terms of the written agreement.

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

27 (d) To distribute construction period tax capture revenues,
28 withholding tax capture revenues, ~~and~~ income tax capture revenues,
29 **and sales and use tax capture revenues** in accordance with a



1 transformational brownfield plan under subsection (4).

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

8 (4) The state treasurer shall deposit annually from the
 9 general fund into the state brownfield redevelopment fund an amount
 10 equal to the construction period tax capture revenues, withholding
 11 tax capture revenues, ~~and~~ income tax capture revenues, **and sales**
 12 **and use tax capture revenues** due to be transmitted under all
 13 transformational brownfield plans. The department of treasury shall
 14 distribute the construction period tax capture revenues,
 15 withholding tax capture revenues, ~~and~~ income tax capture revenues,
 16 **and sales and use tax capture revenues** to an authority, or to the
 17 owner or developer of the eligible property to which the revenues
 18 are attributable, in accordance with section 16(8) and the terms of
 19 the written development or reimbursement agreement for each
 20 transformational brownfield plan. Amounts transferred into the
 21 state brownfield redevelopment fund attributable to a specific
 22 transformational brownfield plan ~~shall~~ **must** be accounted for
 23 separately within the state brownfield redevelopment fund and ~~shall~~
 24 **must** not be used for any other purpose or activity under this
 25 section or for any transformational brownfield plan other than the
 26 plan to which the revenues are attributable or for the additional
 27 administrative costs under this section associated with the
 28 implementation of a transformational brownfield plan.

29 Sec. 11. The activities of the authority ~~shall~~ **must** be



1 financed from 1 or more of the following sources:

2 (a) Contributions, contractual payments, or appropriations to
3 the authority for the performance of its functions or to pay the
4 costs of a brownfield plan of the authority.

5 (b) Revenues from a property, building, or facility owned,
6 leased, licensed, or operated by the authority or under its
7 control, subject to the limitations imposed ~~upon~~**on** the authority
8 by trusts or other agreements.

9 (c) Subject to the limitations imposed under sections 8, 13,
10 13b, and 15, 1 or both of the following:

11 (i) Tax increment revenues received under a brownfield plan
12 established under sections 13 and 14.

13 (ii) Proceeds of tax increment bonds and notes issued under
14 section 17.

15 (d) Proceeds of revenue bonds and notes issued under section
16 12.

17 (e) Revenue available in the local brownfield revolving fund
18 for the costs described in section 8.

19 (f) Construction period tax capture revenues, withholding tax
20 capture revenues, ~~and~~ income tax capture revenues, **and sales and**
21 **use tax capture revenues** received under a transformational
22 brownfield plan established under sections 13c and 14a.

23 (g) Money obtained from all other sources approved by the
24 governing body of the municipality or otherwise authorized by law
25 for use by the authority or the municipality to finance activities
26 authorized under this act.

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

29 (2) Subject to section 15, the board may implement a



1 brownfield plan. The brownfield plan may apply to 1 or more parcels
2 of eligible property whether or not those parcels of eligible
3 property are contiguous and may be amended to apply to additional
4 parcels of eligible property. Except as otherwise authorized by
5 this act, if more than 1 eligible property is included within the
6 plan, the tax increment revenues under the plan ~~shall~~**must** be
7 determined individually for each eligible property. Each plan or an
8 amendment to a plan ~~shall~~**must** be approved by the governing body of
9 the municipality and ~~shall~~**must** contain all of the following:

10 (a) A description of the costs of the plan intended to be paid
11 for with the tax increment revenues or, for a plan for eligible
12 properties qualified on the basis that the property is owned by or
13 under the control of a land bank fast track authority, a listing of
14 all eligible activities that may be conducted for 1 or more of the
15 eligible properties subject to the plan.

16 (b) A brief summary of the eligible activities that are
17 proposed for each eligible property or, for a plan for eligible
18 properties qualified on the basis that the property is owned by or
19 under the control of a land bank fast track authority, a brief
20 summary of eligible activities conducted for 1 or more of the
21 eligible properties subject to the plan.

22 (c) An estimate of the captured taxable value and tax
23 increment revenues for each year of the plan from the eligible
24 property. The plan may provide for the use of part or all of the
25 captured taxable value, including deposits in the local brownfield
26 revolving fund, but the portion intended to be used ~~shall~~**must** be
27 clearly stated in the plan. The plan ~~shall~~**must** not provide either
28 for an exclusion from captured taxable value of a portion of the
29 captured taxable value or for an exclusion of the tax levy of 1 or



1 more taxing jurisdictions unless the tax levy is excluded from tax
2 increment revenues in section ~~2(ss)~~, **2(eee)**, or unless the tax levy
3 is excluded from capture under section 15.

4 (d) The method by which the costs of the plan will be
5 financed, including a description of any advances made or
6 anticipated to be made for the costs of the plan from the
7 municipality.

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

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

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

16 (h) A legal description of the eligible property to which the
17 plan applies, a map showing the location and dimensions of each
18 eligible property, a statement of the characteristics that qualify
19 the property as eligible property, and a statement of whether
20 personal property is included as part of the eligible property. If
21 the project is on property that is functionally obsolete, the
22 taxpayer shall include, with the application, an affidavit signed
23 by a level 3 or level 4 assessor, that states that it is the
24 assessor's expert opinion that the property is functionally
25 obsolete and the underlying basis for that opinion.

26 (i) Estimates of the number of persons residing on each
27 eligible property to which the plan applies and the number of
28 families and individuals to be displaced. If occupied residences
29 are designated for acquisition and clearance by the authority, the



1 plan ~~shall~~**must** include a demographic survey of the persons to be
 2 displaced, a statistical description of the housing supply in the
 3 community, including the number of private and public units in
 4 existence or under construction, the condition of those in
 5 existence, the number of owner-occupied and renter-occupied units,
 6 the annual rate of turnover of the various types of housing and the
 7 range of rents and sale prices, an estimate of the total demand for
 8 housing in the community, and the estimated capacity of private and
 9 public housing available to displaced families and individuals.

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

12 (k) Provision for the costs of relocating persons displaced by
 13 implementation of the plan, and financial assistance and
 14 reimbursement of expenses, including litigation expenses and
 15 expenses incident to the transfer of title, in accordance with ~~the~~
 16 ~~standards and provisions of~~ the uniform relocation assistance and
 17 real property acquisition policies act of 1970, Public Law 91-646.

