

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 111**

A bill to amend 1996 PA 381, entitled
"Brownfield redevelopment financing act,"
by amending sections 2, 8a, 11, 13, 13b, 15, and 16 (MCL 125.2652,
125.2658a, 125.2661, 125.2663, 125.2663b, 125.2665, and 125.2666),
sections 2, 8a, 11, 13, 15, and 16 as amended and section 13b as
added by 2016 PA 471, and by adding sections 13c and 14a.

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
5 defined in part 201 or 213.

6 (c) "Blighted" means property that meets any of the following

1 criteria as determined by the governing body:

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

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

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

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

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

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

1 shall not result in the loss to the property of the status as
2 blighted property for purposes of this act.

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

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

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

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

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

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

23 **(I) "CONSTRUCTION PERIOD TAX CAPTURE REVENUES" MEANS FUNDS**
24 **EQUAL TO THE AMOUNT OF INCOME TAX LEVIED AND IMPOSED IN A CALENDAR**
25 **YEAR UPON WAGES PAID TO INDIVIDUALS PHYSICALLY PRESENT AND WORKING**
26 **WITHIN THE ELIGIBLE PROPERTY FOR THE CONSTRUCTION, RENOVATION, OR**
27 **OTHER IMPROVEMENT OF ELIGIBLE PROPERTY THAT IS AN ELIGIBLE ACTIVITY**

1 WITHIN A TRANSFORMATIONAL BROWNFIELD PLAN. AS USED IN THIS
2 SUBDIVISION, "WAGES" MEANS THAT TERM AS DEFINED IN SECTION 3401 OF
3 THE INTERNAL REVENUE CODE OF 1986, 26 USC 3401. TO CALCULATE THE
4 AMOUNT OF CONSTRUCTION PERIOD TAX CAPTURE REVENUES FOR A CALENDAR
5 YEAR UNDER A TRANSFORMATIONAL BROWNFIELD PLAN, THE STATE TREASURER
6 SHALL DO ALL OF THE FOLLOWING:

7 (i) REQUIRE THE OWNER OR DEVELOPER OF THE ELIGIBLE PROPERTY TO
8 REPORT THE TOTAL TAXABLE WAGES PAID TO INDIVIDUALS FOR THE
9 CONSTRUCTION, RENOVATION, OR OTHER IMPROVEMENT OF ELIGIBLE PROPERTY
10 THAT IS AN ELIGIBLE ACTIVITY WITHIN THE TRANSFORMATIONAL BROWNFIELD
11 PLAN. THE WAGES REPORTED UNDER THIS SUBPARAGRAPH SHALL EXCLUDE ANY
12 WAGES PAID TO EMPLOYEES OF THE OWNER OR DEVELOPER.

13 (ii) MULTIPLY THE AMOUNT UNDER SUBPARAGRAPH (i) BY THE
14 EFFECTIVE RATE AS DETERMINED BY THE STATE TREASURER AT WHICH THE
15 INCOME TAX IS LEVIED ON AN INDIVIDUAL IN THIS STATE. THE STATE
16 TREASURER SHALL ESTIMATE THE EFFECTIVE RATE BY TAKING INTO ACCOUNT
17 THE EFFECT OF ANY EXEMPTIONS, ADDITIONS, SUBTRACTIONS, AND CREDITS
18 ALLOWABLE UNDER PART 1 OF THE INCOME TAX ACT OF 1967, 1967 PA 281,
19 MCL 206.1 TO 206.532. THE STATE TREASURER MAY REQUIRE THE OWNER OR
20 DEVELOPER TO SUBMIT ANY INFORMATION NECESSARY FOR THE CALCULATION
21 UNDER THIS SUBPARAGRAPH.

22 (iii) THE WAGE INFORMATION AND OTHER INFORMATION REQUIRED
23 UNDER THIS SUBDIVISION SHALL BE PROVIDED TO THE DEPARTMENT OF
24 TREASURY BY THE OWNER OR DEVELOPER IN A MANNER PRESCRIBED BY THE
25 STATE TREASURER. THE STATE TREASURER MAY REQUIRE THE OWNER OR
26 DEVELOPER TO PROVIDE A REVIEW OR RECONCILIATION OF THE WAGES BY AN
27 INDEPENDENT AUDITING FIRM.

1 (J) ~~(i)~~—"Corrective action" means that term as defined in part
2 111 or part 213.

3 (K) ~~(j)~~—"Department" means the department of environmental
4 quality.

5 (L) ~~(k)~~—"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, from the eligible property, provided it
21 was not generated or accumulated by the authority or the developer.

22 (iv) Dust control related to construction activities.

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

27 (vi) Industrial cleaning.

1 (vii) Sheeting and shoring necessary for the removal of
2 materials exceeding part 201 criteria at projects requiring a
3 permit pursuant to part 301, 303, or 325 of the natural resources
4 and environmental protection act, 1994 PA 451, MCL 324.30101 to
5 324.30113, MCL 324.30301 to 324.30328, or MCL 324.32501 to
6 324.32515a.

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

9 **(M)** ~~(I)~~—"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)** ~~(m)~~—"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 that
19 consists or consisted of 500,000 or more square feet.

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

23 **(O)** ~~(n)~~—"Eligible activities" or "eligible activity" means 1
24 or more of the following:

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

27 (A) Department specific activities.

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

3 (C) Reasonable costs of environmental insurance.

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

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

14 (F) Demolition of structures that is not a response activity.

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

16 (H) The repayment of principal of and interest on any
17 obligation issued by an authority to pay the costs of eligible
18 activities attributable to an eligible property.

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

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

23 (B) Infrastructure improvements that directly benefit eligible
24 property.

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

26 (iii) For eligible properties that are owned by or under the
27 control of a land bank fast track authority, or a qualified local

1 unit of government or authority, eligible activities include:

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

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

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

16 **(iv) FOR ELIGIBLE ACTIVITIES ON ELIGIBLE PROPERTY THAT IS**
17 **INCLUDED IN A TRANSFORMATIONAL BROWNFIELD PLAN, ANY DEMOLITION,**
18 **CONSTRUCTION, RESTORATION, ALTERATION, RENOVATION, OR IMPROVEMENT**
19 **OF BUILDINGS OR SITE IMPROVEMENTS ON ELIGIBLE PROPERTY, INCLUDING**
20 **INFRASTRUCTURE IMPROVEMENTS THAT DIRECTLY BENEFIT ELIGIBLE**
21 **PROPERTY.**

22 **(P)** ~~(e)~~ "Eligible property" means, except as otherwise
23 provided in this subdivision, property for which eligible
24 activities are identified under a brownfield plan that was used or
25 is currently used for commercial, industrial, public, or
26 residential purposes, including personal property located on the
27 property, to the extent included in the brownfield plan, and that

1 is 1 or more of the following:

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

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

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

20 **(vi) IS UNDEVELOPED PROPERTY THAT WAS ELIGIBLE PROPERTY IN A**
21 **PREVIOUSLY APPROVED BROWNFIELD PLAN ABOLISHED UNDER SECTION 14(8).**

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

1 (Q) ~~(p)~~—"Environmental insurance" means liability insurance
2 for environmental contamination and cleanup that is not otherwise
3 required by state or federal law.

4 (R) ~~(q)~~—"Facility" means that term as defined in part 201.

5 (S) ~~(r)~~—"Fiscal year" means the fiscal year of the authority.

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

15 (U) ~~(t)~~—"Functionally obsolete" means that the property is
16 unable to be used to adequately perform the function for which it
17 was intended due to a substantial loss in value resulting from
18 factors such as overcapacity, changes in technology, deficiencies
19 or superadequacies in design, or other similar factors that affect
20 the property itself or the property's relationship with other
21 surrounding property.

22 (V) ~~(u)~~—"Governing body" means the elected body having
23 legislative powers of a municipality creating an authority under
24 this act.

25 (W) ~~(v)~~—"Historic resource" means that term as defined in
26 section 90a of the Michigan strategic fund act, 1984 PA 270, MCL
27 125.2090a.

1 (X) "INCOME TAX" MEANS THE TAX LEVIED AND IMPOSED UNDER PART 1
2 OF THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.1 TO 206.532.

3 (Y) "INCOME TAX CAPTURE REVENUES" MEANS FUNDS EQUAL TO THE
4 AMOUNT FOR EACH TAX YEAR BY WHICH THE AGGREGATE INCOME TAX FROM
5 INDIVIDUALS DOMICILED WITHIN THE ELIGIBLE PROPERTY SUBJECT TO A
6 TRANSFORMATIONAL BROWNFIELD PLAN EXCEEDS THE INITIAL INCOME TAX
7 VALUE. THE STATE TREASURER SHALL CALCULATE ANNUALLY THE INCOME TAX
8 CAPTURE REVENUES ASSOCIATED WITH EACH TRANSFORMATIONAL BROWNFIELD
9 PLAN. IN CALCULATING INCOME TAX CAPTURE REVENUES, THE STATE
10 TREASURER SHALL SUBTRACT FROM THE AGGREGATE AMOUNT OF INCOME TAX
11 CREDITS UNDER SECTIONS 255, 265, 266, AND CHAPTER 9 OF THE INCOME
12 TAX ACT OF 1967, 1967 PA 281, MCL 206.255, 206.265, 206.266, AND
13 206.501 TO 206.532. THE STATE TREASURER SHALL REQUIRE THE OWNER OR
14 DEVELOPER OF THE ELIGIBLE PROPERTY TO PROVIDE TO THE DEPARTMENT OF
15 TREASURY ALL OF THE FOLLOWING INFORMATION AT THE END OF EACH
16 CALENDAR YEAR, INCLUDING THE YEAR IN WHICH THE RESOLUTION ADDING
17 THAT ELIGIBLE PROPERTY IN THE TRANSFORMATIONAL BROWNFIELD PLAN IS
18 ADOPTED:

19 (i) A LIST OF INDIVIDUALS DOMICILED WITHIN THE ELIGIBLE
20 PROPERTY.

21 (ii) THE ADDRESSES OF THOSE INDIVIDUALS IDENTIFIED IN
22 SUBPARAGRAPH (i) .

23 (iii) ANY OTHER INFORMATION THAT MAY BE NECESSARY TO CALCULATE
24 THE INCOME TAX CAPTURE REVENUES. THE INFORMATION REQUIRED UNDER
25 THIS SUBDIVISION SHALL BE PROVIDED IN A MANNER PRESCRIBED BY THE
26 STATE TREASURER.

27 (Z) ~~(w)~~—"Industrial cleaning" means cleaning or removal of

1 contaminants from within a structure necessary to achieve the
 2 intended use of the property.

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

23 (i) Underground parking.

24 (ii) Multilevel parking structures.

25 (iii) Urban ~~storm water~~ **STORMWATER** management systems.

26 **(BB) "INITIAL INCOME TAX VALUE" MEANS THE AGGREGATE AMOUNT OF**
 27 **INCOME TAX LESS CREDITS UNDER SECTIONS 255, 265, 266, AND CHAPTER 9**

1 OF THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.255, 206.265,
2 206.266, AND 206.501 TO 206.532, FROM INDIVIDUALS DOMICILED WITHIN
3 THE ELIGIBLE PROPERTY SUBJECT TO A TRANSFORMATIONAL BROWNFIELD PLAN
4 FOR THE TAX YEAR IN WHICH THE RESOLUTION ADDING THAT ELIGIBLE
5 PROPERTY IN THE TRANSFORMATIONAL BROWNFIELD PLAN IS ADOPTED.

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

26 (DD) "INITIAL WITHHOLDING TAX VALUE" MEANS THE AMOUNT OF
27 INCOME TAX WITHHELD UNDER PART 3 OF THE INCOME TAX ACT OF 1967,

1 1967 PA 281, MCL 206.701 TO 206.713, FROM INDIVIDUALS EMPLOYED
2 WITHIN THE ELIGIBLE PROPERTY SUBJECT TO A TRANSFORMATIONAL
3 BROWNFIELD PLAN FOR THE CALENDAR YEAR IN WHICH THE RESOLUTION
4 ADDING THE ELIGIBLE PROPERTY TO THE PLAN IS ADOPTED. FOR PURPOSES
5 OF THIS ACT, AN INDIVIDUAL IS EMPLOYED WITHIN THE ELIGIBLE PROPERTY
6 IF THE ELIGIBLE PROPERTY IS THE INDIVIDUAL'S PRINCIPAL PLACE OF
7 EMPLOYMENT. THE INITIAL WITHHOLDING TAX VALUE SHALL NOT INCLUDE
8 CONSTRUCTION PERIOD TAX CAPTURE REVENUES.

9 (EE) ~~(z)~~—"Land bank fast track authority" means an authority
10 created under the land bank fast track act, 2003 PA 258, MCL
11 124.751 to 124.774.

12 (FF) ~~(aa)~~—"Local taxes" means all taxes levied other than
13 taxes levied for school operating purposes.

14 (GG) ~~(bb)~~—"Michigan strategic fund" means the Michigan
15 strategic fund created under the Michigan strategic fund act, 1984
16 PA 270, MCL 125.2001 to 125.2094.

17 (HH) "MIXED-USE" MEANS A REAL ESTATE PROJECT WITH PLANNED
18 INTEGRATION OF SOME COMBINATION OF RETAIL, OFFICE, RESIDENTIAL, OR
19 HOTEL USES.

20 (II) ~~(ee)~~—"Municipality" means all of the following:

21 (i) A city.

22 (ii) A village.

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

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

1 (v) A county.

2 **(JJ)** ~~(dd)~~ "Owned by or under the control of" means that a land
3 bank fast track authority or a qualified local unit of government
4 has 1 or more of the following:

5 (i) An ownership interest in the property.

6 (ii) A tax lien on the property.

7 (iii) A tax deed to the property.

