

HOUSE BILL No. 5472

November 29, 2001, Introduced by Rep. Allen and referred to the Committee on Commerce.

A bill to amend 1996 PA 381, entitled
"Brownfield redevelopment financing act,"
by amending section 2 (MCL 125.2652), as amended by 2000 PA 145.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. As used in this act:

2 (a) "Additional response activities" means response activi-
3 ties identified as part of a brownfield plan that are in addition
4 to baseline environmental assessment activities and due care
5 activities for an eligible property.

6 (b) "Authority" means a brownfield redevelopment authority
7 created under this act.

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

1 (d) "Baseline environmental assessment activities" means
2 those response activities identified as part of a brownfield plan
3 that are necessary to complete a baseline environmental assess-
4 ment for an eligible property in the brownfield plan.

5 (e) "Blighted" means property that meets any of the follow-
6 ing criteria:

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

10 (ii) Is an attractive nuisance to children because of physi-
11 cal condition, use, or occupancy.

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

14 (iv) Has had the utilities, plumbing, heating, or sewerage
15 permanently disconnected, destroyed, removed, or rendered inef-
16 fective so that the property is unfit for its intended use.

17 (v) Is tax reverted property owned by a qualified local gov-
18 ernmental unit, by a county, or by this state. The sale, lease,
19 or transfer of tax reverted property by a qualified local govern-
20 mental unit, county, or this state after the property's inclusion
21 in a brownfield plan shall not result in the loss to the property
22 of the status as blighted property for purposes of this act.

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

24 (g) "Brownfield plan" means a plan that meets the require-
25 ments of section 13 and is adopted under section 14.

26 (h) "Captured taxable value" means the amount in 1 year by
27 which the current taxable value of an eligible property subject

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

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

11 (j) "Department" means the department of environmental
12 quality.

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

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

24 (i) Baseline environmental assessment activities.

25 (ii) Due care activities.

26 (iii) Additional response activities.

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

8 (A) Infrastructure improvements that directly benefit eligi-
9 ble property.

10 (B) Demolition of structures that is not response activity
11 under section 201 of the natural resources and environmental pro-
12 tection act, 1994 PA 451, MCL 324.20101.

13 (C) Lead or asbestos abatement.

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

17 (v) Relocation of public buildings or operations for eco-
18 nomic development purposes with prior approval of the Michigan
19 economic development authority.

20 (m) "Eligible property" means property for which eligible
21 activities are identified under a brownfield plan that was used
22 or is currently used for commercial, industrial, or residential
23 purposes that is either in a qualified local governmental unit
24 and is a facility, functionally obsolete, or blighted or is not
25 in a qualified local governmental unit and is a facility, and
26 includes parcels that are adjacent or contiguous to that property
27 if the development of the adjacent and contiguous parcels is

1 estimated to increase the captured taxable value of that
2 property. Eligible property includes, to the extent included in
3 the brownfield plan, personal property located on the property.
4 Eligible property does not include qualified agricultural prop-
5 erty exempt under section 7ee of the general property tax act,
6 1893 PA 206, MCL 211.7ee, from the tax levied by a local school
7 district for school operating purposes to the extent provided
8 under section 1211 of the revised school code, 1976 PA 451,
9 MCL 380.1211.

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

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

14 (p) "Functionally obsolete" means that the property is
15 unable to be used to adequately perform the function for which it
16 was intended due to a substantial loss in value resulting from
17 factors such as overcapacity, changes in technology, deficiencies
18 or superadequacies in design, or other similar factors that
19 affect the property itself or the property's relationship with
20 other surrounding property.

21 (q) "Governing body" means the elected body having legisla-
22 tive powers of a municipality creating an authority under this
23 act.

24 (r) "Infrastructure improvements" means a street, road,
25 sidewalk, parking facility, pedestrian mall, alley, bridge,
26 sewer, sewage treatment plant, property designed to reduce,
27 eliminate, or prevent the spread of identified soil or

1 groundwater contamination, drainage system, waterway, waterline,
2 water storage facility, rail line, utility line or pipeline, or
3 other similar or related structure or improvement, together with
4 necessary easements for the structure or improvement, owned or
5 used by a public agency or functionally connected to similar or
6 supporting property owned or used by a public agency, or designed
7 and dedicated to use by, for the benefit of, or for the protec-
8 tion of the health, welfare, or safety of the public generally,
9 whether or not used by a single business entity, provided that
10 any road, street, or bridge shall be continuously open to public
11 access and that other property shall be located in public ease-
12 ments or rights-of-way and sized to accommodate reasonably fore-
13 seeable development of eligible property in adjoining areas.

14 (s) "Initial taxable value" means the taxable value of an
15 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 by the most recent assess-
18 ment roll for which equalization has been completed at the time
19 the resolution is adopted. Property exempt from taxation at the
20 time the initial taxable value is determined shall be included
21 with the initial taxable value of zero. Property for which a
22 specific tax is paid in lieu of property tax shall not be consid-
23 ered exempt from taxation. The state tax commission shall pre-
24 scribe the method for calculating the initial taxable value of
25 property for which a specific tax was paid in lieu of property
26 tax.

1 (t) "Local taxes" means all taxes levied other than taxes
2 levied for school operating purposes.

3 (u) "Municipality" means all of the following:

4 (i) A city.

5 (ii) A village.

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

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

11 (v) A county.

12 (v) "Qualified local governmental unit" means that term as
13 defined in the obsolete property rehabilitation act.

14 (w) "Qualified taxpayer" means that term as defined in
15 sections 38d and 38g of the single business tax act, 1975 PA 228,
16 MCL 208.38d and 208.38g.

17 (x) "Remedial action plan" means a plan that meets both of
18 the following requirements:

19 (i) Is a remedial action plan as that term is defined in
20 section 20101 of the natural resources and environmental protec-
21 tion act, 1994 PA 451, MCL 324.20101.

22 (ii) Describes each individual activity to be conducted to
23 complete eligible activities and the associated costs of each
24 individual activity.

25 (y) "Response activity" means that term as defined in
26 section 20101 of the natural resources and environmental
27 protection act, 1994 PA 451, MCL 324.20101.

1 (z) "Specific taxes" means a tax levied under 1974 PA 198,
2 MCL 207.551 to 207.572; the commercial redevelopment act, 1978
3 PA 255, MCL 207.651 to 207.668; the enterprise zone act, 1985
4 PA 224, MCL 125.2101 to 125.2123; 1953 PA 189, MCL 211.181 to
5 211.182; the technology park development act, 1984 PA 385,
6 MCL 207.701 to 207.718; ~~or~~ the obsolete property rehabilitation
7 act, 2000 PA 146, MCL 125.2781 TO 125.2797; OR THE NEIGHBORHOOD
8 ENTERPRISE ZONE ACT, 1992 PA 147, MCL 207.771 TO 207.787.

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

25 (bb) "Taxable value" means the value determined under sec-
26 tion 27a of the general property tax act, 1893 PA 206,
27 MCL 211.27a.

1 (cc) "Taxes levied for school operating purposes" means all
2 of the following:

3 (i) The taxes levied by a local school district for operat-
4 ing purposes.

5 (ii) The taxes levied under the state education tax act,
6 1993 PA 331, MCL 211.901 to 211.906.

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

9 (dd) "Work plan" means a plan that describes each individual
10 activity to be conducted to complete eligible activities and the
11 associated costs of each individual activity.

12 (ee) "Zone" means, for an authority established before the
13 effective date of the amendatory act that added subdivision (r),
14 a brownfield redevelopment zone designated under this act.