18 (l) A strategy for compliance with 1972 PA 227, MCL 213.321 to
 19 213.332.

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

22 (3) ~~When~~**If** taxes levied for school operating purposes are
 23 subject to capture under section 15, the percentage of school
 24 operating tax increment revenues captured relating to a parcel of
 25 eligible property under a brownfield plan ~~shall~~**must** not be greater
 26 than the percentage of local tax increment revenues that are
 27 captured under the brownfield plan relating to that parcel of
 28 eligible property, **unless there is another approved local**
 29 **contribution to the project that provides a value reasonably**



1 **equivalent to that percentage of local capture.**

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

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

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

12 (5) A brownfield plan may only authorize the capture of tax
 13 increment revenue from eligible property until the year in which
 14 the total amount of tax increment revenues captured is equal to the
 15 sum of the costs permitted to be funded with tax increment revenues
 16 under this act or for not more than 30 years from the beginning
 17 date of the capture of the tax increment revenues for that eligible
 18 property, whichever occurs first. A brownfield plan may authorize
 19 the capture of additional local and school operating tax increment
 20 revenue from an eligible property for the local brownfield
 21 revolving fund created under section 8 during 1 or more of the
 22 following time frames:

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

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

28 Sec. 13b. (1) An authority shall not expend tax increment
 29 revenues to acquire or prepare eligible property unless the



1 acquisition or preparation is an eligible activity.

2 (2) An authority shall not enter into agreements with the
 3 taxing jurisdictions and the governing body of the municipality to
 4 share a portion of the taxes captured from an eligible property
 5 under this act, **unless the agreement is related to another tax**
 6 **increment finance authority that has been established under the**
 7 **recodified tax increment finance act, 2018 PA 57, MCL 125.4101 to**
 8 **125.4915, forgoing or transferring its tax capture to allow an**
 9 **authority to instead capture and utilize those taxes to pay for the**
 10 **eligible activities for an eligible property and only for a period**
 11 **of time not to exceed the duration of the plan for that eligible**
 12 **property.** ~~Upon~~**On** adoption of the plan, the collection and
 13 transmission of the amount of tax increment revenues as specified
 14 in this act ~~shall be~~**are** binding on all taxing units levying ad
 15 valorem property taxes or specific taxes against property located
 16 in the zone.

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

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

27 (a) A combined brownfield plan or a work plan ~~shall~~**must** be
 28 approved by the Michigan strategic fund and a development agreement
 29 or reimbursement agreement between the municipality or authority



1 and an owner or developer of eligible property is required before
 2 such tax increment may be used for ~~infrastructure~~**any of the**
 3 **following:**

4 (i) **Infrastructure** improvements that directly benefit eligible
 5 property. ~~demolition~~

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

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

10 (iv) **Site** preparation that is not response activity. ~~relocation~~

12 (v) **Relocation** of public buildings or operations for economic
 13 development purposes. ~~or acquisition~~

14 (vi) **Acquisition** of property by a land bank fast track
 15 authority if acquisition of the property is for economic
 16 development purposes.

17 (b) **Except as otherwise provided in this subdivision, if the**
 18 **work plan or combined brownfield plan is requesting reimbursement**
 19 **for housing development activities, the work plan or combined**
 20 **brownfield plan must be approved by the Michigan state housing**
 21 **development authority and a development agreement or reimbursement**
 22 **agreement between the municipality or authority and an owner or**
 23 **developer of eligible property that stipulates price and income**
 24 **monitoring for residential units is required before such tax**
 25 **increment may be used for housing development activities. A work**
 26 **plan or combined brownfield plan is not required to be approved by**
 27 **the Michigan state housing development authority under this**
 28 **subdivision if all of the housing property for which housing**
 29 **development activities are identified under the plan will be sold**



1 **or rented at a market rate and will not be subsidized.**

2 (c) ~~(b)~~ Approval of a combined brownfield plan or a work plan
3 by the Michigan strategic fund in the manner required under section
4 15(12) to (14) or (20) is required ~~in order~~ to use the tax
5 increment revenues to assist a land bank fast track authority or
6 qualified local governmental unit with clearing or quieting title,
7 acquiring, selling, or conveying property.

8 (d) ~~(e)~~ The combined brownfield plan or work plan to be
9 submitted to the Michigan strategic fund **or Michigan state housing**
10 **development authority** under this subsection ~~shall~~ **must** be in a form
11 prescribed by the Michigan strategic fund **or the Michigan state**
12 **housing development authority, as applicable.**

13 (e) ~~(d)~~ The eligible activities to be conducted and described
14 in this subsection ~~shall~~ **must** be consistent with the combined
15 brownfield plan or work plan submitted by the authority to the
16 Michigan strategic fund **or the Michigan state housing development**
17 **authority, or both, as applicable.**

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

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

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

27 (a) Use taxes captured from eligible property to pay for
28 eligible activities conducted before approval of the brownfield
29 plan.



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

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

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

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

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

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



1 (i) Reasonable and actual administrative and operating expenses
 2 of the authority, **including costs to implement, monitor, and**
 3 **maintain compliance with the income and price monitoring**
 4 **responsibilities associated with housing development activities.**

5 (ii) Department specific activities conducted by or on behalf
 6 of the authority related directly to work conducted on prospective
 7 eligible properties ~~prior to~~ **before** approval of the brownfield
 8 plan.

9 (iii) Reasonable costs of developing and preparing brownfield
 10 plans, combined plans, or work plans for which tax increment
 11 revenues may be used under subsection (4), including, but not
 12 limited to, ~~legal~~ **both of the following:**

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

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

18 (iv) Reasonable cost of brownfield plan or work plan
 19 implementation, including, but not limited to, tracking and
 20 reporting data and plan compliance **and costs to implement, monitor,**
 21 **and maintain compliance with the income and price monitoring**
 22 **responsibilities associated with housing development activities.**

23 (b) Taxes levied for school operating purposes may be used for
 24 1 or more of the following administrative and operating purposes:

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

29 (A) **Legal** and consulting fees that are not in the ordinary



1 course of acquiring and developing real estate, not to exceed
2 \$30,000.00.

