

**SUBSTITUTE FOR
SENATE BILL NO. 129**

A bill to amend 1996 PA 381, entitled "Brownfield redevelopment financing act," by amending the title and sections 2, 8, 8a, 13, 13b, 13c, 14, 14a, 15, and 16 (MCL 125.2652, 125.2658, 125.2658a, 125.2663, 125.2663b, 125.2663c, 125.2664, 125.2664a, 125.2665, and 125.2666), the title as amended by 2003 PA 259, section 2 as amended by 2022 PA 178, sections 8, 13, 13b, 15, and 16 as amended by 2020 PA 259, section 8a as amended by 2017 PA 46, sections 13c and 14a as amended by 2021 PA 138, and section 14 as amended by 2016 PA 471.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE
2 An act to authorize municipalities to create a brownfield
3 redevelopment authority to facilitate the implementation of



1 brownfield plans; to create brownfield redevelopment zones; to
2 promote the revitalization, redevelopment, and reuse of certain
3 property, including, but not limited to, **previously developed**, tax
4 reverted, blighted, or functionally obsolete property; **to promote**
5 **the utilization of certain property for housing development**; to
6 prescribe the powers and duties of brownfield redevelopment
7 authorities; to permit the issuance of bonds and other evidences of
8 indebtedness by an authority; to authorize the acquisition and
9 disposal of certain property; to authorize certain funds; to
10 prescribe certain powers and duties of certain state officers and
11 agencies; and to authorize and permit the use of certain tax
12 increment financing.

13 Sec. 2. As used in this act:

14 (a) "Authority" means a brownfield redevelopment authority
15 created under this act.

16 (b) "Baseline environmental assessment" means that term as
17 defined in part 201 or 213.

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

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

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

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

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



1 (v) Is **previously developed or** tax reverted property owned by
 2 a ~~qualified local governmental unit, by a county, municipality~~ or
 3 by this state. The sale, lease, or transfer of **previously developed**
 4 **or** tax reverted property by a ~~qualified local governmental unit,~~
 5 ~~county, municipality~~ or this state after the property's inclusion
 6 in a brownfield plan ~~shall~~**does** not result in the loss to the
 7 property of the status as blighted property for purposes of this
 8 act.

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

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

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

24 (e) "Brownfield plan" means a plan that meets the requirements
 25 of ~~section~~**sections** 13 and ~~section~~13b and is adopted under section
 26 14.

27 (f) "Captured taxable value" means the amount in 1 year by
 28 which the current taxable value of an eligible property subject to
 29 a brownfield plan, including the taxable value or assessed value,



1 as appropriate, of the property for which specific taxes are paid
2 in lieu of property taxes, exceeds the initial taxable value of
3 that eligible property. The state tax commission shall prescribe
4 the method for calculating captured taxable value.

5 (g) "Chief executive officer" means the mayor of a city, the
6 village manager of a village, the township supervisor of a
7 township, or the county executive of a county or, if the county
8 does not have an elected county executive, the chairperson of the
9 county board of commissioners.

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

14 (i) "Construction period tax capture revenues" means funds
15 equal to the amount of income tax levied and imposed in a calendar
16 year ~~upon~~^{on} wages paid to individuals physically present and
17 working within the eligible property for the construction,
18 renovation, or other improvement of eligible property that is an
19 eligible activity within a transformational brownfield plan. As
20 used in this subdivision, "wages" means that term as defined in
21 section 3401 of the internal revenue code of 1986, 26 USC 3401. To
22 calculate the amount of construction period tax capture revenues
23 for a calendar year under a transformational brownfield plan, the
24 state treasurer shall do all of the following:

25 (i) Require the owner or developer of the eligible property to
26 report the total taxable wages paid to individuals for the
27 construction, renovation, or other improvement of eligible property
28 that is an eligible activity within the transformational brownfield
29 plan. The wages reported under this subparagraph ~~shall~~^{must} exclude



1 any wages paid to employees of the owner or developer.

2 (ii) Multiply the amount under subparagraph (i) by the effective
3 rate as determined by the state treasurer at which the income tax
4 is levied on an individual in this state. The state treasurer shall
5 estimate the effective rate by taking into account the effect of
6 any exemptions, additions, subtractions, and credits allowable
7 under part 1 of the income tax act of 1967, 1967 PA 281, MCL 206.1
8 to 206.532. The state treasurer may require the owner or developer
9 to submit any information necessary for the calculation under this
10 subparagraph.

11 (iii) The wage information and other information required under
12 this subdivision ~~shall~~**must** be provided to the department of
13 treasury by the owner or developer in a manner prescribed by the
14 state treasurer. The state treasurer may require the owner or
15 developer to provide a review or reconciliation of the wages by an
16 independent auditing firm.

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

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

21 (l) "Department specific activities" means baseline
22 environmental assessments, due care activities, response
23 activities, and other environmentally related actions that are
24 eligible activities and are identified as a part of a brownfield
25 plan that are in addition to the minimum due care activities
26 required by part 201, including, but not limited to:

27 (i) Response activities that are more protective of the public
28 health, safety, and welfare and the environment than required by
29 section 20107a, 20114, or 21304c of the natural resources and



1 environmental protection act, 1994 PA 451, MCL 324.20107a,
2 324.20114, and 324.21304c.

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

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

10 (iv) Dust control related to construction activities.

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

15 (vi) Industrial cleaning.

16 (vii) Sheeting and shoring necessary for the removal of
17 materials exceeding part 201 criteria at projects requiring a
18 permit pursuant to part 301, 303, or 325 of the natural resources
19 and environmental protection act, 1994 PA 451, MCL 324.30101 to
20 324.30113, ~~MCL~~ 324.30301 to 324.30328, ~~or MCL~~ **and** 324.32501 to
21 324.32515a.

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

24 (ix) Environmental insurance.

25 (m) "Due care activities" means those response activities
26 identified as part of a brownfield plan that are necessary to allow
27 the owner or operator of an eligible property in the plan to comply
28 with the requirements of section 20107a or 21304c of the natural
29 resources and environmental protection act, 1994 PA 451, MCL



1 324.20107a and 324.21304c.

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

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

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

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

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

13 (i) For all eligible properties, eligible activities include
14 all of the following:

15 (A) Department specific activities.

16 (B) Relocation of public buildings or operations for economic
17 development purposes.

18 (C) Reasonable costs of environmental insurance.

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

23 (E) Reasonable costs of brownfield plan and work plan
24 implementation, including, but not limited to, tracking and
25 reporting of data and plan compliance, **including costs to**
26 **implement, monitor, and maintain compliance with the income and**
27 **price monitoring responsibilities associated with housing**
28 **development activities**, and the reasonable costs incurred to
29 estimate and determine actual costs incurred, whether those costs



1 are incurred by a municipality, authority, or private developer.

2 (F) Demolition of structures **or site improvements** that ~~is~~**are**
3 not a response activity, including removal of manufactured debris
4 composed of discarded, unused, or unusable manufactured by-products
5 left on the site by a previous owner. The removal of the
6 manufactured by-products left on the site described in this sub-
7 subparagraph is not eligible for interest reimbursement under sub-
8 subparagraph (H).

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

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

14 **(ii) For housing property located in a community that has**
15 **identified a specific housing need and has absorption data or job**
16 **growth data included in the brownfield plan, eligible activities**
17 **include all of the following:**

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

19 (B) Housing development activities.

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

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

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

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

29 (B) Infrastructure improvements that directly benefit eligible



1 property.

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

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

7 (A) The eligible activities described in subparagraphs (i), ~~and~~
8 (ii), **and (iii)**.

9 (B) Assistance to a land bank fast track authority in clearing
10 or quieting title to, or selling or otherwise conveying, property
11 owned by or under the control of a land bank fast track authority
12 or the acquisition of property by the land bank fast track
13 authority if the acquisition of the property is for economic
14 development purposes.

15 (C) Assistance to a ~~qualified local governmental unit~~
16 **municipality** or authority in clearing or quieting title to, or
17 selling or otherwise conveying, property owned by or under the
18 control of a ~~qualified local governmental unit~~ **municipality** or
19 authority or the acquisition of property by a qualified local
20 governmental unit or authority if the acquisition of the property
21 is for economic development purposes.

22 (v) ~~(iv)~~ For eligible activities on eligible property that is
23 included in a transformational brownfield plan, any demolition,
24 construction, restoration, alteration, renovation, or improvement
25 of buildings or site improvements on eligible property, including
26 infrastructure improvements that directly benefit eligible
27 property.

28 (vi) ~~(v)~~ For eligible activities on eligible property that is a
29 qualified facility that is not located in a qualified local



1 governmental unit and that is a facility, functionally obsolete, or
 2 blighted, the following additional activities:

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

4 (B) Infrastructure improvements that directly benefit eligible
 5 property.

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

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

9 (i) **Except** as otherwise provided in ~~this subdivision, sub-~~
 10 **subparagraph (G)**, property for which eligible activities are
 11 identified under a brownfield plan that was used or is currently
 12 used for commercial, industrial, public, or residential purposes,
 13 including personal property located on the property, **or former**
 14 **dumps, landfills, and other areas filled with nonnative material,**
 15 to the extent included in the brownfield plan, and that ~~is~~ **meets** 1
 16 or more of the following **conditions listed in sub-subparagraphs (A)**
 17 **to (F):**

18 (A) ~~(i)~~—Is in a qualified local governmental unit and is a
 19 facility or a site or property as those terms are defined in part
 20 213, historic resource, functionally obsolete, or blighted and
 21 includes parcels that are adjacent or contiguous to that property
 22 if the development of the adjacent and contiguous parcels is
 23 estimated to increase the captured taxable value of that property.

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



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

3 (D) ~~(iv)~~—Is a transit-oriented development or transit-oriented
4 property.

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

7 (F) ~~(vi)~~—Is undeveloped property that was eligible property in
8 a previously approved brownfield plan abolished under section
9 14(8).

10 (G) ~~(vii)~~—Eligible property does not include qualified
11 agricultural property exempt under section 7ee of the general
12 property tax act, 1893 PA 206, MCL 211.7ee, from the tax levied by
13 a local school district for school operating purposes to the extent
14 provided under section 1211 of the revised school code, 1976 PA
15 451, MCL 380.1211.

