

SENATE BILL NO. 129

March 02, 2023, Introduced by Senators SINGH, CHANG, GEISS, KLINEFELT, MCDONALD RIVET, SHINK and BRINKS and referred to the Committee on Economic and Community Development.

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

16 Sec. 2. As used in this act:

17 (a) "Authority" means a brownfield redevelopment authority
18 created under this act.

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

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

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

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

28 (iii) Is a fire hazard or is otherwise dangerous to the safety

1 of persons or property.

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

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

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

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

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

28 (e) "Brownfield plan" means a plan that meets the requirements
29 of ~~section~~ **sections** 13 and ~~section~~ 13b and is adopted under section

1 14.

2 (f) "Captured taxable value" means the amount in 1 year by
 3 which the current taxable value of an eligible property subject to
 4 a brownfield plan, including the taxable value or assessed value,
 5 as appropriate, of the property for which specific taxes are paid
 6 in lieu of property taxes, exceeds the initial taxable value of
 7 that eligible property. The state tax commission shall prescribe
 8 the method for calculating captured taxable value.

9 (g) "Chief executive officer" means the mayor of a city, the
 10 village manager of a village, the township supervisor of a
 11 township, or the county executive of a county or, if the county
 12 does not have an elected county executive, the chairperson of the
 13 county board of commissioners.

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

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

29 (i) Require the owner or developer of the eligible property to

1 report the total taxable wages paid to individuals for the
2 construction, renovation, or other improvement of eligible property
3 that is an eligible activity within the transformational brownfield
4 plan. The wages reported under this subparagraph ~~shall~~**must** exclude
5 any wages paid to employees of the owner or developer.

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

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

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

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

25 (l) "Department specific activities" means baseline
26 environmental assessments, due care activities, response
27 activities, and other environmentally related actions that are
28 eligible activities and are identified as a part of a brownfield
29 plan that are in addition to the minimum due care activities

1 required by part 201, including, but not limited to:

2 (i) Response activities that are more protective of the public
3 health, safety, and welfare and the environment than required by
4 section 20107a, 20114, or 21304c of the natural resources and
5 environmental protection act, 1994 PA 451, MCL 324.20107a,
6 324.20114, and 324.21304c.

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

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

14 (iv) Dust control related to construction activities.

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

19 (vi) Industrial cleaning.

20 (vii) Sheet piling and shoring necessary for the removal of
21 materials exceeding part 201 criteria at projects requiring a
22 permit pursuant to part 301, 303, or 325 of the natural resources
23 and environmental protection act, 1994 PA 451, MCL 324.30101 to
24 324.30113, ~~MCL~~ 324.30301 to 324.30328, ~~or MCL~~ **and** 324.32501 to
25 324.32515a.

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

28 (ix) Environmental insurance.

29 (m) "Due care activities" means those response activities

1 identified as part of a brownfield plan that are necessary to allow
2 the owner or operator of an eligible property in the plan to comply
3 with the requirements of section 20107a or 21304c of the natural
4 resources and environmental protection act, 1994 PA 451, MCL
5 324.20107a and 324.21304c.

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

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

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

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

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

17 (i) For all eligible properties, eligible activities include
18 all of the following:

19 (A) Department specific activities.

20 (B) Relocation of public buildings or operations for economic
21 development purposes.

22 (C) Reasonable costs of environmental insurance.

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

27 (E) Reasonable costs of brownfield plan and work plan
28 implementation, including, but not limited to, tracking and
29 reporting of data and plan compliance and the reasonable costs

1 incurred to estimate and determine actual costs incurred, whether
 2 those costs are incurred by a municipality, authority, or private
 3 developer.

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

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

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

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

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

20 (B) Housing assistance activities.

21 (C) Housing development activities.

22 (D) Infrastructure improvements that are necessary for housing
 23 property and support housing assistance activities or housing
 24 development activities.

25 (E) Site preparation that is not a response activity and that
 26 supports housing assistance activities or housing development
 27 activities.

28 **(iii) ~~(ii)~~ For eligible properties located in a qualified local**
 29 **governmental unit, ~~of government,~~ or an economic opportunity zone,**

1 or that ~~is~~**are** a former mill, eligible activities include **all of**
 2 **the following:**

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 **(iv)** ~~(iii)~~ For eligible properties that are owned by or under the
 8 control of a land bank fast track authority, or a qualified local
 9 **governmental** unit ~~of government~~ or authority, eligible activities
 10 include **all of the following:**

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

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

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

26 **(v)** ~~(iv)~~ For eligible activities on eligible property that is
 27 included in a transformational brownfield plan, any demolition,
 28 construction, restoration, alteration, renovation, or improvement
 29 of buildings or site improvements on eligible property, including

1 infrastructure improvements that directly benefit eligible
2 property.

3 **(vi)** ~~(v)~~—For eligible activities on eligible property that is a
4 qualified facility that is not located in a qualified local
5 governmental unit and that is a facility, functionally obsolete, or
6 blighted, the following additional activities:

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

8 (B) Infrastructure improvements that directly benefit eligible
9 property.

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

11 (p) "Eligible property" means ~~except~~ **either of the**
12 **following:**

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

22 **(A)** ~~(i)~~—Is in a qualified local governmental unit and is a
23 facility or a site or property as those terms are defined in part
24 213, historic resource, functionally obsolete, or blighted and
25 includes parcels that are adjacent or contiguous to that property
26 if the development of the adjacent and contiguous parcels is
27 estimated to increase the captured taxable value of that property.

28 **(B)** ~~(ii)~~—Is not in a qualified local governmental unit and is a
29 facility, historic resource, functionally obsolete, blighted, or a

1 site or property as those terms are defined in part 213, and
 2 includes parcels that are adjacent or contiguous to that property
 3 if the development of the adjacent and contiguous parcels is
 4 estimated to increase the captured taxable value of that property.

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

7 (D) ~~(iv)~~—Is a transit-oriented development or transit-oriented
 8 property.

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

11 (F) ~~(vi)~~—Is undeveloped property that was eligible property in
 12 a previously approved brownfield plan abolished under section
 13 14(8).

14 (G) ~~(vii)~~—Eligible property does not include qualified
 15 agricultural property exempt under section 7ee of the general
 16 property tax act, 1893 PA 206, MCL 211.7ee, from the tax levied by
 17 a local school district for school operating purposes to the extent
 18 provided under section 1211 of the revised school code, 1976 PA
 19 451, MCL 380.1211.

20 **(ii) Housing property for which eligible activities are**
 21 **identified under a brownfield plan, including personal property**
 22 **located on the property, to the extent included in the brownfield**
 23 **plan.**

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

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

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

29 (t) "Former mill" means a former mill that has not been used

1 for industrial purposes for the immediately preceding 2 years, that
 2 is not located in a qualified local governmental unit, that is a
 3 facility or is a site or a property as those terms are defined in
 4 part 213, functionally obsolete, or blighted, and that is located
 5 within 15 miles of a river that is a federal superfund site listed
 6 under the comprehensive environmental response, compensation and
 7 liability act of 1980, 42 USC 9601 to 9675, and that is located in
 8 a municipality with a population of less than 10,000.

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

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

18 (w) "Historic resource" means that term as defined in section
 19 90a of the Michigan strategic fund act, 1984 PA 270, MCL 125.2090a.

20 (x) "Housing assistance activities" means 1 or more of the
 21 following:

22 (i) A subsidy to an income qualified purchaser household equal
 23 to the difference between the community's average home sale price
 24 over the immediately preceding 12 months and that income qualified
 25 purchaser household's maximum available mortgage capacity.

26 (ii) Reimbursement provided to a homeowner for qualified
 27 rehabilitation and weatherization costs.

28 (iii) Reimbursement provided to a developer to fill a financing
 29 gap associated with the development of housing units priced for

1 income qualified households and to assist with costs related to
 2 infrastructure improvements and site preparation that is not a
 3 response activity and that is necessary for new housing development
 4 for income qualified households on eligible property.

5 (iv) Reimbursement provided to owners of rental housing units
 6 for qualified rehabilitation.

7 (y) "Housing development activities" means 1 or more of the
 8 following:

9 (i) Reimbursement provided to owners of rental housing units
 10 for qualified rehabilitation.

11 (ii) Costs for public infrastructure and safety improvements
 12 necessary for a housing project.

13 (iii) Costs of demolition and renovation of existing buildings
 14 and site preparation, to the extent necessary to accommodate an
 15 income qualified purchaser household or income qualified renting
 16 household.

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

19 (z) "Housing property" means 1 or more of the following:

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

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

24 (aa) "Income qualified household" means a person, a family, or
 25 unrelated persons living together, whose annual household income is
 26 not more than 120% of the area median income. As used in this
 27 subdivision:

28 (i) "Area median income" means the median income for the area
 29 as determined under section 8 of the United States housing act of

1 1937, 42 USC 1437f, adjusted for family size.

2 (ii) "Household income" means all income received by all
3 individuals in a household while members of the household.

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

6 (cc) "Income qualified renting household" means a renter who
7 is, or who is a member of, an income qualified household.

8 (dd) ~~(x)~~ "Income tax" means the tax levied and imposed under
9 part 1 of the income tax act of 1967, 1967 PA 281, MCL 206.1 to
10 206.532.

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

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

1 (ii) Any other information that may be necessary to calculate
2 the income tax capture revenues. The information required under
3 this subdivision ~~shall~~**must** be provided in a manner prescribed by
4 the state treasurer.

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

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

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

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

1 accommodate reasonably foreseeable development of eligible property
 2 in adjoining areas. Infrastructure improvements also include 1 or
 3 more of the following whether publicly or privately owned or
 4 operated or located on public or private property:

5 (i) Underground parking.

6 (ii) Multilevel parking structures.

7 (iii) Urban stormwater management systems.

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

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

1 property for which a specific tax was paid in lieu of property tax.
 2 The initial assessed value may be modified by lowering the initial
 3 assessed value once during the term of the brownfield plan through
 4 an amendment as provided in section 14 after the tax increment
 5 financing plan fails to generate captured taxes for 3 consecutive
 6 years due to declines in assessed value.

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

15 **(kk)** ~~(ee)~~ "Land bank fast track authority" means an authority
 16 created under the land bank fast track act, 2003 PA 258, MCL
 17 124.751 to 124.774.

18 **(ll)** ~~(ff)~~ "Local taxes" means all taxes levied other than taxes
 19 levied for school operating purposes.

20 **(mm)** "Michigan state housing development authority" means the
 21 Michigan state housing development authority created in section 21
 22 of the state housing development authority act of 1966, 1966 PA
 23 346, MCL 125.1421.

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

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

1 **(pp)** ~~(ii)~~ "Municipality" means all of the following:

2 (i) A city.

3 (ii) A village.

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

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

9 (v) A county.

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

13 (i) An ownership interest in the property.

14 (ii) A tax lien on the property.

15 (iii) A tax deed to the property.

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

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

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

21 **(rr)** ~~(kk)~~ "Part 111", "part 201", "part 211", or "part 213"
22 means that part as described as follows:

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

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

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

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

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

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

13 (uu) ~~(mm)~~ "Qualified local governmental unit" means that term
14 as defined in the obsolete property rehabilitation act, 2000 PA
15 146, MCL 125.2781 to 125.2797.

