

# Legislative Analysis

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## **BROWNFIELD ACT: ECONOMIC OPPORTUNITY ZONE**

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**House Bill 5471**

**Sponsor: Rep. Dave Hildenbrand**

**Committee: Commerce**

**Complete to 12-5-05**

## **A SUMMARY OF HOUSE BILL 5471 AS INTRODUCED 12-1-05**

The bill would amend the Brownfield Redevelopment Financing Act to add the concept of an "economic opportunity zone." Under the brownfield redevelopment program, local units of government can create special authorities and develop special plans and then use tax increment finance mechanisms, single business tax (SBT) credits, and property tax abatements to promote investment.

The term "economic opportunity zone" would refer to one or more parcels of property that meet all of the following criteria:

- Together, they are 40 or more acres in size.
- They contain a manufacturing facility consisting of 500,000 or more square feet.
- They are located in a municipality with a population of 30,000 or less and that is contiguous to a qualified local governmental unit. (The term "qualified local governmental unit" is defined in the Obsolete Property Rehabilitation Act; that definition leads to a lengthy list of what are known as "core communities.")

Under the bill, the following activities in such a zone, in addition to environmental cleanup activities, would be eligible activities for the purposes of TIFA funding and SBT investment credits: infrastructure improvements directly benefiting the property; demolition of structures; lead or asbestos abatement; and site preparation.

MCL 125.2652

## **FISCAL IMPACT:**

The fiscal impact should be an indeterminate decrease in Single Business Tax and state, local and school property tax revenue. Estimating this revenue reduction would require the identification of specific sites and firms, and the estimated cost of environmental and other clean-up activities.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.