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

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

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

13 **(KK)** ~~(ee)~~ "Part 111", "part 201", "part 211", or "part 213"
14 means that part as described as follows:

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

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

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

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

23 **(II)** ~~(ff)~~ "Qualified local governmental unit" means that term
24 as defined in the obsolete property rehabilitation act, 2000 PA
25 146, MCL 125.2781 to 125.2797.

26 **(MM)** ~~(gg)~~ "Qualified taxpayer" means that term as defined in
27 sections 38d and 38g of former 1975 PA 228, or section 437 of the

1 Michigan business tax act, 2007 PA 36, MCL 208.1437, or a recipient
2 of a community revitalization incentive as described in section 90a
3 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2090a.

4 **(NN)** ~~(hh)~~—"Release" means that term as defined in part 201 or
5 part 213.

6 **(OO)** ~~(ii)~~—"Response activity" means either of the following:

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

8 (ii) Corrective action.

9 **(PP)** ~~(jj)~~—"Specific taxes" means a tax levied under 1974 PA
10 198, MCL 207.551 to 207.572; the commercial redevelopment act, 1978
11 PA 255, MCL 207.651 to 207.668; the enterprise zone act, 1985 PA
12 224, MCL 125.2101 to 125.2123; 1953 PA 189, MCL 211.181 to 211.182;
13 the technology park development act, 1984 PA 385, MCL 207.701 to
14 207.718; the obsolete property rehabilitation act, 2000 PA 146, MCL
15 125.2781 to 125.2797; the neighborhood enterprise zone act, 1992 PA
16 147, MCL 207.771 to 207.786; the commercial rehabilitation act,
17 2005 PA 210, MCL 207.841 to 207.856; or that portion of the tax
18 levied under the tax reverted clean title act, 2003 PA 260, MCL
19 211.1021 to 211.1025a, that is not required to be distributed to a
20 land bank fast track authority.

21 **(QQ)** ~~(kk)~~—"State brownfield redevelopment fund" means the
22 state brownfield redevelopment fund created in section 8a.

23 **(RR)** ~~(ll)~~—"Targeted redevelopment area" means not fewer than
24 40 and not more than 500 contiguous parcels of real property
25 located in a qualified local governmental unit and designated as a
26 targeted redevelopment area by resolution of the governing body and
27 approved by the Michigan strategic fund. A qualified local

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

6 (SS) ~~(mm)~~ "Tax increment revenues" means the amount of ad
7 valorem property taxes and specific taxes attributable to the
8 application of the levy of all taxing jurisdictions upon the
9 captured taxable value of each parcel of eligible property subject
10 to a brownfield plan and personal property located on that
11 property, regardless of whether those taxes began to be levied
12 after the brownfield plan was adopted. Tax increment revenues do
13 not include any of the following:

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

19 (ii) For tax increment revenues attributable to eligible
20 property also exclude the amount of ad valorem property taxes or
21 specific taxes captured by a downtown development authority under
22 1975 PA 197, MCL 125.1651 to 125.1681, tax increment finance
23 authority under the tax increment finance authority act, 1980 PA
24 450, MCL 125.1801 to 125.1830, corridor improvement authority,
25 under the corridor improvement authority act, 2005 PA 280, MCL
26 125.2871 to 125.2899, or local development finance authority under
27 the local development financing act, 1986 PA 281, MCL 125.2151 to

1 125.2174, if those taxes were captured by these other authorities
 2 on the date that eligible property became subject to a brownfield
 3 plan under this act.

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

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

9 (B) The art institute authorities act, 2010 PA 296, MCL
 10 123.1201 to 123.1229.

11 **(TT)** ~~(nn)~~ "Taxable value" means the value determined under
 12 section 27a of the general property tax act, 1893 PA 206, MCL
 13 211.27a.

14 **(UU)** ~~(oo)~~ "Taxes levied for school operating purposes" means
 15 all of the following:

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

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

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

22 **(VV) "TRANSFORMATIONAL BROWNFIELD PLAN" MEANS A BROWNFIELD**
 23 **PLAN THAT MEETS THE REQUIREMENTS OF SECTION 13C AND IS ADOPTED**
 24 **UNDER SECTION 14A AND, AS DESIGNATED BY RESOLUTION OF THE GOVERNING**
 25 **BODY AND APPROVED BY THE MICHIGAN STRATEGIC FUND, WILL HAVE A**
 26 **TRANSFORMATIONAL IMPACT ON LOCAL ECONOMIC DEVELOPMENT AND COMMUNITY**
 27 **REVITALIZATION BASED ON THE EXTENT OF BROWNFIELD REDEVELOPMENT AND**

1 GROWTH IN POPULATION, COMMERCIAL ACTIVITY, AND EMPLOYMENT THAT WILL
2 RESULT FROM THE PLAN. TO BE DESIGNATED A TRANSFORMATIONAL
3 BROWNFIELD PLAN, A TRANSFORMATIONAL BROWNFIELD PLAN UNDER THIS
4 SUBDIVISION SHALL BE FOR MIXED-USE DEVELOPMENT AND SHALL BE
5 EXPECTED TO RESULT IN THE FOLLOWING LEVELS OF CAPITAL INVESTMENT:

6 (i) IN A MUNICIPALITY THAT IS NOT A COUNTY AND THAT HAS A
7 POPULATION OF AT LEAST 600,000, \$500,000,000.00.

8 (ii) IN A MUNICIPALITY THAT IS NOT A COUNTY AND THAT HAS A
9 POPULATION OF AT LEAST 150,000 AND NOT MORE THAN 599,999,
10 \$100,000,000.00.

11 (iii) IN A MUNICIPALITY THAT IS NOT A COUNTY AND THAT HAS A
12 POPULATION OF AT LEAST 100,000 AND NOT MORE THAN 149,999,
13 \$75,000,000.00.

14 (iv) IN A MUNICIPALITY THAT IS NOT A COUNTY AND THAT HAS A
15 POPULATION OF AT LEAST 50,000 AND NOT MORE THAN 99,999,
16 \$50,000,000.00.

17 (v) IN A MUNICIPALITY THAT IS NOT A COUNTY AND THAT HAS A
18 POPULATION OF AT LEAST 25,000 AND NOT MORE THAN 49,999,
19 \$25,000,000.00.

20 (vi) IN A MUNICIPALITY THAT IS NOT A COUNTY AND THAT HAS A
21 POPULATION OF LESS THAN 25,000, \$15,000,000.00.

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

27 (XX) ~~(qq)~~ "Transit-oriented property" means property that

1 houses a transit station in a manner that promotes transit
2 ridership or passenger rail use.

3 (YY) "WITHHOLDING TAX CAPTURE REVENUES" MEANS THE AMOUNT FOR
4 EACH CALENDAR YEAR BY WHICH THE INCOME TAX WITHHELD UNDER PART 3 OF
5 THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.701 TO 206.713,
6 FROM INDIVIDUALS EMPLOYED WITHIN THE ELIGIBLE PROPERTY SUBJECT TO A
7 TRANSFORMATIONAL BROWNFIELD PLAN EXCEEDS THE INITIAL WITHHOLDING
8 TAX VALUE. WITHHOLDING TAX CAPTURE REVENUES SHALL NOT INCLUDE
9 INCOME TAX FROM INDIVIDUALS DOMICILED WITHIN THE ELIGIBLE PROPERTY
10 OR CONSTRUCTION PERIOD TAX CAPTURE REVENUES. TO CALCULATE
11 WITHHOLDING TAX CAPTURE REVENUES FOR A CALENDAR YEAR UNDER A
12 TRANSFORMATIONAL BROWNFIELD PLAN, THE STATE TREASURER OR THE
13 MICHIGAN STRATEGIC FUND SHALL DO ALL OF THE FOLLOWING:

14 (i) THE STATE TREASURER SHALL REQUIRE THE OWNER OR DEVELOPER
15 OF THE ELIGIBLE PROPERTY TO PROVIDE THE DEPARTMENT OF TREASURY WITH
16 NOTICE NOT MORE THAN 10 DAYS FROM THE DATE AN EMPLOYER COMMENCES OR
17 TERMINATES OCCUPANCY WITHIN THE ELIGIBLE PROPERTY. AS USED IN THIS
18 SUBDIVISION, "EMPLOYER" MEANS THAT TERM AS DEFINED IN SECTION 8 OF
19 THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.8.

20 (ii) THE STATE TREASURER SHALL DEVELOP METHODS AND PROCESSES
21 THAT ARE NECESSARY FOR EACH EMPLOYER OCCUPYING THE ELIGIBLE
22 PROPERTY TO REPORT THE AMOUNT OF WITHHOLDING UNDER PART 3 OF THE
23 INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.701 TO 206.713, FROM
24 INDIVIDUALS EMPLOYED WITHIN THE ELIGIBLE PROPERTY.

25 (iii) THE MICHIGAN STRATEGIC FUND SHALL INCLUDE THE FOLLOWING
26 PROVISIONS IN THE DEVELOPMENT OR REIMBURSEMENT AGREEMENT FOR ANY
27 TRANSFORMATIONAL BROWNFIELD PLAN THAT UTILIZES WITHHOLDING TAX

1 CAPTURE REVENUES:

2 (A) THAT THE OWNER OR DEVELOPER OF THE ELIGIBLE PROPERTY SHALL
3 REQUIRE EACH EMPLOYER OCCUPYING THE ELIGIBLE PROPERTY TO COMPLY
4 WITH THE REPORTING REQUIREMENTS UNDER THIS SECTION THROUGH A
5 CONTRACT REQUIREMENT, LEASE REQUIREMENT, OR OTHER SUCH MEANS.

6 (B) THAT REIMBURSEMENT OF WITHHOLDING TAX CAPTURE REVENUES IS
7 LIMITED TO AMOUNTS THAT ARE REPORTED IN ACCORDANCE WITH PART 3 OF
8 THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.701 TO 206.713,
9 AND THIS STATE HAS NO OBLIGATION WITH RESPECT TO WITHHOLDING TAX
10 CAPTURE REVENUES THAT ARE NOT REPORTED OR PAID.

11 (ZZ) ~~(rr)~~ "Work plan" means a plan that describes each
12 individual activity to be conducted to complete eligible activities
13 and the associated costs of each individual activity.

14 (AAA) ~~(ss)~~ "Zone" means, for an authority established before
15 June 6, 2000, a brownfield redevelopment zone designated under this
16 act.

17 Sec. 8a. (1) The state brownfield redevelopment fund is
18 created as a revolving fund within the department of treasury to be
19 administered as provided in this section. The state treasurer shall
20 direct the investment of the state brownfield redevelopment fund.
21 Money in the state brownfield redevelopment fund at the close of
22 the fiscal year shall remain in the state brownfield redevelopment
23 fund and shall not lapse to the general fund.

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

26 (a) All amounts deposited into the state brownfield
27 redemption fund under **SUBSECTION (4) AND** section 13b(14).

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

3 (c) Interest on funds deposited into the state brownfield
4 redevelopment fund.

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

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

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

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

12 (ii) The department to implement this act.

13 (iii) The department to implement part 196 of the natural
14 resources and environmental protection act, 1994 PA 451, MCL
15 324.19601 to 324.19616.

16 **(iv) THE DEPARTMENT OF TREASURY TO IMPLEMENT THIS ACT.**

17 (b) To make deposits into the clean Michigan initiative bond
18 fund under section 19606(2)(d) of the natural resources and
19 environmental protection act, 1994 PA 451, MCL 324.19606, for use
20 in providing grants and loans under section 19608(1)(a)(iv) of the
21 natural resources and environmental protection act, 1994 PA 451,
22 MCL 324.19608.

23 (c) To fund a grant and loan program created and operated by
24 the Michigan strategic fund for the costs of eligible activities
25 described in section 13b(4) on eligible properties. The grant and
26 loan program shall provide for all of the following:

27 (i) The Michigan strategic fund shall create and operate a

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

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

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

24 (iv) When an application is approved under this subsection,
25 the Michigan strategic fund shall enter into a written agreement
26 with the applicant. The written agreement shall provide all the
27 conditions imposed on the applicant and the terms of the grant or

1 loan. The written agreement shall also provide for penalties if the
2 applicant fails to comply with the provisions of the written
3 agreement.

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

8 (vi) Any proceeds from repayment of a loan, including interest
9 on those repayments, under this subsection shall be paid into the
10 state brownfield redevelopment fund or to the fund from which the
11 loan was generated, as defined in subsection (3)(b) and (c).

12 (D) TO DISTRIBUTE CONSTRUCTION PERIOD TAX CAPTURE REVENUES,
13 WITHHOLDING TAX CAPTURE REVENUES, AND INCOME TAX CAPTURE REVENUES
14 IN ACCORDANCE WITH A TRANSFORMATIONAL BROWNFIELD PLAN UNDER
15 SUBSECTION (4).