16 (vv) "Qualified rehabilitation" means rehabilitation of
17 existing structures that is necessary to make a housing unit
18 suitable for sale to an income qualified purchaser household or
19 rent to an income qualified renting household. Qualified
20 rehabilitation also includes proposed rehabilitation that meets
21 both of the following requirements:

22 (i) Meets either of the following cost requirements:

23 (A) If done by a licensed contractor, the proposed
24 rehabilitation would cost in excess of \$10,000.00 per owner-
25 occupied unit or 50% of the true cash value, whichever is less, or
26 \$15,000.00 per non-owner-occupied unit or 50% of the true cash
27 value, whichever is less.

28 (B) If the owner proposes improvements that would be done by
29 the owner and not a licensed contractor, the cost of the materials

1 would be in excess of \$3,000.00 per owner-occupied unit or
 2 \$4,500.00 per non-owner-occupied unit.

3 (ii) Will bring the structure into conformance with minimum
 4 local building code standards for occupancy or improve the
 5 livability of the units while meeting minimum local building code
 6 standards.

7 (ww) ~~(nn)~~ "Qualified taxpayer" means that term as defined in
 8 sections 38d and 38g of former 1975 PA 228, or section 437 of the
 9 Michigan business tax act, 2007 PA 36, MCL 208.1437, or a recipient
 10 of a community revitalization incentive as described in section 90a
 11 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2090a.

12 (xx) ~~(oo)~~ "Release" means that term as defined in part 201 or
 13 part 213.

14 (yy) ~~(pp)~~ "Response activity" means either of the following:

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

16 (ii) Corrective action.

17 (zz) ~~(qq)~~ "Specific taxes" means ~~a~~ **all of the following:**

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

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

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

22 (C) **The** enterprise zone act, 1985 PA 224, MCL 125.2101 to
 23 125.2123. ~~;~~

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

25 (E) **The** technology park development act, 1984 PA 385, MCL
 26 207.701 to 207.718. ~~;~~ ~~the~~

27 (F) **The** obsolete property rehabilitation act, 2000 PA 146, MCL
 28 125.2781 to 125.2797. ~~;~~ ~~the~~

29 (G) **The** neighborhood enterprise zone act, 1992 PA 147, MCL

1 207.771 to 207.786. ~~the~~

2 (H) The commercial rehabilitation act, 2005 PA 210, MCL
3 207.841 to 207.856. ~~or that~~

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

7 (aaa) ~~(rr)~~ "State brownfield redevelopment fund" means the
8 state brownfield redevelopment fund created in section 8a.

9 (bbb) ~~(ss)~~ "Targeted redevelopment area" means not fewer than
10 40 and not more than 500 contiguous parcels of real property
11 located in a qualified local governmental unit and designated as a
12 targeted redevelopment area by resolution of the governing body and
13 approved by the Michigan strategic fund. A qualified local
14 governmental unit is limited to designating no more than 2 targeted
15 redevelopment areas for the purposes of this section in a calendar
16 year. The Michigan strategic fund may approve no more than 5
17 targeted redevelopment areas for the purposes of this section in a
18 calendar year.

19 (ccc) ~~(tt)~~ "Tax increment revenues" means the amount of ad
20 valorem property taxes and specific taxes attributable to the
21 application of the levy of all taxing jurisdictions ~~upon~~ on the
22 captured taxable value of each parcel of eligible property subject
23 to a brownfield plan and personal property located on that
24 property, regardless of whether those taxes began to be levied
25 after the brownfield plan was adopted. Tax increment revenues do
26 not include any of the following:

27 (i) Ad valorem property taxes specifically levied for the
28 payment of principal of and interest on either obligations approved
29 by the electors or obligations pledging the unlimited taxing power

1 of the local governmental unit, and specific taxes attributable to
2 those ad valorem property taxes.

3 (ii) For tax increment revenues attributable to eligible
4 property, ~~also exclude~~ the amount of ad valorem property taxes or
5 specific taxes captured by a downtown development authority under
6 part 2 of the recodified tax increment financing act, 2018 PA 57,
7 MCL 125.4201 to 125.4230, tax increment finance authority under the
8 tax increment finance authority ~~act,~~ **part**, part 3 of the recodified
9 tax increment financing act, 2018 PA 57, MCL 125.4301 to 125.4329,
10 corridor improvement authority under part 6 of the recodified tax
11 increment financing act, 2018 PA 57, MCL 125.4602 to 125.4629, or
12 local development finance authority under part 4 of the recodified
13 tax increment financing act, 2018 PA 57, MCL 125.4401 to 125.4420,
14 if those taxes were captured by these other authorities on the date
15 that eligible property became subject to a brownfield plan under
16 this act, **unless these other authorities agree to forgo their taxes**
17 **in support of the brownfield plan.**

18 (iii) Ad valorem property taxes levied under 1 or more of the
19 following or specific taxes attributable to those ad valorem
20 property taxes:

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

23 (B) The art institute authorities act, 2010 PA 296, MCL
24 123.1201 to 123.1229.

25 (ddd) ~~(uu)~~ "Taxable value" means the value determined under
26 section 27a of the general property tax act, 1893 PA 206, MCL
27 211.27a.

28 (eee) ~~(vv)~~ "Taxes levied for school operating purposes" means
29 all of the following:

1 (i) The taxes levied by a local school district for operating
2 purposes.

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

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

7 **(fff)** ~~(ww)~~ "Transformational brownfield plan" means a
8 brownfield plan that meets the requirements of section 13c and is
9 adopted under section 14a and, as designated by resolution of the
10 governing body and approved by the Michigan strategic fund, will
11 have a transformational impact on local economic development and
12 community revitalization based on the extent of brownfield
13 redevelopment and growth in population, commercial activity, and
14 employment that will result from the plan. To be designated a
15 transformational brownfield plan, a transformational brownfield
16 plan under this subdivision ~~shall~~**must** be for mixed-use development
17 unless waived by the Michigan strategic fund as provided under
18 section 14a(26) and ~~shall~~**must** be expected to result in the
19 following levels of capital investment:

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

22 (ii) In a municipality that is not a county and that has a
23 population of ~~at least~~**not less than** 150,000 and not more than
24 599,999, \$100,000,000.00.

25 (iii) In a municipality that is not a county and that has a
26 population of ~~at least~~**not less than** 100,000 and not more than
27 149,999, \$75,000,000.00.

28 (iv) In a municipality that is not a county and that has a
29 population of ~~at least~~**not less than** 50,000 and not more than

1 99,999, \$50,000,000.00.

2 (v) In a municipality that is not a county and that has a
3 population of ~~at least~~**not less than** 25,000 and not more than
4 49,999, \$25,000,000.00.

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

7 **(ggg)** ~~(xx)~~ "Transit-oriented development" means infrastructure
8 improvements that are located within 1/2 mile of a transit station
9 or transit-oriented property that promotes transit ridership or
10 passenger rail use as determined by the board and approved by the
11 municipality in which it is located.

12 **(hhh)** ~~(yy)~~ "Transit-oriented property" means property that
13 houses a transit station in a manner that promotes transit
14 ridership or passenger rail use.

15 **(iii)** ~~(zz)~~ "Withholding tax capture revenues" means, with
16 respect to each eligible property subject to a transformational
17 brownfield plan, the amount for each calendar year by which the
18 income tax withheld under ~~part 3~~**chapter 17** of the income tax act
19 of 1967, 1967 PA 281, MCL 206.701 to ~~206.713~~, **206.715**, from
20 individuals employed within the eligible property exceeds the
21 initial withholding tax value. Withholding tax capture revenues
22 ~~shall do~~ not include income tax from individuals domiciled within
23 the eligible property or construction period tax capture revenues.
24 To calculate withholding tax capture revenues for a calendar year
25 under a transformational brownfield plan, the state treasurer or
26 the Michigan strategic fund shall do all of the following:

27 (i) The state treasurer shall require the owner or developer of
28 the eligible property to provide the department of treasury with
29 notice not more than 10 days from the date an employer commences or

1 terminates occupancy within the eligible property. As used in this
2 subdivision, "employer" means that term as defined in section 8 of
3 the income tax act of 1967, 1967 PA 281, MCL 206.8.

4 (ii) The state treasurer shall develop methods and processes
5 that are necessary for each employer occupying the eligible
6 property to report the amount of withholding under ~~part 3~~ **chapter**
7 **17** of the income tax act of 1967, 1967 PA 281, MCL 206.701 to
8 ~~206.713,~~ **206.715**, from individuals employed within the eligible
9 property.

10 (iii) The Michigan strategic fund shall include the following
11 provisions in the development or reimbursement agreement for any
12 transformational brownfield plan that utilizes withholding tax
13 capture revenues:

14 (A) That the owner or developer of the eligible property shall
15 require each employer occupying the eligible property to comply
16 with the reporting requirements under this section through a
17 contract requirement, lease requirement, or other ~~such~~ **similar**
18 means.

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

24 (iv) Notwithstanding anything to the contrary in this
25 subdivision, ~~in lieu~~ **instead** of the reporting and calculation
26 methods otherwise provided for, the owner or developer of a
27 transformational project site may elect to utilize a safe harbor
28 method of calculating withholding tax capture revenues. Under this
29 safe harbor method, the Michigan strategic fund shall establish a

1 safe harbor amount of annual withholding tax capture revenues for
2 each eligible property ~~at the time~~ **when** the Michigan strategic fund
3 approves the transformational brownfield plan, and those amounts
4 shall serve as the basis for the transmittal of withholding tax
5 capture revenues to the owner or developer of the transformational
6 project site under section 8a(4). The Michigan strategic fund shall
7 establish the safe harbor amount for an eligible property by
8 imputing a standard level of employee occupancy that corresponds to
9 the size and use of the eligible property or portion of the
10 eligible property and a safe harbor average annual taxable wage for
11 the individuals employed within the eligible property or portion of
12 the eligible property. The safe harbor ~~shall be~~ **is** effective only
13 to the extent the eligible property or portion of the eligible
14 property is actively occupied, as evidenced by the existence of a
15 binding lease agreement or similar instrument. Imputations as to
16 occupancy and wages may vary between projects based on location,
17 the type and use of the eligible property, and other relevant
18 factors. The Michigan strategic fund may adjust the safe harbor
19 amount for an eligible property, or portion of the eligible
20 property, after the time of plan approval as required to reflect
21 changes in the transformational brownfield plan for the
22 transformational project site that may occur after approval of the
23 transformational brownfield plan, ~~provided that any of~~ **if** those
24 changes ~~may do~~ not result in an aggregate increase in the level of
25 withholding tax capture revenues from the amount initially
26 established. The owner or developer of the transformational project
27 site may ~~make the election~~ **elect** to utilize the safe harbor method
28 of accounting at any time ~~prior to~~ **before** the first reimbursement
29 of withholding tax capture revenues under the plan. ~~, provided that~~

1 ~~an~~**An election to utilize the safe harbor method of accounting,**
 2 once made, cannot be rescinded.

3 (jjj) ~~(aaa)~~"Work plan" means a plan that describes each
 4 individual activity to be conducted to complete eligible activities
 5 and the associated costs of each individual activity.

6 (kkk) ~~(bbb)~~"Zone" means, for an authority established before
 7 June 6, 2000, a brownfield redevelopment zone designated under this
 8 act.

9 Sec. 8. (1) An authority may establish a local brownfield
 10 revolving fund. A local brownfield revolving fund ~~shall~~**may** consist
 11 of funds deposited from the following sources:

12 (a) Funds appropriated or otherwise made available from public
 13 or private sources.

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

18 (i) The excess capture occurs during the time of capture for
 19 the purpose of paying the costs permitted under section 13(4), or
 20 for not more than 5 years after the time that capture is required
 21 for the purpose of paying the costs permitted under section 13(4),
 22 or both.