16 (ii) **Housing property for which eligible activities are**
17 **identified under a brownfield plan, including personal property**
18 **located on the property, to the extent included in the brownfield**
19 **plan.**

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

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

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

25 (t) "Former mill" means a former mill that has not been used
26 for industrial purposes for the immediately preceding 2 years, that
27 is not located in a qualified local governmental unit, that is a
28 facility or is a site or a property as those terms are defined in
29 part 213, functionally obsolete, or blighted, and that is located



1 within 15 miles of a river that is a federal superfund site listed
2 under the comprehensive environmental response, compensation and
3 liability act of 1980, 42 USC 9601 to 9675, and that is located in
4 a municipality with a population of less than 10,000.

5 (u) "Functionally obsolete" means that the property is unable
6 to be used to adequately perform the function for which it was
7 intended due to a substantial loss in value resulting from factors
8 such as overcapacity, changes in technology, deficiencies or
9 superadequacies in design, or other similar factors that affect the
10 property itself or the property's relationship with other
11 surrounding property.

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

14 (w) "Historic resource" means that term as defined in section
15 90a of the Michigan strategic fund act, 1984 PA 270, MCL 125.2090a.

16 (x) "Housing development activities" means 1 or more of the
17 following:

18 (i) Reimbursement provided to owners of rental housing units
19 for qualified rehabilitation.

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

22 (iii) Costs of demolition and renovation of existing buildings
23 and site preparation, to the extent necessary to accommodate an
24 income qualified purchaser household or income qualified renting
25 household.

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

28 (v) Acquisition cost for blighted or obsolete rental units, to
29 the extent the acquisition would promote rehabilitation or adaptive



1 reuse of the blighted or obsolete rental unit to accommodate an
 2 income qualified purchaser household or income qualified renting
 3 household.

4 (vi) Establishing a reserve, under the control of the authority
 5 or a local housing commission for qualified rental assistance
 6 payments to income qualified renting households. The reserve must
 7 be quantified as part of the post completion determination of
 8 eligible costs.

9 (vii) Reimbursement provided to a developer to fill a financing
 10 gap associated with the development of housing units priced for
 11 income qualified households and to assist with costs related to
 12 infrastructure improvements and site preparation that are not a
 13 response activity and that are necessary for new housing
 14 development for income qualified households on eligible property.

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

16 (i) A property on which 1 or more units of residential housing
 17 are proposed to be constructed or rehabilitated.

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

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

24 (i) "Area median income" means the median income for the area
 25 as determined under section 8 of the United States housing act of
 26 1937, 42 USC 1437f, adjusted for family size.

27 (ii) "Household income" means all income received by all
 28 individuals who are not less than 24 years of age when the
 29 household income is determined and who reside in a household while



1 members of the household.

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

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

6 (cc) ~~(x)~~ "Income tax" means the tax levied and imposed under
7 part 1 of the income tax act of 1967, 1967 PA 281, MCL 206.1 to
8 206.532.

9 (dd) ~~(y)~~ "Income tax capture revenues" means, with respect to
10 each eligible property subject to a transformational brownfield
11 plan, funds equal to the amount for each tax year by which the
12 aggregate income tax from individuals residing within the eligible
13 property subject to a transformational brownfield plan exceeds the
14 initial income tax value. Subject to subparagraph (iii), the state
15 treasurer shall calculate annually the income tax capture revenues
16 associated with each transformational brownfield plan. In
17 calculating income tax capture revenues, the state treasurer shall
18 subtract from the aggregate amount of income tax credits under
19 sections 255, 265, 266, and chapter 9 of the income tax act of
20 1967, 1967 PA 281, MCL 206.255, 206.265, 206.266, and 206.501 to
21 206.532. The state treasurer shall require the owner or developer
22 of the eligible property to provide to the department of treasury
23 all of the following information at the end of each calendar year,
24 including the year in which the resolution adding that eligible
25 property in the transformational brownfield plan is adopted:

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

28 (ii) Any other information that may be necessary to calculate
29 the income tax capture revenues. The information required under



1 this subdivision ~~shall~~**must** be provided in a manner prescribed by
2 the state treasurer.

3 (iii) Notwithstanding anything to the contrary in this
4 subdivision, ~~in lieu~~**instead** of the reporting and calculation
5 methods otherwise provided for, the owner or developer of a
6 transformational brownfield project site may elect to utilize a
7 safe harbor method of calculating income tax capture revenues.
8 Under this safe harbor method, the Michigan strategic fund shall
9 establish a safe harbor amount of annual income tax capture
10 revenues for each eligible property ~~at the time~~**when** the Michigan
11 strategic fund approves the transformational brownfield plan, and
12 those amounts shall serve as the basis for the transmittal of
13 income tax capture revenues to the owner or developer of the
14 transformational project site under section 8a(4). The Michigan
15 strategic fund shall establish the safe harbor amount for an
16 eligible property by imputing a standard annual taxable income for
17 households residing within the eligible property or portion of the
18 eligible property. The safe harbor is effective only to the extent
19 that the residential units within the eligible property or portion
20 of the eligible property are actively leased or, in the case of
21 units made available for sale, sold in an arms-length transaction.
22 Imputations as to standard household taxable income may vary based
23 on location and other relevant factors. The Michigan strategic fund
24 may adjust the safe harbor amount for an eligible property, or
25 portion of the eligible property, after the time of
26 transformational brownfield plan approval as required to reflect
27 changes in the transformational brownfield plan for the
28 transformational project site that may occur after approval of the
29 transformational brownfield plan, ~~provided that~~**if** those changes



1 ~~may do~~ not result in an aggregate increase in the level of income
 2 tax capture revenues from the amount initially established. The
 3 owner or developer of the transformational project site may ~~make~~
 4 ~~the election~~ **elect** to utilize the safe harbor method of accounting
 5 at any time ~~prior to~~ **before** the first reimbursement of income tax
 6 capture revenues under the transformational brownfield plan. ~~7~~
 7 ~~provided that an~~ **An election to utilize the safe harbor method of**
 8 **accounting**, once made, cannot be rescinded.

9 (ee) ~~(z)~~ "Industrial cleaning" means cleaning or removal of
 10 contaminants from within a structure necessary to achieve the
 11 intended use of the property.

12 (ff) ~~(aa)~~ "Infrastructure improvements" means a street, road,
 13 sidewalk, parking facility, pedestrian mall, alley, bridge, sewer,
 14 sewage treatment plant, property designed to reduce, eliminate, or
 15 prevent the spread of identified soil or groundwater contamination,
 16 drainage system, waterway, waterline, water storage facility, rail
 17 line, utility line or pipeline, transit-oriented development,
 18 transit-oriented property, or other similar or related structure or
 19 improvement, together with necessary easements for the structure or
 20 improvement, owned or used by a public agency or functionally
 21 connected to similar or supporting property owned or used by a
 22 public agency, or designed and dedicated to use by, for the benefit
 23 of, or for the protection of the health, welfare, or safety of the
 24 public generally, whether or not used by a single business entity,
 25 ~~provided that if~~ any road, street, or bridge ~~shall be~~ **is**
 26 continuously open to public access and ~~that other property shall be~~
 27 **is** located in public easements or rights-of-way and sized to
 28 accommodate reasonably foreseeable development of eligible property
 29 in adjoining areas. Infrastructure improvements also include 1 or



1 more of the following whether publicly or privately owned or
 2 operated or located on public or private property:

3 (i) Underground parking.

4 (ii) Multilevel parking structures.

5 (iii) Urban stormwater management systems.

6 **(gg)** ~~(bb)~~ "Initial income tax value" means, with respect to
 7 each eligible property subject to a transformational brownfield
 8 plan, the aggregate amount of income tax less credits under
 9 sections 255, 265, 266, and chapter 9 of the income tax act of
 10 1967, 1967 PA 281, MCL 206.255, 206.265, 206.266, and 206.501 to
 11 206.532, from individuals residing within the eligible property for
 12 the tax year in which the resolution adding that eligible property
 13 in the transformational brownfield plan is adopted.

14 **(hh)** ~~(cc)~~ "Initial taxable value" means the taxable value of
 15 an eligible property identified in and subject to a brownfield plan
 16 at the time the resolution adding that eligible property in the
 17 brownfield plan is adopted, as shown either by the most recent
 18 assessment roll for which equalization has been completed at the
 19 time the resolution is adopted or, if provided by the brownfield
 20 plan, by the next assessment roll for which equalization will be
 21 completed following the date the resolution adding that eligible
 22 property in the brownfield plan is adopted. Property exempt from
 23 taxation at the time the initial taxable value is determined ~~shall~~
 24 ~~be~~ **is** included with the initial taxable value of zero. Property for
 25 which a specific tax is paid in lieu of property tax ~~shall~~ **is** not
 26 ~~be~~ considered exempt from taxation. The state tax commission shall
 27 prescribe the method for calculating the initial taxable value of
 28 property for which a specific tax was paid in lieu of property tax.
 29 The initial assessed value may be modified by lowering the initial



1 assessed value once during the term of the brownfield plan through
 2 an amendment as provided in section 14 after the tax increment
 3 financing plan fails to generate captured taxes for 3 consecutive
 4 years due to declines in assessed value.

5 **(ii)** ~~(dd)~~ "Initial withholding tax value" means, with respect
 6 to each eligible property subject to a transformational brownfield
 7 plan, the amount of income tax withheld under ~~part 3~~ **chapter 17** of
 8 the income tax act of 1967, 1967 PA 281, MCL 206.701 to ~~206.713,~~
 9 **206.715**, from individuals employed within the eligible property for
 10 the calendar year in which the resolution adding the eligible
 11 property to the plan is adopted. The initial withholding tax value
 12 ~~shall~~ **does** not include construction period tax capture revenues.

13 **(jj)** ~~(ee)~~ "Land bank fast track authority" means an authority
 14 created under the land bank fast track act, 2003 PA 258, MCL
 15 124.751 to 124.774.

16 **(kk)** ~~(ff)~~ "Local taxes" means all taxes levied other than
 17 taxes levied for school operating purposes.

18 **(ll)** "Michigan state housing development authority" means the
 19 Michigan state housing development authority created in section 21
 20 of the state housing development authority act of 1966, 1966 PA
 21 346, MCL 125.1421.

