

SUBSTITUTE FOR
HOUSE BILL NO. 4480

A bill to amend 1996 PA 381, entitled
"Brownfield redevelopment financing act,"
by amending the title and sections 2 and 13 (MCL 125.2652 and
125.2663), section 2 as amended by 2002 PA 254 and section 13 as
amended by 2002 PA 727.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1

TITLE

2

An act to authorize municipalities to create a brownfield

3

redevelopment authority to facilitate the implementation of

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brownfield plans; ~~relating to the designation and treatment of~~

5

to create brownfield redevelopment zones; to promote the

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revitalization, ~~of environmentally distressed areas~~

7

redevelopment, and reuse of certain property, including, but not

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limited to, tax reverted, blighted, or functionally obsolete

9

property; to prescribe the powers and duties of brownfield

1 redevelopment authorities; to permit the issuance of bonds and
2 other evidences of indebtedness by an authority; to authorize the
3 acquisition and disposal of certain property; to authorize
4 certain funds; to prescribe certain powers and duties of certain
5 state officers and agencies; and to authorize and permit the use
6 of certain tax increment financing.

7 Sec. 2. As used in this act:

8 (a) "Additional response activities" means response
9 activities identified as part of a brownfield plan that are in
10 addition to baseline environmental assessment activities and due
11 care activities for an eligible property.

12 (b) "Authority" means a brownfield redevelopment authority
13 created under this act.

14 (c) "Baseline environmental assessment" means that term as
15 defined in section 20101 of the natural resources and
16 environmental protection act, 1994 PA 451, MCL 324.20101.

17 (d) "Baseline environmental assessment activities" means
18 those response activities identified as part of a brownfield plan
19 that are necessary to complete a baseline environmental
20 assessment for an eligible property in the brownfield plan.

21 (e) "Blighted" means property that meets any of the following
22 criteria:

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

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

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

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

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

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

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

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

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

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

13 (j) "Department" means the department of environmental
14 quality.

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

21 (l) "Eligible activities" or "eligible activity" does not
22 include activities related to multisource commercial hazardous
23 waste disposal wells as that term is defined in section 62506a of
24 the natural resources and environmental protection act, 1994
25 PA 451, MCL 324.62506a, but means 1 or more of the following:

26 (i) Baseline environmental assessment activities.

27 (ii) Due care activities.

1 (iii) Additional response activities.

2 (iv) For eligible activities on eligible property that was
3 used or is currently used for commercial, industrial, or
4 residential purposes that is in a qualified local governmental
5 unit, **or that is owned or under the control of a land bank fast**
6 **track authority**, and is a facility, functionally obsolete, or
7 blighted, and except for purposes of section 38d of the single
8 business tax act, 1975 PA 228, MCL 208.38d, the following
9 additional activities:

10 (A) Infrastructure improvements that directly benefit
11 eligible property.

12 (B) Demolition of structures that is not response activity
13 under section ~~201~~ **20101** of the natural resources and
14 environmental protection act, 1994 PA 451, MCL 324.20101.

15 (C) Lead or asbestos abatement.

16 (D) Site preparation that is not response activity under
17 section ~~201~~ **20101** of the natural resources and environmental
18 protection act, 1994 PA 451, MCL 324.20101.

19 **(E) Assistance to a land bank fast track authority in**
20 **clearing or quieting title to, or selling or otherwise conveying,**
21 **property owned or under the control of a land bank fast track**
22 **authority.**

23 (v) Relocation of public buildings or operations for economic
24 development purposes with prior approval of the Michigan economic
25 development authority.

26 (m) "Eligible property" means property for which eligible
27 activities are identified under a brownfield plan that was used

1 or is currently used for commercial, industrial, or residential
2 purposes that is either in a qualified local governmental unit
3 and is a facility, functionally obsolete, or blighted or is not
4 in a qualified local governmental unit and is a facility, 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 **or tax reverted property owned or under the control of a land**
9 **bank fast track authority.** Eligible property includes, to the
10 extent included in the brownfield plan, personal property located
11 on the property. Eligible property does not include qualified
12 agricultural property exempt under section 7ee of the general
13 property tax act, 1893 PA 206, MCL 211.7ee, from the tax levied
14 by a local school district for school operating purposes to the
15 extent provided under section 1211 of the revised school code,
16 1976 PA 451, MCL 380.1211.