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

26 (iii) The excess capture of taxes for school operating purposes
 27 ~~shall~~**does** not exceed the total of the cost of eligible department
 28 specific activities approved in the applicable brownfield plan,
 29 combined brownfield plan, or work plan, ~~The~~**and the** total excess

1 tax capture ~~shall~~**does** not exceed the total of the cost of eligible
2 activities approved in the brownfield plan.

3 (iv) Excess tax increment revenues from taxes levied for school
4 operating purposes for eligible activities authorized under section
5 13b(4) by the Michigan strategic fund ~~shall~~**or the Michigan state**
6 **housing development authority are** not ~~be~~ captured for deposit in
7 the local brownfield revolving fund.

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

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

17 (4) The local brownfield revolving fund may be used only to
18 pay the costs of eligible activities on property that is located
19 within the municipality and meets at least 1 of the conditions
20 under section 2(o). However, activities outlined in section 13b(8)
21 may be conducted and funded on prospective properties.

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

25 Sec. 8a. (1) The state brownfield redevelopment fund is
26 created as a revolving fund within the department of treasury to be
27 administered as provided in this section. The state treasurer shall
28 direct the investment of the state brownfield redevelopment fund.
29 Money in the state brownfield redevelopment fund at the close of

1 the fiscal year ~~shall remain~~**remains** in the state brownfield
 2 redevelopment fund and ~~shall~~**does** not lapse to the general fund.

3 (2) The state treasurer shall credit to the fund money from
 4 the following sources:

5 (a) All amounts deposited into the state brownfield
 6 redevelopment fund under subsection (4) and section 13b(14).

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

9 (c) Interest on funds deposited into the state brownfield
 10 redevelopment fund.

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

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

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

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

18 (ii) The department to implement this act.

19 (iii) The department to implement part 196 of the natural
 20 resources and environmental protection act, 1994 PA 451, MCL
 21 324.19601 to 324.19616.

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

23 (b) To make deposits into the clean Michigan initiative bond
 24 fund under section 19606(2)(d) of the natural resources and
 25 environmental protection act, 1994 PA 451, MCL 324.19606, for use
 26 in providing grants and loans under section 19608(1)(a)(iv) of the
 27 natural resources and environmental protection act, 1994 PA 451,
 28 MCL 324.19608.

29 (c) To fund a grant and loan program created and operated by

1 the Michigan strategic fund for the costs of eligible activities
2 described in section 13b(4) on eligible properties. The grant and
3 loan program ~~shall~~**must** provide for all of the following:

4 (i) The Michigan strategic fund shall create and operate a
5 grant and loan program to provide grants and loans to fund eligible
6 activities described in section 13b(4) on eligible property. The
7 Michigan strategic fund shall develop and use a detailed
8 application, approval, and compliance process adopted by resolution
9 of the board of the Michigan strategic fund. This process ~~shall~~
10 **must** be published and available on the Michigan strategic fund
11 website. Program standards, guidelines, templates, or any other
12 forms to implement the grant and loan program ~~shall~~**must** be
13 approved by the board of the Michigan strategic fund. The Michigan
14 strategic fund may delegate its approval authority under this
15 subsection to a designee.

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

19 (iii) The Michigan strategic fund shall approve or deny an
20 application not more than 60 days after receipt of an
21 administratively complete application. If the application is
22 neither approved nor denied within 60 days, it ~~shall~~**must** be
23 considered by the board of the Michigan strategic fund, or its
24 designee if delegated, for action at, or by, the next regularly
25 scheduled board meeting. The Michigan strategic fund may delegate
26 the approval or denial of an application to the chairperson of the
27 Michigan strategic fund or other designees determined by the board.

28 (iv) ~~When~~**If** an application is approved under this subsection,
29 the Michigan strategic fund shall enter into a written agreement

1 with the applicant. The written agreement ~~shall~~**must** provide all
 2 the conditions imposed on the applicant and the terms of the grant
 3 or loan. The written agreement ~~shall~~**must** also provide for
 4 penalties if the applicant fails to comply with the provisions of
 5 the written agreement.

6 (v) After the Michigan strategic fund and the applicant have
 7 entered into a written agreement under subparagraph (iv), the
 8 Michigan strategic fund shall distribute the proceeds to the
 9 applicant according to the terms of the written agreement.

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

15 (d) To distribute construction period tax capture revenues,
 16 withholding tax capture revenues, and income tax capture revenues
 17 in accordance with a transformational brownfield plan under
 18 subsection (4).

19 **(e) To distribute revenue deposited in the state brownfield**
 20 **redevelopment fund from a brownfield plan that includes housing**
 21 **assistance activities or housing development activities and that**
 22 **was approved by the Michigan state housing development authority**
 23 **under section 13b(4) (b) to the housing development fund created in**
 24 **section 23 of the state housing development authority act of 1966,**
 25 **1966 PA 346, MCL 125.1423.**

26 (4) The state treasurer shall deposit annually from the
 27 general fund into the state brownfield redevelopment fund an amount
 28 equal to the construction period tax capture revenues, withholding
 29 tax capture revenues, and income tax capture revenues due to be

1 transmitted under all transformational brownfield plans. The
 2 department of treasury shall distribute the construction period tax
 3 capture revenues, withholding tax capture revenues, and income tax
 4 capture revenues to an authority, or to the owner or developer of
 5 the eligible property to which the revenues are attributable, in
 6 accordance with section 16(8) and the terms of the written
 7 development or reimbursement agreement for each transformational
 8 brownfield plan. Amounts transferred into the state brownfield
 9 redevelopment fund attributable to a specific transformational
 10 brownfield plan ~~shall~~**must** be accounted for separately within the
 11 state brownfield redevelopment fund and ~~shall~~**must** not be used for
 12 any other purpose or activity under this section or for any
 13 transformational brownfield plan other than the plan to which the
 14 revenues are attributable or for the additional administrative
 15 costs under this section associated with the implementation of a
 16 transformational brownfield plan.

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

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

29 (a) A description of the costs of the plan intended to be paid

1 for with the tax increment revenues or, for a plan for eligible
 2 properties qualified on the basis that the property is owned by or
 3 under the control of a land bank fast track authority, a listing of
 4 all eligible activities that may be conducted for 1 or more of the
 5 eligible properties subject to the plan.

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

12 (c) An estimate of the captured taxable value and tax
 13 increment revenues for each year of the plan from the eligible
 14 property. The plan may provide for the use of part or all of the
 15 captured taxable value, including deposits in the local brownfield
 16 revolving fund, but the portion intended to be used ~~shall~~**must** be
 17 clearly stated in the plan. The plan ~~shall~~**must** not provide either
 18 for an exclusion from captured taxable value of a portion of the
 19 captured taxable value or for an exclusion of the tax levy of 1 or
 20 more taxing jurisdictions unless the tax levy is excluded from tax
 21 increment revenues in section ~~2(ss)~~, **2(ccc)**, or unless the tax levy
 22 is excluded from capture under section 15.

23 (d) The method by which the costs of the plan will be
 24 financed, including a description of any advances made or
 25 anticipated to be made for the costs of the plan from the
 26 municipality.

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

29 (f) The proposed beginning date and duration of capture of tax

1 increment revenues for each eligible property as determined under
2 section 13b(16).

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

6 (h) A legal description of the eligible property to which the
7 plan applies, a map showing the location and dimensions of each
8 eligible property, a statement of the characteristics that qualify
9 the property as eligible property, and a statement of whether
10 personal property is included as part of the eligible property. If
11 the project is on property that is functionally obsolete, the
12 taxpayer shall include, with the application, an affidavit signed
13 by a level 3 or level 4 assessor, that states that it is the
14 assessor's expert opinion that the property is functionally
15 obsolete and the underlying basis for that opinion.

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

29 (j) A plan for establishing priority for the relocation of

1 persons displaced by implementation of the plan.

2 (k) Provision for the costs of relocating persons displaced by
 3 implementation of the plan, and financial assistance and
 4 reimbursement of expenses, including litigation expenses and
 5 expenses incident to the transfer of title, in accordance with ~~the~~
 6 ~~standards and provisions of~~ the uniform relocation assistance and
 7 real property acquisition policies act of 1970, Public Law 91-646.

8 (l) A strategy for compliance with 1972 PA 227, MCL 213.321 to
 9 213.332.

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

12 (3) ~~When~~ **If** taxes levied for school operating purposes are
 13 subject to capture under section 15, the percentage of school
 14 operating tax increment revenues captured relating to a parcel of
 15 eligible property under a brownfield plan ~~shall~~ **must** not be greater
 16 than the percentage of local tax increment revenues that are
 17 captured under the brownfield plan relating to that parcel of
 18 eligible property, **unless there is another approved local**
 19 **contribution to the project that provides a value reasonably**
 20 **equivalent to that percentage of local capture.**

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

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

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

1 ~~government.~~

2 (5) A brownfield plan may only authorize the capture of tax
 3 increment revenue from eligible property until the year in which
 4 the total amount of tax increment revenues captured is equal to the
 5 sum of the costs permitted to be funded with tax increment revenues
 6 under this act or for not more than 30 years from the beginning
 7 date of the capture of the tax increment revenues for that eligible
 8 property, whichever occurs first. A brownfield plan may authorize
 9 the capture of additional local and school operating tax increment
 10 revenue from an eligible property for the local brownfield
 11 revolving fund created under section 8 during 1 or more of the
 12 following time frames:

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

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

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

21 (2) An authority shall not enter into agreements with the
 22 taxing jurisdictions and the governing body of the municipality to
 23 share a portion of the taxes captured from an eligible property
 24 under this act, **unless the agreement is related to another**
 25 **authority forgoing tax capture in support of a brownfield plan.**
 26 ~~Upon~~ **On** adoption of the plan, the collection and transmission of
 27 the amount of tax increment revenues as specified in this act ~~shall~~
 28 ~~be~~ **are** binding on all taxing units levying ad valorem property
 29 taxes or specific taxes against property located in the zone.

1 (3) Tax increment revenues captured from taxes levied by this
 2 state under the state education tax act, 1993 PA 331, MCL 211.901
 3 to 211.906, or taxes levied by a local school district ~~shall~~**must**
 4 not be used to assist a land bank fast track authority with
 5 clearing or quieting title, acquiring, selling, or conveying
 6 property, except as provided in subsection (4).

7 (4) If a brownfield plan includes the use of taxes levied for
 8 school operating purposes captured from an eligible property for
 9 eligible activities that are not department specific activities,
 10 then 1 or more of the following apply:

11 (a) A combined brownfield plan or a work plan ~~shall~~**must** be
 12 approved by the Michigan strategic fund and a development agreement
 13 or reimbursement agreement between the municipality or authority
 14 and an owner or developer of eligible property is required before
 15 such tax increment may be used for ~~infrastructure~~**any of the**
 16 **following:**

17 (i) **Infrastructure** improvements that directly benefit eligible
 18 property. ~~demolition~~

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

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

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

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

27 (vi) **Acquisition** of property by a land bank fast track
 28 authority if acquisition of the property is for economic
 29 development purposes.

1 (vii) If subdivision (b) does not apply, housing assistance
2 activities or housing development activities.

3 (b) If 50% or more of the project, based on square footage, is
4 dedicated to residential use, and the work plan or combined
5 brownfield plan is requesting reimbursement for housing assistance
6 activities or housing development activities, the work plan or
7 combined brownfield plan must be approved by the Michigan state
8 housing development authority and a development agreement or
9 reimbursement agreement between the municipality or authority and
10 an owner or developer of eligible property that stipulates price
11 and income monitoring for residential units is required before such
12 tax increment may be used for housing assistance activities or
13 housing development activities.