22 **(mm)** ~~(gg)~~ "Michigan strategic fund" means the Michigan
 23 strategic fund created under the Michigan strategic fund act, 1984
 24 PA 270, MCL 125.2001 to 125.2094.

25 **(nn)** ~~(hh)~~ "Mixed-use" means a real estate project with planned
 26 integration of some combination of retail, office, residential, or
 27 hotel uses.

28 **(oo)** ~~(ii)~~ "Municipality" means all of the following:

29 (i) A city.



1 (ii) A village.

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

4 (iv) A township in those areas of the township that are in a
5 village ~~upon~~**on** the concurrence by resolution of the village in
6 which the zone would be located.

7 (v) A county.

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

11 (i) An ownership interest in the property.

12 (ii) A tax lien on the property.

13 (iii) A tax deed to the property.

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

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

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

19 **(qq)** ~~(kk)~~ "Part 111", "part 201", "part 211", or "part 213"
20 means that part as described as follows:

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

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

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

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



1 (rr) "Previously developed property" means property that was
 2 part of an existing developed residential, commercial, or
 3 industrial zone and contained a structure serviced by utilities, or
 4 former dumps, landfills, and other areas filled with nonnative
 5 material.

6 (ss) ~~(#)~~—"Qualified facility" means a landfill facility area
 7 of 15 or more contiguous acres that is located in a city and that
 8 contains, contained, or is adjacent to a landfill, a material
 9 recycling facility, or an asphalt plant that is no longer in
 10 operation.

11 (tt) ~~(mm)~~—"Qualified local governmental unit" means that term
 12 as defined in the obsolete property rehabilitation act, 2000 PA
 13 146, MCL 125.2781 to 125.2797.

14 (uu) "Qualified rehabilitation" means rehabilitation of
 15 existing structures that is necessary to make a housing unit
 16 suitable for sale to an income qualified purchaser household or
 17 rent to an income qualified renting household. Qualified
 18 rehabilitation also includes proposed rehabilitation that will
 19 bring the structure into conformance with minimum local building
 20 code standards for occupancy or improve the livability of the units
 21 while meeting minimum local building code standards.

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

27 (ww) ~~(oo)~~—"Release" means that term as defined in part 201 or
 28 part 213.

29 (xx) ~~(pp)~~—"Response activity" means either of the following:



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

2 (ii) Corrective action.

3 **(yy)** ~~(qq)~~ "Specific taxes" means ~~a~~ **all of the following:**

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

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

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

8 **(C) The** enterprise zone act, 1985 PA 224, MCL 125.2101 to
9 125.2123. ~~;~~

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

11 **(E) The** technology park development act, 1984 PA 385, MCL
12 207.701 to 207.718. ~~;~~ ~~the~~

13 **(F) The** obsolete property rehabilitation act, 2000 PA 146, MCL
14 125.2781 to 125.2797. ~~;~~ ~~the~~

15 **(G) The** neighborhood enterprise zone act, 1992 PA 147, MCL
16 207.771 to 207.786. ~~;~~ ~~the~~

17 **(H) The** commercial rehabilitation act, 2005 PA 210, MCL
18 207.841 to 207.856. ~~;~~ ~~or that~~

19 **(I) The attainable housing facilities act, 2022 PA 236, MCL**
20 **207.901 to 207.916.**

21 **(J) The residential housing facilities act, 2022 PA 237, MCL**
22 **207.951 to 207.966.**

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

26 **(zz)** ~~(rr)~~ "State brownfield redevelopment fund" means the
27 state brownfield redevelopment fund created in section 8a.

28 **(aaa)** ~~(ss)~~ "Targeted redevelopment area" means not fewer than
29 40 and not more than 500 contiguous parcels of real property



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

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

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

22 (ii) For tax increment revenues attributable to eligible
 23 property, ~~also exclude~~ the amount of ad valorem property taxes or
 24 specific taxes captured by a downtown development authority under
 25 part 2 of the recodified tax increment financing act, 2018 PA 57,
 26 MCL 125.4201 to 125.4230, tax increment finance authority under ~~the~~
 27 ~~tax increment finance authority act,~~ part 3 of the recodified tax
 28 increment financing act, 2018 PA 57, MCL 125.4301 to 125.4329,
 29 corridor improvement authority under part 6 of the recodified tax



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

8 (iii) Ad valorem property taxes levied under 1 or more of the
 9 following or specific taxes attributable to those ad valorem
 10 property taxes:

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

13 (B) The art institute authorities act, 2010 PA 296, MCL
 14 123.1201 to 123.1229.

15 (ccc) ~~(uu)~~ "Taxable value" means the value determined under
 16 section 27a of the general property tax act, 1893 PA 206, MCL
 17 211.27a.

18 (ddd) ~~(vv)~~ "Taxes levied for school operating purposes" means
 19 all of the following:

20 (i) The taxes levied by a local school district for operating
 21 purposes.

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

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

26 (eee) ~~(ww)~~ "Transformational brownfield plan" means a
 27 brownfield plan that meets the requirements of section 13c and is
 28 adopted under section 14a and, as designated by resolution of the
 29 governing body and approved by the Michigan strategic fund, will



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

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

12 (ii) In a municipality that is not a county and that has a
 13 population of ~~at least~~**not less than** 150,000 and not more than
 14 599,999, \$100,000,000.00.

15 (iii) In a municipality that is not a county and that has a
 16 population of ~~at least~~**not less than** 100,000 and not more than
 17 149,999, \$75,000,000.00.

18 (iv) In a municipality that is not a county and that has a
 19 population of ~~at least~~**not less than** 50,000 and not more than
 20 99,999, \$50,000,000.00.

21 (v) In a municipality that is not a county and that has a
 22 population of ~~at least~~**not less than** 25,000 and not more than
 23 49,999, \$25,000,000.00.

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

26 **(fff)** ~~(xx)~~ "Transit-oriented development" means infrastructure
 27 improvements that are located within 1/2 mile of a transit station
 28 or transit-oriented property that promotes transit ridership or
 29 passenger rail use as determined by the board and approved by the



1 municipality in which it is located.

2 **(ggg)** ~~(yy)~~ "Transit-oriented property" means property that
3 houses a transit station in a manner that promotes transit
4 ridership or passenger rail use.

5 **(hhh)** ~~(zz)~~ "Withholding tax capture revenues" means, with
6 respect to each eligible property subject to a transformational
7 brownfield plan, the amount for each calendar year by which the
8 income tax withheld under ~~part 3~~ **chapter 17** of the income tax act
9 of 1967, 1967 PA 281, MCL 206.701 to ~~206.713~~, **206.715**, from
10 individuals employed within the eligible property exceeds the
11 initial withholding tax value. Withholding tax capture revenues
12 ~~shall do~~ not include income tax from individuals domiciled within
13 the eligible property or construction period tax capture revenues.
14 To calculate withholding tax capture revenues for a calendar year
15 under a transformational brownfield plan, the state treasurer or
16 the Michigan strategic fund shall do all of the following:

17 (i) The state treasurer shall require the owner or developer of
18 the eligible property to provide the department of treasury with
19 notice not more than 10 days from the date an employer commences or
20 terminates occupancy within the eligible property. As used in this
21 subdivision, "employer" means that term as defined in section 8 of
22 the income tax act of 1967, 1967 PA 281, MCL 206.8.

23 (ii) The state treasurer shall develop methods and processes
24 that are necessary for each employer occupying the eligible
25 property to report the amount of withholding under ~~part 3~~ **chapter**
26 **17** of the income tax act of 1967, 1967 PA 281, MCL 206.701 to
27 ~~206.713~~, **206.715**, from individuals employed within the eligible
28 property.

29 (iii) The Michigan strategic fund shall include the following



1 provisions in the development or reimbursement agreement for any
 2 transformational brownfield plan that utilizes withholding tax
 3 capture revenues:

4 (A) That the owner or developer of the eligible property shall
 5 require each employer occupying the eligible property to comply
 6 with the reporting requirements under this section through a
 7 contract requirement, lease requirement, or other ~~such~~**similar**
 8 means.

9 (B) That reimbursement of withholding tax capture revenues is
 10 limited to amounts that are reported in accordance with ~~part 3~~
 11 **chapter 17** of the income tax act of 1967, 1967 PA 281, MCL 206.701
 12 to ~~206.713,~~**206.715**, and this state has no obligation with respect
 13 to withholding tax capture revenues that are not reported or paid.

14 (iv) Notwithstanding anything to the contrary in this
 15 subdivision, ~~in lieu~~**instead** of the reporting and calculation
 16 methods otherwise provided for, the owner or developer of a
 17 transformational project site may elect to utilize a safe harbor
 18 method of calculating withholding tax capture revenues. Under this
 19 safe harbor method, the Michigan strategic fund shall establish a
 20 safe harbor amount of annual withholding tax capture revenues for
 21 each eligible property ~~at the time~~**when** the Michigan strategic fund
 22 approves the transformational brownfield plan, and those amounts
 23 shall serve as the basis for the transmittal of withholding tax
 24 capture revenues to the owner or developer of the transformational
 25 project site under section 8a(4). The Michigan strategic fund shall
 26 establish the safe harbor amount for an eligible property by
 27 imputing a standard level of employee occupancy that corresponds to
 28 the size and use of the eligible property or portion of the
 29 eligible property and a safe harbor average annual taxable wage for



1 the individuals employed within the eligible property or portion of
 2 the eligible property. The safe harbor ~~shall be~~ **is** effective only
 3 to the extent the eligible property or portion of the eligible
 4 property is actively occupied, as evidenced by the existence of a
 5 binding lease agreement or similar instrument. Imputations as to
 6 occupancy and wages may vary between projects based on location,
 7 the type and use of the eligible property, and other relevant
 8 factors. The Michigan strategic fund may adjust the safe harbor
 9 amount for an eligible property, or portion of the eligible
 10 property, after the time of plan approval as required to reflect
 11 changes in the transformational brownfield plan for the
 12 transformational project site that may occur after approval of the
 13 transformational brownfield plan, ~~provided that any of~~ **if** those
 14 changes ~~may do~~ not result in an aggregate increase in the level of
 15 withholding tax capture revenues from the amount initially
 16 established. The owner or developer of the transformational project
 17 site may ~~make the election~~ **elect** to utilize the safe harbor method
 18 of accounting at any time ~~prior to~~ **before** the first reimbursement
 19 of withholding tax capture revenues under the plan. ~~, provided that~~
 20 ~~an~~ **An election to utilize the safe harbor method of accounting,**
 21 once made, cannot be rescinded.