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

6 (ii) Reasonable costs of brownfield plan or work plan
7 implementation, including, but not limited to, tracking and
8 reporting of data and plan compliance, **and costs to implement,**
9 **monitor, and maintain compliance with the income and price**
10 **monitoring responsibilities associated with housing development**
11 **activities, not to exceed ~~\$30,000.00.~~\$50,000.00.**

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

16 (i) For authorities that have 5 or fewer active projects,
17 ~~\$100,000.00.~~**\$125,000.00.**

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

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

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

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

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

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



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

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

5 (x) For authorities that have 99 or more active projects,
6 ~~\$1,000,000.00.~~**\$2,000,000.00.**

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

10 (e) As used in this subsection, "active project" means **either**
11 a project ~~in~~**for** which the authority is currently capturing taxes
12 under this act **or a project for which an authority has ongoing**
13 **obligations to implement, monitor, or maintain compliance with the**
14 **income and price monitoring responsibilities associated with**
15 **housing development activities, or both.** The amounts of tax
16 increment revenues attributable to local taxes listed in this
17 subsection that an authority can use for the purposes described in
18 this subsection may be increased by 2% for each written agreement
19 entered into by an authority in either of the following situations
20 up to a total maximum increase of 10%:

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

25 (ii) The authority enters into a written agreement with 1 or
26 more other authorities to administer 1 or more administrative
27 operations of those other authorities.

28 (8) The limitations of subsections (4), (5), and (6) ~~upon~~**on**
29 the use of taxes levied for school operating purposes ~~shall~~**do not**



1 apply to the costs of 1 or more of the following incurred by a
2 person other than the authority:

3 (a) Site investigation activities required to conduct a
4 baseline environmental assessment and to evaluate compliance with
5 sections 20107a and 21304c of the natural resources and
6 environmental protection act, 1994 PA 451, MCL 324.20107a and
7 324.21304c.

8 (b) Completing a baseline environmental assessment.

9 (c) Preparing a plan for compliance with sections 20107a and
10 21304c of the natural resources and environmental protection act,
11 1994 PA 451, MCL 324.20107a and 324.21304c.

12 (d) Performing pre-demolition and building hazardous materials
13 surveys.

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

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

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

20 (a) For tax increment revenues attributable to taxes levied
21 for school operating purposes, eligible activities associated with
22 unanticipated response activities conducted on eligible property if
23 that eligible property has been included in a brownfield plan, ~~if~~
24 the department is consulted in writing on the unanticipated
25 response activities before they are conducted, and the costs of
26 those activities are subsequently included in a brownfield plan,
27 combined brownfield plan or a work plan or amendment approved by
28 the authority and approved by the department.

29 (b) For tax increment revenues attributable to local taxes,



1 any eligible activities conducted on eligible property or
2 prospective eligible properties ~~prior to~~**before** approval of the
3 brownfield plan, if those costs and the eligible property are
4 subsequently included in a brownfield plan approved by the
5 authority.

6 (c) For tax increment revenues attributable to taxes levied
7 for school operating purposes, eligible activities described in
8 subsection (4) and conducted on eligible property or prospective
9 eligible properties ~~prior to~~**before** approval of the brownfield
10 plan, if those costs and the eligible property are subsequently
11 included in a brownfield plan approved by the authority and a
12 combined brownfield plan or work plan approved by the Michigan
13 strategic fund **or the Michigan state housing development authority,**
14 **or both, as applicable.**

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

20 (e) Reasonable cost of brownfield plan or work plan
21 implementation, including, but not limited to, tracking and
22 reporting of data and plan compliance.

23 (10) An authority shall not use taxes levied for school
24 operating purposes captured from eligible property for response
25 activities that benefit a party responsible for an activity causing
26 a release under section 20126 or 21323a of the natural resources
27 and environmental protection act, 1994 PA 451, MCL 324.20126 and
28 324.21323a, except that a municipality that established the
29 authority may use taxes levied for school operating purposes



1 captured from eligible property for response activities associated
2 with a landfill.

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

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

10 (a) 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 and interest thereon, the authority may
13 capture local taxes for the payment of that interest.

14 (b) If an authority reimburses a person or entity under this
15 section for an advance for the payment or reimbursement of the cost
16 of department specific activities and interest thereon included in
17 a combined brownfield plan or a work plan approved by the
18 department, the authority may capture taxes levied for school
19 operating purposes and local taxes for the payment of that
20 interest.

21 (c) If an authority reimburses a person or entity under this
22 section for an advance for the payment or reimbursement of the cost
23 of eligible activities that are not department specific activities
24 and interest thereon included in a combined brownfield plan or a
25 work plan approved by the Michigan strategic fund **or the Michigan**
26 **state housing development authority, or both, as applicable,** the
27 authority may capture taxes levied for school operating purposes
28 and local taxes for the payment of that interest ~~provided that if~~
29 the Michigan strategic fund **or the Michigan state housing**



1 **development authority, as applicable,** grants an approval for the
2 capture of taxes levied for school operating purposes to pay ~~such~~
3 **that** interest.

4 (13) An authority may enter into agreements related to these
5 reimbursements and payments described in this section. A
6 reimbursement agreement for these purposes and the obligations
7 under that reimbursement agreement ~~shall~~**are** not ~~be~~ subject to
8 section 13 or the revised municipal finance act, 2001 PA 34, MCL
9 141.2101 to 141.2821.

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

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

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

24 (i) The date of repayment of all eligible expenses relative to
25 such eligible property.

26 (ii) The date excess capture is terminated under subsection
27 (16).

28 (15) The department of treasury shall deposit the amounts
29 described in subsection (14) into the state brownfield



1 redevelopment fund. If an authority makes a payment as required
 2 under subsection (14) to the department of treasury, the local
 3 taxes levied on that parcel and used to reimburse eligible
 4 activities under a brownfield plan ~~shall~~**must** not be increased or
 5 decreased due to that payment. If, due to an appeal of any tax
 6 assessment, an authority is required to reimburse a taxpayer for
 7 any portion of the amount paid to the department of treasury under
 8 this subsection, the department of treasury shall reimburse that
 9 amount to the authority within 30 days after receiving a request
 10 from the authority for reimbursement.