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

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

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

1 **(f)** ~~(e)~~—The department's approval is not required for the
2 capture of taxes levied for school operating purposes for eligible
3 activities described in this section.

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

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

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

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

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

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

25 (e) Use construction period tax capture revenues, withholding
26 tax capture revenues, and income tax capture revenues for any
27 expense other than as provided for in section 13c(2), except for
28 the reasonable costs for preparing a transformational brownfield
29 plan and the additional administrative and operating expenses of

1 the authority or municipality as are specifically associated with
2 the implementation of a transformational brownfield plan. For
3 purposes of this subsection, the reasonable costs of preparing a
4 transformational brownfield plan include the reasonable costs of
5 preparing an associated work plan, combined brownfield plan, and
6 development or reimbursement agreement.

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

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

12 (i) Reasonable and actual administrative and operating expenses
13 of the authority.

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.

1 (b) Taxes levied for school operating purposes may be used for
2 1 or more of the following administrative and operating purposes:

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

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

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

13 (ii) Reasonable costs of brownfield plan or work plan
14 implementation, including, but not limited to, tracking and
15 reporting of data and plan compliance, not to exceed \$30,000.00.

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

20 (i) For authorities that have 5 or fewer active projects,
21 \$100,000.00.

22 (ii) For authorities that have 6 or more but fewer than 11
23 active projects, \$125,000.00.

24 (iii) For authorities that have 11 or more but fewer than 16
25 active projects, \$150,000.00.

26 (iv) For authorities that have 16 or more but fewer than 21
27 active projects, \$175,000.00.

28 (v) For authorities that have 21 or more but fewer than 26
29 active projects, \$200,000.00.

1 (vi) For authorities that have 26 or more but fewer than 31
2 active projects, \$300,000.00.

3 (vii) For authorities that have 31 or more but fewer than 54
4 active projects, \$500,000.00.

5 (viii) For authorities that have 54 or more but fewer than 74
6 active projects, \$700,000.00.

7 (ix) For authorities that have 74 or more but fewer than 99
8 active projects, \$900,000.00.

9 (x) For authorities that have 99 or more active projects,
10 \$1,000,000.00.

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

14 (e) As used in this subsection, "active project" means a
15 project in which the authority is currently capturing taxes under
16 this act. The amounts of tax increment revenues attributable to
17 local taxes listed in this subsection that an authority can use for
18 the purposes described in this subsection may be increased by 2%
19 for each written agreement entered into by an authority in either
20 of the following situations up to a total maximum increase of 10%:

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

25 (ii) The authority enters into a written agreement with 1 or
26 more other authorities to administer 1 or more administrative
27 operations of those other authorities.

28 (8) The limitations of subsections (4), (5), and (6) ~~upon~~ **on**
29 the use of taxes levied for school operating purposes ~~shall~~ **do not**

1 apply to the costs of 1 or more of the following incurred by a
2 person other than the authority:

3 (a) Site investigation activities required to conduct a
4 baseline environmental assessment and to evaluate compliance with
5 sections 20107a and 21304c of the natural resources and
6 environmental protection act, 1994 PA 451, MCL 324.20107a and
7 324.21304c.

8 (b) Completing a baseline environmental assessment.

9 (c) Preparing a plan for compliance with sections 20107a and
10 21304c of the natural resources and environmental protection act,
11 1994 PA 451, MCL 324.20107a and 324.21304c.

12 (d) Performing pre-demolition and building hazardous materials
13 surveys.

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

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

18 (a) For tax increment revenues attributable to taxes levied
19 for school operating purposes, eligible activities associated with
20 unanticipated response activities conducted on eligible property if
21 that eligible property has been included in a brownfield plan, ~~if~~
22 the department is consulted in writing on the unanticipated
23 response activities before they are conducted, and the costs of
24 those activities are subsequently included in a brownfield plan,
25 combined brownfield plan or a work plan or amendment approved by
26 the authority and approved by the department.

27 (b) For tax increment revenues attributable to local taxes,
28 any eligible activities conducted on eligible property or
29 prospective eligible properties ~~prior to~~**before** approval of the

1 brownfield plan, if those costs and the eligible property are
 2 subsequently included in a brownfield plan approved by the
 3 authority.

4 (c) For tax increment revenues attributable to taxes levied
 5 for school operating purposes, eligible activities described in
 6 subsection (4) and conducted on eligible property or prospective
 7 eligible properties ~~prior to~~**before** approval of the brownfield
 8 plan, if those costs and the eligible property are subsequently
 9 included in a brownfield plan approved by the authority and a
 10 combined brownfield plan or work plan approved by the Michigan
 11 strategic fund **or the Michigan state housing development authority,**
 12 **or both, as applicable.**

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

18 (e) Reasonable cost of brownfield plan or work plan
 19 implementation, including, but not limited to, tracking and
 20 reporting of data and plan compliance.

21 (10) An authority shall not use taxes levied for school
 22 operating purposes captured from eligible property for response
 23 activities that benefit a party responsible for an activity causing
 24 a release under section 20126 or 21323a of the natural resources
 25 and environmental protection act, 1994 PA 451, MCL 324.20126 and
 26 324.21323a, except that a municipality that established the
 27 authority may use taxes levied for school operating purposes
 28 captured from eligible property for response activities associated
 29 with a landfill.

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

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

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

12 (b) If an authority reimburses a person or entity under this
13 section for an advance for the payment or reimbursement of the cost
14 of department specific activities and interest thereon included in
15 a combined brownfield plan or a work plan approved by the
16 department, the authority may capture taxes levied for school
17 operating purposes and local taxes for the payment of that
18 interest.

19 (c) 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 that are not department specific activities
22 and interest thereon included in a combined brownfield plan or a
23 work plan approved by the Michigan strategic fund **or the Michigan**
24 **state housing development authority, or both, as applicable,** the
25 authority may capture taxes levied for school operating purposes
26 and local taxes for the payment of that interest ~~provided that if~~
27 the Michigan strategic fund **or the Michigan state housing**
28 **development authority, as applicable,** grants an approval for the
29 capture of taxes levied for school operating purposes to pay such

1 interest.

2 (13) An authority may enter into agreements related to these
3 reimbursements and payments described in this section. A
4 reimbursement agreement for these purposes and the obligations
5 under that reimbursement agreement ~~shall~~**is** not ~~be~~ subject to
6 section 13 or the revised municipal finance act, 2001 PA 34, MCL
7 141.2101 to 141.2821.

8 (14) Notwithstanding anything to the contrary in this act, for
9 a brownfield plan that includes the capture of taxes levied for
10 school operating purposes from each eligible property included in a
11 brownfield plan after January 1, 2013, an authority shall pay to
12 the department of treasury at least once annually an amount equal
13 to 50% of the taxes levied under the state education tax act, 1993
14 PA 331, MCL 211.901 to 211.906, including 50% of that portion of
15 specific taxes attributable to, but not levied under, the state
16 education tax act, 1993 PA 331, MCL 211.901 to 211.906, that are
17 captured under the brownfield plan until the expiration of the
18 earlier of the following:

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

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

22 (i) The date of repayment of all eligible expenses relative to
23 such eligible property.

24 (ii) The date excess capture is terminated under subsection
25 (16).

26 (15) The department of treasury shall deposit the amounts
27 described in subsection (14) into the state brownfield
28 redevelopment fund. If an authority makes a payment as required
29 under subsection (14) to the department of treasury, the local

1 taxes levied on that parcel and used to reimburse eligible
 2 activities under a brownfield plan ~~shall~~**must** not be increased or
 3 decreased due to that payment. If, due to an appeal of any tax
 4 assessment, an authority is required to reimburse a taxpayer for
 5 any portion of the amount paid to the department of treasury under
 6 this subsection, the department of treasury shall reimburse that
 7 amount to the authority within 30 days after receiving a request
 8 from the authority for reimbursement.

9 (16) The brownfield plan ~~shall~~**must** include a proposed
 10 beginning date of capture. If the actual beginning date of capture
 11 of tax increment revenues is later than 5 years following the date
 12 of the adoption of the brownfield plan resolution, then the maximum
 13 number of years of capture will decrease. The end date of capture
 14 must be no later than 35 years after the date of the adoption of
 15 the brownfield plan resolution. The authority may amend the
 16 beginning date of capture of tax increment revenues for a
 17 particular eligible property as long as the authority has not begun
 18 to reimburse eligible activities from the capture of tax increment
 19 revenues from that eligible property. Any tax increment revenues
 20 captured from an eligible property before the beginning date of
 21 capture of tax increment revenues for that eligible property ~~shall~~
 22 **must** revert proportionately to the respective tax bodies.

23 Sec. 13c. (1) Subject to the approval of the governing body
 24 and Michigan strategic fund under section 14a, the board may
 25 implement a transformational brownfield plan. The transformational
 26 brownfield plan may consist of a single development on eligible
 27 property or a series of developments on eligible property that are
 28 part of a related program of investment, whether or not located on
 29 contiguous parcels, and may be amended to apply to additional

1 parcels of eligible property. Each amendment to a transformational
 2 brownfield plan ~~shall~~**must** be approved by the governing body of the
 3 municipality in which it is located and the Michigan strategic fund
 4 and ~~shall~~**must** be consistent with the approval requirements in this
 5 section.

6 (2) A transformational brownfield plan may authorize the use
 7 of construction period tax capture revenues, withholding tax
 8 capture revenues, income tax capture revenues, and tax increment
 9 revenues for eligible activities described in section ~~2(o)(iv)~~
 10 **2(o)(v)**. Except as **otherwise** provided ~~for~~ in section 13b(6)(d), tax
 11 increment revenues, construction period tax capture revenues,
 12 withholding tax capture revenues, and income tax capture revenues
 13 ~~shall~~**must** be used only for the costs of eligible activities
 14 included within the transformational brownfield plan to which the
 15 revenues are attributable, including the cost of principal of and
 16 interest on any obligation to pay the cost of the eligible
 17 activities.

18 (3) A transformational brownfield plan is a brownfield plan
 19 and, except as otherwise provided, is subject to sections 13, 13a,
 20 13b, 14, and 15. ~~of this act.~~ In addition to the information
 21 required under section 13(2), a transformational brownfield plan
 22 ~~shall~~**must** contain all of the following:

23 (a) The basis for designating the plan as a transformational
 24 brownfield plan under section ~~2(vv)~~**2(fff)**.

25 (b) A description of the costs of the transformational
 26 brownfield plan intended to be paid for with construction period
 27 tax capture revenues, withholding tax capture revenues, and income
 28 tax capture revenues.

29 (c) An estimate of the amount of construction period tax

1 capture revenues, withholding tax capture revenues, and income tax
 2 capture revenues expected to be generated for each year of the
 3 transformational brownfield plan from the eligible property.

4 (d) The beginning date and duration of capture of construction
 5 period tax capture revenues, withholding tax capture revenues, and
 6 income tax capture revenues for each eligible property as
 7 determined under subsections (8) and (11).

8 (4) Subject to section 14a(7), the transformational brownfield
 9 plan may provide for the use of part or all of the tax increment
 10 revenues, construction period tax capture revenues, withholding tax
 11 capture revenues, and income tax capture revenues. The portion of
 12 tax increment revenues, construction period tax capture revenues,
 13 withholding tax capture revenues, and income tax capture revenues
 14 to be used may vary over the duration of the transformational
 15 brownfield plan, but the portion intended to be used ~~shall~~**must** be
 16 clearly stated in the transformational brownfield plan.