22 (iii) ~~(aaa)~~ "Work plan" means a plan that describes each
 23 individual activity to be conducted to complete eligible activities
 24 and the associated costs of each individual activity.

25 (jjj) ~~(bbb)~~ "Zone" means, for an authority established before
 26 June 6, 2000, a brownfield redevelopment zone designated under this
 27 act.

28 Sec. 8. (1) An authority may establish a local brownfield
 29 revolving fund. A local brownfield revolving fund ~~shall~~ **may** consist



1 of funds deposited from the following sources:

2 (a) Funds appropriated or otherwise made available from public
3 or private sources.

4 (b) Local tax and school operating tax increment revenue
5 captured in excess of the amount authorized for eligible expenses
6 under section 13(4) only ~~when~~**if** all of the following conditions
7 are met:

8 (i) The excess capture occurs during the time of capture for
9 the purpose of paying the costs permitted under section 13(4), or
10 for not more than 5 years after the time that capture is required
11 for the purpose of paying the costs permitted under section 13(4),
12 or both.

13 (ii) The excess local tax capture ~~shall~~**does** not exceed the
14 total of the cost of eligible activities approved in the brownfield
15 plan.

16 (iii) The excess capture of taxes for school operating purposes
17 ~~shall~~**does** not exceed the total of the cost of eligible department
18 specific activities approved in the applicable brownfield plan,
19 combined brownfield plan, or work plan, ~~The~~**and the** total excess
20 tax capture ~~shall~~**does** not exceed the total of the cost of eligible
21 activities approved in the brownfield plan.

22 (iv) Excess tax increment revenues from taxes levied for school
23 operating purposes for eligible activities authorized under section
24 13b(4) by the Michigan strategic fund ~~shall~~**or the Michigan state**
25 **housing development authority are** not ~~be~~ captured for deposit in
26 the local brownfield revolving fund.

27 (2) The capture of school operating tax increment revenue
28 described in subsection (1) (b) is subject to the 50% capture
29 specified in section 13b(14).



1 (3) The tax increment revenues from eligible property for
 2 deposit in the local brownfield revolving fund may include tax
 3 increment revenues attributable to taxes levied for school
 4 operating purposes in an amount not greater than the tax increment
 5 revenues levied for school operating purposes captured from the
 6 eligible property pursuant to section 13(4).

7 (4) The local brownfield revolving fund may be used only to
 8 pay the costs of eligible activities on property that is located
 9 within the municipality and meets at least 1 of the conditions
 10 under section ~~2(e)~~. **2(p)**, **regardless of whether or not the property**
 11 **is included in a brownfield plan.** However, activities outlined in
 12 section 13b(8) may be conducted and funded on prospective
 13 properties.

14 (5) An authority or a municipality on behalf of an authority
 15 may incur an obligation for the purpose of funding a local
 16 brownfield revolving fund.

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~~ **remains** in the state brownfield
 23 redevelopment fund and ~~shall~~ **does** 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 redevelopment fund under subsection (4) and section 13b(14).

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



1 (c) Interest on funds deposited into the state brownfield
2 redevelopment fund.

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

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

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

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

10 (ii) The department to implement this act.

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

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

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

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

25 (i) The Michigan strategic fund shall create and operate a
26 grant and loan program to provide grants and loans to fund eligible
27 activities described in section 13b(4) on eligible property. The
28 Michigan strategic fund shall develop and use a detailed
29 application, approval, and compliance process adopted by resolution



1 of the board of the Michigan strategic fund. This process ~~shall~~
2 **must** be published and available on the Michigan strategic fund
3 website. Program standards, guidelines, templates, or any other
4 forms to implement the grant and loan program ~~shall~~**must** be
5 approved by the board of the Michigan strategic fund. The Michigan
6 strategic fund may delegate its approval authority under this
7 subsection to a designee.

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

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

20 (iv) ~~When~~**If** an application is approved under this subsection,
21 the Michigan strategic fund shall enter into a written agreement
22 with the applicant. The written agreement ~~shall~~**must** provide all
23 the conditions imposed on the applicant and the terms of the grant
24 or loan. The written agreement ~~shall~~**must** also provide for
25 penalties if the applicant fails to comply with the provisions of
26 the written agreement.

27 (v) After the Michigan strategic fund and the applicant have
28 entered into a written agreement under subparagraph (iv), the
29 Michigan strategic fund shall distribute the proceeds to the



1 applicant according to the terms of the written agreement.

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

7 (d) To distribute construction period tax capture revenues,
 8 withholding tax capture revenues, and income tax capture revenues
 9 in accordance with a transformational brownfield plan under
 10 subsection (4).

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

17 (4) The state treasurer shall deposit annually from the
 18 general fund into the state brownfield redevelopment fund an amount
 19 equal to the construction period tax capture revenues, withholding
 20 tax capture revenues, and income tax capture revenues due to be
 21 transmitted under all transformational brownfield plans. The
 22 department of treasury shall distribute the construction period tax
 23 capture revenues, withholding tax capture revenues, and income tax
 24 capture revenues to an authority, or to the owner or developer of
 25 the eligible property to which the revenues are attributable, in
 26 accordance with section 16(8) and the terms of the written
 27 development or reimbursement agreement for each transformational
 28 brownfield plan. Amounts transferred into the state brownfield
 29 redevelopment fund attributable to a specific transformational



1 brownfield plan ~~shall~~**must** be accounted for separately within the
 2 state brownfield redevelopment fund and ~~shall~~**must** not be used for
 3 any other purpose or activity under this section or for any
 4 transformational brownfield plan other than the plan to which the
 5 revenues are attributable or for the additional administrative
 6 costs under this section associated with the implementation of a
 7 transformational brownfield plan.

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

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

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

26 (b) A brief summary of the eligible activities that are
 27 proposed for each eligible property or, for a plan for eligible
 28 properties qualified on the basis that the property is owned by or
 29 under the control of a land bank fast track authority, a brief



1 summary of eligible activities conducted for 1 or more of the
2 eligible properties subject to the plan.

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

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

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

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

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

26 (h) A legal description of the eligible property to which the
27 plan applies, a map showing the location and dimensions of each
28 eligible property, a statement of the characteristics that qualify
29 the property as eligible property, and a statement of whether



1 personal property is included as part of the eligible property. If
 2 the project is on property that is functionally obsolete, the
 3 taxpayer shall include, with the application, an affidavit signed
 4 by a level 3 or level 4 assessor, that states that it is the
 5 assessor's expert opinion that the property is functionally
 6 obsolete and the underlying basis for that opinion.

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

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

22 (k) Provision for the costs of relocating persons displaced by
 23 implementation of the plan, and financial assistance and
 24 reimbursement of expenses, including litigation expenses and
 25 expenses incident to the transfer of title, in accordance with ~~the~~
 26 ~~standards and provisions of~~ the uniform relocation assistance and
 27 real property acquisition policies act of 1970, Public Law 91-646.

28 (l) A strategy for compliance with 1972 PA 227, MCL 213.321 to
 29 213.332.



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

3 (3) ~~When~~**If** taxes levied for school operating purposes are
4 subject to capture under section 15, the percentage of school
5 operating tax increment revenues captured relating to a parcel of
6 eligible property under a brownfield plan ~~shall~~**must** not be greater
7 than the percentage of local tax increment revenues that are
8 captured under the brownfield plan relating to that parcel of
9 eligible property, **unless there is another approved local**
10 **contribution to the project that provides a value reasonably**
11 **equivalent to that percentage of local capture.**

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

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

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

22 (5) A brownfield plan may only authorize the capture of tax
23 increment revenue from eligible property until the year in which
24 the total amount of tax increment revenues captured is equal to the
25 sum of the costs permitted to be funded with tax increment revenues
26 under this act or for not more than 30 years from the beginning
27 date of the capture of the tax increment revenues for that eligible
28 property, whichever occurs first. A brownfield plan may authorize
29 the capture of additional local and school operating tax increment



1 revenue from an eligible property for the local brownfield
 2 revolving fund created under section 8 during 1 or more of the
 3 following time frames:

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

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

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

12 (2) An authority shall not enter into agreements with the
 13 taxing jurisdictions and the governing body of the municipality to
 14 share a portion of the taxes captured from an eligible property
 15 under this act, **unless the agreement is related to another tax**
 16 **increment finance authority that has been established under the**
 17 **recodified tax increment finance act, 2018 PA 57, MCL 125.4101 to**
 18 **125.4915, forgoing or transferring its tax capture to allow an**
 19 **authority to instead capture and utilize those taxes to pay for the**
 20 **eligible activities for an eligible property and only for a period**
 21 **of time not to exceed the duration of the plan for that eligible**
 22 **property.** ~~Upon~~ On adoption of the plan, the collection and
 23 transmission of the amount of tax increment revenues as specified
 24 in this act ~~shall be~~ **are** binding on all taxing units levying ad
 25 valorem property taxes or specific taxes against property located
 26 in the zone.

27 (3) Tax increment revenues captured from taxes levied by this
 28 state under the state education tax act, 1993 PA 331, MCL 211.901
 29 to 211.906, or taxes levied by a local school district ~~shall~~ **must**



1 not be used to assist a land bank fast track authority with
 2 clearing or quieting title, acquiring, selling, or conveying
 3 property, except 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~~**must** 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~~**any of the**
 13 **following:**

14 (i) **Infrastructure** improvements that directly benefit eligible
 15 property. ~~demolition~~

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

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

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

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

22 (vi) **Acquisition** of property by a land bank fast track
 23 authority if acquisition of the property is for economic
 24 development purposes.

25 (b) **Except as otherwise provided in this subdivision, if the**
 26 **work plan or combined brownfield plan is requesting reimbursement**
 27 **for housing development activities, the work plan or combined**
 28 **development activities, the work plan or combined**
 29 **development activities, the work plan or combined**



1 brownfield plan must be approved by the Michigan state housing
 2 development authority and a development agreement or reimbursement
 3 agreement between the municipality or authority and an owner or
 4 developer of eligible property that stipulates price and income
 5 monitoring for residential units is required before such tax
 6 increment may be used for housing development activities. A work
 7 plan or combined brownfield plan is not required to be approved by
 8 the Michigan state housing development authority under this
 9 subdivision if all of the housing property for which housing
 10 development activities are identified under the plan will be sold
 11 or rented at a market rate and will not be subsidized.