11 (16) The brownfield plan ~~shall~~**must** include a proposed
 12 beginning date of capture. If the actual beginning date of capture
 13 of tax increment revenues is later than 5 years following the date
 14 of the adoption of the brownfield plan resolution, then the maximum
 15 number of years of capture will decrease. The end date of capture
 16 must be no later than 35 years after the date of the adoption of
 17 the brownfield plan resolution. The authority may amend the
 18 beginning date of capture of tax increment revenues for a
 19 particular eligible property as long as the authority has not begun
 20 to reimburse eligible activities from the capture of tax increment
 21 revenues from that eligible property. Any tax increment revenues
 22 captured from an eligible property before the beginning date of
 23 capture of tax increment revenues for that eligible property ~~shall~~
 24 **must** revert proportionately to the respective tax bodies.

25 Sec. 13c. (1) Subject to the approval of the governing body
 26 and Michigan strategic fund under section 14a, the board may
 27 implement a transformational brownfield plan. The transformational
 28 brownfield plan may consist of a single development on eligible
 29 property or a series of developments on eligible property that are



1 part of a related program of investment, whether or not located on
 2 contiguous parcels, and may be amended to apply to additional
 3 parcels of eligible property. Each amendment to a transformational
 4 brownfield plan ~~shall~~**must** be approved by the governing body of the
 5 municipality in which it is located and the Michigan strategic fund
 6 and ~~shall~~**must** be consistent with the approval requirements in this
 7 section.

8 (2) A transformational brownfield plan may authorize the use
 9 of construction period tax capture revenues, withholding tax
 10 capture revenues, income tax capture revenues, ~~and~~ tax increment
 11 revenues, **and sales and use tax capture revenues** for eligible
 12 activities described in section ~~2(o)(iv)~~**2(o)(v)**. Except as
 13 **otherwise** provided ~~for~~ in section 13b(6)(d), tax increment
 14 revenues, construction period tax capture revenues, withholding tax
 15 capture revenues, ~~and~~ income tax capture revenues, ~~shall~~**and sales**
 16 **and use tax capture revenues must** be used only for the costs of
 17 eligible activities included within the transformational brownfield
 18 plan to which the revenues are attributable, including the cost of
 19 principal of and interest on any obligation to pay the cost of the
 20 eligible activities.

21 (3) A transformational brownfield plan is a brownfield plan
 22 and, except as otherwise provided, is subject to sections 13, 13a,
 23 13b, 14, and 15. ~~of this act.~~ In addition to the information
 24 required under section 13(2), a transformational brownfield plan
 25 ~~shall~~**must** contain all of the following:

26 (a) The basis for designating the plan as a transformational
 27 brownfield plan under section ~~2(vv)~~**2(hhh)**.

28 (b) A description of the costs of the transformational
 29 brownfield plan intended to be paid for with construction period



1 tax capture revenues, withholding tax capture revenues, ~~and~~ income
2 tax capture revenues, **and sales and use tax capture revenues.**

3 (c) An estimate of the amount of construction period tax
4 capture revenues, withholding tax capture revenues, ~~and~~ income tax
5 capture revenues, **and sales and use tax capture revenues** expected
6 to be generated for each year of the transformational brownfield
7 plan from the eligible property.

8 (d) The beginning date and duration of capture of construction
9 period tax capture revenues, withholding tax capture revenues, ~~and~~
10 income tax capture revenues, **and sales and use tax capture revenues**
11 for each eligible property as determined under subsections (8) and
12 (11).

13 (4) Subject to section 14a(7), the transformational brownfield
14 plan may provide for the use of part or all of the tax increment
15 revenues, construction period tax capture revenues, withholding tax
16 capture revenues, ~~and~~ income tax capture revenues, **and sales and**
17 **use tax capture revenues.** The portion of tax increment revenues,
18 construction period tax capture revenues, withholding tax capture
19 revenues, ~~and~~ income tax capture revenues, **and sales and use tax**
20 **capture revenues** to be used may vary over the duration of the
21 transformational brownfield plan, but the portion intended to be
22 used ~~shall~~ **must** be clearly stated in the transformational
23 brownfield plan.

24 (5) Approval of a transformational brownfield plan, or an
25 amendment to a transformational brownfield plan, ~~shall~~ **must** be in
26 accordance with the notice, approval, and public hearing
27 requirements of sections 14 and 14a, except that the governing body
28 shall provide notice to the Michigan strategic fund not less than
29 30 days before the hearing on a transformational brownfield plan.



1 (6) If a transformational brownfield plan authorizes the use
 2 of construction period tax capture revenues, withholding tax
 3 capture revenues, ~~or~~ income tax capture revenues, **or sales and use**
 4 **tax capture revenues**, approval of a combined brownfield plan or
 5 work plan by the Michigan strategic fund and a written development
 6 or reimbursement agreement between the owner or developer of the
 7 eligible property, the authority, and the Michigan strategic fund
 8 are required. If a plan authorizes the use of tax increment
 9 revenues for eligible activities under section ~~2(e)(iv)~~ **2(o)(v)**
 10 other than eligible activities described in section 13b, approval
 11 of a work plan or combined brownfield plan by the Michigan
 12 strategic fund to use tax increment revenues for those additional
 13 eligible activities is required. A work plan or combined brownfield
 14 plan under this subsection ~~shall~~ **must** be consolidated with a work
 15 plan or combined brownfield plan under section 13b(4). The eligible
 16 activities to be conducted ~~shall~~ **must** be consistent with the work
 17 plan submitted by the authority to the Michigan strategic fund.

18 (7) ~~Upon~~ **On** approval of the transformational brownfield plan
 19 by the governing body and Michigan strategic fund, and the
 20 execution of the written development or reimbursement agreement,
 21 the transfer and distribution of construction period tax capture
 22 revenues, withholding tax capture revenues, ~~and~~ income tax capture
 23 revenues, **and sales and use tax capture revenues** as specified in
 24 this act and in the plan ~~shall be~~ **are** binding on this state and the
 25 collection and transmission of the amount of tax increment revenues
 26 as specified in this act and in the plan ~~shall be~~ **are** binding on
 27 all taxing units levying ad valorem property taxes or specific
 28 taxes against property subject to the transformational brownfield
 29 plan.