17 (5) Approval of a transformational brownfield plan, or an
 18 amendment to a transformational brownfield plan, ~~shall~~**must** be in
 19 accordance with the notice, approval, and public hearing
 20 requirements of sections 14 and 14a, except that the governing body
 21 shall provide notice to the Michigan strategic fund not less than
 22 30 days before the hearing on a transformational brownfield plan.

23 (6) If a transformational brownfield plan authorizes the use
 24 of construction period tax capture revenues, withholding tax
 25 capture revenues, or income tax capture revenues, approval of a
 26 combined brownfield plan or work plan by the Michigan strategic
 27 fund and a written development or reimbursement agreement between
 28 the owner or developer of the eligible property, the authority, and
 29 the Michigan strategic fund are required. If a plan authorizes the

1 use of tax increment revenues for eligible activities under section
 2 ~~2(e)-(iv)~~ **2(o)(v)** other than eligible activities described in section
 3 13b, approval of a work plan or combined brownfield plan by the
 4 Michigan strategic fund to use tax increment revenues for those
 5 additional eligible activities is required. A work plan or combined
 6 brownfield plan under this subsection ~~shall~~ **must** be consolidated
 7 with a work plan or combined brownfield plan under section 13b(4).
 8 The eligible activities to be conducted ~~shall~~ **must** be consistent
 9 with the work plan submitted by the authority to the Michigan
 10 strategic fund.

11 (7) ~~Upon~~ **On** approval of the transformational brownfield plan
 12 by the governing body and Michigan strategic fund, and the
 13 execution of the written development or reimbursement agreement,
 14 the transfer and distribution of construction period tax capture
 15 revenues, withholding tax capture revenues, and income tax capture
 16 revenues as specified in this act and in the plan ~~shall be~~ **are**
 17 binding on this state and the collection and transmission of the
 18 amount of tax increment revenues as specified in this act and in
 19 the plan ~~shall be~~ **are** binding on all taxing units levying ad
 20 valorem property taxes or specific taxes against property subject
 21 to the transformational brownfield plan.

22 (8) A transformational brownfield plan ~~shall~~ **must** not
 23 authorize the capture or use of tax increment revenues,
 24 construction period tax capture revenues, withholding tax capture
 25 revenues, or income tax capture revenues after the year in which
 26 the total amount of the revenue captured under the transformational
 27 brownfield plan is equal to the sum of the costs permitted to be
 28 funded with the revenue under the transformational brownfield plan.

29 (9) The brownfield authority and Michigan strategic fund may

1 reimburse advances, with or without interest, made by a
 2 municipality under section 7(3), a land bank fast track authority,
 3 or any other person or entity for costs of eligible activities
 4 included within a transformational brownfield plan using tax
 5 increment revenues, construction period tax capture revenues,
 6 withholding tax capture revenues, or income tax capture revenues
 7 attributable to that plan. ~~Upon~~**On** approval of the Michigan
 8 strategic fund, the amount of tax increment revenues, construction
 9 period tax capture revenues, withholding tax capture revenues, and
 10 income tax capture revenues authorized to be captured under a
 11 transformational brownfield plan may include amounts required for
 12 the payment of interest under this subsection. A written
 13 development or reimbursement agreement ~~shall~~**must** be entered into
 14 under subsection (6) before any reimbursement or payment using tax
 15 increment revenues, construction period tax capture revenues,
 16 withholding tax capture revenues, or income tax capture revenues
 17 may commence. A reimbursement agreement for these purposes and the
 18 obligations under that reimbursement agreement ~~shall~~**are** not be
 19 subject to section 12 or the revised municipal finance act, 2001 PA
 20 34, MCL 141.2101 to 141.2821.

21 (10) Eligible activities conducted on eligible property ~~prior~~
 22 ~~to~~**before** approval of the transformational brownfield plan may be
 23 reimbursed from tax increment revenues, construction period tax
 24 capture revenues, withholding tax capture revenues, and income tax
 25 capture revenues if those costs and the eligible property are
 26 subsequently included in a transformational brownfield plan
 27 approved by the governing body and Michigan strategic fund, a
 28 combined brownfield plan or work plan approved by the Michigan
 29 strategic fund, and a written development or reimbursement

1 agreement under subsection (6). Reimbursement under this subsection
 2 ~~shall be is~~ limited to eligible expenses incurred within 90 days of
 3 the approval of the transformational brownfield plan by the
 4 Michigan strategic fund.

5 (11) The duration of the capture of withholding tax capture
 6 revenues and income tax capture revenues under a transformational
 7 brownfield plan for a particular eligible property ~~shall must~~ not
 8 exceed the lesser of the period authorized under subsection (8) or
 9 20 years from the beginning date of the capture of withholding tax
 10 capture revenues and income tax capture revenues for that eligible
 11 property. The beginning date for the capture of tax increment
 12 revenues, withholding tax capture revenues, and income tax capture
 13 revenues for an eligible property ~~shall must~~ not be later than 5
 14 years following the date the Michigan strategic fund approves the
 15 inclusion of the eligible property in a transformational brownfield
 16 plan. Subject to the approval of the governing body and Michigan
 17 strategic fund, the authority may amend the beginning date of
 18 capture of tax increment revenues, withholding tax capture
 19 revenues, and income tax capture revenues to a date not later than
 20 5 years following the date the Michigan strategic fund approved
 21 inclusion of the eligible property in the transformational
 22 brownfield plan ~~so long as if~~ capture of the revenues under the
 23 transformational brownfield plan has not yet commenced.

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

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

29 (b) For developments under affiliated ownership, the

1 developments are reasonably contiguous and are part of a program of
 2 investment in a logically defined geography, including, but not
 3 limited to, a downtown district as defined in section 201 of the
 4 recodified tax increment financing act, 2018 PA 57, MCL 125.4201,
 5 or a principal shopping district or business improvement district
 6 as defined in section 1 of 1961 PA 120, MCL 125.981, and including
 7 areas that are logically related to those districts and that will
 8 promote infill development.

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

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

18 (13) ~~Where~~ **If** undeveloped property included in a
 19 transformational brownfield plan has been designated as a
 20 renaissance zone under the Michigan renaissance zone act, 1996 PA
 21 376, MCL 125.2681 to 125.2696, ~~upon~~ **on** the request of the owner or
 22 developer of the eligible property and the local governmental unit
 23 that designated the zone, the Michigan strategic fund, and a city
 24 levying a tax under the city income tax act, 1964 PA 284, MCL
 25 141.501 to 141.787, may elect under section 9(4) of the Michigan
 26 renaissance zone act, 1996 PA 376, MCL 125.2689, to terminate the
 27 exemptions, deductions, or credits provided for in section 9(1)(b)
 28 and (c) of that act, and reimburse the authority, or owner or
 29 developer of the eligible property, an annual amount equal to the

1 revenue collected for each tax year as a result of the termination
2 of the exemptions, deductions, or credits that would otherwise be
3 in effect. In implementing this subsection, all of the following
4 apply:

5 (a) The authority and Michigan strategic fund shall include
6 amounts anticipated to be collected under this subsection in the
7 income tax capture revenues authorized to be used under the
8 transformational brownfield plan and associated work plan or
9 combined brownfield plan.

10 (b) The state treasurer shall calculate for each tax year the
11 amount of revenue ~~the this~~ state of Michigan collected as a result
12 of the operation of this subsection and shall deposit that amount
13 as income tax capture revenues into the state brownfield
14 redevelopment fund, where the funds ~~shall must~~ be transmitted in
15 the manner provided for in sections 8a(4) and 16(8).

16 (c) A city levying a city income tax under the city income tax
17 act, 1964 PA 284, MCL 141.501 to 141.787, shall calculate for each
18 tax year the amount of revenue the city collected as a result of
19 the operation of this subsection and shall enter into a binding
20 reimbursement agreement with the authority, and owner or developer
21 of the eligible property, providing for the payment of the amounts
22 to the authority, or the owner or developer of the eligible
23 property, for eligible activities as provided ~~for~~ in the
24 transformational brownfield plan. City income taxes administered by
25 the department of treasury pursuant to the city income tax act,
26 1964 PA 284, MCL 141.501 to 141.787, ~~shall be~~ **are** subject to the
27 procedures of subdivision (b) regarding the calculation and deposit
28 of any revenue collected as a result of the operation of this
29 subsection.

1 (d) The department of treasury may require the owner or
 2 developer to submit any information necessary for the calculation
 3 of revenue collected pursuant to the operation of this subsection.
 4 This state has no obligation for calculating revenues to be
 5 collected pursuant to the operation of this subsection ~~where~~**if** the
 6 required information is not reported.

7 (14) The authority and governing body are solely responsible
 8 for deciding whether to seek approval of a brownfield plan as a
 9 transformational brownfield plan. Nothing in this section or
 10 section 14a ~~shall operate~~**operates** to prejudice or limit
 11 consideration of a brownfield plan under sections 13 and 14,
 12 including a decision by the Michigan strategic fund not to approve
 13 a plan as a transformational brownfield plan.

14 (15) ~~Nothing in this~~**This** act ~~is intended to~~**does not** preclude
 15 an authority established by a county from seeking approval of a
 16 brownfield plan as a transformational brownfield plan. In the event
 17 that an authority established by a county seeks approval of a plan
 18 that extends into more than 1 of its component local units of
 19 government and that plan includes eligible property in more than 1
 20 municipality that is not a county, the minimum investment
 21 requirements of section ~~2(vv) shall~~**2(fff) must** be established with
 22 reference to combined population of the municipalities that are not
 23 a county in which the eligible property is located.

24 Sec. 14. (1) Before approving a brownfield plan for an
 25 eligible property, the governing body shall hold a public hearing
 26 on the brownfield plan. By resolution, the governing body may
 27 delegate the public hearing process to the authority or to a
 28 subcommittee of the governing body subject to final approval by the
 29 governing body.

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

3 (a) A description of the property to which the plan applies in
4 relation to existing or proposed highways, streets, streams, or
5 otherwise.

6 (b) A statement that maps, plats, and a description of the
7 brownfield plan are available for public inspection at a place
8 designated in the notice and that all aspects of the brownfield
9 plan are open for discussion at the public hearing required by this
10 section.

11 (c) Any other information that the governing body considers
12 appropriate.

13 (3) At the time set for the hearing on the brownfield plan
14 required under subsection (1), the governing body shall ensure that
15 interested persons have an opportunity to be heard and that written
16 communications with reference to the brownfield plan are received
17 and considered. The governing body shall ensure that a record of
18 the public hearing is made and preserved, including all data
19 presented at the hearing.

20 (4) Not less than 10 days before the hearing on the brownfield
21 plan, the governing body shall provide notice of the hearing to the
22 taxing jurisdictions that levy taxes subject to capture under this
23 act. The authority shall notify the taxing jurisdictions of the
24 proposed brownfield plan. At that hearing, an official from a
25 taxing jurisdiction with millage that would be subject to capture
26 under this act has the right to be heard in regard to the adoption
27 of the brownfield plan. Not less than 10 days before the hearing on
28 the brownfield plan, the governing body shall provide notice of the
29 hearing to the department if the brownfield plan involves the use

1 of taxes levied for school operating purposes to pay for eligible
 2 activities that require the approval of a combined brownfield plan
 3 or a work plan by the department under section 13b(6) (c) , **the**
 4 **Michigan state housing development authority, or its designee, if**
 5 **the brownfield plan involves the use of taxes levied for school**
 6 **operating purposes to pay for eligible activities subject to**
 7 **13b(4) (b) ,** and the Michigan strategic fund, or its designee, if the
 8 brownfield plan involves the use of taxes levied for school
 9 operating purposes to pay for eligible activities subject to
 10 section 13b(4) **other than eligible activities subject to 13b(4) (b) .**

11 (5) Not less than 10 days after notice of the proposed
 12 brownfield plan is provided to the taxing jurisdictions, the
 13 governing body shall determine whether the plan constitutes a
 14 public purpose. If the governing body determines that the plan does
 15 not constitute a public purpose, the governing body shall reject
 16 the plan. If the governing body determines that the plan
 17 constitutes a public purpose, the governing body may then approve
 18 or reject the plan, or approve it with modification, by resolution,
 19 based on the following considerations:

20 (a) Whether the plan meets the requirements of sections 13 and
 21 13b.