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

18 (d) ~~(e)~~—The combined brownfield plan or work plan to be
 19 submitted to the Michigan strategic fund **or Michigan state housing**
 20 **development authority** under this subsection ~~shall~~**must** be in a form
 21 prescribed by the Michigan strategic fund **or the Michigan state**
 22 **housing development authority, as applicable.**

23 (e) ~~(d)~~—The eligible activities to be conducted and described
 24 in this subsection ~~shall~~**must** be consistent with the combined
 25 brownfield plan or work plan submitted by the authority to the
 26 Michigan strategic fund **or the Michigan state housing development**
 27 **authority, or both, as applicable.**

28 (f) ~~(e)~~—The department's approval is not required for the
 29 capture of taxes levied for school operating purposes for eligible



1 activities described in this section.

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

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

8 (a) Use taxes captured from eligible property to pay for
9 eligible activities conducted before approval of the brownfield
10 plan.

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

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

18 (d) Use construction period tax capture revenues, withholding
19 tax capture revenues, or income tax capture revenues to pay for
20 eligible activities conducted before approval of the
21 transformational brownfield plan except for costs described in
22 section 13c(10).

23 (e) Use construction period tax capture revenues, withholding
24 tax capture revenues, and income tax capture revenues for any
25 expense other than as provided for in section 13c(2), except for
26 the reasonable costs for preparing a transformational brownfield
27 plan and the additional administrative and operating expenses of
28 the authority or municipality as are specifically associated with
29 the implementation of a transformational brownfield plan. For



1 purposes of this subsection, the reasonable costs of preparing a
 2 transformational brownfield plan include the reasonable costs of
 3 preparing an associated work plan, combined brownfield plan, and
 4 development or reimbursement agreement.

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

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

10 (i) Reasonable and actual administrative and operating expenses
 11 of the authority, **including costs to implement, monitor, and**
 12 **maintain compliance with the income and price monitoring**
 13 **responsibilities associated with housing development activities.**

14 (ii) Department specific activities conducted by or on behalf
 15 of the authority related directly to work conducted on prospective
 16 eligible properties ~~prior to~~**before** approval of the brownfield
 17 plan.

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

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

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

27 (iv) Reasonable cost of brownfield plan or work plan
 28 implementation, including, but not limited to, tracking and
 29 reporting data and plan compliance **and costs to implement, monitor,**



1 **and maintain compliance with the income and price monitoring**
 2 **responsibilities associated with housing development activities.**

3 (b) Taxes levied for school operating purposes may be used for
 4 1 or more of the following administrative and operating purposes:

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

9 **(A) Legal** and consulting fees that are not in the ordinary
 10 course of acquiring and developing real estate, not to exceed
 11 \$30,000.00.

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

15 (ii) Reasonable costs of brownfield plan or work plan
 16 implementation, including, but not limited to, tracking and
 17 reporting of data and plan compliance, **and costs to implement,**
 18 **monitor, and maintain compliance with the income and price**
 19 **monitoring responsibilities associated with housing development**
 20 **activities,** not to exceed ~~\$30,000.00.~~**\$50,000.00.**

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

25 (i) For authorities that have 5 or fewer active projects,
 26 ~~\$100,000.00.~~**\$125,000.00.**

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

29 (iii) For authorities that have 11 or more but fewer than 16



1 active projects, ~~\$150,000.00.~~ **\$200,000.00.**

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

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

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

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

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

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

14 (x) For authorities that have 99 or more active projects,
15 ~~\$1,000,000.00.~~ **\$2,000,000.00.**

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

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



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

5 (ii) The authority enters into a written agreement with 1 or
 6 more other authorities to administer 1 or more administrative
 7 operations of those other authorities.

8 (8) The limitations of subsections (4), (5), and (6) ~~upon~~~~on~~
 9 the use of taxes levied for school operating purposes ~~shall~~~~do~~ not
 10 apply to the costs of 1 or more of the following incurred by a
 11 person other than the authority:

12 (a) Site investigation activities required to conduct a
 13 baseline environmental assessment and to evaluate compliance with
 14 sections 20107a and 21304c of the natural resources and
 15 environmental protection act, 1994 PA 451, MCL 324.20107a and
 16 324.21304c.

17 (b) Completing a baseline environmental assessment.

18 (c) Preparing a plan for compliance with sections 20107a and
 19 21304c of the natural resources and environmental protection act,
 20 1994 PA 451, MCL 324.20107a and 324.21304c.

21 (d) Performing pre-demolition and building hazardous materials
 22 surveys.

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

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

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

29 (a) For tax increment revenues attributable to taxes levied



1 for school operating purposes, eligible activities associated with
 2 unanticipated response activities conducted on eligible property if
 3 that eligible property has been included in a brownfield plan, ~~if~~
 4 the department is consulted in writing on the unanticipated
 5 response activities before they are conducted, and the costs of
 6 those activities are subsequently included in a brownfield plan,
 7 combined brownfield plan or a work plan or amendment approved by
 8 the authority and approved by the department.

9 (b) For tax increment revenues attributable to local taxes,
 10 any eligible activities conducted on eligible property or
 11 prospective eligible properties ~~prior to~~ **before** approval of the
 12 brownfield plan, if those costs and the eligible property are
 13 subsequently included in a brownfield plan approved by the
 14 authority.

15 (c) For tax increment revenues attributable to taxes levied
 16 for school operating purposes, eligible activities described in
 17 subsection (4) and conducted on eligible property or prospective
 18 eligible properties ~~prior to~~ **before** approval of the brownfield
 19 plan, if those costs and the eligible property are subsequently
 20 included in a brownfield plan approved by the authority and a
 21 combined brownfield plan or work plan approved by the Michigan
 22 strategic fund **or the Michigan state housing development authority,**
 23 **or both, as applicable.**

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

29 (e) Reasonable cost of brownfield plan or work plan



1 implementation, including, but not limited to, tracking and
2 reporting of data and plan compliance.

3 (10) An authority shall not use taxes levied for school
4 operating purposes captured from eligible property for response
5 activities that benefit a party responsible for an activity causing
6 a release under section 20126 or 21323a of the natural resources
7 and environmental protection act, 1994 PA 451, MCL 324.20126 and
8 324.21323a, except that a municipality that established the
9 authority may use taxes levied for school operating purposes
10 captured from eligible property for response activities associated
11 with a landfill.

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

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

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

23 (b) If an authority reimburses a person or entity under this
24 section for an advance for the payment or reimbursement of the cost
25 of department specific activities and interest thereon included in
26 a combined brownfield plan or a work plan approved by the
27 department, the authority may capture taxes levied for school
28 operating purposes and local taxes for the payment of that
29 interest.



1 (c) 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 that are not department specific activities
 4 and interest thereon included in a combined brownfield plan or a
 5 work plan approved by the Michigan strategic fund **or the Michigan**
 6 **state housing development authority, or both, as applicable,** the
 7 authority may capture taxes levied for school operating purposes
 8 and local taxes for the payment of that interest ~~provided that if~~
 9 the Michigan strategic fund **or the Michigan state housing**
 10 **development authority, as applicable,** grants an approval for the
 11 capture of taxes levied for school operating purposes to pay such
 12 interest.

13 (13) An authority may enter into agreements related to these
 14 reimbursements and payments described in this section. A
 15 reimbursement agreement for these purposes and the obligations
 16 under that reimbursement agreement ~~shall is~~ not ~~be~~ subject to
 17 section 13 or the revised municipal finance act, 2001 PA 34, MCL
 18 141.2101 to 141.2821.

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



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

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

4 (i) The date of repayment of all eligible expenses relative to
5 such eligible property.

6 (ii) The date excess capture is terminated under subsection
7 (16).

8 (15) The department of treasury shall deposit the amounts
9 described in subsection (14) into the state brownfield
10 redevelopment fund. If an authority makes a payment as required
11 under subsection (14) to the department of treasury, the local
12 taxes levied on that parcel and used to reimburse eligible
13 activities under a brownfield plan ~~shall~~**must** not be increased or
14 decreased due to that payment. If, due to an appeal of any tax
15 assessment, an authority is required to reimburse a taxpayer for
16 any portion of the amount paid to the department of treasury under
17 this subsection, the department of treasury shall reimburse that
18 amount to the authority within 30 days after receiving a request
19 from the authority for reimbursement.

20 (16) The brownfield plan ~~shall~~**must** include a proposed
21 beginning date of capture. If the actual beginning date of capture
22 of tax increment revenues is later than 5 years following the date
23 of the adoption of the brownfield plan resolution, then the maximum
24 number of years of capture will decrease. The end date of capture
25 must be no later than 35 years after the date of the adoption of
26 the brownfield plan resolution. The authority may amend the
27 beginning date of capture of tax increment revenues for a
28 particular eligible property as long as the authority has not begun
29 to reimburse eligible activities from the capture of tax increment



1 revenues from that eligible property. Any tax increment revenues
 2 captured from an eligible property before the beginning date of
 3 capture of tax increment revenues for that eligible property ~~shall~~
 4 **must** revert proportionately to the respective tax bodies.

5 Sec. 13c. (1) Subject to the approval of the governing body
 6 and Michigan strategic fund under section 14a, the board may
 7 implement a transformational brownfield plan. The transformational
 8 brownfield plan may consist of a single development on eligible
 9 property or a series of developments on eligible property that are
 10 part of a related program of investment, whether or not located on
 11 contiguous parcels, and may be amended to apply to additional
 12 parcels of eligible property. Each amendment to a transformational
 13 brownfield plan ~~shall~~**must** be approved by the governing body of the
 14 municipality in which it is located and the Michigan strategic fund
 15 and ~~shall~~**must** be consistent with the approval requirements in this
 16 section.

17 (2) A transformational brownfield plan may authorize the use
 18 of construction period tax capture revenues, withholding tax
 19 capture revenues, income tax capture revenues, and tax increment
 20 revenues for eligible activities described in section ~~2(o)(iv)~~.
 21 **2(o)(v)**. Except as **otherwise** provided ~~for~~ in section 13b(6)(d), tax
 22 increment revenues, construction period tax capture revenues,
 23 withholding tax capture revenues, and income tax capture revenues
 24 ~~shall~~**must** be used only for the costs of eligible activities
 25 included within the transformational brownfield plan to which the
 26 revenues are attributable, including the cost of principal of and
 27 interest on any obligation to pay the cost of the eligible
 28 activities.

