

SENATE BILL No. 913

April 21, 2016, Introduced by Senator CASPERSON and referred to the Committee on Commerce.

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending section 20108b (MCL 324.20108b), as amended by 2010 PA
233.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 20108b. (1) The department shall create a revitalization
2 revolving loan program for the purpose of making loans to certain
3 local units of government to provide for eligible activities at
4 certain properties in order to promote economic redevelopment.
5 ~~(2) To be eligible for a loan, applications must meet the~~
6 ~~following requirements:~~
7 ~~(a) The applicant is a county, city, township, or village, or~~
8 ~~an authority established pursuant to the brownfield redevelopment~~

1 ~~financing act, if the municipality that created the authority~~
2 ~~pursuant to the brownfield redevelopment financing act commits to~~
3 ~~secure the loan with a pledge of the municipality's full faith and~~
4 ~~credit.~~

5 ~~—— (b) The application is for eligible activities at a property~~
6 ~~within the applicant's jurisdiction that is a facility or is~~
7 ~~suspected to be a facility based on current or historic use.~~

8 ~~—— (c) The application is complete and submitted on a form~~
9 ~~provided by the department.~~

10 ~~—— (d) The application is received by the deadline established by~~
11 ~~the department.~~

12 ~~—— (e) The application is for eligible activities only as~~
13 ~~provided for in subsection (3).~~

14 ~~—— (3) Eligible activities are limited to evaluation and~~
15 ~~demolition at the property or properties in an area-wide zone, and~~
16 ~~interim response activities required to facilitate evaluation and~~
17 ~~demolition conducted prior to redevelopment of a property or~~
18 ~~properties in an area-wide zone. Eligible activities include only~~
19 ~~those necessary to facilitate redevelopment. Eligible activities do~~
20 ~~not include activities necessary only to design or complete a~~
21 ~~remedial action that fully complies with the requirements of~~
22 ~~section 20120a. All eligible activities must be consistent with a~~
23 ~~work plan or response activity plan approved in advance by the~~
24 ~~department under this part or pursuant to section 15 of the~~
25 ~~brownfield redevelopment financing act, MCL 125.2665. Unless~~
26 ~~otherwise approved by the director, only activities carried out and~~
27 ~~costs incurred after execution of a loan agreement are eligible.~~

- 1 ~~—— (4) The department shall provide for at least 1 application~~
2 ~~cycle per fiscal year. Prior to each application cycle, the~~
3 ~~department shall develop written instructions for prospective~~
4 ~~applicants including the criteria that will be used in application~~
5 ~~review and approval.~~
- 6 ~~—— (5) Final application decisions shall be made by the~~
7 ~~department within 4 months of the application deadline.~~
- 8 ~~—— (6) A complete application shall include the following:~~
- 9 ~~—— (a) A description of the proposed eligible activities.~~
- 10 ~~—— (b) An itemized budget for the proposed eligible activities.~~
- 11 ~~—— (c) A schedule for the completion of the proposed eligible~~
12 ~~activities.~~
- 13 ~~—— (d) Location of the property.~~
- 14 ~~—— (e) Current ownership and ownership history of the property.~~
- 15 ~~—— (f) Current use of the property.~~
- 16 ~~—— (g) A detailed history of the use of the property.~~
- 17 ~~—— (h) Existing and proposed future zoning of the property.~~
- 18 ~~—— (i) If the property is not owned by the applicant, a draft of~~
19 ~~an enforceable agreement between the property owner and the~~
20 ~~applicant that commits the property owner to cooperate with the~~
21 ~~applicant, including a commitment to allow access to the property~~
22 ~~to complete at a minimum the proposed activities.~~
- 23 ~~—— (j) A description of the property's economic redevelopment~~
24 ~~potential.~~
- 25 ~~—— (k) A resolution from the local governing body of the~~
26 ~~applicant committing to repayment of the loan according to the~~
27 ~~terms of this section.~~

1 ~~—— (l) Other information as specified by the department in its~~
2 ~~written instructions.~~

3 ~~—— (7) To receive loan funds, approved applicants shall enter~~
4 ~~into a loan agreement with the department. At a minimum, the loan~~
5 ~~agreement shall contain all of the following:~~

6 ~~—— (a) The approved eligible activities to be undertaken with~~
7 ~~loan funds.~~

