

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 718

A bill to amend 1996 PA 381, entitled
"Brownfield redevelopment financing act,"
by amending section 15 (MCL 125.2665), as amended by 2002 PA
727.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 15. (1) An authority shall not do any of the
2 following:
3 (a) For eligible activities not described in section 13(15),
4 use taxes levied for school operating purposes captured from
5 eligible property unless the eligible activities to be conducted
6 on the eligible property are eligible activities under part 201
7 of the natural resources and environmental protection act, 1994
8 PA 451, MCL 324.20101 to 324.20142, consistent with a work plan
9 or remedial action plan approved by the department after July 24,
10 1996 and before January 1, 2008.

Senate Bill No. 718 as amended December 17, 2003

(b) For eligible activities not described in section 13(15), use funds from a local site remediation revolving fund that are derived from taxes levied for school operating purposes unless the eligible activities to be conducted are eligible activities under part 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20142, consistent with a work plan or remedial action plan that has been approved by the department after July 24, 1996.

(c) Use funds from a local site remediation revolving fund created pursuant to section 8 that are derived from taxes levied for school operating purposes for the eligible activities described in section 13(15) unless the eligible activities to be conducted are consistent with a work plan approved by the Michigan economic growth authority.

(d) Use taxes captured from eligible property to pay for eligible activities conducted before approval of the brownfield plan except for costs described in section 13(16).

(e) Use taxes levied for school operating purposes captured from eligible property for response activities that benefit a party liable under section 20126 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20126, **except that a municipality that established the authority, for taxes levied after 2004, may use taxes levied for school operating purposes captured from eligible property for response activities associated with a landfill.** <<

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(f) Use taxes captured from eligible property to pay for administrative and operating activities of the authority or the municipality on behalf of the authority except for costs described in section 13(16) and for the reasonable costs for preparing a work plan or remedial action plan for the eligible property, including the actual cost of the review of the work plan or remedial action plan under this section.

(2) To seek department approval of a work plan under subsection (1)(a) or (b) or remedial action plan, the authority shall submit all of the following for each eligible property:

(a) A copy of the brownfield plan.

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

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

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

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

(f) A separate work plan or remedial action plan, or part of a work plan or remedial action plan, for each eligible activity

1 to be undertaken.

2 (3) Upon receipt of a request for approval of a work plan or
3 remedial action plan under subsection (2) that pertains to
4 baseline environmental assessment activities or due care
5 activities, or both, or a portion of a work plan or remedial
6 action plan that pertains to only baseline environmental
7 assessment activities or due care activities, or both, the
8 department shall provide 1 of the following written responses to
9 the requesting authority within 60 days:

10 (a) An unconditional approval.

11 (b) A conditional approval that delineates specific necessary
12 modifications to the work plan or remedial action plan,
13 including, but not limited to, individual activities to be added
14 or deleted from the work plan or remedial action plan and
15 revision of costs.

16 (c) If the work plan or remedial action plan lacks sufficient
17 information for the department to respond under subdivision (a)
18 or (b), a letter stating with specificity the necessary additions
19 or changes to the work plan or remedial action plan to be
20 submitted before a plan will be considered by the department.

21 (4) In its review of a work plan or remedial action plan, the
22 department shall consider all of the following:

23 (a) Whether the individual activities included in the work
24 plan or remedial action plan are sufficient to complete the
25 eligible activity.

26 (b) Whether each individual activity included in the work
27 plan or remedial action plan is required to complete the eligible

1 activity.

2 (c) Whether the cost for each individual activity is
3 reasonable.