16 (4) THE STATE TREASURER SHALL DEPOSIT ANNUALLY FROM THE
17 GENERAL FUND INTO THE STATE BROWNFIELD REDEVELOPMENT FUND AN AMOUNT
18 EQUAL TO THE CONSTRUCTION PERIOD TAX CAPTURE REVENUES, WITHHOLDING
19 TAX CAPTURE REVENUES, AND INCOME TAX CAPTURE REVENUES DUE TO BE
20 TRANSMITTED UNDER ALL TRANSFORMATIONAL BROWNFIELD PLANS. THE
21 DEPARTMENT OF TREASURY SHALL DISTRIBUTE THE CONSTRUCTION PERIOD TAX
22 CAPTURE REVENUES, WITHHOLDING TAX CAPTURE REVENUES, AND INCOME TAX
23 CAPTURE REVENUES TO AN AUTHORITY, OR TO THE OWNER OR DEVELOPER OF
24 THE ELIGIBLE PROPERTY TO WHICH THE REVENUES ARE ATTRIBUTABLE, IN
25 ACCORDANCE WITH SECTION 16(8) AND THE TERMS OF THE WRITTEN
26 DEVELOPMENT OR REIMBURSEMENT AGREEMENT FOR EACH TRANSFORMATIONAL
27 BROWNFIELD PLAN. AMOUNTS TRANSFERRED INTO THE STATE BROWNFIELD

1 REDEVELOPMENT FUND ATTRIBUTABLE TO A SPECIFIC TRANSFORMATIONAL
2 BROWNFIELD PLAN SHALL BE ACCOUNTED FOR SEPARATELY WITHIN THE STATE
3 BROWNFIELD REDEVELOPMENT FUND AND SHALL NOT BE USED FOR ANY OTHER
4 PURPOSE OR ACTIVITY UNDER THIS SECTION OR FOR ANY TRANSFORMATIONAL
5 BROWNFIELD PLAN OTHER THAN THE PLAN TO WHICH THE REVENUES ARE
6 ATTRIBUTABLE OR FOR THE ADDITIONAL ADMINISTRATIVE COSTS UNDER THIS
7 SECTION ASSOCIATED WITH THE IMPLEMENTATION OF A TRANSFORMATIONAL
8 BROWNFIELD PLAN.

9 Sec. 11. The activities of the authority shall be financed
10 from 1 or more of the following sources:

11 (a) Contributions, contractual payments, or appropriations to
12 the authority for the performance of its functions or to pay the
13 costs of a brownfield plan of the authority.

14 (b) Revenues from a property, building, or facility owned,
15 leased, licensed, or operated by the authority or under its
16 control, subject to the limitations imposed upon the authority by
17 trusts or other agreements.

18 (c) Subject to the limitations imposed under sections 8, 13,
19 13b, and 15, 1 or both of the following:

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

22 (ii) Proceeds of tax increment bonds and notes issued under
23 section 17.

24 (d) Proceeds of revenue bonds and notes issued under section
25 12.

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

1 (F) CONSTRUCTION PERIOD TAX CAPTURE REVENUES, WITHHOLDING TAX
2 CAPTURE REVENUES, AND INCOME TAX CAPTURE REVENUES RECEIVED UNDER A
3 TRANSFORMATIONAL BROWNFIELD PLAN ESTABLISHED UNDER SECTIONS 13C AND
4 14A.

5 (G) ~~(f)~~—Money obtained from all other sources approved by the
6 governing body of the municipality or otherwise authorized by law
7 for use by the authority or the municipality to finance activities
8 authorized under this act.

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

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

21 (a) A description of the costs of the plan intended to be paid
22 for with the tax increment revenues or, for a plan for eligible
23 properties qualified on the basis that the property is owned by or
24 under the control of a land bank fast track authority, a listing of
25 all eligible activities that may be conducted for 1 or more of the
26 eligible properties subject to the plan.

27 (b) A brief summary of the eligible activities that are

1 proposed for each eligible property or, for a plan for eligible
2 properties qualified on the basis that the property is owned by or
3 under the control of a land bank fast track authority, a brief
4 summary of eligible activities conducted for 1 or more of the
5 eligible properties subject to the plan.

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

17 (d) The method by which the costs of the plan will be
18 financed, including a description of any advances made or
19 anticipated to be made for the costs of the plan from the
20 municipality.

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

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

26 (g) An estimate of the future tax revenues of all taxing
27 jurisdictions in which the eligible property is located to be

1 generated during the term of the plan.

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

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

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

27 (k) Provision for the costs of relocating persons displaced by

1 implementation of the plan, and financial assistance and
2 reimbursement of expenses, including litigation expenses and
3 expenses incident to the transfer of title, in accordance with the
4 standards and provisions of the uniform relocation assistance and
5 real property acquisition policies act of 1970, Public Law 91-646.

6 (l) A strategy for compliance with 1972 PA 227, MCL 213.321 to
7 213.332.

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

10 (3) When taxes levied for school operating purposes are
11 subject to capture under section 15, the percentage of school
12 operating tax increment revenues captured relating to a parcel of
13 eligible property under a brownfield plan shall not be greater than
14 the percentage of local tax increment revenues that are captured
15 under the brownfield plan relating to that parcel of eligible
16 property.

17 (4) Except as provided in subsection (5) and sections 8, ~~and~~
18 13b(4) and (5), **AND 13C(12)**, tax increment revenues related to a
19 brownfield plan shall be used only for 1 or more of the following:

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

22 (b) Eligible activities attributable to any eligible property
23 for property that is owned by or under the control of a land bank
24 fast track authority or a qualified local unit of government.

25 (5) A brownfield plan shall not authorize the capture of tax
26 increment revenue from eligible property after the year in which
27 the total amount of tax increment revenues captured is equal to the

1 sum of the costs permitted to be funded with tax increment revenues
2 under this act or 30 years from the beginning date of the capture
3 of the tax increment revenues for that eligible property, whichever
4 occurs first, except that a brownfield plan may authorize the
5 capture of additional local and school operating tax increment
6 revenue from an eligible property if 1 or more of the following
7 apply:

8 (a) During the time of capture described in this subsection
9 for the purpose of paying the costs permitted under subsection (4)
10 or section 13b(4).

11 (b) For not more than 5 years after the date specified in
12 subdivision (a), for payment to the local brownfield revolving fund
13 created under section 8.

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

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

25 (3) Tax increment revenues captured from taxes levied by this
26 state under the state education tax act, 1993 PA 331, MCL 211.901
27 to 211.906, or taxes levied by a local school district shall not be

1 used to assist a land bank fast track authority with clearing or
2 quieting title, acquiring, selling, or conveying property, except
3 as provided in subsection (4).

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

8 (a) A combined brownfield plan or a work plan shall be
9 approved by the Michigan strategic fund and a development agreement
10 or reimbursement agreement between the municipality or authority
11 and an owner or developer of eligible property is required before
12 such tax increment may be used for infrastructure improvements that
13 directly benefit eligible property, demolition of structures that
14 is not response activity, lead, mold, or asbestos abatement that is
15 not a department specific activity, site preparation that is not
16 response activity, relocation of public buildings or operations for
17 economic development purposes, or acquisition of property by a land
18 bank fast track authority if acquisition of the property is for
19 economic development purposes.

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

26 (c) The combined brownfield plan or work plan to be submitted
27 to the Michigan strategic fund under this subsection shall be in a

1 form prescribed by the Michigan strategic fund.

2 (d) The eligible activities to be conducted and described in
3 this subsection shall be consistent with the combined brownfield
4 plan or work plan submitted by the authority to the Michigan
5 strategic fund.

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

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

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

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

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

22 (c) For eligible activities not described in subsection (4),
23 an authority shall not use taxes levied for school operating
24 purposes captured from eligible property unless the eligible
25 activities to be conducted on the eligible property are eligible
26 department specific activities, consistent with a combined
27 brownfield plan or a work plan approved by the department after

1 July 24, 1996.

2 (D) USE CONSTRUCTION PERIOD TAX CAPTURE REVENUES, WITHHOLDING
3 TAX CAPTURE REVENUES, OR INCOME TAX CAPTURE REVENUES TO PAY FOR
4 ELIGIBLE ACTIVITIES CONDUCTED BEFORE APPROVAL OF THE
5 TRANSFORMATIONAL BROWNFIELD PLAN EXCEPT FOR COSTS DESCRIBED IN
6 SECTION 13C(10).

7 (E) USE CONSTRUCTION PERIOD TAX CAPTURE REVENUES, WITHHOLDING
8 TAX CAPTURE REVENUES, AND INCOME TAX CAPTURE REVENUES FOR ANY
9 EXPENSE OTHER THAN AS PROVIDED FOR IN SECTION 13C(2), EXCEPT FOR
10 THE REASONABLE COSTS FOR PREPARING A TRANSFORMATIONAL BROWNFIELD
11 PLAN AND THE ADDITIONAL ADMINISTRATIVE AND OPERATING EXPENSES OF
12 THE AUTHORITY OR MUNICIPALITY AS ARE SPECIFICALLY ASSOCIATED WITH
13 THE IMPLEMENTATION OF A TRANSFORMATIONAL BROWNFIELD PLAN. FOR
14 PURPOSES OF THIS SUBSECTION, THE REASONABLE COSTS OF PREPARING A
15 TRANSFORMATIONAL BROWNFIELD PLAN INCLUDE THE REASONABLE COSTS OF
16 PREPARING AN ASSOCIATED WORK PLAN, COMBINED BROWNFIELD PLAN, AND
17 DEVELOPMENT OR REIMBURSEMENT AGREEMENT.

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

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

23 (i) Reasonable and actual administrative and operating
24 expenses of the authority.

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

1 (iii) Reasonable costs of developing and preparing brownfield
2 plans, combined plans, or work plans for which tax increment
3 revenues may be used under subsection (4), including, but not
4 limited to, legal and consulting fees that are not in the ordinary
5 course of acquiring and developing real estate.

6 (b) Taxes levied for school operating purposes may be used for
7 1 or more of the following administrative and operating purposes:

8 (i) Reasonable costs of developing and preparing brownfield
9 plans, combined brownfield plans, or work plans for which tax
10 increment revenues may be used under section 13(4), including, but
11 not limited to, legal and consulting fees that are not in the
12 ordinary course of acquiring and developing real estate, not to
13 exceed \$30,000.00.

14 (ii) Reasonable costs of brownfield plan or work plan
15 implementation, including, but not limited to, tracking and
16 reporting of data and plan compliance, not to exceed \$30,000.00.

17 (c) In each fiscal year of the authority, the amount of tax
18 increment revenues attributable to local taxes that an authority
19 can use for the purposes described in subdivisions (a) and (b)
20 shall be determined as follows:

21 (i) For authorities that have 5 or fewer active projects,
22 \$100,000.00.

23 (ii) For authorities that have 6 or more but fewer than 11
24 active projects, \$125,000.00.

25 (iii) For authorities that have 11 or more but fewer than 16
26 active projects, \$150,000.00.

27 (iv) For authorities that have 16 or more but fewer than 21

1 active projects, \$175,000.00.

2 (v) For authorities that have 21 or more but fewer than 26
3 active projects, \$200,000.00.

4 (vi) For authorities that have 26 or more but fewer than 31
5 active projects, \$300,000.00.

6 (vii) For authorities that have 31 or more active projects,
7 \$500,000.00.

8 (d) Nothing contained in this subsection shall limit the
9 amount of funds that may be granted, loaned, or expended by a local
10 brownfield revolving fund for eligible activities.

11 (e) As used in this subsection, "active project" means a
12 project in which the authority is currently capturing taxes under
13 this act. The amounts of tax increment revenues attributable to
14 local taxes listed in this subsection that an authority can use for
15 the purposes described in this subsection may be increased by 2%
16 for each written agreement entered into by an authority in either
17 of the following situations up to a total maximum increase of 10%:

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

22 (ii) The authority enters into a written agreement with 1 or
23 more other authorities to administer 1 or more administrative
24 operations of those other authorities.

25 (8) The limitations of subsections (4), (5), and (6) upon the
26 use of taxes levied for school operating purposes shall not apply
27 to the costs of 1 or more of the following incurred by a person

1 other than the authority:

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

7 (b) Completing a baseline environmental assessment.

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

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

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

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

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

26 (b) For tax increment revenues attributable to local taxes,
27 any eligible activities conducted on eligible property or

1 prospective eligible properties prior to approval of the brownfield
2 plan, if those costs and the eligible property are subsequently
3 included in a brownfield plan approved by the authority.

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

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

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

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

1 (a) If an authority reimburses a person or entity under this
2 section for an advance for the payment or reimbursement of the cost
3 of eligible activities and interest thereon, the authority may
4 capture local taxes for the payment of that interest.

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

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

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

27 (14) Notwithstanding anything to the contrary in this act, for

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

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

13 (b) The later of:

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

16 (ii) The date excess capture is terminated under subsection
17 (16).

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

1 amount to the authority within 30 days after receiving a request
2 from the authority for reimbursement.

3 (16) The brownfield plan shall include a proposed beginning
4 date of capture. The beginning date of capture of tax increment
5 revenues shall not be later than 5 years following the date of the
6 resolution including the eligible property in the brownfield plan.
7 The authority may amend the beginning date of capture of tax
8 increment revenues for a particular eligible property to a date not
9 later than 5 years following the date of the resolution including
10 the eligible property in the brownfield plan. The authority may not
11 amend the beginning date of capture of tax increment revenues for a
12 particular eligible property if the authority has begun to
13 reimburse eligible activities from the capture of tax increment
14 revenues from that eligible property. Any tax increment revenues
15 captured from an eligible property before the beginning date of
16 capture of tax increment revenues for that eligible property shall
17 revert proportionately to the respective tax bodies. If an
18 authority amends the beginning date for capture of tax increment
19 revenues that includes the capture of tax increment revenues for
20 school operating purposes, then the authority shall notify the
21 department or the Michigan strategic fund, as applicable, within 30
22 days after amending the beginning date.

