

SENATE BILL No. 482

May 10, 2005, Introduced by Senators ALLEN, GOSCHKA, HARDIMAN, STAMAS, BIRKHOLZ, TOY and BARCIA and referred to the Committee on Economic Development, Small Business and Regulatory Reform.

A bill to amend 1996 PA 381, entitled "Brownfield redevelopment financing act," by amending sections 2 and 13 (MCL 125.2652 and 125.2663), section 2 as amended by 2003 PA 277 and section 13 as amended by 2003 PA 259.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. As used in this act:

2 (a) "Additional response activities" means response activities
3 identified as part of a brownfield plan that are in addition to
4 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.

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

4 (d) "Baseline environmental assessment activities" means those
5 response activities identified as part of a brownfield plan that
6 are necessary to complete a baseline environmental assessment for
7 an eligible property in the brownfield plan.

8 (e) "Blighted" means property that meets any of the following
9 criteria:

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

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

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

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

20 (v) Is tax reverted property owned by a qualified local
21 governmental unit, by a county, or by this state. The sale, lease,
22 or transfer of tax reverted property by a qualified local
23 governmental unit, county, or this state after the property's
24 inclusion in a brownfield plan shall not result in the loss to the
25 property of the status as blighted property for purposes of this
26 act.

27 (vi) Is property owned or under the control of a land bank fast

1 track authority under the land bank fast track act, whether or not
2 located within a qualified local governmental unit. Property
3 included within a brownfield plan prior to the date it meets the
4 requirements of this subdivision to be eligible property shall be
5 considered to become eligible property as of the date the property
6 is determined to have been or becomes qualified as, or is combined
7 with, other eligible property. The sale, lease, or transfer of the
8 property by a land bank fast track authority after the property's
9 inclusion in a brownfield plan shall not result in the loss to the
10 property of the status as blighted property for purposes of this
11 act.

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

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

15 (h) "Captured taxable value" means the amount in 1 year by
16 which the current taxable value of an eligible property subject to
17 a brownfield plan, including the taxable value or assessed value,
18 as appropriate, of the property for which specific taxes are paid
19 in lieu of property taxes, exceeds the initial taxable value of
20 that eligible property. The state tax commission shall prescribe
21 the method for calculating captured taxable value.

22 (i) "Chief executive officer" means the mayor of a city, the
23 village manager of a village, the township supervisor of a
24 township, or the county executive of a county or, if the county
25 does not have an elected county executive, the chairperson of the
26 county board of commissioners.

27 (j) "Department" means the department of environmental

1 quality.

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

7 (l) "Eligible activities" or "eligible activity" does not
8 include activities related to multisource commercial hazardous
9 waste disposal wells as that term is defined in section 62506a of
10 the natural resources and environmental protection act, 1994 PA
11 451, MCL 324.62506a, but means 1 or more of the following:

12 (i) Baseline environmental assessment activities.

13 (ii) Due care activities.

14 (iii) Additional response activities.

15 (iv) For eligible activities on eligible property that was
16 used or is currently used for commercial, industrial, or
17 residential purposes that is in a qualified local governmental
18 unit, or that is owned or under the control of a land bank fast
19 track authority, and is a facility, functionally obsolete, or
20 blighted, and except for purposes of section 38d of the single
21 business tax act, 1975 PA 228, MCL 208.38d, the following
22 additional activities:

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

25 (B) Demolition of structures that is not response activity
26 under section 20101 of the natural resources and environmental
27 protection act, 1994 PA 451, MCL 324.20101.

1 (C) Lead or asbestos abatement.

2 (D) Site preparation that is not response activity under
3 section 20101 of the natural resources and environmental protection
4 act, 1994 PA 451, MCL 324.20101.

5 (E) Assistance to a land bank fast track authority in clearing
6 or quieting title to, or selling or otherwise conveying, property
7 owned or under the control of a land bank fast track authority.

8 (v) Relocation of public buildings or operations for economic
9 development purposes with prior approval of the Michigan economic
10 development authority.