4 (5) If the department fails to provide a written response
5 under subsection (3) within 60 days after receipt of a request
6 for approval of a work plan or remedial action plan that pertains
7 to baseline environmental assessment activities or due care
8 activities, or both, the authority may proceed with the baseline
9 environmental assessment activities or due care activities, or
10 both, as outlined in the work plan or remedial action plan as
11 submitted for approval. Except as provided in subsection (6),
12 baseline environmental assessment activities or due care
13 activities, or both, conducted pursuant to a work plan or
14 remedial action plan that was submitted to the department for
15 approval but for which the department failed to provide a written
16 response under subsection (3) shall be considered approved for
17 the purposes of subsection (1).

18 (6) The department may issue a written response to a work
19 plan or remedial action plan that pertains to baseline
20 environmental assessment activities or due care activities, or
21 both, more than 60 days but less than 6 months after receipt of a
22 request for approval. If the department issues a written
23 response under this subsection, the authority is not required to
24 conduct individual activities that are in addition to the
25 individual activities included in the work plan or remedial
26 action plan as it was submitted for approval and failure to
27 conduct these additional activities shall not affect the

1 authority's ability to capture taxes under subsection (1) for the
2 eligible activities described in the work plan or remedial action
3 plan initially submitted under subsection (5). In addition, at
4 the option of the authority, these additional individual
5 activities shall be considered part of the work plan or remedial
6 action plan of the authority and approved for purposes of
7 subsection (1). However, any response by the department under
8 this subsection that identifies additional individual activities
9 that must be carried out to satisfy the baseline environmental
10 assessment or due care requirements, or both, of part 201 of the
11 natural resources and environmental protection act, 1994 PA 451,
12 MCL 324.20101 to 324.20142, must be satisfactorily completed for
13 the baseline environmental assessment or due care activities, or
14 both, to be considered acceptable for the purposes of compliance
15 with part 201 of the natural resources and environmental
16 protection act, 1994 PA 451, MCL 324.20101 to 324.20142.

17 (7) If the department issues a written response under
18 subsection (6) to a work plan or remedial action plan that
19 pertains to baseline environmental assessment activities or due
20 care activities, or both, and if the department's written
21 response modifies an individual activity proposed by the work
22 plan or remedial action plan of the authority in a manner that
23 reduces or eliminates a proposed response activity, the authority
24 must complete those individual activities included in the
25 baseline environmental assessment or due care activities, or
26 both, in accordance with the department's response in order for
27 that portion of the work plan or remedial action plan to be

1 considered approved for purposes of subsection (1), unless 1 or
2 more of the following conditions apply:

3 (a) Obligations for the individual activity have been issued
4 by the authority, or by a municipality on behalf of the
5 authority, to fund the individual activity prior to issuance of
6 the department's response.

7 (b) The individual activity has commenced or payment for the
8 work has been irrevocably obligated prior to issuance of the
9 department's response.

10 (8) It shall be in the sole discretion of an authority to
11 propose to undertake additional response activities at an
12 eligible property under a brownfield plan. The department shall
13 not require a work plan or remedial action plan for either
14 baseline environmental assessment activities or due care
15 activities, or both, to include additional response activities.

16 (9) The department may reject the portion of a work plan or
17 remedial action plan that includes additional response activities
18 and may consider the level of risk reduction that will be
19 accomplished by the additional response activities in determining
20 whether to approve or reject the work plan or remedial action
21 plan or a portion of a plan.

22 (10) The department's approval or rejection of a work plan
23 under subsection (1)(a) or (b) or remedial action plan for
24 additional response activities is final.

25 (11) The authority shall reimburse the department for the
26 actual cost incurred by the department or a contractor of the
27 department to review a work plan under subsection (1)(a) or (b)

1 or remedial action plan under this section. Funds paid to the
2 department under this subsection shall be deposited in the cost
3 recovery subaccount of the cleanup and redevelopment fund created
4 under section 20108 of the natural resources and environmental
5 protection act, 1994 PA 451, MCL 324.20108.

6 (12) The department shall submit a report each year on or
7 before March 1 to each member of the legislature that contains
8 all of the following:

9 (a) A compilation and summary of all the information
10 submitted under subsection (2).