23 **SEC. 13C. (1) SUBJECT TO THE APPROVAL OF THE GOVERNING BODY**
24 **AND MICHIGAN STRATEGIC FUND UNDER SECTION 14A, THE BOARD MAY**
25 **IMPLEMENT A TRANSFORMATIONAL BROWNFIELD PLAN. THE TRANSFORMATIONAL**
26 **BROWNFIELD PLAN MAY CONSIST OF A SINGLE DEVELOPMENT ON ELIGIBLE**
27 **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 BE APPROVED BY THE GOVERNING BODY OF THE
5 MUNICIPALITY IN WHICH IT IS LOCATED AND THE MICHIGAN STRATEGIC FUND
6 AND SHALL 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 FOR ELIGIBLE ACTIVITIES DESCRIBED IN SECTION 2 (O) (iv) .
12 EXCEPT AS PROVIDED FOR IN SECTION 13B(6) (D), TAX INCREMENT
13 REVENUES, CONSTRUCTION PERIOD TAX CAPTURE REVENUES, WITHHOLDING TAX
14 CAPTURE REVENUES, AND INCOME TAX CAPTURE REVENUES SHALL BE USED
15 ONLY FOR THE COSTS OF ELIGIBLE ACTIVITIES INCLUDED WITHIN THE
16 TRANSFORMATIONAL BROWNFIELD PLAN TO WHICH THE REVENUES ARE
17 ATTRIBUTABLE, INCLUDING THE COST OF PRINCIPAL OF AND INTEREST ON
18 ANY OBLIGATION TO PAY THE COST OF THE ELIGIBLE ACTIVITIES.

19 (3) A TRANSFORMATIONAL BROWNFIELD PLAN IS A BROWNFIELD PLAN
20 AND, EXCEPT AS OTHERWISE PROVIDED, IS SUBJECT TO SECTIONS 13, 13A,
21 13B, 14, AND 15 OF THIS ACT. IN ADDITION TO THE INFORMATION
22 REQUIRED UNDER SECTION 13(2), A TRANSFORMATIONAL BROWNFIELD PLAN
23 SHALL CONTAIN ALL OF THE FOLLOWING:

24 (A) THE BASIS FOR DESIGNATING THE PLAN AS A TRANSFORMATIONAL
25 BROWNFIELD PLAN UNDER SECTION 2 (VV) .

26 (B) A DESCRIPTION OF THE COSTS OF THE TRANSFORMATIONAL
27 BROWNFIELD PLAN INTENDED TO BE PAID FOR WITH CONSTRUCTION PERIOD

1 TAX CAPTURE REVENUES, WITHHOLDING TAX CAPTURE REVENUES, AND INCOME
2 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 EXPECTED TO BE GENERATED FOR EACH YEAR OF THE
6 TRANSFORMATIONAL BROWNFIELD PLAN FROM THE ELIGIBLE PROPERTY.

7 (D) THE BEGINNING DATE AND DURATION OF CAPTURE OF CONSTRUCTION
8 PERIOD TAX CAPTURE REVENUES, WITHHOLDING TAX CAPTURE REVENUES, AND
9 INCOME TAX CAPTURE REVENUES FOR EACH ELIGIBLE PROPERTY AS
10 DETERMINED UNDER SUBSECTIONS (8) AND (11).

11 (4) SUBJECT TO SECTION 14A(8), THE TRANSFORMATIONAL BROWNFIELD
12 PLAN MAY PROVIDE FOR THE USE OF PART OR ALL OF THE TAX INCREMENT
13 REVENUES, CONSTRUCTION PERIOD TAX CAPTURE REVENUES, WITHHOLDING TAX
14 CAPTURE REVENUES, AND INCOME TAX CAPTURE REVENUES. THE PORTION OF
15 TAX INCREMENT REVENUES, CONSTRUCTION PERIOD TAX CAPTURE REVENUES,
16 WITHHOLDING TAX CAPTURE REVENUES, AND INCOME TAX CAPTURE REVENUES
17 TO BE USED MAY VARY OVER THE DURATION OF THE TRANSFORMATIONAL
18 BROWNFIELD PLAN, BUT THE PORTION INTENDED TO BE USED SHALL BE
19 CLEARLY STATED IN THE TRANSFORMATIONAL BROWNFIELD PLAN.

20 (5) APPROVAL OF A TRANSFORMATIONAL BROWNFIELD PLAN, OR AN
21 AMENDMENT TO A TRANSFORMATIONAL BROWNFIELD PLAN, SHALL BE IN
22 ACCORDANCE WITH THE NOTICE, APPROVAL, AND PUBLIC HEARING
23 REQUIREMENTS OF SECTIONS 14 AND 14A, EXCEPT THAT THE GOVERNING BODY
24 SHALL PROVIDE NOTICE TO THE MICHIGAN STRATEGIC FUND NOT LESS THAN
25 30 DAYS BEFORE THE HEARING ON A TRANSFORMATIONAL BROWNFIELD PLAN.

26 (6) IF A TRANSFORMATIONAL BROWNFIELD PLAN AUTHORIZES THE USE
27 OF CONSTRUCTION PERIOD TAX CAPTURE REVENUES, WITHHOLDING TAX

1 CAPTURE REVENUES, OR INCOME TAX CAPTURE REVENUES, APPROVAL OF A
2 COMBINED BROWNFIELD PLAN OR WORK PLAN BY THE MICHIGAN STRATEGIC
3 FUND AND A WRITTEN DEVELOPMENT OR REIMBURSEMENT AGREEMENT BETWEEN
4 THE OWNER OR DEVELOPER OF THE ELIGIBLE PROPERTY, THE AUTHORITY, AND
5 THE MICHIGAN STRATEGIC FUND ARE REQUIRED. IF A PLAN AUTHORIZES THE
6 USE OF TAX INCREMENT REVENUES FOR ELIGIBLE ACTIVITIES UNDER SECTION
7 2(O) (iv) OTHER THAN ELIGIBLE ACTIVITIES DESCRIBED IN SECTION 13B,
8 APPROVAL OF A WORK PLAN OR COMBINED BROWNFIELD PLAN BY THE MICHIGAN
9 STRATEGIC FUND TO USE TAX INCREMENT REVENUES FOR THOSE ADDITIONAL
10 ELIGIBLE ACTIVITIES IS REQUIRED. A WORK PLAN OR COMBINED BROWNFIELD
11 PLAN UNDER THIS SUBSECTION SHALL BE CONSOLIDATED WITH A WORK PLAN
12 OR COMBINED BROWNFIELD PLAN UNDER SECTION 13B(4). THE ELIGIBLE
13 ACTIVITIES TO BE CONDUCTED SHALL BE CONSISTENT WITH THE WORK PLAN
14 SUBMITTED BY THE AUTHORITY TO THE MICHIGAN STRATEGIC FUND.

15 (7) UPON APPROVAL OF THE TRANSFORMATIONAL BROWNFIELD PLAN BY
16 THE GOVERNING BODY AND MICHIGAN STRATEGIC FUND, AND THE EXECUTION
17 OF THE WRITTEN DEVELOPMENT OR REIMBURSEMENT AGREEMENT, THE TRANSFER
18 AND DISTRIBUTION OF CONSTRUCTION PERIOD TAX CAPTURE REVENUES,
19 WITHHOLDING TAX CAPTURE REVENUES, AND INCOME TAX CAPTURE REVENUES
20 AS SPECIFIED IN THIS ACT AND IN THE PLAN SHALL BE BINDING ON THIS
21 STATE AND THE COLLECTION AND TRANSMISSION OF THE AMOUNT OF TAX
22 INCREMENT REVENUES AS SPECIFIED IN THIS ACT AND IN THE PLAN SHALL
23 BE BINDING ON ALL TAXING UNITS LEVYING AD VALOREM PROPERTY TAXES OR
24 SPECIFIC TAXES AGAINST PROPERTY SUBJECT TO THE TRANSFORMATIONAL
25 BROWNFIELD PLAN.

26 (8) A TRANSFORMATIONAL BROWNFIELD PLAN SHALL NOT AUTHORIZE THE
27 CAPTURE OR USE OF TAX INCREMENT REVENUES, CONSTRUCTION PERIOD TAX

1 CAPTURE REVENUES, WITHHOLDING TAX CAPTURE REVENUES, OR INCOME TAX
2 CAPTURE REVENUES AFTER THE YEAR IN WHICH THE TOTAL AMOUNT OF THE
3 REVENUE CAPTURED UNDER THE TRANSFORMATIONAL BROWNFIELD PLAN IS
4 EQUAL TO THE SUM OF THE COSTS PERMITTED TO BE FUNDED WITH THE
5 REVENUE UNDER THE TRANSFORMATIONAL BROWNFIELD PLAN.

6 (9) THE BROWNFIELD AUTHORITY AND MICHIGAN STRATEGIC FUND MAY
7 REIMBURSE ADVANCES, WITH OR WITHOUT INTEREST, MADE BY A
8 MUNICIPALITY UNDER SECTION 7(3), A LAND BANK FAST TRACK AUTHORITY,
9 OR ANY OTHER PERSON OR ENTITY FOR COSTS OF ELIGIBLE ACTIVITIES
10 INCLUDED WITHIN A TRANSFORMATIONAL BROWNFIELD PLAN USING TAX
11 INCREMENT REVENUES, CONSTRUCTION PERIOD TAX CAPTURE REVENUES,
12 WITHHOLDING TAX CAPTURE REVENUES, OR INCOME TAX CAPTURE REVENUES
13 ATTRIBUTABLE TO THAT PLAN. UPON APPROVAL OF THE MICHIGAN STRATEGIC
14 FUND, THE AMOUNT OF TAX INCREMENT REVENUES, CONSTRUCTION PERIOD TAX
15 CAPTURE REVENUES, WITHHOLDING TAX CAPTURE REVENUES, AND INCOME TAX
16 CAPTURE REVENUES AUTHORIZED TO BE CAPTURED UNDER A TRANSFORMATIONAL
17 BROWNFIELD PLAN MAY INCLUDE AMOUNTS REQUIRED FOR THE PAYMENT OF
18 INTEREST UNDER THIS SUBSECTION. A WRITTEN DEVELOPMENT OR
19 REIMBURSEMENT AGREEMENT SHALL BE ENTERED INTO UNDER SUBSECTION (6)
20 BEFORE ANY REIMBURSEMENT OR PAYMENT USING TAX INCREMENT REVENUES,
21 CONSTRUCTION PERIOD TAX CAPTURE REVENUES, WITHHOLDING TAX CAPTURE
22 REVENUES, OR INCOME TAX CAPTURE REVENUES MAY COMMENCE. A
23 REIMBURSEMENT AGREEMENT FOR THESE PURPOSES AND THE OBLIGATIONS
24 UNDER THAT REIMBURSEMENT AGREEMENT SHALL NOT BE SUBJECT TO SECTION
25 12 OR THE REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101
26 TO 141.2821.

27 (10) ELIGIBLE ACTIVITIES CONDUCTED ON ELIGIBLE PROPERTY PRIOR

1 TO APPROVAL OF THE TRANSFORMATIONAL BROWNFIELD PLAN MAY BE
2 REIMBURSED FROM TAX INCREMENT REVENUES, CONSTRUCTION PERIOD TAX
3 CAPTURE REVENUES, WITHHOLDING TAX CAPTURE REVENUES, AND INCOME TAX
4 CAPTURE REVENUES IF THOSE COSTS AND THE ELIGIBLE PROPERTY ARE
5 SUBSEQUENTLY INCLUDED IN A TRANSFORMATIONAL BROWNFIELD PLAN
6 APPROVED BY THE GOVERNING BODY AND MICHIGAN STRATEGIC FUND, A
7 COMBINED BROWNFIELD PLAN OR WORK PLAN APPROVED BY THE MICHIGAN
8 STRATEGIC FUND, AND A WRITTEN DEVELOPMENT OR REIMBURSEMENT
9 AGREEMENT UNDER SUBSECTION (6). REIMBURSEMENT UNDER THIS SUBSECTION
10 SHALL BE LIMITED TO ELIGIBLE EXPENSES INCURRED WITHIN 90 DAYS OF
11 THE APPROVAL OF THE TRANSFORMATIONAL BROWNFIELD PLAN BY THE
12 MICHIGAN STRATEGIC FUND.

13 (11) THE DURATION OF THE CAPTURE OF WITHHOLDING TAX CAPTURE
14 REVENUES AND INCOME TAX CAPTURE REVENUES UNDER A TRANSFORMATIONAL
15 BROWNFIELD PLAN FOR A PARTICULAR ELIGIBLE PROPERTY SHALL NOT EXCEED
16 THE LESSER OF THE PERIOD AUTHORIZED UNDER SUBSECTION (8) OR 20
17 YEARS FROM THE BEGINNING DATE OF THE CAPTURE OF WITHHOLDING TAX
18 CAPTURE REVENUES AND INCOME TAX CAPTURE REVENUES FOR THAT ELIGIBLE
19 PROPERTY. THE BEGINNING DATE FOR THE CAPTURE OF TAX INCREMENT
20 REVENUES, WITHHOLDING TAX CAPTURE REVENUES, AND INCOME TAX CAPTURE
21 REVENUES FOR AN ELIGIBLE PROPERTY SHALL NOT BE LATER THAN 5 YEARS
22 FOLLOWING THE DATE THE MICHIGAN STRATEGIC FUND APPROVES THE
23 INCLUSION OF THE ELIGIBLE PROPERTY IN A TRANSFORMATIONAL BROWNFIELD
24 PLAN. SUBJECT TO THE APPROVAL OF THE GOVERNING BODY AND MICHIGAN
25 STRATEGIC FUND, THE AUTHORITY MAY AMEND THE BEGINNING DATE OF
26 CAPTURE OF TAX INCREMENT REVENUES, WITHHOLDING TAX CAPTURE
27 REVENUES, AND INCOME TAX CAPTURE REVENUES TO A DATE NOT LATER THAN

1 5 YEARS FOLLOWING THE DATE THE MICHIGAN STRATEGIC FUND APPROVED
2 INCLUSION OF THE ELIGIBLE PROPERTY IN THE TRANSFORMATIONAL
3 BROWNFIELD PLAN SO LONG AS CAPTURE OF THE REVENUES UNDER THE
4 TRANSFORMATIONAL BROWNFIELD PLAN HAS NOT YET COMMENCED.