11 (vi) **REASONABLE COSTS OF FINANCING ELIGIBLE ACTIVITIES**
12 **DESCRIBED IN SUBPARAGRAPHS (i) TO (v) .**

13 (m) "Eligible property" means property for which eligible
14 activities are identified under a brownfield plan that was used or
15 is currently used for commercial, industrial, or residential
16 purposes that is either in a qualified local governmental unit and
17 is a facility, functionally obsolete, or blighted or is not in a
18 qualified local governmental unit and is a facility, and includes
19 parcels that are adjacent or contiguous to that property if the
20 development of the adjacent and contiguous parcels is estimated to
21 increase the captured taxable value of that property or tax
22 reverted property owned or under the control of a land bank fast
23 track authority. Eligible property includes, to the extent included
24 in the brownfield plan, personal property located on the property.
25 Eligible property does not include qualified agricultural property
26 exempt under section 7ee of the general property tax act, 1893 PA
27 206, MCL 211.7ee, from the tax levied by a local school district

1 for school operating purposes to the extent provided under section
2 1211 of the revised school code, 1976 PA 451, MCL 380.1211.

3 (n) "Facility" means that term as defined in section 20101 of
4 the natural resources and environmental protection act, 1994 PA
5 451, MCL 324.20101.

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

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

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

16 (r) "Infrastructure improvements" means a street, road,
17 sidewalk, parking facility, pedestrian mall, alley, bridge, sewer,
18 sewage treatment plant, property designed to reduce, eliminate, or
19 prevent the spread of identified soil or groundwater contamination,
20 drainage system, waterway, waterline, water storage facility, rail
21 line, utility line or pipeline, or other similar or related
22 structure or improvement, together with necessary easements for the
23 structure or improvement, owned or used by a public agency or
24 functionally connected to similar or supporting property owned or
25 used by a public agency, or designed and dedicated to use by, for
26 the benefit of, or for the protection of the health, welfare, or
27 safety of the public generally, whether or not used by a single

1 business entity, provided that any road, street, or bridge shall be
2 continuously open to public access and that other property shall be
3 located in public easements or rights-of-way and sized to
4 accommodate reasonably foreseeable development of eligible property
5 in adjoining areas.

6 (s) "Initial taxable value" means the taxable value of an
7 eligible property identified in and subject to a brownfield plan at
8 the time the resolution adding that eligible property in the
9 brownfield plan is adopted, as shown either by the most recent
10 assessment roll for which equalization has been completed at the
11 time the resolution is adopted or, if provided by the brownfield
12 plan, by the next assessment roll for which equalization will be
13 completed following the date the resolution adding that eligible
14 property in the brownfield plan is adopted. Property exempt from
15 taxation at the time the initial taxable value is determined shall
16 be included with the initial taxable value of zero. Property for
17 which a specific tax is paid in lieu of property tax shall not be
18 considered exempt from taxation. The state tax commission shall
19 prescribe the method for calculating the initial taxable value of
20 property for which a specific tax was paid in lieu of property tax.

21 (t) "Land bank fast track authority" means an authority
22 created under the land bank fast track act.

23 (u) "Local taxes" means all taxes levied other than taxes
24 levied for school operating purposes.

25 (v) "Municipality" means all of the following:

26 (i) A city.

27 (ii) A village.

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

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

6 (v) A county.

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

9 (i) An ownership interest in the property.

10 (ii) A tax lien on the property.

11 (iii) A tax deed to the property.

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

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

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

17 (x) "Qualified local governmental unit" means that term as
18 defined in the obsolete property rehabilitation act, 2000 PA 146,
19 MCL 125.2781 to 125.2797.

20 (y) "Qualified taxpayer" means that term as defined in
21 sections 38d and 38g of the single business tax act, 1975 PA 228,
22 MCL 208.38d and 208.38g.

23 (z) "Remedial action plan" means a plan that meets both of the
24 following requirements:

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

1 (ii) Describes each individual activity to be conducted to
2 complete eligible activities and the associated costs of each
3 individual activity.

4 (aa) "Response activity" means that term as defined in section
5 20101 of the natural resources and environmental protection act,
6 1994 PA 451, MCL 324.20101.