8 ~~—— (b) The loan interest rate, terms, and repayment schedule as~~
9 ~~determined by the department pursuant to subsection (10).~~

10 ~~—— (c) A commitment that the loan is secured by a full faith and~~
11 ~~credit pledge of the applicant, or if the applicant is an authority~~
12 ~~established pursuant to the brownfield redevelopment financing act,~~
13 ~~the commitment shall be from the municipality that created the~~
14 ~~authority pursuant to that act.~~

15 ~~—— (d) An implementation schedule.~~

16 ~~—— (e) Reporting requirements, including at a minimum the~~
17 ~~following:~~

18 ~~—— (i) The recipient shall submit a progress status report to the~~
19 ~~department every 6 months during the implementation schedule.~~

20 ~~—— (ii) The recipient shall provide a final report within 3~~
21 ~~months of completion of the loan funded activities that includes~~
22 ~~documentation of project costs and expenditures, including invoices~~
23 ~~and proof of payment.~~

24 ~~—— (f) If the property is not owned by the recipient, an executed~~
25 ~~agreement that has been approved by the department that meets the~~
26 ~~requirements of subsection (6) (i).~~

27 ~~—— (g) Other provisions as considered appropriate by the~~

1 ~~department.~~

2 ~~—— (8) If an approved applicant fails to sign a loan agreement~~
3 ~~within 90 days of a written loan offer by the department, the~~
4 ~~department may cancel the loan offer. The applicant may not appeal~~
5 ~~or contest a cancellation pursuant to this subsection.~~

6 ~~—— (9) The department may terminate a loan agreement and require~~
7 ~~immediate repayment of the loan if the recipient uses loan funds~~
8 ~~for any purpose other than for the approved eligible activities~~
9 ~~specified in the loan agreement. The department shall provide~~
10 ~~written notice 30 days prior to the termination.~~

11 ~~—— (10) Subject to subsection (11), loans shall have the~~
12 ~~following terms:~~

13 ~~—— (a) A loan interest rate of not more than 50% of the prime~~
14 ~~rate as determined by the department as of the date of approval of~~
15 ~~the loan.~~

16 ~~—— (b) Loan recipients shall repay loans in equal annual~~
17 ~~installments of principal and interest beginning not later than 5~~
18 ~~years after the first draw of the loan and concluding not later~~
19 ~~than 15 years after the first draw of the loan.~~

20 ~~—— (11) Upon request of a loan recipient and a showing of~~
21 ~~financial hardship related to the project that was financed in~~
22 ~~whole or in part by the loan, the department may renegotiate the~~
23 ~~terms of any outstanding loan, including the length of the loan,~~
24 ~~the interest rate, and the repayment terms.~~

25 **(2) LOAN FUNDS FROM THE REVITALIZATION REVOLVING LOAN PROGRAM**
26 **CREATED IN SUBSECTION (1) SHALL BE ISSUED FOR THE PURPOSES PROVIDED**
27 **IN AND UTILIZING THE CRITERIA PROVIDED IN SECTIONS 19608A THROUGH**

1 19613.

2 (3) ~~(12)~~ Loan payments and interest shall be deposited back
3 into the revitalization revolving loan fund created in section
4 20108a.

5 ~~—— (13) Upon default of a loan, as determined by the department,~~
6 ~~or upon the request of the loan recipient as a method to repay the~~
7 ~~loan, the department of treasury shall withhold state payments from~~
8 ~~the loan recipient in amounts consistent with the repayment~~
9 ~~schedule in the loan agreement until the loan is repaid. The~~
10 ~~department of treasury shall deposit these withheld funds into the~~
11 ~~revitalization revolving loan fund created in section 20108a until~~
12 ~~the loan is repaid.~~

13 ~~—— (14) As used in this section, "brownfield redevelopment~~
14 ~~financing act" means 1996 PA 381, MCL 125.2651 to 125.2672.~~

15 Enacting section 1. This amendatory act takes effect 90 days
16 after the date it is enacted into law.

17 Enacting section 2. This amendatory act does not take effect
18 unless all of the following bills of the 98th Legislature are
19 enacted into law:

20 (a) Senate Bill No. 911.

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22 (b) Senate Bill No. 908.

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24 (c) Senate Bill No. 910.

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26 (d) Senate Bill No. 909.

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1 (e) Senate Bill No. 912.

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