17 (n) "Facility" means that term as defined in section 20101 of
18 the natural resources and environmental protection act, 1994
19 PA 451, MCL 324.20101.

20 (o) "Fiscal year" means the fiscal year of the authority.

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

1 (q) "Governing body" means the elected body having
2 legislative powers of a municipality creating an authority under
3 this act.

4 (r) "Infrastructure improvements" means a street, road,
5 sidewalk, parking facility, pedestrian mall, alley, bridge,
6 sewer, sewage treatment plant, property designed to reduce,
7 eliminate, or prevent the spread of identified soil or
8 groundwater contamination, drainage system, waterway, waterline,
9 water storage facility, rail line, utility line or pipeline, or
10 other similar or related structure or improvement, together with
11 necessary easements for the structure or improvement, owned or
12 used by a public agency or functionally connected to similar or
13 supporting property owned or used by a public agency, or designed
14 and dedicated to use by, for the benefit of, or for the
15 protection of the health, welfare, or safety of the public
16 generally, whether or not used by a single business entity,
17 provided that any road, street, or bridge shall be continuously
18 open to public access and that other property shall be located in
19 public easements or rights-of-way and sized to accommodate
20 reasonably foreseeable development of eligible property in
21 adjoining areas.

22 (s) "Initial taxable value" means the taxable value of an
23 eligible property identified in and subject to a brownfield plan
24 at the time the resolution adding that eligible property in the
25 brownfield plan is adopted, as shown by the most recent
26 assessment roll for which equalization has been completed at the
27 time the resolution is adopted. Property exempt from taxation at

1 the time the initial taxable value is determined shall be
2 included with the initial taxable value of zero. Property for
3 which a specific tax is paid in lieu of property tax shall not be
4 considered exempt from taxation. The state tax commission shall
5 prescribe the method for calculating the initial taxable value of
6 property for which a specific tax was paid in lieu of property
7 tax.

8 **(t) "Land bank fast track authority" means an authority**
9 **created under the land bank fast track act.**

10 **(u) —(t)— "Local taxes" means all taxes levied other than**
11 **taxes levied for school operating purposes.**

12 **(v) —(u)— "Municipality" means all of the following:**

13 **(i) A city.**

14 **(ii) A village.**

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

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

20 **(v) A county.**

21 **(w) "Owned or under the control of" means that a land bank**
22 **fast track authority has 1 or more of the following:**

23 **(i) An ownership interest in the property.**

24 **(ii) A tax lien on the property.**

25 **(iii) A tax deed to the property.**

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

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

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

4 (x) ~~-(v)-~~ "Qualified local governmental unit" means that term
5 as defined in the obsolete property rehabilitation act, 2000
6 PA 146, MCL 125.2781 to 125.2797.

7 (y) ~~-(w)-~~ "Qualified taxpayer" means that term as defined in
8 sections 38d and 38g of the single business tax act, 1975 PA 228,
9 MCL 208.38d and 208.38g.

10 (z) ~~-(x)-~~ "Remedial action plan" means a plan that meets both
11 of the following requirements:

12 (i) Is a remedial action plan as that term is defined in
13 section 20101 of the natural resources and environmental
14 protection act, 1994 PA 451, MCL 324.20101.

15 (ii) Describes each individual activity to be conducted to
16 complete eligible activities and the associated costs of each
17 individual activity.

18 (aa) ~~-(y)-~~ "Response activity" means that term as defined in
19 section 20101 of the natural resources and environmental
20 protection act, 1994 PA 451, MCL 324.20101.

21 (bb) ~~-(z)-~~ "Specific taxes" means a tax levied under 1974
22 PA 198, MCL 207.551 to 207.572; the commercial redevelopment act,
23 1978 PA 255, MCL 207.651 to 207.668; the enterprise zone act,
24 1985 PA 224, MCL 125.2101 to 125.2123; 1953 PA 189, MCL 211.181
25 to 211.182; the technology park development act, 1984 PA 385,
26 MCL 207.701 to 207.718; the obsolete property rehabilitation act,
27 2000 PA 146, MCL 125.2781 to 125.2797; ~~or~~ the neighborhood

1 enterprise zone act, 1992 PA 147, MCL 207.771 to ~~207.787~~
2 207.786; or that portion of the tax levied under the tax reverted
3 property clean title act that is not required to be distributed
4 to a land bank fast track authority.