5 (12) FOR PURPOSES OF SUBSECTION (1), A SERIES OF DEVELOPMENTS
6 ON PARCELS THAT ARE NOT CONTIGUOUS SHALL BE CONSIDERED A RELATED
7 PROGRAM OF INVESTMENT IF ALL OF THE FOLLOWING ARE MET:

8 (A) THE DEVELOPMENTS ARE PROPOSED TO BE UNDERTAKEN
9 CONCURRENTLY OR IN REASONABLE SUCCESSION.

10 (B) FOR DEVELOPMENTS UNDER AFFILIATED OWNERSHIP, THE
11 DEVELOPMENTS ARE REASONABLY CONTIGUOUS AND ARE PART OF A PROGRAM OF
12 INVESTMENT IN A LOGICALLY DEFINED GEOGRAPHY, INCLUDING, BUT NOT
13 LIMITED TO, A DOWNTOWN DISTRICT AS DEFINED IN SECTION 1 OF 1975 PA
14 197, MCL 125.1651, OR A PRINCIPAL SHOPPING DISTRICT OR BUSINESS
15 IMPROVEMENT DISTRICT AS DEFINED IN SECTION 1 OF 1961 PA 120, MCL
16 125.981, AND INCLUDING AREAS THAT ARE LOGICALLY RELATED TO THOSE
17 DISTRICTS AND THAT WILL PROMOTE INFILL DEVELOPMENT.

18 (C) FOR DEVELOPMENTS UNDER UNRELATED OWNERSHIP, IN ADDITION TO
19 THE CRITERIA DESCRIBED IN SUBDIVISIONS (A) AND (B), THE
20 DEVELOPMENTS ARE PART OF A MASTER DEVELOPMENT PLAN, AREA PLAN, SUB-
21 AREA PLAN, OR SIMILAR DEVELOPMENT PLAN THAT HAS BEEN APPROVED OR
22 ADOPTED BY RESOLUTION OF THE GOVERNING BODY.

23 (D) THE DESIGNATION OF THE DEVELOPMENTS AS A RELATED PROGRAM
24 OF INVESTMENT IS CONSISTENT WITH THE PURPOSES OF THIS ACT AND IS
25 NOT A COMBINATION OF UNRELATED OR MINIMALLY RELATED PROJECTS
26 CALCULATED TO MEET THE MINIMUM INVESTMENT THRESHOLD.

27 (13) WHERE UNDEVELOPED PROPERTY INCLUDED IN A TRANSFORMATIONAL

1 BROWNFIELD PLAN HAS BEEN DESIGNATED AS A RENAISSANCE ZONE UNDER THE
2 MICHIGAN RENAISSANCE ZONE ACT, 1996 PA 376, MCL 125.2681 TO
3 125.2696, UPON THE REQUEST OF THE OWNER OR DEVELOPER OF THE
4 ELIGIBLE PROPERTY AND THE LOCAL GOVERNMENT UNIT THAT DESIGNATED THE
5 ZONE, THE MICHIGAN STRATEGIC FUND, AND A CITY LEVYING A TAX UNDER
6 THE CITY INCOME TAX ACT, 1964 PA 284, MCL 141.501 TO 141.787, MAY
7 ELECT UNDER SECTION 9(4) OF THE MICHIGAN RENAISSANCE ZONE ACT, 1996
8 PA 376, MCL 125.2689, TO TERMINATE THE EXEMPTIONS, DEDUCTIONS, OR
9 CREDITS PROVIDED FOR IN SECTION 9(1)(B) AND (C) OF THAT ACT, AND
10 REIMBURSE THE AUTHORITY, OR OWNER OR DEVELOPER OF THE ELIGIBLE
11 PROPERTY, AN ANNUAL AMOUNT EQUAL TO THE REVENUE COLLECTED FOR EACH
12 TAX YEAR AS A RESULT OF THE TERMINATION OF THE EXEMPTIONS,
13 DEDUCTIONS, OR CREDITS THAT WOULD OTHERWISE BE IN EFFECT. IN
14 IMPLEMENTING THIS SUBSECTION, ALL OF THE FOLLOWING APPLY:

15 (A) THE AUTHORITY AND MICHIGAN STRATEGIC FUND SHALL INCLUDE
16 AMOUNTS ANTICIPATED TO BE COLLECTED UNDER THIS SUBSECTION IN THE
17 INCOME TAX CAPTURE REVENUES AUTHORIZED TO BE USED UNDER THE
18 TRANSFORMATIONAL BROWNFIELD PLAN AND ASSOCIATED WORK PLAN OR
19 COMBINED BROWNFIELD PLAN.

20 (B) THE STATE TREASURER SHALL CALCULATE FOR EACH TAX YEAR THE
21 AMOUNT OF REVENUE THE STATE OF MICHIGAN COLLECTED AS A RESULT OF
22 THE OPERATION OF THIS SUBSECTION AND SHALL DEPOSIT THAT AMOUNT AS
23 INCOME TAX CAPTURE REVENUES INTO THE STATE BROWNFIELD REDEVELOPMENT
24 FUND, WHERE THE FUNDS SHALL BE TRANSMITTED IN THE MANNER PROVIDED
25 FOR IN SECTIONS 8A(4) AND 16(8).

26 (C) A CITY LEVYING A CITY INCOME TAX UNDER THE CITY INCOME TAX
27 ACT, 1964 PA 284, MCL 141.501 TO 141.787, SHALL CALCULATE FOR EACH

1 TAX YEAR THE AMOUNT OF REVENUE THE CITY COLLECTED AS A RESULT OF
2 THE OPERATION OF THIS SUBSECTION AND SHALL ENTER INTO A BINDING
3 REIMBURSEMENT AGREEMENT WITH THE AUTHORITY, AND OWNER OR DEVELOPER
4 OF THE ELIGIBLE PROPERTY, PROVIDING FOR THE PAYMENT OF THE AMOUNTS
5 TO THE AUTHORITY, OR THE OWNER OR DEVELOPER OF THE ELIGIBLE
6 PROPERTY, FOR ELIGIBLE ACTIVITIES AS PROVIDED FOR IN THE
7 TRANSFORMATIONAL BROWNFIELD PLAN. CITY INCOME TAXES ADMINISTERED BY
8 THE DEPARTMENT OF TREASURY PURSUANT TO THE CITY INCOME TAX ACT,
9 1964 PA 284, MCL 141.501 TO 141.787, SHALL BE SUBJECT TO THE
10 PROCEDURES OF SUBDIVISION (B) REGARDING THE CALCULATION AND DEPOSIT
11 OF ANY REVENUE COLLECTED AS A RESULT OF THE OPERATION OF THIS
12 SUBSECTION.

13 (D) THE DEPARTMENT OF TREASURY MAY REQUIRE THE OWNER OR
14 DEVELOPER TO SUBMIT ANY INFORMATION NECESSARY FOR THE CALCULATION
15 OF REVENUE COLLECTED PURSUANT TO THE OPERATION OF THIS SUBSECTION.
16 THIS STATE HAS NO OBLIGATION FOR CALCULATING REVENUES TO BE
17 COLLECTED PURSUANT TO THE OPERATION OF THIS SUBSECTION WHERE THE
18 REQUIRED INFORMATION IS NOT REPORTED.

19 (14) THE AUTHORITY AND GOVERNING BODY ARE SOLELY RESPONSIBLE
20 FOR DECIDING WHETHER TO SEEK APPROVAL OF A BROWNFIELD PLAN AS A
21 TRANSFORMATIONAL BROWNFIELD PLAN. NOTHING IN THIS SECTION OR
22 SECTION 14A SHALL OPERATE TO PREJUDICE OR LIMIT CONSIDERATION OF A
23 BROWNFIELD PLAN UNDER SECTIONS 13 AND 14, INCLUDING A DECISION BY
24 THE MICHIGAN STRATEGIC FUND NOT TO APPROVE A PLAN AS A
25 TRANSFORMATIONAL BROWNFIELD PLAN.

26 (15) NOTHING IN THIS ACT IS INTENDED TO PRECLUDE AN AUTHORITY
27 ESTABLISHED BY A COUNTY FROM SEEKING APPROVAL OF A BROWNFIELD PLAN

1 AS A TRANSFORMATIONAL BROWNFIELD PLAN. IN THE EVENT THAT AN
2 AUTHORITY ESTABLISHED BY A COUNTY SEEKS APPROVAL OF A PLAN THAT
3 EXTENDS INTO MORE THAN 1 OF ITS COMPONENT LOCAL UNITS OF GOVERNMENT
4 AND THAT PLAN INCLUDES ELIGIBLE PROPERTY IN MORE THAN 1
5 MUNICIPALITY THAT IS NOT A COUNTY, THE MINIMUM INVESTMENT
6 REQUIREMENTS OF SECTION 2(VV) SHALL BE ESTABLISHED WITH REFERENCE
7 TO COMBINED POPULATION OF THE MUNICIPALITIES THAT ARE NOT A COUNTY
8 IN WHICH THE ELIGIBLE PROPERTY IS LOCATED.

9 SEC. 14A. (1) THE GOVERNING BODY AND MICHIGAN STRATEGIC FUND
10 SHALL DETERMINE WHETHER TO APPROVE A TRANSFORMATIONAL BROWNFIELD
11 PLAN IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION.

12 (2) THE GOVERNING BODY SHALL MAKE AN INITIAL DETERMINATION AS
13 TO WHETHER THE TRANSFORMATIONAL BROWNFIELD PLAN CONSTITUTES A
14 PUBLIC PURPOSE IN ACCORDANCE WITH SECTION 14(5). IF THE GOVERNING
15 BODY DETERMINES THE TRANSFORMATIONAL BROWNFIELD PLAN DOES NOT
16 CONSTITUTE A PUBLIC PURPOSE, IT SHALL REJECT THE TRANSFORMATIONAL
17 BROWNFIELD PLAN.

18 (3) IF THE GOVERNING BODY DETERMINES THAT THE TRANSFORMATIONAL
19 BROWNFIELD PLAN CONSTITUTES A PUBLIC PURPOSE, THE GOVERNING BODY
20 MAY THEN APPROVE OR REJECT THE TRANSFORMATIONAL BROWNFIELD PLAN, OR
21 APPROVE IT WITH MODIFICATION, BY RESOLUTION BASED ON ALL OF THE
22 FOLLOWING CONSIDERATIONS:

23 (A) WHETHER THE TRANSFORMATIONAL BROWNFIELD PLAN MEETS THE
24 REQUIREMENTS OF SECTION 2(VV), WHICH MUST INCLUDE A DETERMINATION
25 THAT THE TRANSFORMATIONAL BROWNFIELD PLAN IS CALCULATED TO, AND HAS
26 THE REASONABLE LIKELIHOOD TO, HAVE A TRANSFORMATIONAL IMPACT ON
27 LOCAL ECONOMIC DEVELOPMENT AND COMMUNITY REVITALIZATION BASED ON

1 THE EXTENT OF BROWNFIELD REDEVELOPMENT AND GROWTH IN POPULATION,
2 COMMERCIAL ACTIVITY, AND EMPLOYMENT THAT WILL RESULT FROM THE
3 TRANSFORMATIONAL BROWNFIELD PLAN.

4 (B) WHETHER THE TRANSFORMATIONAL BROWNFIELD PLAN MEETS THE
5 REQUIREMENTS OF SECTIONS 13, 13B, AND 13C.

6 (C) WHETHER THE COSTS OF ELIGIBLE ACTIVITIES PROPOSED ARE
7 REASONABLE AND NECESSARY TO CARRY OUT THE PURPOSES OF THIS ACT.

8 (D) WHETHER THE AMOUNT OF CAPTURED TAXABLE VALUE, CONSTRUCTION
9 PERIOD TAX CAPTURE REVENUES, WITHHOLDING TAX CAPTURE REVENUES, AND
10 INCOME TAX CAPTURE REVENUES ESTIMATED TO RESULT FROM ADOPTION OF
11 THE TRANSFORMATIONAL BROWNFIELD PLAN ARE REASONABLE.

12 (E) WHETHER, BASED ON AN ECONOMIC AND FISCAL IMPACT ANALYSIS,
13 THE TRANSFORMATIONAL BROWNFIELD PLAN WILL RESULT IN AN OVERALL
14 POSITIVE FISCAL IMPACT TO THIS STATE.

15 (F) WHETHER THE TRANSFORMATIONAL BROWNFIELD PLAN TAKES INTO
16 ACCOUNT THE CRITERIA DESCRIBED IN SECTION 90B(4) OF THE MICHIGAN
17 STRATEGIC FUND ACT, 1984 PA 270, MCL 125.2090B.

18 (G) WHETHER SUBJECT TO SUBSECTION (23)(D), THE
19 TRANSFORMATIONAL BROWNFIELD PLAN INCLUDES PROVISIONS FOR AFFORDABLE
20 HOUSING.

21 (4) WITHIN 90 DAYS OF THE COMPLETION OF AN ADMINISTRATIVELY
22 COMPLETE APPLICATION AND THE ANALYSIS REQUIRED UNDER SUBSECTIONS
23 (5) AND (6), THE MICHIGAN STRATEGIC FUND SHALL APPROVE OR REJECT
24 THE TRANSFORMATIONAL BROWNFIELD PLAN, OR APPROVE IT WITH
25 MODIFICATION, BY RESOLUTION BASED ON THE CRITERIA IN SUBSECTION
26 (3).