11 (b) The amount of revenue this state would have received if
12 taxes levied for school operating purposes had not been captured
13 under this section for the previous calendar year.

14 (c) The amount of revenue each local governmental unit would
15 have received if taxes levied for school operating purposes had
16 not been captured under this section for the previous calendar
17 year.

18 (13) To seek Michigan economic growth authority approval of a
19 work plan under subsection (1)(c) or section 13(15), the
20 authority shall submit all of the following for each eligible
21 property:

22 (a) A copy of the brownfield plan.

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

27 (c) A summary of available information on the historical and

1 current use of each eligible property.

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

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

6 (f) A separate work plan, or part of a work plan, for each
7 eligible activity described in section 13(15) to be undertaken.

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

14 (14) Upon receipt of a request for approval of a work plan,
15 the Michigan economic growth authority shall provide 1 of the
16 following written responses to the requesting authority within 65
17 days:

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

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

24 (c) A denial and a letter stating with specificity the reason
25 for the denial. If a work plan is denied under this subsection,
26 the work plan may be subsequently resubmitted.

27 (15) In its review of a work plan under subsection (1)(c) or

1 section 13(15), the Michigan economic growth authority shall
2 consider the following criteria to the extent reasonably
3 applicable to the type of activities proposed as part of that
4 work plan when approving or denying a work plan:

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

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

9 (c) Whether the cost for each individual activity is
10 reasonable.

11 (d) The overall benefit to the public.

12 (e) The extent of reuse of vacant buildings and redevelopment
13 of blighted property.

14 (f) Creation of jobs.

15 (g) Whether the eligible property is in an area of high
16 unemployment.

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

19 (i) The level of private sector contribution.

20 (j) The cost gap that exists between the site and a similar
21 greenfield site as determined by the Michigan economic growth
22 authority.

23 (k) If the developer or projected occupant of the new
24 development is moving from another location in this state,
25 whether the move will create a brownfield.

26 (l) Whether the financial statements of the developer,
27 landowner, or corporate entity indicate that the developer,

1 landowner, or corporate entity is financially sound and that the
2 project of the developer, landowner, or corporate entity that is
3 included in the work plan is economically sound.

4 (m) Other state and local incentives available to the
5 developer, landowner, or corporate entity for the project of the
6 developer, landowner, or corporate entity that is included in the
7 work plan.

8 (n) Any other criteria that the Michigan economic growth
9 authority considers appropriate for the determination of
10 eligibility or for approval of the work plan.

11 (16) If the Michigan economic growth authority fails to
12 provide a written response under subsection (14) within 65 days
13 after receipt of a request for approval of a work plan, the
14 eligible activities shall be considered approved and the
15 authority may proceed with the eligible activities described in
16 section 13(15) as outlined in the work plan as submitted for
17 approval.

18 (17) The Michigan economic growth authority's approval of a
19 work plan under section 13(15) is final.

20 (18) The authority shall reimburse the Michigan economic
21 growth authority for the actual cost incurred by the Michigan
22 economic growth authority or a contractor of the Michigan
23 economic growth authority to review a work plan under this
24 section.

25 (19) The Michigan economic growth authority shall submit a
26 report each year on or before March 1 to each member of the
27 legislature that contains all of the following:

1 (a) A compilation and summary of all the information
2 submitted under subsection (13).

3 (b) The amount of revenue this state would have received if
4 taxes levied for school operating purposes had not been captured
5 under this section for the previous calendar year.

6 (c) The amount of revenue each local governmental unit would
7 have received if taxes levied for school operating purposes had
8 not been captured under this section for the previous calendar
9 year.

10 (20) All taxes levied for school operating purposes that are
11 not used for eligible activities consistent with a work plan
12 approved by the department or the Michigan economic growth
13 authority and that are not deposited in a local site remediation
14 revolving fund shall be distributed proportionately between the
15 local school district and the school aid fund.