1 (8) A transformational brownfield plan ~~shall~~**must** not
 2 authorize the capture or use of tax increment revenues,
 3 construction period tax capture revenues, withholding tax capture
 4 revenues, ~~or~~ income tax capture revenues, **or sales and use tax**
 5 **capture revenues** after the year in which the total amount of the
 6 revenue captured under the transformational brownfield plan is
 7 equal to the sum of the costs permitted to be funded with the
 8 revenue under the transformational brownfield plan.

9 (9) The brownfield authority and Michigan strategic fund may
 10 reimburse advances, with or without interest, made by a
 11 municipality under section 7(3), a land bank fast track authority,
 12 or any other person or entity for costs of eligible activities
 13 included within a transformational brownfield plan using tax
 14 increment revenues, construction period tax capture revenues,
 15 withholding tax capture revenues, ~~or~~ income tax capture revenues,
 16 **or sales and use tax capture revenues** attributable to that plan.
 17 ~~Upon~~**On** approval of the Michigan strategic fund, the amount of tax
 18 increment revenues, construction period tax capture revenues,
 19 withholding tax capture revenues, ~~and~~ income tax capture revenues,
 20 **and sales and use tax capture revenues** authorized to be captured
 21 under a transformational brownfield plan may include amounts
 22 required for the payment of interest under this subsection. A
 23 written development or reimbursement agreement ~~shall~~**must** be
 24 entered into under subsection (6) before any reimbursement or
 25 payment using tax increment revenues, construction period tax
 26 capture revenues, withholding tax capture revenues, ~~or~~ income tax
 27 capture revenues, **or sales and use tax capture revenues** may
 28 commence. A reimbursement agreement for these purposes and the
 29 obligations under that reimbursement agreement ~~shall~~**are** not be



1 subject to section 12 or the revised municipal finance act, 2001 PA
2 34, MCL 141.2101 to 141.2821.

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

16 (11) The duration of the capture of withholding tax capture
17 revenues, ~~and~~ income tax capture revenues, **and sales and use tax**
18 **capture revenues** under a transformational brownfield plan for a
19 particular eligible property ~~shall~~**must** not exceed the lesser of
20 the period authorized under subsection (8) or 20 years from the
21 beginning date of the capture of withholding tax capture revenues
22 ~~and~~ income tax capture revenues, **and sales and use tax capture**
23 **revenues** for that eligible property. The beginning date for the
24 capture of tax increment revenues, withholding tax capture
25 revenues, ~~and~~ income tax capture revenues, **and sales and use tax**
26 **capture revenues** for an eligible property ~~shall~~**must** not be later
27 than 5 years following the date the Michigan strategic fund
28 approves the inclusion of the eligible property in a
29 transformational brownfield plan. Subject to the approval of the



1 governing body and Michigan strategic fund, the authority may amend
 2 the beginning date of capture of tax increment revenues,
 3 withholding tax capture revenues, ~~and~~ income tax capture revenues,
 4 **and sales and use tax capture revenues** to a date not later than 5
 5 years following the date the Michigan strategic fund approved
 6 inclusion of the eligible property in the transformational
 7 brownfield plan ~~so long as~~ **if** capture of the revenues under the
 8 transformational brownfield plan has not yet commenced. **Solely with**
 9 **respect to a related program of investment as defined in subsection**
 10 **(12), subject to the approval of the governing body and Michigan**
 11 **strategic fund, the authority may amend the beginning date of**
 12 **capture of tax increment revenues, withholding tax capture**
 13 **revenues, income tax capture revenues, and sales and use tax**
 14 **capture revenues for an eligible property included within a related**
 15 **program of investment to a date later than 5 years following the**
 16 **date the Michigan strategic fund approved inclusion of the eligible**
 17 **property in the transformational brownfield plan if the governing**
 18 **body and Michigan strategic fund determine that the developer of**
 19 **the related program of investment has proceeded in good faith and**
 20 **made reasonable and substantial progress in the implementation of**
 21 **the related program of investment.**

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

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

27 (b) For developments under affiliated ownership, the
 28 developments are reasonably contiguous and are part of a program of
 29 investment in a logically defined geography, including, but not



1 limited to, a downtown district as defined in section 201 of the
 2 recodified tax increment financing act, 2018 PA 57, MCL 125.4201,
 3 or a principal shopping district or business improvement district
 4 as defined in section 1 of 1961 PA 120, MCL 125.981, and including
 5 areas that are logically related to those districts and that will
 6 promote infill development.

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

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

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



1 in effect. In implementing this subsection, all of the following
2 apply:

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

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

14 (c) A city levying a city income tax under the city income tax
15 act, 1964 PA 284, MCL 141.501 to 141.787, shall calculate for each
16 tax year the amount of revenue the city collected as a result of
17 the operation of this subsection and shall enter into a binding
18 reimbursement agreement with the authority, and owner or developer
19 of the eligible property, providing for the payment of the amounts
20 to the authority, or the owner or developer of the eligible
21 property, for eligible activities as provided ~~for~~ in the
22 transformational brownfield plan. City income taxes administered by
23 the department of treasury pursuant to the city income tax act,
24 1964 PA 284, MCL 141.501 to 141.787, ~~shall be~~**are** subject to the
25 procedures of subdivision (b) regarding the calculation and deposit
26 of any revenue collected as a result of the operation of this
27 subsection.

28 (d) The department of treasury may require the owner or
29 developer to submit any information necessary for the calculation



1 of revenue collected pursuant to the operation of this subsection.
 2 This state has no obligation for calculating revenues to be
 3 collected pursuant to the operation of this subsection ~~where~~**if** the
 4 required information is not reported.

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

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

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

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



1 brownfield plan.

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

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

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

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

19 (d) Whether the amount of captured taxable value, construction
20 period tax capture revenues, withholding tax capture revenues, ~~and~~
21 income tax capture revenues, **and sales and use tax capture revenues**
22 estimated to result from adoption of the transformational
23 brownfield plan are reasonable.

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

27 (f) Whether subject to subsection (22)(d), the
28 transformational brownfield plan includes provisions for affordable
29 housing.