27 (5) IN DETERMINING WHETHER TO APPROVE A TRANSFORMATIONAL

1 BROWNFIELD PLAN UNDER SUBSECTION (3)(C) AND (D), THE MICHIGAN
2 STRATEGIC FUND SHALL CONDUCT A FINANCIAL AND UNDERWRITING ANALYSIS
3 OF THE DEVELOPMENTS INCLUDED IN THE PLAN. THE ANALYSIS SHALL
4 CONSIDER BOTH PROJECTED RENTAL RATES AT THE TIME OF PROJECT
5 DELIVERY AND POTENTIAL INCREASES IN RENTAL RATES OVER TIME. THE
6 MICHIGAN STRATEGIC FUND SHALL NOT APPROVE THE USE OF CONSTRUCTION
7 PERIOD TAX CAPTURE REVENUES, WITHHOLDING TAX CAPTURE REVENUES, AND
8 INCOME TAX CAPTURE REVENUES BEYOND THE AMOUNT DETERMINED TO BE
9 NECESSARY FOR THE PROJECT TO BE ECONOMICALLY VIABLE. THE MICHIGAN
10 STRATEGIC FUND SHALL DEVELOP STANDARDIZED UNDERWRITING CRITERIA FOR
11 DETERMINING ECONOMIC VIABILITY. THE MICHIGAN STRATEGIC FUND SHALL
12 TAKE INTO ACCOUNT THE IMPACT OF THE SALES AND USE TAX EXEMPTIONS
13 UNDER SECTION 4D(N) OF THE GENERAL SALES TAX ACT, 1933 PA 167, MCL
14 205.54D, AND SECTION 4DD OF THE USE TAX ACT, 1937 PA 94, MCL
15 205.94DD, IN DETERMINING THE AMOUNT OF CONSTRUCTION PERIOD TAX
16 CAPTURE REVENUES, WITHHOLDING TAX CAPTURE REVENUES, AND INCOME TAX
17 CAPTURE REVENUES REQUIRED FOR THE PROJECT TO BE ECONOMICALLY
18 VIABLE. THE MICHIGAN STRATEGIC FUND SHALL ENSURE THAT EACH
19 TRANSFORMATIONAL BROWNFIELD PLAN INCLUDES A SIGNIFICANT EQUITY
20 CONTRIBUTION FROM THE OWNER OR DEVELOPER AS DETERMINED BY THE FUND.

21 (6) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE MICHIGAN
22 STRATEGIC FUND SHALL NOT APPROVE A TRANSFORMATIONAL BROWNFIELD PLAN
23 UNDER SUBSECTION (3)(E) UNLESS IT DETERMINES THAT THE
24 TRANSFORMATIONAL BROWNFIELD PLAN WILL RESULT IN AN OVERALL POSITIVE
25 FISCAL IMPACT TO THIS STATE. IN MAKING THAT DETERMINATION, THE
26 MICHIGAN STRATEGIC FUND SHALL TAKE INTO ACCOUNT BOTH OF THE
27 FOLLOWING:

1 (A) THE POTENTIAL DISPLACEMENT OF TAX REVENUE FROM OTHER AREAS
2 OF THIS STATE.

3 (B) THE EFFECTS OF THE TRANSFORMATIONAL BROWNFIELD PLAN ON
4 ECONOMIC DEVELOPMENT IN THE SURROUNDING AREA.

5 (7) THE MICHIGAN STRATEGIC FUND SHALL REQUIRE AN INDEPENDENT,
6 THIRD-PARTY UNDERWRITING ANALYSIS UNDER SUBSECTION (3) (D) AND AN
7 INDEPENDENT, THIRD-PARTY FISCAL AND ECONOMIC IMPACT ANALYSIS UNDER
8 SUBSECTION (3) (E) FOR ANY PLAN THAT PROPOSES TO USE MORE THAN
9 \$1,500,000.00 IN ANY YEAR IN WITHHOLDING TAX CAPTURE REVENUES AND
10 INCOME TAX CAPTURE REVENUES, AS DETERMINED BY THE FIRST FULL YEAR
11 OF TAX CAPTURE UNDER THE PLAN. THE COST OF THE INDEPENDENT, THIRD-
12 PARTY FISCAL AND ECONOMIC IMPACT ANALYSIS SHALL BE PAID BY THE
13 OWNER OR DEVELOPER OF THE ELIGIBLE PROPERTY. THE MICHIGAN STRATEGIC
14 FUND SHALL CONSULT WITH THE STATE TREASURER PRIOR TO APPROVING ANY
15 TRANSFORMATIONAL BROWNFIELD PLAN SUBJECT TO THIS SUBSECTION. THE
16 STATE TREASURER MUST CONCUR THAT THERE IS AN OVERALL POSITIVE
17 FISCAL IMPACT TO THIS STATE IN ORDER FOR THE TRANSFORMATIONAL
18 BROWNFIELD PLAN TO BE APPROVED. NOTHING IN THIS SUBSECTION SHALL
19 LIMIT THE ABILITY OF THE MICHIGAN STRATEGIC FUND TO UTILIZE
20 INDEPENDENT, THIRD-PARTY ANALYSES ON PLANS NOT SUBJECT TO THIS
21 SUBSECTION.

22 (8) THE MICHIGAN STRATEGIC FUND MAY NOT APPROVE A
23 TRANSFORMATIONAL BROWNFIELD PLAN THAT PROPOSES TO USE MORE THAN 50%
24 OF THE WITHHOLDING TAX CAPTURE REVENUES OR 50% OF THE INCOME TAX
25 CAPTURE REVENUES UNLESS THE INCOME TAX CAPTURE REVENUES ARE
26 ATTRIBUTABLE TO THE ELECTION UNDER SECTION 13C(13). THE MICHIGAN
27 STRATEGIC FUND MAY MODIFY THE AMOUNT OF WITHHOLDING TAX CAPTURE

1 REVENUES AND INCOME TAX CAPTURE REVENUES BEFORE APPROVING A
2 TRANSFORMATIONAL BROWNFIELD PLAN IN ORDER TO BRING THE
3 TRANSFORMATIONAL BROWNFIELD PLAN INTO COMPLIANCE WITH SUBSECTIONS
4 (5) AND (6).

5 (9) THE MICHIGAN STRATEGIC FUND SHALL REQUIRE THE OWNER OR
6 DEVELOPER OF THE ELIGIBLE PROPERTY TO CERTIFY THE ACTUAL CAPITAL
7 INVESTMENT, AS DETERMINED IN ACCORDANCE WITH SECTION 2(O) (iv) AND
8 SECTION 2(VV), UPON THE COMPLETION OF CONSTRUCTION AND BEFORE THE
9 COMMENCEMENT OF REIMBURSEMENT FROM WITHHOLDING TAX CAPTURE
10 REVENUES, INCOME TAX CAPTURE REVENUES, OR TAX INCREMENT REVENUES,
11 FOR THE PLAN OR THE DISTINCT PHASE OR PROJECT WITHIN THE PLAN FOR
12 WHICH REIMBURSEMENT WILL BE PROVIDED. IF THE ACTUAL CAPITAL
13 INVESTMENT IS LESS THAN THE AMOUNT INCLUDED IN THE PLAN, THE
14 MICHIGAN STRATEGIC FUND SHALL REVIEW THE DETERMINATION UNDER
15 SUBSECTION (5) AND MAY MODIFY THE AMOUNT OF REIMBURSEMENT IF, AND
16 TO THE EXTENT, SUCH A MODIFICATION IS NECESSARY TO MAINTAIN
17 COMPLIANCE WITH SUBSECTION (5). THE TRANSFORMATIONAL BROWNFIELD
18 PLAN, WORK PLAN, AND DEVELOPMENT AND REIMBURSEMENT AGREEMENT SHALL
19 INCLUDE PROVISIONS TO ENFORCE THE REQUIREMENTS AND REMEDIES UNDER
20 THIS SUBSECTION. IF THE ACTUAL LEVEL OF CAPITAL INVESTMENT DOES NOT
21 MEET THE APPLICABLE MINIMUM INVESTMENT REQUIREMENT UNDER SECTION
22 2(VV) AND IS OUTSIDE OF THE SAFE HARBOR UNDER SUBSECTION (16), THE
23 MICHIGAN STRATEGIC FUND MAY TAKE 1 OF THE FOLLOWING REMEDIAL
24 ACTIONS:

25 (A) FOR A PLAN THAT CONSISTS OF A SINGLE DEVELOPMENT, REDUCE
26 THE AMOUNT OF REIMBURSEMENT UNDER THE PLAN.

27 (B) FOR A PLAN THAT CONSISTS OF DISTINCT PHASES OR PROJECTS,

1 WHERE THE FAILURE TO MEET THE MINIMUM INVESTMENT THRESHOLD IS THE
2 RESULT OF FAILURE TO UNDERTAKE ADDITIONAL DISTINCT PHASES OR
3 PROJECTS AS PROVIDED FOR IN THE PLAN, 1 OR MORE OF THE FOLLOWING:

4 (i) PERMANENTLY RESCIND THE AUTHORIZATION TO USE TAX INCREMENT
5 REVENUES, CONSTRUCTION PERIOD TAX CAPTURE REVENUES, WITHHOLDING TAX
6 CAPTURE REVENUES, AND INCOME TAX CAPTURE REVENUES FOR THE
7 ADDITIONAL DISTINCT PHASES OR PROJECTS IN THE PLAN.

8 (ii) IF THE MICHIGAN STRATEGIC FUND DETERMINES THAT THE
9 APPLICABLE OWNER OR DEVELOPER ACTED IN BAD FAITH, REDUCE THE AMOUNT
10 OF REIMBURSEMENT FOR COMPLETED PHASES OF THE PLAN.

11 (10) UPON APPROVAL BY THE MICHIGAN STRATEGIC FUND, THE MINIMUM
12 INVESTMENT REQUIREMENTS IN SECTION 2(VV) AND LIMITATION UNDER
13 SUBSECTION (23)(A) AND (B) MAY BE WAIVED IF THE TRANSFORMATIONAL
14 BROWNFIELD PLAN MEETS 1 OF THE FOLLOWING CRITERIA:

15 (A) IS FOR ELIGIBLE PROPERTY IN AN AREA APPROVED BY THE STATE
16 HOUSING DEVELOPMENT AUTHORITY AS ELIGIBLE FOR BLIGHT ELIMINATION
17 PROGRAM FUNDING UNDER THE HOUSING FINANCE AGENCY INNOVATION FUND
18 FOR THE HARDEST HIT HOUSING MARKETS AUTHORIZED PURSUANT TO THE
19 EMERGENCY ECONOMIC STABILIZATION ACT OF 2008, PUBLIC LAW 110-343,
20 12 USC 5201 TO 5261. FOR PURPOSES OF THIS SUBDIVISION, AN AREA
21 APPROVED AS ELIGIBLE FOR BLIGHT ELIMINATION PROGRAM FUNDING MEANS
22 THAT SPECIFIC PORTION OR PORTIONS OF A MUNICIPALITY WHERE THE
23 MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY APPROVED THE
24 EXPENDITURE OF BLIGHT ELIMINATION PROGRAM FUNDS PURSUANT TO AN
25 APPLICATION IDENTIFYING THE TARGET AREAS.

26 (B) IS FOR ELIGIBLE PROPERTY IN A MUNICIPALITY THAT WAS
27 SUBJECT TO A STATE OF EMERGENCY UNDER THE EMERGENCY MANAGEMENT ACT,

1 1976 PA 390, MCL 30.401 TO 30.421, ISSUED FOR DRINKING WATER
2 CONTAMINATION.

3 (C) IS FOR ELIGIBLE PROPERTY THAT IS A HISTORIC RESOURCE IF
4 THE MICHIGAN STRATEGIC FUND DETERMINES THE REDEVELOPMENT IS NOT
5 ECONOMICALLY FEASIBLE ABSENT THE TRANSFORMATIONAL BROWNFIELD PLAN.

6 (D) IS FOR ELIGIBLE PROPERTY THAT IS LOCATED IN A CITY,
7 VILLAGE, OR TOWNSHIP WITH A POPULATION OF LESS THAN 25,000 OR THAT
8 IS OTHERWISE ELIGIBLE FOR THE CORRESPONDING POPULATION TIER IN
9 SECTION 2(VV) (vi), AS DETERMINED IN ACCORDANCE WITH SUBSECTION
10 (16), IF THE MICHIGAN STRATEGIC FUND DETERMINES THAT THE
11 REDEVELOPMENT IS NOT ECONOMICALLY FEASIBLE ABSENT THE
12 TRANSFORMATIONAL BROWNFIELD PLAN.

13 (11) IN DETERMINING WHETHER A PLAN UNDER SUBSECTION (10) HAS A
14 TRANSFORMATIONAL IMPACT FOR PURPOSES OF SECTION 2(VV) AND
15 SUBSECTION (3) (A), THE GOVERNING BODY AND MICHIGAN STRATEGIC FUND
16 SHALL CONSIDER THE IMPACT OF THE TRANSFORMATIONAL BROWNFIELD PLAN
17 IN RELATION TO EXISTING INVESTMENT AND DEVELOPMENT CONDITIONS IN
18 THE PROJECT AREA AND WHETHER THE TRANSFORMATIONAL BROWNFIELD PLAN
19 WILL ACT AS A CATALYST FOR ADDITIONAL REVITALIZATION OF THE AREA IN
20 WHICH IT IS LOCATED.