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

17 (cc) "Tax increment revenues" means the amount of ad valorem
18 property taxes and specific taxes attributable to the application
19 of the levy of all taxing jurisdictions upon the captured taxable
20 value of each parcel of eligible property subject to a brownfield
21 plan and personal property located on that property. Tax increment
22 revenues exclude ad valorem property taxes specifically levied for
23 the payment of principal of and interest on either obligations
24 approved by the electors or obligations pledging the unlimited
25 taxing power of the local governmental unit, and specific taxes
26 attributable to those ad valorem property taxes. Tax increment
27 revenues attributable to eligible property also exclude the amount

1 of ad valorem property taxes or specific taxes captured by a
2 downtown development authority, tax increment finance authority, or
3 local development finance authority if those taxes were captured by
4 these other authorities on the date that eligible property became
5 subject to a brownfield plan under this act.

6 (dd) "Taxable value" means the value determined under section
7 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

8 (ee) "Taxes levied for school operating purposes" means all of
9 the following:

10 (i) The taxes levied by a local school district for operating
11 purposes.

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

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

16 (ff) "Work plan" means a plan that describes each individual
17 activity to be conducted to complete eligible activities and the
18 associated costs of each individual activity.

19 (gg) "Zone" means, for an authority established before June 6,
20 2000, a brownfield redevelopment zone designated under this act.

21 Sec. 13. (1) Subject to section 15, the board may implement a
22 brownfield plan. The brownfield plan may apply to 1 or more parcels
23 of eligible property whether or not those parcels of eligible
24 property are contiguous and may be amended to apply to additional
25 parcels of eligible property. Except as otherwise authorized by
26 this act, if more than 1 parcel of eligible property is included
27 within the plan, the tax increment revenues under the plan shall be

1 determined individually for each parcel of eligible property. Each
2 plan or an amendment to a plan shall be approved by the governing
3 body of the municipality and shall contain all of the following:

4 (a) A description of the costs of the plan intended to be paid
5 for with the tax increment revenues or, for a plan for eligible
6 properties qualified on the basis that the property is owned or
7 under the control of a land bank fast track authority, a listing of
8 all eligible activities that may be conducted for 1 or more of the
9 eligible properties subject to the plan.

10 (b) A brief summary of the eligible activities that are
11 proposed for each eligible property or, for a plan for eligible
12 properties qualified on the basis that the property is owned or
13 under the control of a land bank fast track authority, a brief
14 summary of eligible activities conducted for 1 or more of the
15 eligible properties subject to the plan.

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

1 revenues in section 2(cc), or unless the tax levy is excluded from
2 capture under section 15.

3 (d) The method by which the costs of the plan will be
4 financed, including a description of any advances made or
5 anticipated to be made for the costs of the plan from the
6 municipality.

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

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

12 (g) An estimate of the impact of tax increment financing on
13 the revenues of all taxing jurisdictions in which the eligible
14 property is located.

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

25 (i) Estimates of the number of persons residing on each
26 eligible property to which the plan applies and the number of
27 families and individuals to be displaced. If occupied residences

1 are designated for acquisition and clearance by the authority, the
2 plan shall include a demographic survey of the persons to be
3 displaced, a statistical description of the housing supply in the
4 community, including the number of private and public units in
5 existence or under construction, the condition of those in
6 existence, the number of owner-occupied and renter-occupied units,
7 the annual rate of turnover of the various types of housing and the
8 range of rents and sale prices, an estimate of the total demand for
9 housing in the community, and the estimated capacity of private and
10 public housing available to displaced families and individuals.

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

13 (k) Provision for the costs of relocating persons displaced by
14 implementation of the plan, and financial assistance and
15 reimbursement of expenses, including litigation expenses and
16 expenses incident to the transfer of title, in accordance with the
17 standards and provisions of the uniform relocation assistance and
18 real property acquisition policies act of 1970, Public Law 91-646.
19 ~~7-84 Stat. 1894.~~

20 (l) A strategy for compliance with 1972 PA 227, MCL 213.321 to
21 213.332.

22 (m) A description of proposed use of the local site
23 remediation revolving fund.

24 (n) Other material that the authority or governing body
25 considers pertinent.

26 (2) The percentage of all taxes levied on a parcel of eligible
27 property for school operating expenses that is captured and used

1 under a brownfield plan and all tax increment finance plans under
2 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance
3 authority act, 1980 PA 450, MCL 125.1801 to 125.1830, or the local
4 development financing act, 1986 PA 281, MCL 125.2151 to 125.2174,
5 shall not be greater than the combination of the plans' percentage
6 capture and use of all local taxes levied for purposes other than
7 for the payment of principal of and interest on either obligations
8 approved by the electors or obligations pledging the unlimited
9 taxing power of the local unit of government. This subsection shall
10 apply only when taxes levied for school operating purposes are
11 subject to capture under section 15.