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

6 (5) In determining whether to approve a transformational
 7 brownfield plan under subsection (3)(c) and (d), the Michigan
 8 strategic fund shall conduct a financial and underwriting analysis
 9 of the developments included in the plan. The analysis ~~shall~~**must**
 10 consider both projected rental rates at the time of project
 11 delivery and potential increases in rental rates over time. The
 12 Michigan strategic fund shall not approve the use of construction
 13 period tax capture revenues, withholding tax capture revenues, ~~and~~
 14 income tax capture revenues, **and sales and use tax capture revenues**
 15 beyond the amount determined to be necessary for the project to be
 16 economically viable. The Michigan strategic fund shall develop
 17 standardized underwriting criteria for determining economic
 18 viability. The Michigan strategic fund shall take into account the
 19 impact of the sales and use tax exemptions under section 4d(n) of
 20 the general sales tax act, 1933 PA 167, MCL 205.54d, and section
 21 4dd of the use tax act, 1937 PA 94, MCL 205.94dd, in determining
 22 the amount of construction period tax capture revenues, withholding
 23 tax capture revenues, ~~and~~ income tax capture revenues, **and sales**
 24 **and use tax capture revenues** required for the project to be
 25 economically viable. The Michigan strategic fund shall ensure that
 26 each transformational brownfield plan includes a significant equity
 27 contribution from the owner or developer as determined by the fund.

28 (6) The Michigan strategic fund shall require an independent,
 29 third-party underwriting analysis under subsection (3)(d) for any



1 plan that proposes to use more than \$10,000,000.00 in any year in
 2 withholding tax capture revenues, ~~and~~ income tax capture revenues,
 3 **and sales and use tax capture revenues**, as determined by the first
 4 full year of tax capture under the plan. The cost of the
 5 independent, third-party underwriting analysis ~~shall~~**must** be paid
 6 by the owner or developer of the eligible property. **In addition to**
 7 **the independent, third-party underwriting analysis, the Michigan**
 8 **strategic fund shall require an independent, third-party analysis**
 9 **of the sales and use tax capture revenue estimates for any plan**
 10 **that includes sales and use tax capture revenues. The cost of the**
 11 **independent, third-party analysis must be paid by the owner or**
 12 **developer of the eligible property.** The Michigan strategic fund
 13 shall consult with the state treasurer ~~prior to~~**before** approving
 14 any transformational brownfield plan subject to this subsection.
 15 ~~Nothing in this~~**This** subsection ~~shall~~**does not** limit the ability of
 16 the Michigan strategic fund to utilize independent, third-party
 17 analyses on plans not subject to this subsection.

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

29 (a) The income tax capture revenues are attributable to the



1 election under section 13c(13).

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

10 (8) The Michigan strategic fund shall require the owner or
 11 developer of the eligible property to certify the actual capital
 12 investment, as determined in accordance with section ~~2(o)(iv)~~
 13 **2(o)(v)** and ~~section 2(vv)~~, upon ~~(hhh)~~, **on** the completion of
 14 construction and before the commencement of reimbursement from
 15 withholding tax capture revenues, income tax capture revenues,
 16 **sales and use tax capture revenues**, or tax increment revenues, for
 17 the plan or the distinct phase or project within the plan for which
 18 reimbursement will be provided. If the actual capital investment is
 19 less than the amount included in the plan, the Michigan strategic
 20 fund shall review the determination under subsection (5) and may
 21 modify the amount of reimbursement if, and to the extent, such a
 22 modification is necessary to maintain compliance with subsection
 23 (5). The transformational brownfield plan, work plan, and
 24 development and reimbursement agreement ~~shall~~**must** include
 25 provisions to enforce the requirements and remedies under this
 26 subsection. If the actual level of capital investment does not meet
 27 the applicable minimum investment requirement under section ~~2(vv)~~
 28 **2(hhh)** and is outside of the safe harbor under subsection (15), the
 29 Michigan strategic fund may take 1 of the following remedial



1 actions:

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

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

8 (i) Permanently rescind the authorization to use tax increment
9 revenues, construction period tax capture revenues, withholding tax
10 capture revenues, ~~and~~ income tax capture revenues, **and sales and**
11 **use tax capture revenues** for the additional distinct phases or
12 projects in the plan.

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

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

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



1 funds pursuant to an application identifying the target areas.

2 (b) Is for eligible property in a municipality that was
3 subject to a state of emergency under the emergency management act,
4 1976 PA 390, MCL 30.401 to 30.421, issued for drinking water
5 contamination.

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

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

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

24 (11) The Michigan strategic fund may not approve more than 5
25 transformational brownfield plans under subsection (9) in a
26 calendar year, except that if the Michigan strategic fund approves
27 fewer than 5 plans in a calendar year under subsection (9), the
28 unused approval authority ~~shall carry~~ **carries** forward into future
29 calendar years and ~~remain~~ **remains** available until December 31,



1 2027. The Michigan strategic fund also shall not approve more than
 2 5 transformational brownfield plans under subsection (9) in any
 3 individual city, village, or township ~~prior to~~**before** December 31,
 4 2022.

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

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

22 (14) The procedure, adequacy of notice, and findings under
 23 this section ~~shall be~~**are** presumptively valid unless contested in a
 24 court of competent jurisdiction within 60 days after approval of
 25 the transformational brownfield plan by the Michigan strategic
 26 fund. An approved amendment to a conclusive transformational
 27 brownfield plan ~~shall~~**is** likewise ~~be~~ conclusive unless contested
 28 within 60 days after approval of the amendment by the Michigan
 29 strategic fund. If a resolution adopting an amendment to the



1 transformational brownfield plan is contested, the original
 2 resolution adopting the transformational brownfield plan is not
 3 open to contest.