21 (12) THE MICHIGAN STRATEGIC FUND MAY NOT APPROVE MORE THAN 5
22 TRANSFORMATIONAL BROWNFIELD PLANS UNDER SUBSECTION (10) IN A
23 CALENDAR YEAR, EXCEPT THAT IF THE MICHIGAN STRATEGIC FUND APPROVES
24 FEWER THAN 5 PLANS IN A CALENDAR YEAR UNDER SUBSECTION (10), THE
25 UNUSED APPROVAL AUTHORITY SHALL CARRY FORWARD INTO FUTURE CALENDAR
26 YEARS AND REMAIN AVAILABLE UNTIL DECEMBER 31, 2022. THE MICHIGAN
27 STRATEGIC FUND ALSO SHALL NOT APPROVE MORE THAN 5 TRANSFORMATIONAL

1 BROWNFIELD PLANS UNDER SUBSECTION (10) IN ANY INDIVIDUAL CITY,
2 VILLAGE, OR TOWNSHIP PRIOR TO DECEMBER 31, 2022.

3 (13) EXCEPT AS PROVIDED IN THIS SUBSECTION, AMENDMENTS TO AN
4 APPROVED TRANSFORMATIONAL BROWNFIELD PLAN SHALL BE SUBMITTED BY THE
5 AUTHORITY TO THE GOVERNING BODY AND TO THE MICHIGAN STRATEGIC FUND
6 FOR APPROVAL OR REJECTION FOLLOWING THE SAME NOTICE NECESSARY FOR
7 APPROVAL OR REJECTION OF THE ORIGINAL TRANSFORMATIONAL BROWNFIELD
8 PLAN. NOTICE IS NOT REQUIRED FOR REVISIONS IN THE ESTIMATES OF TAX
9 INCREMENT REVENUES, CONSTRUCTION PERIOD TAX CAPTURE REVENUES,
10 WITHHOLDING TAX CAPTURE REVENUES, OR INCOME TAX CAPTURE REVENUES.

11 (14) EXCEPT AS PROVIDED IN THIS SUBSECTION, AN AMENDMENT TO AN
12 APPROVED TRANSFORMATIONAL BROWNFIELD PLAN UNDER SECTION 13C(1)
13 SHALL NOT BE CONSIDERED A NEW PLAN APPROVAL SUBJECT TO THE
14 LIMITATION IN SUBSECTION (23)(A). THE MICHIGAN STRATEGIC FUND MAY
15 CONSIDER AN AMENDMENT AS A NEW PLAN APPROVAL ONLY WHERE THE
16 AMENDMENT ADDS ELIGIBLE PROPERTY AND THE MICHIGAN STRATEGIC FUND
17 DETERMINES THAT APPROVING THE ADDITION AS AN AMENDMENT WOULD BE
18 INCONSISTENT WITH THE PURPOSES OF THIS ACT.

19 (15) THE PROCEDURE, ADEQUACY OF NOTICE, AND FINDINGS UNDER
20 THIS SECTION SHALL BE PRESUMPTIVELY VALID UNLESS CONTESTED IN A
21 COURT OF COMPETENT JURISDICTION WITHIN 60 DAYS AFTER APPROVAL OF
22 THE TRANSFORMATIONAL BROWNFIELD PLAN BY THE MICHIGAN STRATEGIC
23 FUND. AN APPROVED AMENDMENT TO A CONCLUSIVE TRANSFORMATIONAL
24 BROWNFIELD PLAN SHALL LIKEWISE BE CONCLUSIVE UNLESS CONTESTED
25 WITHIN 60 DAYS AFTER APPROVAL OF THE AMENDMENT BY THE MICHIGAN
26 STRATEGIC FUND. IF A RESOLUTION ADOPTING AN AMENDMENT TO THE
27 TRANSFORMATIONAL BROWNFIELD PLAN IS CONTESTED, THE ORIGINAL

1 RESOLUTION ADOPTING THE TRANSFORMATIONAL BROWNFIELD PLAN IS NOT
2 OPEN TO CONTEST.

3 (16) THE DETERMINATION AS TO WHETHER A TRANSFORMATIONAL
4 BROWNFIELD PLAN COMPLIES WITH THE MINIMUM INVESTMENT REQUIREMENTS
5 IN SECTION 2(VV) SHALL BE MADE WITH REFERENCE TO THE MOST RECENT
6 DECENNIAL CENSUS DATA AVAILABLE AT THE TIME OF APPROVAL BY THE
7 AUTHORITY. A PLAN IN A MUNICIPALITY THAT EXCEEDS A POPULATION TIER
8 UNDER SECTION 2(VV) BY NOT MORE THAN 10% OF THE MAXIMUM POPULATION
9 FOR THAT TIER SHALL, UPON ELECTION OF THE AUTHORITY, BE SUBJECT TO
10 THE INVESTMENT REQUIREMENT FOR THAT TIER. A TRANSFORMATIONAL
11 BROWNFIELD PLAN THAT IS EXPECTED TO RESULT IN, OR DOES RESULT IN, A
12 TOTAL CAPITAL INVESTMENT THAT IS WITHIN 10% OF THE APPLICABLE
13 MINIMUM INVESTMENT REQUIREMENT SHALL BE CONSIDERED TO SATISFY THE
14 APPLICABLE REQUIREMENT UNDER SECTION 2(VV).

15 (17) FOR PURPOSES OF A TRANSFORMATIONAL BROWNFIELD PLAN,
16 DETERMINATION AS TO WHETHER PROPERTY IS FUNCTIONALLY OBSOLETE AS
17 DEFINED UNDER SECTION 2(U) MAY INCLUDE CONSIDERATIONS OF ECONOMIC
18 OBSOLESCENCE AS DETERMINED IN ACCORDANCE WITH THE MICHIGAN STATE
19 TAX COMMISSION'S ASSESSOR'S MANUAL.

20 (18) ANY POSITIVE OR NEGATIVE DETERMINATION BY THE MICHIGAN
21 STRATEGIC FUND UNDER THIS SECTION SHALL BE SUPPORTED BY OBJECTIVE
22 ANALYSIS AND DOCUMENTED IN THE RECORD OF ITS PROCEEDINGS.

23 (19) THE MICHIGAN STRATEGIC FUND SHALL CHARGE AND COLLECT A
24 REASONABLE APPLICATION FEE AS NECESSARY TO COVER THE COSTS
25 ASSOCIATED WITH THE REVIEW AND APPROVAL OF A TRANSFORMATIONAL
26 BROWNFIELD PLAN.

27 (20) THE MICHIGAN STRATEGIC FUND SHALL NOT COMMIT, AND THE

1 DEPARTMENT OF TREASURY SHALL NOT DISBURSE, MORE THAN \$40,000,000.00
2 IN TOTAL ANNUAL TAX CAPTURE. FOR PURPOSES OF THIS SUBSECTION,
3 "TOTAL ANNUAL TAX CAPTURE" MEANS THE TOTAL ANNUAL AMOUNT OF INCOME
4 TAX CAPTURE REVENUES AND WITHHOLDING TAX CAPTURE REVENUES THAT MAY
5 BE REIMBURSED EACH CALENDAR YEAR UNDER ALL TRANSFORMATIONAL
6 BROWNFIELD PLANS. IF THE AMOUNT COMMITTED OR DISBURSED IN A
7 CALENDAR YEAR IS LESS THAN \$40,000,000.00, THE DIFFERENCE BETWEEN
8 THAT AMOUNT AND \$40,000,000.00 SHALL BE AVAILABLE TO BE COMMITTED
9 OR DISBURSED IN SUBSEQUENT CALENDAR YEARS AND SHALL BE IN ADDITION
10 TO THE ANNUAL LIMIT OTHERWISE APPLICABLE.

11 (21) THE MICHIGAN STRATEGIC FUND SHALL NOT COMMIT, AND THE
12 DEPARTMENT OF TREASURY SHALL NOT DISBURSE, A TOTAL AMOUNT OF INCOME
13 TAX CAPTURE REVENUES AND WITHHOLDING TAX CAPTURE REVENUES THAT
14 EXCEEDS \$800,000,000.00.

15 (22) THE MICHIGAN STRATEGIC FUND SHALL NOT APPROVE MORE THAN A
16 TOTAL OF \$200,000,000.00 IN CONSTRUCTION PERIOD TAX CAPTURE
17 REVENUES AND IN PROJECTED SALES AND USE TAX EXEMPTIONS UNDER
18 SECTION 4D(N) OF THE GENERAL SALES TAX ACT, 1933 PA 167, MCL
19 205.54D, AND SECTION 4DD OF THE USE TAX ACT, 1937 PA 94, MCL
20 205.94DD. THE MICHIGAN STRATEGIC FUND SHALL PROJECT THE VALUE OF
21 THE SALES AND USE TAX EXEMPTIONS UNDER EACH TRANSFORMATIONAL
22 BROWNFIELD PLAN AT THE TIME OF PLAN APPROVAL AND SHALL REQUIRE SUCH
23 INFORMATION FROM THE OWNER OR DEVELOPER AS IS NECESSARY TO PERFORM
24 THIS CALCULATION. THE MICHIGAN STRATEGIC FUND ALSO SHALL REQUIRE
25 THE OWNER OR DEVELOPER OF THE ELIGIBLE PROPERTY TO REPORT THE
26 ACTUAL VALUE OF THE SALES AND USE TAX EXEMPTIONS EACH TAX YEAR OF
27 THE CONSTRUCTION PERIOD AND AT THE END OF THE CONSTRUCTION PERIOD.

1 IF THE VALUE OF THE ACTUAL SALES AND USE TAX EXEMPTIONS AND
2 CONSTRUCTION PERIOD TAX CAPTURE REVENUES UNDER ALL TRANSFORMATIONAL
3 BROWNFIELD PLANS EXCEEDS THE LIMIT OF \$200,000,000.00 UNDER THIS
4 SUBSECTION BY MORE THAN A DE MINIMIS AMOUNT, AS DETERMINED BY THE
5 STATE TREASURER, THE STATE TREASURER SHALL TAKE CORRECTIVE ACTION
6 AND MAY REDUCE FUTURE DISBURSEMENTS TO ACHIEVE COMPLIANCE WITH THE
7 AGGREGATE LIMITATION UNDER SUBSECTION (21) AND THIS SUBSECTION. THE
8 CORRECTIVE ACTION DESCRIBED IN THIS SUBSECTION SHALL NOT REDUCE THE
9 DISBURSEMENT FOR AN INDIVIDUAL PLAN BY AN AMOUNT THAT IS MORE THAN
10 THE AMOUNT BY WHICH THE VALUE OF THE SALES AND USE TAX EXEMPTIONS
11 FOR THAT PLAN EXCEEDED THE AMOUNT PROJECTED AT THE TIME OF PLAN
12 APPROVAL AND INCLUDED IN THE PLAN. THE MICHIGAN STRATEGIC FUND AND
13 DEPARTMENT OF TREASURY SHALL PRESCRIBE SPECIFIC METHODS FOR
14 IMPLEMENTING THIS SECTION WITHIN 60 DAYS OF THE EFFECTIVE DATE OF
15 THE AMENDATORY ACT THAT ADDED THIS SECTION.

16 (23) THE MICHIGAN STRATEGIC FUND SHALL COMPLY WITH ALL OF THE
17 FOLLOWING:

18 (A) NOT APPROVE MORE THAN 5 TRANSFORMATIONAL BROWNFIELD PLANS
19 IN A CALENDAR YEAR, EXCEPT THAT IF THE MICHIGAN STRATEGIC FUND
20 APPROVES FEWER THAN 5 PLANS IN A CALENDAR YEAR, THE UNUSED APPROVAL
21 AUTHORITY SHALL CARRY FORWARD INTO FUTURE CALENDAR YEARS AND REMAIN
22 AVAILABLE UNTIL DECEMBER 31, 2022.

23 (B) NOT APPROVE MORE THAN 5 TRANSFORMATIONAL BROWNFIELD PLANS
24 IN ANY INDIVIDUAL CITY, VILLAGE, OR TOWNSHIP PRIOR TO DECEMBER 31,
25 2022.

26 (C) ENSURE AN EQUITABLE GEOGRAPHIC DISTRIBUTION OF PLANS
27 APPROVED UNDER THIS SUBSECTION, WHICH SHALL ACHIEVE A BALANCE

1 BETWEEN THE NEEDS OF MUNICIPALITIES OF DIFFERING SIZES AND
2 DIFFERING GEOGRAPHIC AREAS OF THE STATE. SUBJECT TO THE RECEIPT OF
3 QUALIFIED TRANSFORMATIONAL BROWNFIELD PLANS MEETING THE CRITERIA
4 UNDER THIS SECTION AND SECTION 13C, THE MICHIGAN STRATEGIC FUND
5 SHALL SET A TARGET THAT NOT LESS THAN 35% OF THE TOTAL
6 TRANSFORMATIONAL BROWNFIELD PLANS APPROVED UNDER THIS ACT PRIOR TO
7 DECEMBER 31, 2022 WILL BE LOCATED IN CITIES, VILLAGES, AND
8 TOWNSHIPS WITH A POPULATION OF LESS THAN 100,000.

9 (D) IN COORDINATION WITH THE GOVERNING BODY, SHALL DETERMINE
10 THE APPROPRIATE PROVISIONS REGARDING AFFORDABLE HOUSING ON A PLAN-
11 BY-PLAN BASIS.

12 (24) IN THE EVENT OF A PROPOSED CHANGE IN OWNERSHIP OF
13 ELIGIBLE PROPERTY SUBJECT TO A TRANSFORMATIONAL BROWNFIELD PLAN FOR
14 WHICH REIMBURSEMENT WILL CONTINUE, THE APPROVAL OF THE MICHIGAN
15 STRATEGIC FUND IS REQUIRED PRIOR TO THE ASSIGNMENT OR TRANSFER OF
16 THE DEVELOPMENT AND REIMBURSEMENT AGREEMENT.

17 (25) THE MICHIGAN STRATEGIC FUND SHALL NOT PROVIDE COMMUNITY
18 REVITALIZATION INCENTIVES UNDER SECTION 90B OF THE MICHIGAN
19 STRATEGIC FUND ACT, 1984 PA 270, MCL 125.2090B, TO ANY PROJECT
20 INCLUDED IN A TRANSFORMATIONAL BROWNFIELD PLAN THAT HAS OR WILL
21 RECEIVE REIMBURSEMENT FOR ELIGIBLE ACTIVITIES PURSUANT TO SECTION
22 13C AND THIS SECTION.