22 (b) Whether the proposed method of financing the costs of
 23 eligible activities is feasible and the authority has the ability
 24 to arrange the financing.

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 estimated to
 28 result from adoption of the plan is reasonable.

29 (6) Except as provided in this subsection, amendments to an

1 approved brownfield plan must be submitted by the authority to the
2 governing body for approval or rejection following the same notice
3 necessary for approval or rejection of the original plan. Notice is
4 not required for revisions in the estimates of captured taxable
5 value or tax increment revenues.

6 (7) The procedure, adequacy of notice, and findings with
7 respect to purpose and captured taxable value ~~shall be~~ **are**
8 presumptively valid unless contested in a court of competent
9 jurisdiction within 60 days after adoption of the resolution
10 adopting the brownfield plan. An amendment, adopted by resolution,
11 to a conclusive plan ~~shall is~~ likewise ~~be~~ **is** conclusive unless
12 contested within 60 days after adoption of the resolution adopting
13 the amendment. If a resolution adopting an amendment to the plan is
14 contested, the original resolution adopting the plan is not
15 therefore open to contest.

16 (8) A brownfield plan or plan amendment may be abolished or
17 terminated according to this subsection subject to all of the
18 following:

19 (a) The governing body may abolish a brownfield plan ~~when if~~
20 it finds that the purposes for which the plan was established are
21 accomplished.

22 (b) The governing body may terminate a brownfield plan or plan
23 amendment for an eligible property if the project for which
24 eligible activities were identified in the brownfield plan or plan
25 amendment fails to occur with respect to the eligible property for
26 ~~at least~~ **not less than** 2 years following the date of the resolution
27 approving the brownfield plan or plan amendment, ~~provided that if~~
28 the governing body first does both of the following:

29 (i) Gives 30 days' prior written notice to the developer at its

1 last known address by certified mail or other method that documents
2 proof of delivery attempted.

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

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

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

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

19 (2) The governing body shall make an initial determination as
20 to whether the transformational brownfield plan constitutes a
21 public purpose in accordance with section 14(5). If the governing
22 body determines the transformational brownfield plan does not
23 constitute a public purpose, it shall reject the transformational
24 brownfield plan.

25 (3) If the governing body determines that the transformational
26 brownfield plan constitutes a public purpose, the governing body
27 may then approve or reject the transformational brownfield plan, or
28 approve it with modification, by resolution based on all of the
29 following considerations:

1 (a) Whether the transformational brownfield plan meets the
2 requirements of section ~~2(vv)~~, **2(fff)**, which must include a
3 determination that the transformational brownfield plan is
4 calculated to, and has the reasonable likelihood to, have a
5 transformational impact on local economic development and community
6 revitalization based on the extent of brownfield redevelopment and
7 growth in population, commercial activity, and employment that will
8 result from the transformational brownfield plan.

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

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

13 (d) Whether the amount of captured taxable value, construction
14 period tax capture revenues, withholding tax capture revenues, and
15 income tax capture revenues estimated to result from adoption of
16 the transformational brownfield plan are reasonable.

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

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

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

28 (5) In determining whether to approve a transformational
29 brownfield plan under subsection (3)(c) and (d), the Michigan

1 strategic fund shall conduct a financial and underwriting analysis
 2 of the developments included in the plan. The analysis ~~shall~~**must**
 3 consider both projected rental rates at the time of project
 4 delivery and potential increases in rental rates over time. The
 5 Michigan strategic fund shall not approve the use of construction
 6 period tax capture revenues, withholding tax capture revenues, and
 7 income tax capture revenues beyond the amount determined to be
 8 necessary for the project to be economically viable. The Michigan
 9 strategic fund shall develop standardized underwriting criteria for
 10 determining economic viability. The Michigan strategic fund shall
 11 take into account the impact of the sales and use tax exemptions
 12 under section 4d(n) of the general sales tax act, 1933 PA 167, MCL
 13 205.54d, and section 4dd of the use tax act, 1937 PA 94, MCL
 14 205.94dd, in determining the amount of construction period tax
 15 capture revenues, withholding tax capture revenues, and income tax
 16 capture revenues required for the project to be economically
 17 viable. The Michigan strategic fund shall ensure that each
 18 transformational brownfield plan includes a significant equity
 19 contribution from the owner or developer as determined by the fund.

20 (6) The Michigan strategic fund shall require an independent,
 21 third-party underwriting analysis under subsection (3)(d) for any
 22 plan that proposes to use more than \$10,000,000.00 in any year in
 23 withholding tax capture revenues and income tax capture revenues,
 24 as determined by the first full year of tax capture under the plan.
 25 The cost of the independent, third-party underwriting analysis
 26 ~~shall~~**must** be paid by the owner or developer of the eligible
 27 property. The Michigan strategic fund shall consult with the state
 28 treasurer ~~prior to~~**before** approving any transformational brownfield
 29 plan subject to this subsection. ~~Nothing in this~~**This** subsection

1 ~~shall~~**does not** limit the ability of the Michigan strategic fund to
 2 utilize independent, third-party analyses on plans not subject to
 3 this subsection.

4 (7) Except as otherwise provided in this subsection, the
 5 Michigan strategic fund may not approve a transformational
 6 brownfield plan that proposes to use more than 50% of the
 7 withholding tax capture revenues or 50% of the income tax capture
 8 revenues. The Michigan strategic fund may modify the amount of
 9 withholding tax capture revenues and income tax capture revenues
 10 before approving a transformational brownfield plan ~~in order~~ to
 11 bring the transformational brownfield plan into compliance with
 12 subsection (5). The Michigan strategic fund may approve a
 13 transformational brownfield plan that proposes to use more than 50%
 14 of the income tax capture revenues if 1 of the following applies:

15 (a) The income tax capture revenues are attributable to the
 16 election under section 13c(13).

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

25 (8) The Michigan strategic fund shall require the owner or
 26 developer of the eligible property to certify the actual capital
 27 investment, as determined in accordance with section ~~2(o)(iv)~~
 28 **2(o)(v)** and ~~section 2(vv)~~, ~~upon~~**2(fff)**, **on** the completion of
 29 construction and before the commencement of reimbursement from

1 withholding tax capture revenues, income tax capture revenues, or
 2 tax increment revenues, for the plan or the distinct phase or
 3 project within the plan for which reimbursement will be provided.
 4 If the actual capital investment is less than the amount included
 5 in the plan, the Michigan strategic fund shall review the
 6 determination under subsection (5) and may modify the amount of
 7 reimbursement if, and to the extent, such a modification is
 8 necessary to maintain compliance with subsection (5). The
 9 transformational brownfield plan, work plan, and development and
 10 reimbursement agreement ~~shall~~**must** include provisions to enforce
 11 the requirements and remedies under this subsection. If the actual
 12 level of capital investment does not meet the applicable minimum
 13 investment requirement under section ~~2(vv)~~**2(fff)** and is outside of
 14 the safe harbor under subsection (15), the Michigan strategic fund
 15 may take 1 of the following remedial actions:

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

18 (b) For a plan that consists of distinct phases or projects,
 19 ~~where~~**if** the failure to meet the minimum investment threshold is
 20 the result of failure to undertake additional distinct phases or
 21 projects as provided for in the plan, 1 or more of the following:

22 (i) Permanently rescind the authorization to use tax increment
 23 revenues, construction period tax capture revenues, withholding tax
 24 capture revenues, and income tax capture revenues for the
 25 additional distinct phases or projects in the plan.

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

29 (9) ~~Upon~~**On** approval by the Michigan strategic fund, the

1 minimum investment requirements in section ~~2(vv)~~**2(fff)** and
 2 limitation under subsection (22) (a) and (b) may be waived if the
 3 transformational brownfield plan meets 1 of the following criteria:

4 (a) Is for eligible property in an area approved by the
 5 **Michigan** state housing development authority as eligible for blight
 6 elimination program funding under the housing finance agency
 7 innovation fund for the hardest hit housing markets authorized
 8 pursuant to the emergency economic stabilization act of 2008,
 9 **division A of** Public Law 110-343, 12 USC 5201 to 5261. For purposes
 10 of this subdivision, an area approved as eligible for blight
 11 elimination program funding means that specific portion or portions
 12 of a municipality where the Michigan state housing development
 13 authority approved the expenditure of blight elimination program
 14 funds pursuant to an application identifying the target areas.

15 (b) Is for eligible property in a municipality that was
 16 subject to a state of emergency under the emergency management act,
 17 1976 PA 390, MCL 30.401 to 30.421, issued for drinking water
 18 contamination.

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

22 (d) Is for eligible property that is located in a city,
 23 village, or township with a population of less than 25,000 or that
 24 is otherwise eligible for the corresponding population tier in
 25 section ~~2(vv)(vi)~~**2(fff)(vi)**, as determined in accordance with
 26 subsection (15), if the Michigan strategic fund determines that the
 27 redevelopment is not economically feasible absent the
 28 transformational brownfield plan.

29 (10) In determining whether a plan under subsection (9) has a

1 transformational impact for purposes of section ~~2(vv)~~**2(fff)** and
 2 subsection (3) (a), the governing body and Michigan strategic fund
 3 shall consider the impact of the transformational brownfield plan
 4 in relation to existing investment and development conditions in
 5 the project area and whether the transformational brownfield plan
 6 will act as a catalyst for additional revitalization of the area in
 7 which it is located.

8 (11) The Michigan strategic fund may not approve more than 5
 9 transformational brownfield plans under subsection (9) in a
 10 calendar year, except that if the Michigan strategic fund approves
 11 fewer than 5 plans in a calendar year under subsection (9), the
 12 unused approval authority ~~shall carry~~**carries** forward into future
 13 calendar years and ~~remain~~**remains** available until December 31,
 14 2027. The Michigan strategic fund also shall not approve more than
 15 5 transformational brownfield plans under subsection (9) in any
 16 individual city, village, or township ~~prior to~~**before** December 31,
 17 2022.

18 (12) Except as **otherwise** provided in this subsection,
 19 amendments to an approved transformational brownfield plan ~~shall~~
 20 **must** be submitted by the authority to the governing body and to the
 21 Michigan strategic fund for approval or rejection following the
 22 same notice necessary for approval or rejection of the original
 23 transformational brownfield plan. Notice is not required for
 24 revisions in the estimates of tax increment revenues, construction
 25 period tax capture revenues, withholding tax capture revenues, or
 26 income tax capture revenues.

27 (13) Except as provided in this subsection, an amendment to an
 28 approved transformational brownfield plan under section 13c(1)
 29 ~~shall is~~ not ~~be~~ considered a new plan approval subject to the

1 limitation in subsection (22) (a). The Michigan strategic fund may
 2 consider an amendment as a new plan approval only ~~where-if~~ the
 3 amendment adds eligible property and the Michigan strategic fund
 4 determines that approving the addition as an amendment would be
 5 inconsistent with the purposes of this act.