5 (cc) ~~(aa)~~ "Tax increment revenues" means the amount of ad
6 valorem property taxes and specific taxes attributable to the
7 application of the levy of all taxing jurisdictions upon the
8 captured taxable value of each parcel of eligible property
9 subject to a brownfield plan and personal property located on
10 that property. Tax increment revenues exclude ad valorem
11 property taxes specifically levied for the payment of principal
12 of and interest on either obligations approved by the electors or
13 obligations pledging the unlimited taxing power of the local
14 governmental unit, and specific taxes attributable to those ad
15 valorem property taxes. Tax increment revenues attributable to
16 eligible property also exclude the amount of ad valorem property
17 taxes or specific taxes captured by a downtown development
18 authority, tax increment finance authority, or local development
19 finance authority if those taxes were captured by these other
20 authorities on the date that eligible property became subject to
21 a brownfield plan under this act.

22 (dd) ~~(bb)~~ "Taxable value" means the value determined under
23 section 27a of the general property tax act, 1893 PA 206,
24 MCL 211.27a.

25 (ee) ~~(cc)~~ "Taxes levied for school operating purposes"
26 means all of the following:

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

1 purposes.

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

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

6 (ff) ~~(dd)~~ "Work plan" means a plan that describes each
7 individual activity to be conducted to complete eligible
8 activities and the associated costs of each individual activity.

9 (gg) ~~(ee)~~ "Zone" means, for an authority established before
10 ~~the effective date of the amendatory act that added~~
11 ~~subdivision (r)~~ **June 6, 2000**, a brownfield redevelopment zone
12 designated under this act.

13 Sec. 13. (1) Subject to section 15, the board may implement
14 a brownfield plan. The brownfield plan may apply to 1 or more
15 parcels of eligible property whether or not those parcels of
16 eligible property are contiguous and may be amended to apply to
17 additional parcels of eligible property. ~~If~~ **Except as**
18 **otherwise authorized by this act, if** more than 1 parcel of
19 eligible property is included within the plan, the tax increment
20 revenues under the plan shall be determined individually for each
21 parcel of eligible property. Each plan or an amendment to a plan
22 shall be approved by the governing body of the municipality and
23 shall contain all of the following:

24 (a) A description of the costs of the plan intended to be
25 paid for with the tax increment revenues **or, for a plan for**
26 **eligible properties qualified on the basis that the property is**
27 **owned or under the control of a land bank fast track authority, a**

1 listing of all eligible activities that may be conducted for 1 or
2 more of the eligible properties subject to the plan.

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

9 (c) An estimate of the captured taxable value and tax
10 increment revenues for each year of the plan from each parcel of
11 eligible property, **or from all eligible properties qualified on**
12 **the basis that the property is owned or under the control of a**
13 **land bank fast track authority,** and in the aggregate. The plan
14 may provide for the use of part or all of the captured taxable
15 value, including deposits in the local site remediation revolving
16 fund, but the portion intended to be used shall be clearly stated
17 in the plan. The plan shall not provide either for an exclusion
18 from captured taxable value of a portion of the captured taxable
19 value or for an exclusion of the tax levy of 1 or more taxing
20 jurisdictions unless the tax levy is excluded from tax increment
21 revenues in section ~~2(aa)~~ **2(cc)**, or unless the tax levy is
22 excluded from capture under section 15.

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

27 (e) The maximum amount of note or bonded indebtedness to be

1 incurred, if any.

2 (f) The duration of the brownfield plan, which shall not
3 exceed the lesser of the period authorized under subsections (4)
4 and (5) or 30 years.

5 (g) An estimate of the impact of tax increment financing on
6 the revenues of all taxing jurisdictions in which the eligible
7 property is located.

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

19 (i) Estimates of the number of persons residing on each
20 eligible property to which the plan applies and the number of
21 families and individuals to be displaced. If occupied residences
22 are designated for acquisition and clearance by the authority,
23 the plan shall include a demographic survey of the persons to be
24 displaced, a statistical description of the housing supply in the
25 community, including the number of private and public units in
26 existence or under construction, the condition of those in
27 existence, the number of owner-occupied and renter-occupied

1 units, the annual rate of turnover of the various types of
2 housing and the range of rents and sale prices, an estimate of
3 the total demand for housing in the community, and the estimated
4 capacity of private and public housing available to displaced
5 families and individuals.