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

1 issued by the authority to pay the costs of eligible activities,
2 the reasonable costs of preparing a work plan or remedial action
3 plan, and the actual cost of the review of the work plan or
4 remedial action plan under section 15. Tax increment revenues
5 captured from taxes levied by this state under the state education
6 tax act, 1993 PA 331, MCL 211.901 to 211.906, or taxes levied by a
7 local school district shall not be used for eligible activities
8 described in section 2 (l) (iv) (E).

9 (4) Except as provided in subsection (5), a brownfield plan
10 shall not authorize the capture of tax increment revenue from
11 eligible property after the year in which the total amount of tax
12 increment revenues captured is equal to the sum of the costs
13 permitted to be funded with tax increment revenues under this act.

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

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

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

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

20 (8) Costs of a response activity paid with tax increment
21 revenues that are captured pursuant to subsection (3) may be
22 recovered from a person who is liable for the costs of eligible
23 activities at an eligible property. This state or an authority may
24 undertake cost recovery for tax increment revenue captured. Before
25 an authority or this state may institute a cost recovery action, it
26 must provide the other with 120 days' notice. This state or an
27 authority that recovers costs under this subsection shall apply

1 those recovered costs to the following, in the following order of
2 priority:

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

5 (b) One of the following:

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

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

19 (iii) If this state and an authority each undertake a cost
20 recovery action, undertake a cost recovery action jointly, or 1 on
21 behalf of the other, the amount of any remaining recovered funds
22 shall be deposited pursuant to subparagraphs (i) and (ii) in the
23 proportion that the tax increment revenues being recovered
24 represent local taxes and taxes levied for school operating
25 purposes, respectively.

26 (9) Approval of the brownfield plan or an amendment to a
27 brownfield plan shall be in accordance with the notice and approval

1 provisions of this section and section 14.

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

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

11 (a) A description of the property to which the plan applies in
12 relation to existing or proposed highways, streets, streams, or
13 otherwise.

14 (b) A statement that maps, plats, and a description of the
15 brownfield plan are available for public inspection at a place
16 designated in the notice and that all aspects of the brownfield
17 plan are open for discussion at the public hearing required by this
18 section.

19 (c) Any other information that the governing body considers
20 appropriate.

21 (12) At the time set for the hearing on the brownfield plan
22 required under subsection (10), the governing body shall provide an
23 opportunity for interested persons to be heard and shall receive
24 and consider communications in writing with reference to the
25 brownfield plan. The governing body shall make and preserve a
26 record of the public hearing, including all data presented at the
27 hearing.

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

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

18 (15) Except as provided by subsection (18), if a brownfield
19 plan includes the capture of taxes levied for school operating
20 purposes or the use of tax increment revenues related to a
21 brownfield plan for the cost of eligible activities attributable to
22 more than 1 eligible property that is adjacent and contiguous to
23 all other eligible properties covered by the development agreement,
24 whether or not the captured taxes are levied for school operating
25 purposes, approval of a work plan by the Michigan economic growth
26 authority before January 1, 2008 to use school operating taxes and
27 a development agreement between the municipality and an owner or

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

15 (16) The limitations of section 15(1) upon use of tax
16 increment revenues by an authority shall not apply to the following
17 costs and expenses:

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

21 (i) Reasonable and actual administrative and operating expenses
22 of the authority.

23 (ii) Baseline environmental assessments, due care activities,
24 and additional response activities related directly to work
25 conducted on prospective eligible properties prior to approval of
26 the brownfield plan.

27 (b) Reasonable costs of preparing a work plan or remedial

1 action plan or the cost of the review of a work plan for which tax
2 increment revenues may be used under section 13(3).

3 (17) A brownfield authority may reimburse advances made by a
4 municipality under section 7(3), a land bank fast track authority,
5 or any other person or entity for costs of eligible activities with
6 any source of revenue available for use of the brownfield authority
7 under this act and may enter into agreements related to those
8 reimbursements. A reimbursement agreement for these purposes and
9 the obligations under that reimbursement agreement shall not be
10 subject to section 12 or the revised municipal finance act, 2001 PA
11 34, MCL 141.2101 to 141.2821.

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