6 (14) The procedure, adequacy of notice, and findings under
 7 this section ~~shall be~~**are** presumptively valid unless contested in a
 8 court of competent jurisdiction within 60 days after approval of
 9 the transformational brownfield plan by the Michigan strategic
 10 fund. An approved amendment to a conclusive transformational
 11 brownfield plan ~~shall-is~~ likewise ~~be~~ conclusive unless contested
 12 within 60 days after approval of the amendment by the Michigan
 13 strategic fund. If a resolution adopting an amendment to the
 14 transformational brownfield plan is contested, the original
 15 resolution adopting the transformational brownfield plan is not
 16 open to contest.

17 (15) The determination as to whether a transformational
 18 brownfield plan complies with the minimum investment requirements
 19 in section ~~2(vv)-shall-2(ff)~~**2(ff)** must be made with reference to the
 20 most recent decennial census data available at the time of approval
 21 by the authority. A plan in a municipality that exceeds a
 22 population tier under section ~~2(vv)-2(ff)~~**2(ff)** by not more than 10% of
 23 the maximum population for that tier ~~shall, upon-is, on~~ election of
 24 the authority, ~~be~~ subject to the investment requirement for that
 25 tier. A transformational brownfield plan that is expected to result
 26 in, or does result in, a total capital investment that is within
 27 10% of the applicable minimum investment requirement ~~shall be-is~~
 28 considered to satisfy the applicable requirement under section
 29 ~~2(vv)-2(ff)~~**2(ff)**.

1 (16) For purposes of a transformational brownfield plan,
2 determination as to whether property is functionally obsolete ~~as~~
3 ~~defined under section 2(u)~~ may include considerations of economic
4 obsolescence as determined in accordance with the Michigan state
5 tax commission's assessor's manual.

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

9 (18) The Michigan strategic fund shall charge and collect a
10 reasonable application fee as necessary to cover the costs
11 associated with the review and approval of a transformational
12 brownfield plan.

13 (19) The Michigan strategic fund shall not commit, and the
14 department of treasury shall not disburse, more than \$40,000,000.00
15 in total annual tax capture. ~~For purposes of~~ **As used in** this
16 subsection, "total annual tax capture" means the total annual
17 amount of income tax capture revenues and withholding tax capture
18 revenues that may be reimbursed each calendar year under all
19 transformational brownfield plans. If the amount committed or
20 disbursed in a calendar year is less than \$40,000,000.00, the
21 difference between that amount and \$40,000,000.00 ~~shall be~~ **is**
22 available to be committed or disbursed in subsequent calendar years
23 and ~~shall be~~ **is** in addition to the annual limit otherwise
24 applicable.

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

29 (21) The Michigan strategic fund shall not approve more than a

1 total of \$200,000,000.00 in construction period tax capture
2 revenues and in projected sales and use tax exemptions under
3 section 4d(n) of the general sales tax act, 1933 PA 167, MCL
4 205.54d, and section 4dd of the use tax act, 1937 PA 94, MCL
5 205.94dd. The Michigan strategic fund shall project the value of
6 the sales and use tax exemptions under each transformational
7 brownfield plan at the time of plan approval and shall require such
8 information from the owner or developer as is necessary to perform
9 this calculation. The Michigan strategic fund also shall require
10 the owner or developer of the eligible property to report the
11 actual value of the sales and use tax exemptions each tax year of
12 the construction period and at the end of the construction period.
13 If the value of the actual sales and use tax exemptions and
14 construction period tax capture revenues under all transformational
15 brownfield plans exceeds the limit of \$200,000,000.00 under this
16 subsection by more than a de minimis amount, as determined by the
17 state treasurer, the state treasurer shall take corrective action
18 and may reduce future disbursements to achieve compliance with the
19 aggregate limitation under subsection (20) and this subsection. The
20 corrective action described in this subsection ~~shall~~**must** not
21 reduce the disbursement for an individual plan by an amount that is
22 more than the amount by which the value of the sales and use tax
23 exemptions for that plan exceeded the amount projected at the time
24 of plan approval and included in the plan. The Michigan strategic
25 fund and department of treasury shall prescribe specific methods
26 for implementing this section ~~within 60 days of the effective date~~
27 ~~of the amendatory act that added this section.~~**by September 22,**
28 **2017.**

29 (22) The Michigan strategic fund shall comply with all of the

1 following:

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

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

10 (c) Ensure an equitable geographic distribution of plans
11 approved under this subsection, which ~~shall~~ **must** achieve a balance
12 between the needs of municipalities of differing sizes and
13 differing geographic areas of the state. Subject to the receipt of
14 qualified transformational brownfield plans meeting the criteria
15 under this section and section 13c, the Michigan strategic fund
16 shall set a target that not less than 35% of the total
17 transformational brownfield plans approved under this act ~~prior to~~
18 **before** December 31, 2027 will be located in cities, villages, and
19 townships with a population of less than 100,000.

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

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

28 (24) If the Michigan strategic fund approves a
29 transformational brownfield plan and work plan, and subsequent to

1 that approval, amendments are made to this act, the Michigan
 2 strategic fund may amend those plans to make conforming and
 3 consistent changes to the approved transformational brownfield plan
 4 and work plan on an administrative basis, ~~provided that~~**if** those
 5 changes do not result in any increase in the aggregate total amount
 6 of reimbursement authorized under the initial transformational
 7 brownfield plan. The authority of the Michigan strategic fund to
 8 administratively amend transformational brownfield plans and work
 9 plans under this subsection also applies to transformational
 10 brownfield plans and work plans entered into before ~~the effective~~
 11 ~~date of the amendatory act that added this sentence.~~**December 27,**
 12 **2021.**

13 (25) The Michigan strategic fund shall not approve any new
 14 transformational brownfield plans after December 31, 2027. A
 15 transformational brownfield plan approved ~~prior to~~**before** December
 16 31, 2022 ~~shall remain~~**remains** in effect and may be amended in
 17 accordance with ~~the provisions of~~ this act.

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

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

25 (a) A copy of the brownfield plan.

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

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

6 (d) Existing and proposed future zoning for each eligible
7 property.

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

10 (2) ~~Upon~~**On** receipt of a request for approval of a work plan
11 under subsection (1) or a portion of a work plan that pertains to
12 only department specific activities, the department shall review
13 the work plan according to subsection (3) and provide 1 of the
14 following written responses to the requesting authority within 60
15 days:

16 (a) An unconditional approval.

17 (b) A conditional approval that delineates specific necessary
18 modifications to the work plan to meet the criteria of subsection
19 (3), including, but not limited to, individual activities to be
20 modified, added, or deleted from the work plan and revision of
21 costs. The department may not condition its approval on deletions
22 from or modifications of the work plan relating to activities to be
23 funded solely by tax increment revenues not attributable to taxes
24 levied for school operating purposes.

25 (c) If the work plan lacks sufficient information for the
26 department to respond under subdivision (a), (b), or (d) for any
27 specific activity, a letter stating with specificity the necessary
28 additions or changes to the work plan to be submitted before that
29 activity will be considered by the department. The department shall

1 respond under subdivision (a), (b), or (d) according to this
2 section for the other activities in the work plan.

3 (d) A denial if the property is not an eligible property under
4 this act, if the work plan contemplates the use of taxes levied for
5 school operating purposes prohibited by section 13b(10), or for any
6 specific activity if the activity is prohibited by section
7 13b(6) (a). The department may also deny any activity in a work plan
8 that does not meet the conditions in subsection (3) only if the
9 department cannot respond under ~~subsection (2) (b)~~ **subdivision (b)**
10 or (c). The department shall accompany the denial with a letter
11 that states with specificity the reason for the denial. The
12 department shall respond under ~~subsection (2) (a)~~, **subdivision (a)**,
13 (b), or (c) according to this section for any activities in the
14 work plan that are not denied under this subdivision. If the
15 department denies all or a portion of a work plan under this
16 subdivision, the authority may subsequently resubmit the work plan.

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

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

22 (b) The department specific activities, other than the
23 activities that are exempt from the work plan approval process
24 under section 13b(8), are protective of the public health, safety,
25 and welfare and the environment. The department may approve
26 department specific activities that are more protective of the
27 public health, safety, and welfare and the environment than
28 required by section 20107a of the natural resources and
29 environmental protection act, 1994 PA 451, MCL 324.20107a, if those

1 activities provide public health or environmental benefit. In
2 review of a work plan that includes department specific activities
3 that are more protective of the public health, safety, and welfare
4 and the environment, the department's considerations may include,
5 but are not limited to, all of the following:

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

8 (ii) The cost to implement activities minimally necessary to
9 achieve due care compliance, the total cost of response activities,
10 and the incremental cost of department specific activities in
11 excess of those activities minimally necessary to achieve due care
12 compliance.

13 (iii) Long-term obligations associated with leaving
14 contamination in place and the value of reducing or eliminating
15 these obligations.

16 (c) The estimated costs for the activities as a whole are
17 reasonable for the stated purpose. Except as **otherwise** provided in
18 subdivision (b), the department shall make the determination in
19 this subdivision only after the department determines that the
20 conditions in subdivisions (a) and (b) have been met.

21 (4) If the department fails to provide a written response
22 under subsection (2) within 60 days after receipt of a request for
23 approval of a work plan, the authority may proceed with the
24 activities as outlined in the work plan as submitted for approval.
25 Except as provided in subsection (5), activities conducted pursuant
26 to a work plan that was submitted to the department for approval
27 but for which the department failed to provide a written response
28 under subsection (2) ~~shall be~~ **are** considered approved for the
29 purposes of subsection (1). Within 45 days after receiving

1 additional information requested from the authority under
2 subsection (2)(c), the department shall review the additional
3 information according to subsection (3) and provide 1 of the
4 responses described in subsection (2) to the requesting authority
5 for the specific activity. If the department does not provide a
6 response to the requesting authority within 45 days after receiving
7 the additional information requested under subsection (2)(c), the
8 activity is approved under section 13b.

9 (5) The department may issue a written response to a work plan
10 more than 60 days but less than 6 months after receipt of a request
11 for approval. If the department issues a written response under
12 this subsection, the authority is not required to conduct
13 individual activities that are in addition to the individual
14 activities included in the work plan as it was submitted for
15 approval and failure to conduct these additional activities ~~shall~~
16 **does** not affect the authority's ability to capture taxes under
17 section 13b for the eligible activities described in the work plan
18 initially submitted under subsection (4). In addition, at the
19 option of the authority, these additional individual activities
20 ~~shall be~~**are** considered part of the work plan of the authority and
21 approved for purposes of section 13b. However, any response by the
22 department under this subsection that identifies additional
23 individual activities that must be carried out to satisfy part 201
24 or part 213 must be satisfactorily completed for the activities to
25 be considered acceptable for the purposes of compliance with part
26 201 or part 213.

27 (6) If the department issues a written response under
28 subsection (5) to a work plan and if the department's written
29 response modifies an individual activity proposed by the work plan

1 of the authority in a manner that reduces or eliminates a proposed
2 response activity, the authority must complete those individual
3 activities in accordance with the department's response in order
4 for that portion of the work plan to be considered approved for
5 purposes of section 13b, unless 1 or more of the following
6 conditions apply:

7 (a) Obligations for the individual activity have been issued
8 by the authority, or by a municipality on behalf of the authority,
9 to fund the individual activity ~~prior to~~ **before** issuance of the
10 department's response.