29 (3) A transformational brownfield plan is a brownfield plan



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

5 (a) The basis for designating the plan as a transformational
 6 brownfield plan under section ~~2(vv)-2(eee)~~ .

7 (b) A description of the costs of the transformational
 8 brownfield plan intended to be paid for with construction period
 9 tax capture revenues, withholding tax capture revenues, and income
 10 tax capture revenues.

11 (c) An estimate of the amount of construction period tax
 12 capture revenues, withholding tax capture revenues, and income tax
 13 capture revenues expected to be generated for each year of the
 14 transformational brownfield plan from the eligible property.

15 (d) The beginning date and duration of capture of construction
 16 period tax capture revenues, withholding tax capture revenues, and
 17 income tax capture revenues for each eligible property as
 18 determined under subsections (8) and (11).

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

28 (5) Approval of a transformational brownfield plan, or an
 29 amendment to a transformational brownfield plan, shall ~~must~~ be in



1 accordance with the notice, approval, and public hearing
 2 requirements of sections 14 and 14a, except that the governing body
 3 shall provide notice to the Michigan strategic fund not less than
 4 30 days before the hearing on a transformational brownfield plan.

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

22 (7) ~~Upon~~ **On** approval of the transformational brownfield plan
 23 by the governing body and Michigan strategic fund, and the
 24 execution of the written development or reimbursement agreement,
 25 the transfer and distribution of construction period tax capture
 26 revenues, withholding tax capture revenues, and income tax capture
 27 revenues as specified in this act and in the plan ~~shall be~~ **are**
 28 binding on this state and the collection and transmission of the
 29 amount of tax increment revenues as specified in this act and in



1 the plan ~~shall be~~**are** binding on all taxing units levying ad
 2 valorem property taxes or specific taxes against property subject
 3 to the transformational brownfield plan.

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

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



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

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

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



1 revenues, and income tax capture revenues to a date not later than
 2 5 years following the date the Michigan strategic fund approved
 3 inclusion of the eligible property in the transformational
 4 brownfield plan ~~so long as~~ **if** capture of the revenues under the
 5 transformational brownfield plan has not yet commenced.

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

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

11 (b) For developments under affiliated ownership, the
 12 developments are reasonably contiguous and are part of a program of
 13 investment in a logically defined geography, including, but not
 14 limited to, a downtown district as defined in section 201 of the
 15 recodified tax increment financing act, 2018 PA 57, MCL 125.4201,
 16 or a principal shopping district or business improvement district
 17 as defined in section 1 of 1961 PA 120, MCL 125.981, and including
 18 areas that are logically related to those districts and that will
 19 promote infill development.

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

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

29 (13) ~~Where~~ **If** undeveloped property included in a



1 transformational brownfield plan has been designated as a
 2 renaissance zone under the Michigan renaissance zone act, 1996 PA
 3 376, MCL 125.2681 to 125.2696, ~~upon~~**on** the request of the owner or
 4 developer of the eligible property and the local governmental unit
 5 that designated the zone, the Michigan strategic fund, and a city
 6 levying a tax under the city income tax act, 1964 PA 284, MCL
 7 141.501 to 141.787, may elect under section 9(4) of the Michigan
 8 renaissance zone act, 1996 PA 376, MCL 125.2689, to terminate the
 9 exemptions, deductions, or credits provided for in section 9(1)(b)
 10 and (c) of that act, and reimburse the authority, or owner or
 11 developer of the eligible property, an annual amount equal to the
 12 revenue collected for each tax year as a result of the termination
 13 of the exemptions, deductions, or credits that would otherwise be
 14 in effect. In implementing this subsection, all of the following
 15 apply:

16 (a) The authority and Michigan strategic fund shall include
 17 amounts anticipated to be collected under this subsection in the
 18 income tax capture revenues authorized to be used under the
 19 transformational brownfield plan and associated work plan or
 20 combined brownfield plan.

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

27 (c) A city levying a city income tax under the city income tax
 28 act, 1964 PA 284, MCL 141.501 to 141.787, shall calculate for each
 29 tax year the amount of revenue the city collected as a result of



1 the operation of this subsection and shall enter into a binding
 2 reimbursement agreement with the authority, and owner or developer
 3 of the eligible property, providing for the payment of the amounts
 4 to the authority, or the owner or developer of the eligible
 5 property, for eligible activities as provided ~~for~~ in the
 6 transformational brownfield plan. City income taxes administered by
 7 the department of treasury pursuant to the city income tax act,
 8 1964 PA 284, MCL 141.501 to 141.787, ~~shall be~~ **are** subject to the
 9 procedures of subdivision (b) regarding the calculation and deposit
 10 of any revenue collected as a result of the operation of this
 11 subsection.

12 (d) The department of treasury may require the owner or
 13 developer to submit any information necessary for the calculation
 14 of revenue collected pursuant to the operation of this subsection.
 15 This state has no obligation for calculating revenues to be
 16 collected pursuant to the operation of this subsection ~~where~~ **if** the
 17 required information is not reported.

18 (14) The authority and governing body are solely responsible
 19 for deciding whether to seek approval of a brownfield plan as a
 20 transformational brownfield plan. Nothing in this section or
 21 section 14a ~~shall operate~~ **operates** to prejudice or limit
 22 consideration of a brownfield plan under sections 13 and 14,
 23 including a decision by the Michigan strategic fund not to approve
 24 a plan as a transformational brownfield plan.

25 (15) ~~Nothing in this~~ **This** act ~~is intended to~~ **does not** preclude
 26 an authority established by a county from seeking approval of a
 27 brownfield plan as a transformational brownfield plan. In the event
 28 that an authority established by a county seeks approval of a plan
 29 that extends into more than 1 of its component local units of



1 government and that plan includes eligible property in more than 1
 2 municipality that is not a county, the minimum investment
 3 requirements of section ~~2(vv) shall~~ **2(eee) must** be established with
 4 reference to combined population of the municipalities that are not
 5 a county in which the eligible property is located.

6 **(16) Notwithstanding anything in this act to the contrary, a**
 7 **transformational brownfield plan may not include housing**
 8 **development activities.**

9 Sec. 14. (1) Before approving a brownfield plan for an
 10 eligible property, the governing body shall hold a public hearing
 11 on the brownfield plan. By resolution, the governing body may
 12 delegate the public hearing process to the authority or to a
 13 subcommittee of the governing body subject to final approval by the
 14 governing body.

15 (2) Notice of the time and place of the hearing on a
 16 brownfield plan ~~shall~~ **must** contain all of the following:

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

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

25 (c) Any other information that the governing body considers
 26 appropriate.

27 (3) At the time set for the hearing on the brownfield plan
 28 required under subsection (1), the governing body shall ensure that
 29 interested persons have an opportunity to be heard and that written



1 communications with reference to the brownfield plan are received
 2 and considered. The governing body shall ensure that a record of
 3 the public hearing is made and preserved, including all data
 4 presented at the hearing.

5 (4) Not less than 10 days before the hearing on the brownfield
 6 plan, the governing body shall provide notice of the hearing to the
 7 taxing jurisdictions that levy taxes subject to capture under this
 8 act. The authority shall notify the taxing jurisdictions of the
 9 proposed brownfield plan. At that hearing, an official from a
 10 taxing jurisdiction with millage that would be subject to capture
 11 under this act has the right to be heard in regard to the adoption
 12 of the brownfield plan. Not less than 10 days before the hearing on
 13 the brownfield plan, the governing body shall provide notice of the
 14 hearing to the department if the brownfield plan involves the use
 15 of taxes levied for school operating purposes to pay for eligible
 16 activities that require the approval of a combined brownfield plan
 17 or a work plan by the department under section 13b(6)(c), **the**
 18 **Michigan state housing development authority, or its designee, if**
 19 **the brownfield plan involves the use of taxes levied for school**
 20 **operating purposes to pay for eligible activities subject to**
 21 **13b(4)(b),** and the Michigan strategic fund, or its designee, if the
 22 brownfield plan involves the use of taxes levied for school
 23 operating purposes to pay for eligible activities subject to
 24 section 13b(4) **other than eligible activities subject to 13b(4)(b).**

25 (5) Not less than 10 days after notice of the proposed
 26 brownfield plan is provided to the taxing jurisdictions, the
 27 governing body shall determine whether the plan constitutes a
 28 public purpose. If the governing body determines that the plan does
 29 not constitute a public purpose, the governing body shall reject



1 the plan. If the governing body determines that the plan
 2 constitutes a public purpose, the governing body may then approve
 3 or reject the plan, or approve it with modification, by resolution,
 4 based on the following considerations:

5 (a) Whether the plan meets the requirements of sections 13 and
 6 13b.

7 (b) Whether the proposed method of financing the costs of
 8 eligible activities is feasible and the authority has the ability
 9 to arrange the financing.

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

12 (d) Whether the amount of captured taxable value estimated to
 13 result from adoption of the plan is reasonable.

14 (6) Except as provided in this subsection, amendments to an
 15 approved brownfield plan must be submitted by the authority to the
 16 governing body for approval or rejection following the same notice
 17 necessary for approval or rejection of the original plan. Notice is
 18 not required for revisions in the estimates of captured taxable
 19 value or tax increment revenues.

20 (7) The procedure, adequacy of notice, and findings with
 21 respect to purpose and captured taxable value ~~shall be~~ **are**
 22 presumptively valid unless contested in a court of competent
 23 jurisdiction within 60 days after adoption of the resolution
 24 adopting the brownfield plan. An amendment, adopted by resolution,
 25 to a conclusive plan ~~shall~~ **is** likewise ~~be~~ conclusive unless
 26 contested within 60 days after adoption of the resolution adopting
 27 the amendment. If a resolution adopting an amendment to the plan is
 28 contested, the original resolution adopting the plan is not
 29 therefore open to contest.



1 (8) A brownfield plan or plan amendment may be abolished or
 2 terminated according to this subsection subject to all of the
 3 following:

4 (a) The governing body may abolish a brownfield plan ~~when-if~~
 5 it finds that the purposes for which the plan was established are
 6 accomplished.