23 (26) THE MICHIGAN STRATEGIC FUND SHALL NOT APPROVE ANY NEW
24 TRANSFORMATIONAL BROWNFIELD PLANS AFTER DECEMBER 31, 2022. A
25 TRANSFORMATIONAL BROWNFIELD PLAN APPROVED PRIOR TO DECEMBER 31,
26 2022 SHALL REMAIN IN EFFECT AND MAY BE AMENDED IN ACCORDANCE WITH
27 THE PROVISIONS OF THIS ACT.

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

4 (a) A copy of the brownfield plan.

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

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

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

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

18 (2) Upon receipt of a request for approval of a work plan
19 under subsection (1) or a portion of a work plan that pertains to
20 only department specific activities, the department shall review
21 the work plan according to subsection (3) and provide 1 of the
22 following written responses to the requesting authority within 60
23 days:

24 (a) An unconditional approval.

25 (b) A conditional approval that delineates specific necessary
26 modifications to the work plan to meet the criteria of subsection
27 (3), including, but not limited to, individual activities to be

1 modified, added, or deleted from the work plan and revision of
2 costs. The department may not condition its approval on deletions
3 from or modifications of the work plan relating to activities to be
4 funded solely by tax increment revenues not attributable to taxes
5 levied for school operating purposes.

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

13 (d) A denial if the property is not an eligible property under
14 this act, if the work plan contemplates the use of taxes levied for
15 school operating purposes prohibited by section 13b(10), or for any
16 specific activity if the activity is prohibited by section
17 13b(6)(a). The department may also deny any activity in a work plan
18 that does not meet the conditions in subsection (3) only if the
19 department cannot respond under subsection (2)(b) or (c). The
20 department shall accompany the denial with a letter that states
21 with specificity the reason for the denial. The department shall
22 respond under subsection (2)(a), (b), or (c) according to this
23 section for any activities in the work plan that are not denied
24 under this subdivision. If the department denies all or a portion
25 of a work plan under this subdivision, the authority may
26 subsequently resubmit the work plan.

27 (3) The department may approve a work plan if the following

1 conditions have been met:

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

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

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

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

25 (iii) Long-term obligations associated with leaving
26 contamination in place and the value of reducing or eliminating
27 these obligations.

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

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

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

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

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

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

27 (b) The individual activity has commenced or payment for the

1 work has been irrevocably obligated prior to issuance of the
2 department's response.

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

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

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

20 (10) To seek Michigan strategic fund approval of a work plan
21 under section 13b(4) **OR 13C(6)**, the authority shall submit all of
22 the following for each eligible property:

23 (a) A copy of the brownfield plan **OR THE TRANSFORMATIONAL**
24 **BROWNFIELD PLAN.**

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

1 and penalties that may be due.

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

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

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

8 (f) A separate work plan, or part of a work plan, for each
9 eligible activity described in section 13b(4) to be undertaken. **FOR**
10 **A TRANSFORMATIONAL BROWNFIELD PLAN, THE MICHIGAN STRATEGIC FUND**
11 **SHALL PRESCRIBE THE FORM AND CONTENT FOR THE WORK PLAN TO ADDRESS**
12 **ADDITIONAL ELIGIBLE ACTIVITIES UNDER SECTION 2 (O) (iv) .**

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

19 (11) Upon receipt of a request for approval of a work plan,
20 the Michigan strategic fund shall provide 1 of the following
21 written responses to the requesting authority within 60 days:

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

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

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

4 (12) In its review of a work plan under section 13b(4) **OR**
5 **13C(6)**, the Michigan strategic fund shall consider the following
6 criteria to the extent reasonably applicable to the type of
7 activities proposed as part of that work plan when approving or
8 denying a work plan:

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

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

13 (c) Whether the cost for each individual activity is
14 reasonable.

15 (d) The overall benefit to the public.

16 (e) The extent of reuse of vacant buildings and redevelopment
17 of blighted property.

18 (f) Creation of jobs.

19 (g) Whether the eligible property is in an area of high
20 unemployment.

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

23 (i) The level of private sector contribution.

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

27 (k) Whether the project of the developer, landowner, or

1 corporate entity that is included in the work plan is financially
2 and economically sound.

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

7 (m) Any other criteria that the Michigan strategic fund
8 considers appropriate for the determination of eligibility or for
9 approval of the work plan.

10 (13) If the Michigan strategic fund fails to provide a written
11 response under subsection (11) within 60 days after receipt of a
12 request for approval of a work plan **OR 90 DAYS IN THE CASE OF A**
13 **TRANSFORMATIONAL BROWNFIELD PLAN**, the eligible activities shall be
14 considered approved and the authority may proceed with the eligible
15 activities described in ~~section~~**SECTIONS 13b(4) AND 13C(6)** as
16 outlined in the work plan as submitted for approval.

17 (14) The Michigan strategic fund approval of a work plan under
18 ~~section~~**SECTIONS 13b(4) AND 13C(6)** is final.

19 (15) The Michigan strategic fund shall submit a report each
20 year to each member of the legislature as provided in section
21 16(4).

22 (16) All taxes levied for school operating purposes that are
23 not used for eligible activities consistent with a combined
24 brownfield plan or a work plan approved by the department or the
25 Michigan strategic fund or for the payment of interest under
26 sections 13 and 13b and that are not deposited in a local
27 brownfield revolving fund shall be distributed proportionately

1 between the local school district and the school aid fund.

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

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

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

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

21 (a) To seek approval of a combined brownfield plan under this
22 subsection, the authority shall, at least 30 days before the
23 hearing on the combined brownfield plan to allow for consultation
24 between the authority and the department or the Michigan strategic
25 fund **AND AT LEAST 60 DAYS IN THE CASE OF A TRANSFORMATIONAL**
26 **BROWNFIELD PLAN**, provide notice that the authority will be seeking
27 approval of a combined brownfield plan in lieu of a work plan to 1

1 or more of the following:

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

6 (ii) The Michigan strategic fund, if the combined brownfield
7 plan involves the use of taxes levied for school operating purposes
8 to pay for eligible activities subject to subsection (12) **OR**
9 **SECTION 13C(6), OR THE USE OF CONSTRUCTION PERIOD TAX CAPTURE**
10 **REVENUES, WITHHOLDING TAX CAPTURE REVENUES, OR INCOME TAX CAPTURE**
11 **REVENUES.**

12 (b) After the governing body approves a combined brownfield
13 plan, the authority shall submit the combined brownfield plan to
14 the department under the circumstances described in subdivision
15 (a)(i) or Michigan strategic fund under the circumstances described
16 in subdivision (a)(ii).

17 (c) The department shall review a combined brownfield plan
18 according to subdivision (e). The Michigan strategic fund shall
19 review a combined brownfield plan according to subdivision (f).

20 (d) Upon receipt of a combined brownfield plan under
21 subdivision (b), the department or Michigan strategic fund shall
22 provide 1 of the following written responses to the requesting
23 authority within 60 days **OR, IN THE CASE OF A TRANSFORMATIONAL**
24 **BROWNFIELD PLAN, WITHIN 90 DAYS:**

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

27 (ii) A conditional approval that delineates specific necessary

1 modifications to the combined brownfield plan, including, but not
2 limited to, individual activities to be added to or deleted from
3 the combined brownfield plan and revision of costs.

4 (iii) A denial and a letter stating with specificity the
5 reason for the denial. If a combined brownfield plan is denied
6 under this subdivision, the combined brownfield plan may be
7 subsequently resubmitted.

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

11 (f) The Michigan strategic fund shall consider the criteria
12 identified in subsection (12) to the extent reasonably applicable
13 to the type of activities proposed as part of a combined brownfield
14 plan when approving or denying the combined brownfield plan **AND, IN**
15 **THE CASE OF A TRANSFORMATIONAL BROWNFIELD PLAN, SHALL ALSO CONSIDER**
16 **THE CRITERIA DESCRIBED IN SECTION 14A(3) .**

17 (g) If the department or Michigan strategic fund issues a
18 written response to a requesting authority under subdivision (d) (i)
19 or (ii), the governing body or its designee may administratively
20 approve any modifications to a combined brownfield plan required by
21 the written response without the need to follow the notice and
22 approval process required by section 14(6) unless the modifications
23 add 1 or more parcels of eligible property or increase the maximum
24 amount of tax increment revenues **OR, IN THE CASE OF A**
25 **TRANSFORMATIONAL BROWNFIELD PLAN, CONSTRUCTION PERIOD TAX CAPTURE**
26 **REVENUES, WITHHOLDING TAX CAPTURE REVENUES, AND INCOME TAX CAPTURE**
27 **REVENUES** approved for the project.

1 (h) If the department or Michigan strategic fund fails to
2 provide a written response under subdivision (d) within 60 days
3 after receipt of a complete combined brownfield plan, **OR 90 DAYS IN**
4 **THE CASE OF A TRANSFORMATIONAL BROWNFIELD PLAN**, the eligible
5 activities shall be considered approved as submitted.

6 (i) The approval of a combined brownfield plan by the
7 department or Michigan strategic fund under this subsection is
8 final.

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

12 (2) The authority shall expend the tax increment revenues
13 received only in accordance with the brownfield plan. All surplus
14 funds not deposited in the local brownfield revolving fund of the
15 authority under section 8 shall revert proportionately to the
16 respective taxing bodies, except as provided in section 15(16).

17 (3) The authority shall submit annually to the governing body,
18 the department, and the Michigan strategic fund a financial report
19 on the status of the activities of the authority for each calendar
20 year. The report shall include all of the following:

21 (a) The amount and source of tax increment revenues received.

22 (b) The amount and purpose of expenditures of tax increment
23 revenues.

24 (c) The amount of principal and interest on all outstanding
25 indebtedness.

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

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

3 (f) The amount of actual capital investment made for each
4 project.

5 (g) The amount of tax increment revenues attributable to taxes
6 levied for school operating purposes used for activities described
7 in section 13b(6)(c), section ~~2(n)(i)(H)~~, **2(O)(i)(H)**, and section
8 ~~2(n)(ii)(B)~~ **2(O)(i)(B)** and (C).

9 (h) The number of residential units constructed or
10 rehabilitated for each project.

11 (i) The amount, by square foot, of new or rehabilitated
12 residential, retail, commercial, or industrial space for each
13 project.

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

15 (k) All additional information that the governing body, the
16 department, or the Michigan strategic fund considers necessary.

17 (4) The department and the Michigan strategic fund shall
18 collect the financial reports submitted under subsection (3),
19 compile a combined report, which includes the use of local taxes,
20 taxes levied for school operating purposes, and the state
21 brownfield redevelopment fund, based on the information contained
22 in those reports and any additional information considered
23 necessary, and submit annually a report based on that information
24 to each member of the legislature.

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

27 (a) The department shall on a quarterly basis post on its

1 website the name, location, and amount of tax increment revenues,
2 including taxes levied for school operating purposes, for each
3 project approved by the department under this act during the
4 immediately preceding quarter.

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

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

25 (7) The owner or developer for an active project included
26 within a brownfield plan must annually submit to the authority a
27 report on the status of the project. The report shall be in a form

1 developed by the authority and must contain information necessary
2 for the authority to report under subsection (3)(f), (h), (i), (j),
3 and (k). The authority may waive the requirement to submit a report
4 under this subsection. As used in this subsection, "active project"
5 means a project for which the authority is currently capturing
6 taxes under this act.

7 (8) FOR A TRANSFORMATIONAL BROWNFIELD PLAN, ALL OF THE
8 FOLLOWING SHALL ALSO APPLY:

9 (A) THE STATE TREASURER SHALL TRANSFER TO THE STATE BROWNFIELD
10 REDEVELOPMENT FUND EACH FISCAL YEAR AN AMOUNT EQUAL TO THE
11 CONSTRUCTION PERIOD TAX CAPTURE REVENUES, WITHHOLDING TAX CAPTURE
12 REVENUES, AND INCOME TAX CAPTURE REVENUES UNDER ALL APPROVED PLANS
13 AS PROVIDED FOR IN SECTION 8A(4). FUNDS SHALL BE TRANSMITTED TO THE
14 AUTHORITY, OR OWNER OR DEVELOPER OF THE ELIGIBLE PROPERTY TO WHICH
15 THE REVENUES ARE ATTRIBUTABLE, WITHIN 30 DAYS OF TRANSFER TO THE
16 STATE BROWNFIELD REDEVELOPMENT FUND.

17 (B) THE AUTHORITY, THE DEPARTMENT, AND THE MICHIGAN STRATEGIC
18 FUND SHALL FOLLOW THE REPORTING REQUIREMENTS OF SUBSECTIONS (3),
19 (4), AND (5) WITH RESPECT TO ALL APPROVED TRANSFORMATIONAL
20 BROWNFIELD PLANS, AND SHALL PROVIDE INFORMATION ON THE AMOUNT AND
21 USE OF CONSTRUCTION PERIOD TAX CAPTURE REVENUES, WITHHOLDING TAX
22 CAPTURE REVENUES, AND INCOME TAX CAPTURE REVENUES TO THE SAME
23 EXTENT REQUIRED FOR TAX INCREMENT REVENUES.

24 (C) THE OWNER OR DEVELOPER OF ACTIVE PROJECTS INCLUDED WITHIN
25 A TRANSFORMATIONAL BROWNFIELD PLAN SHALL PROVIDE THE INFORMATION
26 REQUIRED FOR THE AUTHORITY, THE DEPARTMENT, AND THE MICHIGAN
27 STRATEGIC FUND TO SATISFY THE REPORTING AND AUDIT REQUIREMENTS OF

Senate Bill No. 111 as amended May 3, 2017

1 THIS SECTION.

[Enacting section 1. This amendatory act takes effect 45 days after the date it is enacted into law.]