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BILL ANALYSIS



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Senate Bill 562 (as introduced 6-23-21)
Sponsor: Senator Roger Victory
Committee: Economic and Small Business Development

Date Completed: 9-30-21

CONTENT

The bill would amend the Brownfield Redevelopment Financing Act to modify the definition of "eligible activities" and to define "qualified facility".

Generally, "eligible activities" include activities for which a brownfield redevelopment authority can expend tax increment revenues to acquire or prepare eligible property. The Act specifies eligible activities for all eligible properties and for eligible properties that meet certain requirements. For example, for all eligible properties, eligible activities include Department of Environment, Great Lakes, and Energy specific activities, relocation of public buildings or operations for economic development purposes, and reasonable costs of environmental insurance, among other things.

Under the bill, "eligible activities" also would include the following for eligible property that is a qualified facility that is not located in a qualified local governmental unit and that is a facility, functionally obsolete, or blighted:

- Activities considered eligible activities for all eligible properties.
- Infrastructure improvements that directly benefit eligible property.
- Site preparation that is not a response activity.

The bill would define "qualified facility" as a landfill facility area of 15 or more contiguous acres that is located in a city and that contains, contained, or is adjacent to a landfill, a material recycling facility, or an asphalt plant that is no longer in operation.

MCL 125.2652

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

The bill would reduce revenue to the School Aid Fund and local unit revenue by an unknown amount, depending upon the specific characteristics of the projects affected by the bill. By expanding the definition of "eligible activities", the bill would increase the amount of taxes subject to capture. The total cost would depend on the characteristics of the projects approved under the provisions of the bill.

Fiscal Analyst: Ryan Bergan

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