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

8 (k) Provision for the costs of relocating persons displaced
9 by implementation of the plan, and financial assistance and
10 reimbursement of expenses, including litigation expenses and
11 expenses incident to the transfer of title, in accordance with
12 the standards and provisions of the uniform relocation assistance
13 and real property acquisition policies act of 1970, Public Law
14 91-646, 84 Stat. 1894.

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

17 (m) A description of proposed use of the local site
18 remediation revolving fund.

19 (n) Other material that the authority or governing body
20 considers pertinent.

21 (2) The percentage of all taxes levied on a parcel of
22 eligible property for school operating expenses that is captured
23 and used under a brownfield plan and all tax increment finance
24 plans under 1975 PA 197, MCL 125.1651 to 125.1681, the tax
25 increment finance authority act, 1980 PA 450, MCL 125.1801 to
26 125.1830, or the local development financing act, 1986 PA 281,
27 MCL 125.2151 to 125.2174, shall not be greater than the

1 combination of the plans' percentage capture and use of all local
2 taxes levied for purposes other than for the payment of principal
3 of and interest on either obligations approved by the electors or
4 obligations pledging the unlimited taxing power of the local unit
5 of government. This subsection shall apply only when taxes
6 levied for school operating purposes are subject to capture under
7 section 15.

8 (3) Except as provided in **this subsection and**
9 subsections (5), (15), and (16), tax increment revenues related
10 to a brownfield plan shall be used only for costs of eligible
11 activities attributable to the eligible property, the captured
12 taxable value of which produces the tax increment revenues,
13 including the cost of principal of and interest on any obligation
14 issued by the authority to pay the costs of eligible activities
15 attributable to the eligible property, and the reasonable costs
16 of preparing a work plan or remedial action plan for the eligible
17 property, including the actual cost of the review of the work
18 plan or remedial action plan under section 15. **For property**
19 **owned or under the control of a land bank fast track authority,**
20 **tax increment revenues related to a brownfield plan may be used**
21 **for eligible activities attributable to any eligible property**
22 **owned or under the control of the land bank fast track authority,**
23 **the cost of principal of and interest on any obligation issued by**
24 **the authority to pay the costs of eligible activities, the**
25 **reasonable costs of preparing a work plan or remedial action**
26 **plan, and the actual cost of the review of the work plan or**
27 **remedial action plan under section 15. Tax increment revenues**

1 captured from taxes levied by this state under the state
2 education tax act, 1993 PA 331, MCL 211.901 to 211.906, or taxes
3 levied by a local school district shall not be used for eligible
4 activities described in section 2 (l) (iv) (E).

5 (4) Except as provided in subsection (5), a brownfield plan
6 shall not authorize the capture of tax increment revenue from
7 eligible property after the year in which the total amount of tax
8 increment revenues captured is equal to the sum of the costs ~~of~~
9 ~~eligible activities attributable to the eligible property~~
10 ~~including the cost of principal of and interest on any obligation~~
11 ~~issued by the authority to pay the costs of eligible activities~~
12 ~~on the eligible property, and the reasonable cost of preparing a~~
13 ~~work plan or remedial action plan for eligible property, and the~~
14 ~~actual cost of the department's review of the work plan or~~
15 ~~remedial action plan~~ **permitted to be funded with tax increment**
16 **revenues under this act.**

17 (5) A brownfield plan may authorize the capture of additional
18 tax increment revenue from an eligible property in excess of the
19 amount authorized under subsection (4) during the time of capture
20 for the purpose of paying the costs ~~of eligible activities~~
21 **permitted** under subsection (3), or for not more than 5 years
22 after the time that capture is required for the purpose of paying
23 the costs ~~of eligible activities~~ **permitted** under
24 subsection (3), or both. Excess revenues captured under this
25 subsection shall be deposited in the local site remediation
26 revolving fund created under section 8 and used for the purposes
27 authorized in section 8. If tax increment revenues **attributable**

1 **to taxes** levied for school operating purposes from eligible
2 property are captured by the authority for purposes authorized
3 under subsection (3), the tax increment revenues captured for
4 deposit in the local site remediation revolving fund also may
5 include tax increment revenues **attributable to taxes** levied for
6 school operating purposes in an amount not greater than the tax
7 increment revenues levied for school operating purposes captured
8 from the eligible property by the authority for the purposes
9 authorized under subsection (3). Excess **tax increment** revenues
10 from taxes levied for school operating purposes for eligible
11 activities authorized under subsection (15) by the Michigan
12 economic growth authority shall not be captured for deposit in
13 the local site remediation revolving fund.