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

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

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

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

29 (19) The Michigan strategic fund shall not commit, and the



1 department of treasury shall not disburse, more than ~~\$40,000,000.00~~
 2 **\$80,000,000.00** in total annual tax capture. ~~For purposes of~~ **As used**
 3 **in** this subsection, "total annual tax capture" means the total
 4 annual amount of income tax capture revenues, ~~and withholding tax~~
 5 capture revenues, **and sales and use tax capture revenues** that may
 6 be reimbursed each calendar year under all transformational
 7 brownfield plans. ~~If the amount committed or disbursed in a~~
 8 ~~calendar year is less than \$40,000,000.00, the difference between~~
 9 ~~that amount and \$40,000,000.00 shall be available to be committed~~
 10 ~~or disbursed in subsequent calendar years and shall be in addition~~
 11 ~~to the annual limit otherwise applicable.~~ **In addition to the**
 12 **\$80,000,000.00 annual limit, both of the following provisions**
 13 **apply:**

14 (a) With respect to the availability of uncommitted amounts,
 15 if an amount authorized to be committed for a calendar year has not
 16 been committed, the uncommitted amount for that calendar year
 17 remains available to be committed and disbursed in a subsequent
 18 calendar year and is in addition to the annual limits otherwise
 19 applicable. However, not more than \$30,000,000.00 may be committed
 20 or disbursed in any calendar year above the \$80,000,000.00 annual
 21 limit as a result of the operation of this subdivision, and all
 22 commitments and disbursements under this subdivision remain subject
 23 to the overall limitation in subsection (20).

24 (b) With respect to the availability of committed but
 25 undisbursed amounts, if an amount has been committed under an
 26 approved transformational brownfield plan for a calendar year but
 27 has not been disbursed, the undisbursed amount for that year is
 28 available to be disbursed in a subsequent calendar year and is in
 29 addition to the annual limit otherwise applicable.



1 (20) The Michigan strategic fund shall not commit, and the
 2 department of treasury shall not disburse, a total amount of income
 3 tax capture revenues, ~~and withholding tax capture revenues, and~~
 4 **sales and use tax capture revenues** that exceeds
 5 ~~\$800,000,000.00.~~ **\$1,600,000,000.00.**

6 (21) The Michigan strategic fund shall not approve more than a
 7 total of \$200,000,000.00 in construction period tax capture
 8 revenues. ~~and in projected sales and use tax exemptions under~~
 9 ~~section 4d(n) of the general sales tax act, 1933 PA 167, MCL~~
 10 ~~205.54d, and section 4dd of the use tax act, 1937 PA 94, MCL~~
 11 ~~205.94dd.~~ The Michigan strategic fund shall project the value of
 12 the sales and use tax exemptions under each transformational
 13 brownfield plan at the time of plan approval and shall require such
 14 information from the owner or developer as is necessary to perform
 15 this calculation. The Michigan strategic fund also shall require
 16 the owner or developer of the eligible property to report the
 17 actual value of the sales and use tax exemptions each tax year of
 18 the construction period and at the end of the construction period.
 19 ~~If the value of the actual sales and use tax exemptions and~~
 20 ~~construction period tax capture revenues under all transformational~~
 21 ~~brownfield plans exceeds the limit of \$200,000,000.00 under this~~
 22 ~~subsection by more than a de minimis amount, as determined by the~~
 23 ~~state treasurer, the state treasurer shall take corrective action~~
 24 ~~and may reduce future disbursements to achieve compliance with the~~
 25 ~~aggregate limitation under subsection (20) and this subsection. The~~
 26 ~~corrective action described in this subsection shall not reduce the~~
 27 ~~disbursement for an individual plan by an amount that is more than~~
 28 ~~the amount by which the value of the sales and use tax exemptions~~
 29 ~~for that plan exceeded the amount projected at the time of plan~~



1 ~~approval and included in the plan. The Michigan strategic fund and~~
 2 ~~department of treasury shall prescribe specific methods for~~
 3 ~~implementing this section within 60 days of the effective date of~~
 4 ~~the amendatory act that added this section.~~

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

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

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

15 (c) Ensure an equitable geographic distribution of plans
 16 approved under this subsection, which ~~shall~~ **must** achieve a balance
 17 between the needs of municipalities of differing sizes and
 18 differing geographic areas of the state. Subject to the receipt of
 19 qualified transformational brownfield plans meeting the criteria
 20 under this section and section 13c, the Michigan strategic fund
 21 shall ~~set a target that not less than 35% of the total~~
 22 ~~transformational brownfield plans approved under this act prior to~~
 23 ~~December 31, 2027 will be located in cities, villages, and~~
 24 ~~townships with a population of less than 100,000.~~ **ensure that both**
 25 **of the following requirements are met:**

26 (i) **Not less than 33% and not more than 38% of the total**
 27 **transformational brownfield plans approved under this act before**
 28 **December 31, 2027 will be located in cities, villages, and**
 29 **townships with a population of less than 100,000.**



1 (ii) Not less than 33% and not more than 38% of the total
 2 transformational brownfield plans approved under this act before
 3 December 31, 2027 will be located in cities, villages, and
 4 townships with a population of not less than 100,000 and not more
 5 than 225,000.

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

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

14 (24) If the Michigan strategic fund approves a
 15 transformational brownfield plan and work plan, and subsequent to
 16 that approval, amendments are made to this act, the Michigan
 17 strategic fund may amend those plans to make conforming and
 18 consistent changes to the approved transformational brownfield plan
 19 and work plan on an administrative basis, ~~provided that if~~ those
 20 changes do not result in any increase in the aggregate total amount
 21 of reimbursement authorized under the initial transformational
 22 brownfield plan. The authority of the Michigan strategic fund to
 23 administratively amend transformational brownfield plans and work
 24 plans under this subsection also applies to transformational
 25 brownfield plans and work plans entered into before ~~the effective~~
 26 ~~date of the amendatory act that added this sentence.~~ **December 27,**
 27 **2021.**

28 (25) The Michigan strategic fund shall not approve any new
 29 transformational brownfield plans after December 31, 2027. A



1 transformational brownfield plan approved ~~prior to~~ **before** December
 2 31, 2022 ~~shall remain~~ **remains** in effect and may be amended in
 3 accordance with ~~the provisions of~~ this act.

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

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

11 (a) A copy of the brownfield plan.

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

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

21 (d) Existing and proposed future zoning for each eligible
 22 property.

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

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



1 days:

2 (a) An unconditional approval.

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

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

18 (d) A denial if the property is not an eligible property under
19 this act, if the work plan contemplates the use of taxes levied for
20 school operating purposes prohibited by section 13b(10), or for any
21 specific activity if the activity is prohibited by section
22 13b(6) (a). The department may also deny any activity in a work plan
23 that does not meet the conditions in subsection (3) only if the
24 department cannot respond under ~~subsection (2) (b)~~ **subdivision (b)**
25 or (c). The department shall accompany the denial with a letter
26 that states with specificity the reason for the denial. The
27 department shall respond under ~~subsection (2) (a)~~, **subdivision (a)**,
28 (b), or (c) according to this section for any activities in the
29 work plan that are not denied under this subdivision. If the



1 department denies all or a portion of a work plan under this
2 subdivision, the authority may subsequently resubmit the work plan.