7 (b) The governing body may terminate a brownfield plan or plan
 8 amendment for an eligible property if the project for which
 9 eligible activities were identified in the brownfield plan or plan
 10 amendment fails to occur with respect to the eligible property for
 11 ~~at least~~ **not less than** 2 years following the date of the resolution
 12 approving the brownfield plan or plan amendment, ~~provided that-if~~
 13 the governing body first does both of the following:

14 (i) Gives 30 days' prior written notice to the developer at its
 15 last known address by certified mail or other method that documents
 16 proof of delivery attempted.

17 (ii) Provides the developer an opportunity to be heard at a
 18 public meeting.

19 (c) If a brownfield plan or plan amendment is terminated under
 20 subdivision (b), the governing body may approve a new brownfield
 21 plan or plan amendment for the eligible property under which tax
 22 increment revenues may be captured for up to the period of time
 23 provided under section 13(5).

24 (d) Notwithstanding anything in this subsection to the
 25 contrary, a brownfield plan or plan amendment ~~shall~~ **must** not be
 26 abolished or terminated until the principal and interest on bonds
 27 issued under section 17 and all other obligations to which the tax
 28 increment revenues are pledged have been paid or funds sufficient
 29 to make the payment have been identified or segregated.



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

4 (2) The governing body shall make an initial determination as
5 to whether the transformational brownfield plan constitutes a
6 public purpose in accordance with section 14(5). If the governing
7 body determines the transformational brownfield plan does not
8 constitute a public purpose, it shall reject the transformational
9 brownfield plan.

10 (3) If the governing body determines that the transformational
11 brownfield plan constitutes a public purpose, the governing body
12 may then approve or reject the transformational brownfield plan, or
13 approve it with modification, by resolution based on all of the
14 following considerations:

15 (a) Whether the transformational brownfield plan meets the
16 requirements of section ~~2(vv),~~ **2(eee)**, which must include a
17 determination that the transformational brownfield plan is
18 calculated to, and has the reasonable likelihood to, have a
19 transformational impact on local economic development and community
20 revitalization based on the extent of brownfield redevelopment and
21 growth in population, commercial activity, and employment that will
22 result from the transformational brownfield plan.

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

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

27 (d) Whether the amount of captured taxable value, construction
28 period tax capture revenues, withholding tax capture revenues, and
29 income tax capture revenues estimated to result from adoption of



1 the transformational brownfield plan are reasonable.

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

5 (f) Whether subject to subsection (22) (d), the
6 transformational brownfield plan includes provisions for affordable
7 housing.

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

13 (5) In determining whether to approve a transformational
14 brownfield plan under subsection (3) (c) and (d), the Michigan
15 strategic fund shall conduct a financial and underwriting analysis
16 of the developments included in the plan. The analysis ~~shall~~**must**
17 consider both projected rental rates at the time of project
18 delivery and potential increases in rental rates over time. The
19 Michigan strategic fund shall not approve the use of construction
20 period tax capture revenues, withholding tax capture revenues, and
21 income tax capture revenues beyond the amount determined to be
22 necessary for the project to be economically viable. The Michigan
23 strategic fund shall develop standardized underwriting criteria for
24 determining economic viability. The Michigan strategic fund shall
25 take into account the impact of the sales and use tax exemptions
26 under section 4d(n) of the general sales tax act, 1933 PA 167, MCL
27 205.54d, and section 4dd of the use tax act, 1937 PA 94, MCL
28 205.94dd, in determining the amount of construction period tax
29 capture revenues, withholding tax capture revenues, and income tax



1 capture revenues required for the project to be economically
 2 viable. The Michigan strategic fund shall ensure that each
 3 transformational brownfield plan includes a significant equity
 4 contribution from the owner or developer as determined by the fund.

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

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

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



1 election under section 13c(13).

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

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



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

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

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

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

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

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

29 (b) Is for eligible property in a municipality that was



1 subject to a state of emergency under the emergency management act,
 2 1976 PA 390, MCL 30.401 to 30.421, issued for drinking water
 3 contamination.

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

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

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

22 (11) The Michigan strategic fund may not approve more than 5
 23 transformational brownfield plans under subsection (9) in a
 24 calendar year, except that if the Michigan strategic fund approves
 25 fewer than 5 plans in a calendar year under subsection (9), the
 26 unused approval authority ~~shall carry~~ **carries** forward into future
 27 calendar years and ~~remain~~ **remains** available until December 31,
 28 2027. The Michigan strategic fund also shall not approve more than
 29 5 transformational brownfield plans under subsection (9) in any



1 individual city, village, or township ~~prior to~~ **before** December 31,
2 2022.

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

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

20 (14) The procedure, adequacy of notice, and findings under
21 this section ~~shall be~~ **are** presumptively valid unless contested in a
22 court of competent jurisdiction within 60 days after approval of
23 the transformational brownfield plan by the Michigan strategic
24 fund. An approved amendment to a conclusive transformational
25 brownfield plan ~~shall is~~ likewise ~~be~~ conclusive unless contested
26 within 60 days after approval of the amendment by the Michigan
27 strategic fund. If a resolution adopting an amendment to the
28 transformational brownfield plan is contested, the original
29 resolution adopting the transformational brownfield plan is not



1 open to contest.

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

15 (16) 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 (17) Any positive or negative determination by the Michigan
 21 strategic fund under this section ~~shall~~ **must** be supported by
 22 objective analysis and documented in the record of its proceedings.

23 (18) 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 (19) The Michigan strategic fund shall not commit, and the
 28 department of treasury shall not disburse, more than \$40,000,000.00
 29 in total annual tax capture. ~~For purposes of~~ **As used in** this



1 subsection, "total annual tax capture" means the total annual
 2 amount of income tax capture revenues and withholding tax capture
 3 revenues that may be reimbursed each calendar year under all
 4 transformational brownfield plans. If the amount committed or
 5 disbursed in a calendar year is less than \$40,000,000.00, the
 6 difference between that amount and \$40,000,000.00 ~~shall be~~ **is**
 7 available to be committed or disbursed in subsequent calendar years
 8 and ~~shall be~~ **is** in addition to the annual limit otherwise
 9 applicable.

10 (20) The Michigan strategic fund shall not commit, and the
 11 department of treasury shall not disburse, a total amount of income
 12 tax capture revenues and withholding tax capture revenues that
 13 exceeds \$800,000,000.00.

14 (21) The Michigan strategic fund shall not approve more than a
 15 total of \$200,000,000.00 in construction period tax capture
 16 revenues and in projected sales and use tax exemptions under
 17 section 4d(n) of the general sales tax act, 1933 PA 167, MCL
 18 205.54d, and section 4dd of the use tax act, 1937 PA 94, MCL
 19 205.94dd. The Michigan strategic fund shall project the value of
 20 the sales and use tax exemptions under each transformational
 21 brownfield plan at the time of plan approval and shall require such
 22 information from the owner or developer as is necessary to perform
 23 this calculation. The Michigan strategic fund also shall require
 24 the owner or developer of the eligible property to report the
 25 actual value of the sales and use tax exemptions each tax year of
 26 the construction period and at the end of the construction period.
 27 If the value of the actual sales and use tax exemptions and
 28 construction period tax capture revenues under all transformational
 29 brownfield plans exceeds the limit of \$200,000,000.00 under this



1 subsection by more than a de minimis amount, as determined by the
 2 state treasurer, the state treasurer shall take corrective action
 3 and may reduce future disbursements to achieve compliance with the
 4 aggregate limitation under subsection (20) and this subsection. The
 5 corrective action described in this subsection ~~shall~~**must** not
 6 reduce the disbursement for an individual plan by an amount that is
 7 more than the amount by which the value of the sales and use tax
 8 exemptions for that plan exceeded the amount projected at the time
 9 of plan approval and included in the plan. The Michigan strategic
 10 fund and department of treasury shall prescribe specific methods
 11 for implementing this section ~~within 60 days of the effective date~~
 12 ~~of the amendatory act that added this section.~~**by September 22,**
 13 **2017.**

14 (22) The Michigan strategic fund shall comply with all of the
 15 following:

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

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

24 (c) Ensure an equitable geographic distribution of plans
 25 approved under this subsection, which ~~shall~~**must** achieve a balance
 26 between the needs of municipalities of differing sizes and
 27 differing geographic areas of the state. Subject to the receipt of
 28 qualified transformational brownfield plans meeting the criteria
 29 under this section and section 13c, the Michigan strategic fund



1 shall set a target that not less than 35% of the total
 2 transformational brownfield plans approved under this act ~~prior to~~
 3 **before** December 31, 2027 will be located in cities, villages, and
 4 townships with a population of less than 100,000.

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

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

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

27 (25) The Michigan strategic fund shall not approve any new
 28 transformational brownfield plans after December 31, 2027. A
 29 transformational brownfield plan approved ~~prior to~~**before** December



1 31, 2022 ~~shall remain~~**remains** in effect and may be amended in
2 accordance with ~~the provisions of~~ this act.

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

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

10 (a) A copy of the brownfield plan.

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

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

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

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

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



1 (a) An unconditional approval.

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

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

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



1 subdivision, the authority may subsequently resubmit the work plan.

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

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

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

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

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

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



1 (c) The estimated costs for the activities as a whole are
 2 reasonable for the stated purpose. Except as **otherwise** 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~~ **are** considered approved for the
 14 purposes of subsection (1). Within 45 days after receiving
 15 additional information requested from the authority under
 16 subsection (2)(c), the department shall review the additional
 17 information according to subsection (3) and provide 1 of the
 18 responses described in subsection (2) to the requesting authority
 19 for the specific activity. If the department does not provide a
 20 response to the requesting authority within 45 days after receiving
 21 the additional information requested under subsection (2)(c), the
 22 activity is 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
 28 activities included in the work plan as it was submitted for
 29 approval and failure to conduct these additional activities ~~shall~~



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

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

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

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

28 (7) It ~~shall be~~**is** in the sole discretion of an authority to
 29 propose to undertake department specific activities under



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

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

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

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

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

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

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

29 (d) Existing and proposed future zoning for each eligible



1 property.