14 (6) An authority shall not expend tax increment revenues to
15 acquire or prepare eligible property, unless the acquisition or
16 preparation is an eligible activity.

17 (7) Costs of eligible activities attributable to eligible
18 property include all costs that are necessary or related to a
19 release from the eligible property, including eligible activities
20 on properties affected by a release from the eligible property.
21 For purposes of this subsection, "release" means that term as
22 defined in section 20101 of the natural resources and
23 environmental protection act, 1994 PA 451, MCL 324.20101.

24 (8) Costs of a response activity paid with tax increment
25 revenues that are captured pursuant to subsection (3) may be
26 recovered from a person who is liable for the costs of eligible
27 activities at an eligible property. This state or an authority

1 may undertake cost recovery for tax increment revenue captured.
2 Before an authority or this state may institute a cost recovery
3 action, it must provide the other with 120 days' notice. This
4 state or an authority that recovers costs under this subsection
5 shall apply those recovered costs to the following, in the
6 following order of priority:

7 (a) The reasonable attorney fees and costs incurred by this
8 state or an authority in obtaining the cost recovery.

9 (b) One of the following:

10 (i) If an authority undertakes the cost recovery action, the
11 authority shall deposit the remaining recovered funds into the
12 local site remediation fund created pursuant to section 8, if
13 such a fund has been established by the authority. If a local
14 site remediation fund has not been established, the authority
15 shall disburse the remaining recovered funds to the local taxing
16 jurisdictions in the proportion that the local taxing
17 jurisdictions' taxes were captured.

18 (ii) If this state undertakes a cost recovery action, this
19 state shall deposit the remaining recovered funds into the
20 revitalization revolving loan fund established under
21 section 20108a of the natural resources and environmental
22 protection act, 1994 PA 451, MCL 324.20108a.

23 (iii) If this state and an authority each undertake a cost
24 recovery action, undertake a cost recovery action jointly, or
25 on behalf of the other, the amount of any remaining recovered
26 funds shall be deposited pursuant to subparagraphs (i) and (ii)
27 in the proportion that the tax increment revenues being recovered

1 represent local taxes and taxes levied for school operating
2 purposes, respectively.

3 (9) Approval of the brownfield plan or an amendment to a
4 brownfield plan shall be in accordance with the notice and
5 approval provisions of this section and section 14.

6 (10) Before approving a brownfield plan for an eligible
7 property, the governing body shall hold a public hearing on the
8 brownfield plan. Notice of the time and place of the hearing
9 shall be given by publication twice in a newspaper of general
10 circulation designated by the municipality, the first of which
11 shall be not less than 20 or more than 40 days before the date
12 set for the hearing.

13 (11) Notice of the time and place of the hearing on a
14 brownfield plan shall contain all of the following:

15 (a) A description of the property to which the plan applies
16 in relation to existing or proposed highways, streets, streams,
17 or otherwise.

18 (b) A statement that maps, plats, and a description of the
19 brownfield plan are available for public inspection at a place
20 designated in the notice and that all aspects of the brownfield
21 plan are open for discussion at the public hearing required by
22 this ~~subsection~~ **section**.

23 (c) Any other information that the governing body considers
24 appropriate.

25 (12) At the time set for the hearing on the brownfield plan
26 required under subsection (10), the governing body shall provide
27 an opportunity for interested persons to be heard and shall

1 receive and consider communications in writing with reference to
2 the brownfield plan. The governing body shall make and preserve
3 a record of the public hearing, including all data presented at
4 the hearing.

5 (13) Not less than 20 days before the hearing on the
6 brownfield plan, the governing body shall provide notice of the
7 hearing to the taxing jurisdictions that levy taxes subject to
8 capture under this act. The authority shall fully inform the
9 taxing jurisdictions about the fiscal and economic implications
10 of the proposed brownfield plan. At that hearing, an official
11 from a taxing jurisdiction with millage that would be subject to
12 capture under this act has the right to be heard in regard to the
13 adoption of the brownfield plan.

14 (14) The authority shall not enter into agreements with the
15 taxing jurisdictions and the governing body of the municipality
16 to share a portion of the captured taxable value of an eligible
17 property. Upon adoption of the plan, the collection and
18 transmission of the amount of tax increment revenues as specified
19 in this act shall be binding on all taxing units levying ad
20 valorem property taxes or specific taxes against property located
21 in the zone.