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

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

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

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

23 (ii) The cost to implement activities minimally necessary to
24 achieve due care compliance, the total cost of response activities,
25 and the incremental cost of department specific activities in
26 excess of those activities minimally necessary to achieve due care
27 compliance.

28 (iii) Long-term obligations associated with leaving
29 contamination in place and the value of reducing or eliminating



1 these obligations.

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

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

24 (5) The department may issue a written response to a work plan
25 more than 60 days but less than 6 months after receipt of a request
26 for approval. If the department issues a written response under
27 this subsection, the authority is not required to conduct
28 individual activities that are in addition to the individual
29 activities included in the work plan as it was submitted for



1 approval and failure to conduct these additional activities ~~shall~~
 2 **does** not affect the authority's ability to capture taxes under
 3 section 13b for the eligible activities described in the work plan
 4 initially submitted under subsection (4). In addition, at the
 5 option of the authority, these additional individual activities
 6 ~~shall be~~ **are** considered part of the work plan of the authority and
 7 approved for purposes of section 13b. However, any response by the
 8 department under this subsection that identifies additional
 9 individual activities that must be carried out to satisfy part 201
 10 or part 213 must be satisfactorily completed for the activities to
 11 be considered acceptable for the purposes of compliance with part
 12 201 or part 213.

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

22 (a) Obligations for the individual activity have been issued
 23 by the authority, or by a municipality on behalf of the authority,
 24 to fund the individual activity ~~prior to~~ **before** issuance of the
 25 department's response.

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

29 (7) It ~~shall be~~ **is** in the sole discretion of an authority to



1 propose to undertake department specific activities under
 2 subsection (3) (b) at an eligible property under a brownfield plan.
 3 The department shall not require a work plan to include department
 4 specific activities that are more protective of public health,
 5 safety, welfare, and the environment.

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

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

17 (10) To seek Michigan strategic fund approval of a work plan
 18 under section 13b(4) or 13c(6) **or Michigan state housing**
 19 **development authority approval of a work plan under section 13b(4)**,
 20 the authority shall submit all of the following for each eligible
 21 property:

22 (a) A copy of the brownfield plan or the transformational
 23 brownfield plan.

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

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



1 (d) Existing and proposed future zoning for each eligible
2 property.

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

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

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

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

19 ~~Upon~~ **An authority may not submit a request for approval**
20 **of a work plan for a transformational brownfield plan until all**
21 **required financial analyses are complete. On** receipt of a request
22 for approval of a work plan, the Michigan strategic fund **or the**
23 **Michigan state housing development authority** shall provide 1 of the
24 following written responses to the requesting authority within 60
25 days following receipt of a request for approval or within 7 days
26 following the first meeting of the board after the 60-day period
27 following receipt of the request for approval, whichever is later:

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



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

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

10 (12) In its review of a work plan under section 13b(4) or
 11 13c(6) **for approval or denial**, the Michigan strategic fund **or the**
 12 **Michigan state housing development authority** shall consider the
 13 following criteria to the extent reasonably applicable to the type
 14 of activities proposed as part of that work plan when approving or
 15 denying a work plan:

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

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

20 (c) Whether the cost for each individual activity is
 21 reasonable.

22 (d) The overall benefit to the public.

23 (e) The extent of reuse of vacant buildings and redevelopment
 24 of blighted property.

25 (f) Creation of jobs.

26 (g) Whether the eligible property is in an area of high
 27 unemployment.

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



1 (i) The level of private sector contribution.

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

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

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

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

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

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

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

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

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

26 (13) **If the Michigan strategic fund or the Michigan state**
27 **housing development authority** fails to provide a written response
28 under subsection (11) within 60 days following receipt of a request
29 for approval of a work plan or within 7 days following the first



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

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

15 (15) The Michigan strategic fund shall submit a report each
 16 year to each member of the legislature as provided in section
 17 16(4).

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

26 (17) The department's approval of a work plan under subsection
 27 (2)(a) or (b) does not imply an entitlement to reimbursement of the
 28 costs of the eligible activities if the work plan is not
 29 implemented as approved.



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

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

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

19 (a) To seek approval of a combined brownfield plan under this
 20 subsection, the authority shall, ~~at least~~**not less than** 30 days
 21 before the hearing on the combined brownfield plan to allow for
 22 consultation between the authority and the department, **the Michigan**
 23 **state housing development authority**, or the Michigan strategic fund
 24 and ~~at least~~**not less than** 60 days in the case of a
 25 transformational brownfield plan, provide notice that the authority
 26 will be seeking approval of a combined brownfield plan ~~in lieu~~
 27 **instead** of a work plan to 1 or more of the following:

28 (i) The department, if the combined brownfield plan involves
 29 the use of taxes levied for school operating purposes to pay for



1 eligible activities that require approval by the department under
2 section 13b(6) (c).

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

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

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

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

27 (d) ~~Upon~~ **An authority may not submit a request for approval of**
28 **a combined brownfield plan for a transformational brownfield plan**
29 **until all required financial analyses are complete. On receipt of a**



1 combined brownfield plan under subdivision (b), the department,
2 **Michigan state housing development authority**, or Michigan strategic
3 fund shall provide 1 of the following written responses to the
4 requesting authority within 60 days or, in the case of a
5 transformational brownfield plan, within 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, **and sales and**
 12 **use tax capture revenues** approved for the 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, **and sales and use tax**
9 **capture revenues** under all approved plans as provided for in
10 section 8a(4). Funds ~~shall~~ **must** be transmitted to the authority, or
11 owner or developer of the eligible property to which the revenues
12 are attributable, ~~within~~ **not later than** 30 days ~~of~~ **after** transfer
13 to the state brownfield redevelopment fund.

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

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

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



1 (a) The number of housing units produced.

2 (b) The number of income qualified purchaser households
3 served.

4 (c) The number of income qualified renting households
5 assisted.

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

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