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

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

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

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

18 (11) ~~Upon~~**On** receipt of a request for approval of a work plan,
19 the Michigan strategic fund **or the Michigan state housing**
20 **development authority** shall provide 1 of the following written
21 responses to the requesting authority within 60 days following
22 receipt of a request for approval or within 7 days following the
23 first meeting of the board after the 60-day period following
24 receipt of the request for approval, whichever is later:

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

27 (b) A conditional approval that delineates specific necessary
28 modifications to the work plan, including, but not limited to,
29 individual activities to be added or deleted from the work plan and



1 revision of costs.

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

7 (12) In its review of a work plan under section 13b(4) or
 8 13c(6) **for approval or denial**, the Michigan strategic fund **or the**
 9 **Michigan state housing development authority** shall consider the
 10 following criteria to the extent reasonably applicable to the type
 11 of activities proposed as part of that work plan when approving or
 12 denying a work plan:

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

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

17 (c) Whether the cost for each individual activity is
 18 reasonable.

19 (d) The overall benefit to the public.

20 (e) The extent of reuse of vacant buildings and redevelopment
 21 of blighted property.

22 (f) Creation of jobs.

23 (g) Whether the eligible property is in an area of high
 24 unemployment.

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

27 (i) The level of private sector contribution.

28 (j) If the developer or projected occupant of the new
 29 development is moving from another location in this state, whether



1 the move will create a brownfield.

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

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

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

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

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

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

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

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

23 (13) If the Michigan strategic fund **or the Michigan state**
24 **housing development authority** fails to provide a written response
25 under subsection (11) within 60 days following receipt of a request
26 for approval of a work plan or within 7 days following the first
27 meeting of the board after the 60-day period following receipt of
28 the request for approval of a work plan, whichever is later, or 90
29 days following receipt of a request for approval in the case of a



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

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

12 (15) The Michigan strategic fund shall submit a report each
 13 year to each member of the legislature as provided in section
 14 16(4).

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

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

27 (18) The party seeking work plan approval and the department
 28 ~~can~~**may**, by mutual agreement, extend the time period for any
 29 review described in this section. An agreement described in this



1 subsection ~~shall~~**must** be documented in writing.

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

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

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

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

29 (ii) The Michigan strategic fund, if the combined brownfield



1 plan involves the use of taxes levied for school operating purposes
 2 to pay for eligible activities subject to subsection (12) or
 3 section 13c(6), **other than eligible activities subject to section**
 4 **13b(4) (b)**, or the use of construction period tax capture revenues,
 5 withholding tax capture revenues, or income tax capture revenues.

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

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

18 (c) The department shall review a combined brownfield plan
 19 according to subdivision (e). The Michigan strategic fund shall
 20 review a combined brownfield plan according to subdivision (f). **The**
 21 **Michigan state housing development authority shall review a**
 22 **combined brownfield plan according to subdivision (g) .**

23 (d) ~~Upon~~**On** receipt of a combined brownfield plan under
 24 subdivision (b), the department, **Michigan state housing development**
 25 **authority**, or Michigan strategic fund shall provide 1 of the
 26 following written responses to the requesting authority within 60
 27 days or, in the case of a transformational brownfield plan, within
 28 90 days:

29 (i) An unconditional approval that includes an enumeration of



1 eligible activities and a maximum allowable capture amount.

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

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

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

13 (f) The Michigan strategic fund shall consider the criteria
14 identified in subsection (12) to the extent reasonably applicable
15 to the type of activities proposed as part of a combined brownfield
16 plan when approving or denying the combined brownfield plan and, in
17 the case of a transformational brownfield plan, shall also consider
18 the criteria described in section 14a(3).

19 **(g) The Michigan state housing development authority shall**
20 **consider the criteria identified in subsection (12) to the extent**
21 **reasonably applicable to the type of activities proposed as part of**
22 **a combined brownfield plan when approving or denying the combined**
23 **brownfield plan.**

24 **(h) ~~(g)~~—If the department, Michigan state housing development**
25 **authority, or Michigan strategic fund issues a written response to**
26 **a requesting authority under subdivision (d) (i) or (ii), the**
27 **governing body or its designee may administratively approve any**
28 **modifications to a combined brownfield plan required by the written**
29 **response without the need to follow the notice and approval process**



1 required by section 14(6) unless the modifications add 1 or more
 2 parcels of eligible property or increase the maximum amount of tax
 3 increment revenues or, in the case of a transformational brownfield
 4 plan, construction period tax capture revenues, withholding tax
 5 capture revenues, and income tax capture revenues approved for the
 6 project.

7 (i) ~~(h)~~—If the department, **Michigan state housing development**
 8 **authority**, or Michigan strategic fund fails to provide a written
 9 response under subdivision (d) within 60 days after receipt of a
 10 complete combined brownfield plan, or 90 days in the case of a
 11 transformational brownfield plan, the eligible activities ~~shall be~~
 12 **are** considered approved as submitted.

13 (j) ~~(i)~~—The approval of a combined brownfield plan by the
 14 department, **Michigan state housing development authority**, or
 15 Michigan strategic fund under this subsection is final.

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

19 (2) The authority shall expend the tax increment revenues
 20 received only in accordance with the brownfield plan. All surplus
 21 funds not deposited in the local brownfield revolving fund of the
 22 authority under section 8 ~~shall~~**must** revert proportionately to the
 23 respective taxing bodies, except as provided in section 15(16).

24 (3) The authority shall submit annually to the governing body,
 25 the department, and the Michigan strategic fund a financial report
 26 on the status of the activities of the authority for each calendar
 27 year. The report ~~shall~~**must** include all of the following:

28 (a) The total amount of local taxes that are approved for
 29 capture and the total amount of taxes levied for school operating



1 purposes that are approved for capture for each parcel included in
2 a brownfield plan.

3 (b) The amount and purpose of expenditures of tax increment
4 revenues.

5 (c) The amount and source of tax increment revenues received
6 for each active brownfield plan, including the amount of tax
7 increment revenues captured in the most recent tax year and the
8 cumulative amount of tax increment revenues captured for each
9 brownfield plan.

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

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

14 (f) The amount of actual capital investment made for each
15 project.

16 (g) The amount of tax increment revenues attributable to taxes
17 levied for school operating purposes used for activities described
18 in section 13b(6)(c), section 2(o)(i)(F) and (G), and section
19 ~~2(o)(ii)(B) and (C)~~ **2(o)(iii)(B) and (C)**.

20 (h) The number of residential units constructed or
21 rehabilitated for each project.

22 (i) The amount, by square foot, of new or rehabilitated
23 residential, retail, commercial, or industrial space for each
24 project.

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

26 (k) A copy of all brownfield plan amendments approved by the
27 local **governmental** unit. ~~of government.~~

28 (l) All additional information that the governing body, the
29 department, or the Michigan strategic fund considers necessary.



1 (4) The department and the Michigan strategic fund shall
2 collect the financial reports submitted under subsection (3),
3 compile a combined report ~~, which that~~ includes the use of local
4 taxes, taxes levied for school operating purposes, and the state
5 brownfield redevelopment fund, based on the information contained
6 in those reports and any additional information considered
7 necessary, and submit annually a report based on that information
8 to each member of the legislature.

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

11 (a) The department shall on a quarterly basis post on its
12 website the name, location, and amount of tax increment revenues,
13 including taxes levied for school operating purposes, for each
14 project approved by the department under this act during the
15 immediately preceding quarter.

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

21 (6) In addition to any other requirements under this act, not
22 less than once every 3 years beginning not later than June 30,
23 2008, the auditor general shall conduct and report a performance
24 postaudit on the effectiveness of the program established under
25 this act. As part of the performance postaudit, the auditor general
26 shall assess the extent to which the implementation of the program
27 by the department and the Michigan strategic fund facilitate and
28 affect the redevelopment or reuse of eligible property and identify
29 any factors that inhibit the program's effectiveness. The



1 performance postaudit ~~shall~~**must** also assess the extent to which
2 the interpretation of statutory language, the development of
3 guidance or administrative rules, and the implementation of the
4 program by the department and the Michigan strategic fund is
5 consistent with the fundamental objective of facilitating and
6 supporting timely and efficient brownfield redevelopment of
7 eligible properties.

8 (7) The owner or developer for an active project included
9 within a brownfield plan must annually submit to the authority a
10 report on the status of the project. The report ~~shall~~**must** be in a
11 form developed by the authority and must contain information
12 necessary for the authority to report under subsection (3) (f), (h),
13 (i), (j), and (k). The authority may waive the requirement to
14 submit a report under this subsection. As used in this subsection,
15 "active project" means a project for which the authority is
16 currently capturing taxes under this act.

17 (8) For a transformational brownfield plan, all of the
18 following ~~shall~~ also apply:

19 (a) The state treasurer shall transfer to the state brownfield
20 redevelopment fund each fiscal year an amount equal to the
21 construction period tax capture revenues, withholding tax capture
22 revenues, and income tax capture revenues under all approved plans
23 as provided for in section 8a(4). Funds ~~shall~~**must** be transmitted
24 to the authority, or owner or developer of the eligible property to
25 which the revenues are attributable, within 30 days of transfer to
26 the state brownfield redevelopment fund.

27 (b) The authority, the department, and the Michigan strategic
28 fund shall follow the reporting requirements of subsections (3),
29 (4), and (5) with respect to all approved transformational



1 brownfield plans, and shall provide information on the amount and
2 use of construction period tax capture revenues, withholding tax
3 capture revenues, and income tax capture revenues to the same
4 extent required for tax increment revenues.

5 (c) The owner or developer of active projects included within
6 a transformational brownfield plan shall provide the information
7 required for the authority, the department, and the Michigan
8 strategic fund to satisfy the reporting and audit requirements of
9 this section.

10 (9) If activities of the authority include housing development
11 activities, both of the following apply:

12 (a) The report under subsection (3) must also include all of
13 the following:

14 (i) The number of housing units produced.

15 (ii) The number of income qualified purchaser households
16 served.

17 (iii) The number of income qualified renting households
18 assisted.

19 (iv) For the initial reporting period, the prices at which the
20 housing units were sold or rented.

21 (v) Racial and socioeconomic data on the individuals
22 purchasing or renting the housing units, or, if this data is not
23 available, racial and socioeconomic data on the census tract in
24 which the housing units are located.

25 (b) A copy of the report under subsection (3) must be provided
26 to the Michigan state housing development authority. However, the
27 Michigan state housing development authority is not required to
28 approve the report.