22 (15) ~~If~~ **Except as provided by subsection (18),** if a
23 brownfield plan includes the capture of taxes levied for school
24 operating purposes or the use of tax increment revenues related
25 to a brownfield plan for the cost of eligible activities
26 attributable to more than 1 eligible property that is adjacent
27 and contiguous to all other eligible properties covered by the

1 development agreement, whether or not the captured taxes are
2 levied for school operating purposes, approval of a work plan by
3 the Michigan economic growth authority before January 1, 2008 to
4 use school operating taxes and a development agreement between
5 the municipality and an owner or developer of eligible property
6 are required if the revenues will be used for infrastructure
7 improvements that directly benefit eligible property, demolition
8 of structures that is not response activity under part 201 of the
9 natural resources and environmental protection act, 1994 PA 451,
10 MCL 324.20101 to 324.20142, lead or asbestos abatement, or site
11 preparation that is not response activity under section ~~201~~
12 **20101** of the natural resources and environmental protection act,
13 1994 PA 451, MCL 324.20101. The eligible activities to be
14 conducted described in this subsection shall be consistent with
15 the work plan submitted by the authority to the Michigan economic
16 growth authority. The department's approval is not required for
17 the capture of taxes levied for school operating purposes for
18 eligible activities described in this subsection.

19 (16) ~~A brownfield authority may reimburse reasonable and~~
20 ~~actual administrative and operating expenses that include, but~~
21 ~~are not limited to, baseline environmental assessments, due care~~
22 ~~activities, and additional response activities, related directly~~
23 ~~to work conducted by the authority on prospective eligible~~
24 ~~properties prior to approval of the brownfield plan and on~~
25 ~~eligible properties and for eligible activities after the~~
26 ~~approval of the brownfield plan, only from captured local taxes~~
27 ~~not to exceed \$75,000.00 for each authority in each fiscal year.~~

1 ~~Reasonable and actual administrative and operating expenses do~~
2 ~~not include reasonable costs of preparing a work plan or remedial~~
3 ~~action plan or the cost of the review of a work plan for which~~
4 ~~taxes may be used under section 13(3).~~ The limitations of
5 section 15(1) upon use of tax increment revenues by an authority
6 shall not apply to the following costs and expenses:

7 (a) In each fiscal year of the authority, \$75,000.00 for the
8 following purposes for tax increment revenues attributable to
9 local taxes:

10 (i) Reasonable and actual administrative and operating
11 expenses of the authority.

12 (ii) Baseline environmental assessments, due care activities,
13 and additional response activities related directly to work
14 conducted on prospective eligible properties prior to approval of
15 the brownfield plan.

16 (b) Reasonable costs of preparing a work plan or remedial
17 action plan or the cost of the review of a work plan for which
18 tax increment revenues may be used under section 13(3).

19 (17) A brownfield authority may reimburse advances made by a
20 municipality under section 7(3), a land bank fast track
21 authority, or any other person or entity for costs of eligible
22 activities with any source of revenue available for use of the
23 brownfield authority under this act and may enter into agreements
24 related to those reimbursements. A reimbursement agreement for
25 these purposes and the obligations under that reimbursement
26 agreement shall not be subject to section 12 or the revised
27 municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

1 (18) If a brownfield plan includes the capture of taxes
2 levied for school operating purposes, approval of a work plan by
3 the Michigan economic growth authority in the manner required
4 under section 15(14) to (16) is required in order to use tax
5 increment revenues attributable to taxes levied for school
6 operating purposes for purposes of eligible activities described
7 in section 2(l)(iv)(E) for 1 or more parcels of eligible
8 property. The work plan to be submitted to the Michigan economic
9 growth authority under this subsection shall be in a form
10 prescribed by the Michigan economic growth authority. The
11 eligible activities to be conducted and described in this
12 subsection shall be consistent with the work plan submitted by
13 the authority to the Michigan economic growth authority. The
14 department's approval is not required for the capture of taxes
15 levied for school operating purposes for eligible activities
16 described in this section.

17 Enacting section 1. This amendatory act does not take
18 effect unless all of the following bills of the 92nd Legislature
19 are enacted into law:

- 20 (a) House Bill No. 4481.
- 21 (b) House Bill No. 4482.
- 22 (c) House Bill No. 4483.
- 23 (d) House Bill No. 4484.
- 24 (e) House Bill No. 4488.