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

14 (7) It ~~shall be~~ **is** in the sole discretion of an authority to
15 propose to undertake department specific activities under
16 subsection (3)(b) at an eligible property under a brownfield plan.
17 The department shall not require a work plan to include department
18 specific activities that are more protective of public health,
19 safety, welfare, and the environment.

20 (8) The department shall review the portion of a work plan
21 that includes department specific activities in accordance with
22 subsection (3).

23 (9) The department's approval or denial of a work plan
24 submitted under this section constitutes a final decision in regard
25 to the use of taxes levied for school operating purposes but does
26 not restrict an authority's use of tax increment revenues
27 attributable to local taxes to pay for eligible activities under a
28 brownfield plan. If a person is aggrieved by the final decision,
29 the person may appeal under section 631 of the revised judicature

1 act of 1961, 1961 PA 236, MCL 600.631.

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

7 (a) A copy of the brownfield plan or the transformational
8 brownfield plan.

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

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

15 (d) Existing and proposed future zoning for each eligible
16 property.

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

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

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

1 **(h) For work plans that include housing assistance activities**
 2 **or housing development activities, a summary of proposed income and**
 3 **price monitoring responsibilities and related expenses.**

4 (11) ~~Upon~~**On** receipt of a request for approval of a work plan
 5 **or applicable portion of a work plan,** the Michigan strategic fund
 6 **or the Michigan state housing development authority** shall provide 1
 7 of the following written responses to the requesting authority
 8 within 60 days following receipt of a request for approval or
 9 within 7 days following the first meeting of the board after the
 10 60-day period following receipt of the request for approval,
 11 whichever is later:

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

14 (b) A conditional approval that delineates specific necessary
 15 modifications to the work plan, including, but not limited to,
 16 individual activities to be added or deleted from the work plan and
 17 revision of costs.

18 (c) A denial and a letter stating with specificity the reason
 19 for the denial. If **the Michigan strategic fund or the Michigan**
 20 **state housing development authority denies all or a portion of a**
 21 **work plan is denied** under this subsection, **the authority may**
 22 **subsequently resubmit** the work plan. ~~may be subsequently~~
 23 ~~resubmitted.~~

24 (12) In its review of a work plan **or applicable portion of a**
 25 **work plan** under section 13b(4) or 13c(6) **for approval or denial,**
 26 the Michigan strategic fund **or the Michigan state housing**
 27 **development authority** shall consider the following criteria to the
 28 extent reasonably applicable to the type of activities proposed as
 29 part of that work plan ~~when approving or denying a~~ **or applicable**

1 **portion of that** work plan:

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

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

6 (c) Whether the cost for each individual activity is
7 reasonable.

8 (d) The overall benefit to the public.

9 (e) The extent of reuse of vacant buildings and redevelopment
10 of blighted property.

11 (f) Creation of jobs.

12 (g) Whether the eligible property is in an area of high
13 unemployment.

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

16 (i) The level of private sector contribution.

17 (j) If the developer or projected occupant of the new
18 development is moving from another location in this state, whether
19 the move will create a brownfield.

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

23 (l) Other state and local incentives available to the
24 developer, landowner, or corporate entity for the project of the
25 developer, landowner, or corporate entity that is included in the
26 work plan.

27 **(m) If housing assistance activities or housing development**
28 **activities are included in the work plan or applicable portion of**
29 **the work plan, in addition to the other criteria under this**

1 subsection, all of the following:

2 (i) Alignment with the statewide housing plan developed.

3 (ii) The capacity of the entity or agency that is monitoring
4 price and income, and the duration of the monitoring.

5 (iii) Whether the project is located in an economically
6 disadvantaged community or low-income census tract.

7 (iv) Whether the project will support housing at price points
8 that align with the local workforce.

9 (v) If the property will be deed restricted to regulate short-
10 term rentals or otherwise ensure long-term local housing needs.

11 (n) ~~(m)~~—Any other criteria that the Michigan strategic fund **or**
12 **the Michigan state housing development authority** considers
13 appropriate for the determination of eligibility or for approval of
14 the work plan **or applicable portion of the work plan**.

15 (13) If the Michigan strategic fund **or the Michigan state**
16 **housing development authority** fails to provide a written response
17 under subsection (11) within 60 days following receipt of a request
18 for approval of a work plan **or applicable portion of a work plan** or
19 within 7 days following the first meeting of the board after the
20 60-day period following receipt of the request for approval of a
21 work plan **or applicable portion of a work plan**, whichever is later,
22 or 90 days following receipt of a request for approval in the case
23 of a transformational brownfield plan or within 7 days following
24 the first meeting of the board after the 90-day period following
25 receipt of a request for approval in the case of a transformational
26 brownfield plan, whichever is later, the eligible activities ~~shall~~
27 ~~be~~**are** considered approved and the authority may proceed with the
28 eligible activities described in sections 13b(4) and 13c(6) as
29 outlined in the work plan **or applicable portion of the work plan** as

1 submitted for approval.

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

6 (15) The Michigan strategic fund shall submit a report each
7 year to each member of the legislature as provided in section
8 16(4).

9 (16) All taxes levied for school operating purposes that are
10 not used for eligible activities consistent with a combined
11 brownfield plan or a work plan approved by the department, **the**
12 **Michigan state housing development authority**, or the Michigan
13 strategic fund or for the payment of interest under sections 13 and
14 13b and that are not deposited in a local brownfield revolving fund
15 ~~shall~~**must** be distributed proportionately between the local school
16 district and the school aid fund.

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

21 (18) The party seeking work plan approval and the department
22 ~~can~~**may**, by mutual agreement, extend the time period for any
23 review described in this section. An agreement described in this
24 subsection ~~shall~~**must** be documented in writing.

25 (19) If a brownfield plan includes the capture of taxes levied
26 for school operating purposes, the chairperson of the Michigan
27 strategic fund may approve, without a meeting of the fund board,
28 combined brownfield plans and work plans that address eligible
29 activities described in section 13b(4), **other than eligible**

1 **activities subject to section 13b(4) (b)**, totaling an amount of
 2 \$1,000,000.00 or less according to subsections (10), (11), (12),
 3 (13), and (14) that include reimbursement of taxes levied for
 4 school operating purposes.

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

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

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

23 (ii) The Michigan strategic fund, if the combined brownfield
 24 plan involves the use of taxes levied for school operating purposes
 25 to pay for eligible activities subject to subsection (12) or
 26 section 13c(6), **other than eligible activities subject to section**
 27 **13b(4) (b)**, or the use of construction period tax capture revenues,
 28 withholding tax capture revenues, or income tax capture revenues.

29 (iii) **The Michigan state housing development authority if the**

1 combined brownfield plan involves the use of taxes levied for
 2 school operating purposes to pay for eligible activities that
 3 require approval by the Michigan state housing development
 4 authority under section 13b(4)(b).

5 (b) After the governing body approves a combined brownfield
 6 plan, the authority shall submit the combined brownfield plan to
 7 the department under the circumstances described in subdivision
 8 (a)(i), ~~or the~~ Michigan strategic fund under the circumstances
 9 described in subdivision (a)(ii), **or the Michigan state housing**
 10 **development authority under the circumstances described in**
 11 **subdivision (a)(iii).**

12 (c) The department shall review a combined brownfield plan
 13 according to subdivision (e). The Michigan strategic fund shall
 14 review a combined brownfield plan according to subdivision (f). **The**
 15 **Michigan state housing development authority shall review a**
 16 **combined brownfield plan according to subdivision (g).**

17 (d) ~~Upon~~ **On** receipt of a combined brownfield plan under
 18 subdivision (b), the department, **Michigan state housing development**
 19 **authority**, or Michigan strategic fund shall provide 1 of the
 20 following written responses to the requesting authority within 60
 21 days or, in the case of a transformational brownfield plan, within
 22 90 days:

23 (i) An unconditional approval that includes an enumeration of
 24 eligible activities and a maximum allowable capture amount.

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

29 (iii) A denial and a letter stating with specificity the reason

1 for the denial. If a combined brownfield plan is denied under this
 2 subdivision, the combined brownfield plan may be subsequently
 3 resubmitted.

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

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

13 **(g) The Michigan state housing development authority shall**
 14 **consider the criteria identified in subsection (12) to the extent**
 15 **reasonably applicable to the type of activities proposed as part of**
 16 **a combined brownfield plan when approving or denying the combined**
 17 **brownfield plan.**

18 **(h) ~~(g)~~—If the department, Michigan state housing development**
 19 **authority, or Michigan strategic fund issues a written response to**
 20 **a requesting authority under subdivision (d) (i) or (ii), the**
 21 **governing body or its designee may administratively approve any**
 22 **modifications to a combined brownfield plan required by the written**
 23 **response without the need to follow the notice and approval process**
 24 **required by section 14(6) unless the modifications add 1 or more**
 25 **parcels of eligible property or increase the maximum amount of tax**
 26 **increment revenues or, in the case of a transformational brownfield**
 27 **plan, construction period tax capture revenues, withholding tax**
 28 **capture revenues, and income tax capture revenues approved for the**
 29 **project.**

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

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

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

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

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

22 (a) The total amount of local taxes that are approved for
 23 capture and the total amount of taxes levied for school operating
 24 purposes that are approved for capture for each parcel included in
 25 a brownfield plan.

26 (b) The amount and purpose of expenditures of tax increment
 27 revenues.

28 (c) The amount and source of tax increment revenues received
 29 for each active brownfield plan, including the amount of tax

1 increment revenues captured in the most recent tax year and the
 2 cumulative amount of tax increment revenues captured for each
 3 brownfield plan.

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

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

8 (f) The amount of actual capital investment made for each
 9 project.

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

14 (h) The number of residential units constructed or
 15 rehabilitated for each project.

16 (i) The amount, by square foot, of new or rehabilitated
 17 residential, retail, commercial, or industrial space for each
 18 project.

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

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

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

24 (4) The department and the Michigan strategic fund shall
 25 collect the financial reports submitted under subsection (3),
 26 compile a combined report ~~, which~~ **that** includes the use of local
 27 taxes, taxes levied for school operating purposes, and the state
 28 brownfield redevelopment fund, based on the information contained
 29 in those reports and any additional information considered

1 necessary, and submit annually a report based on that information
2 to each member of the legislature.

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

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

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

15 (6) In addition to any other requirements under this act, not
16 less than once every 3 years beginning not later than June 30,
17 2008, the auditor general shall conduct and report a performance
18 postaudit on the effectiveness of the program established under
19 this act. As part of the performance postaudit, the auditor general
20 shall assess the extent to which the implementation of the program
21 by the department and the Michigan strategic fund facilitate and
22 affect the redevelopment or reuse of eligible property and identify
23 any factors that inhibit the program's effectiveness. The
24 performance postaudit ~~shall~~**must** also assess the extent to which
25 the interpretation of statutory language, the development of
26 guidance or administrative rules, and the implementation of the
27 program by the department and the Michigan strategic fund is
28 consistent with the fundamental objective of facilitating and
29 supporting timely and efficient brownfield redevelopment of

1 eligible properties.

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

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

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

21 (b) The authority, the department, and the Michigan strategic
22 fund shall follow the reporting requirements of subsections (3),
23 (4), and (5) with respect to all approved transformational
24 brownfield plans, and shall provide information on the amount and
25 use of construction period tax capture revenues, withholding tax
26 capture revenues, and income tax capture revenues to the same
27 extent required for tax increment revenues.

28 (c) The owner or developer of active projects included within
29 a transformational brownfield plan shall provide the information

1 required for the authority, the department, and the Michigan
2 strategic fund to satisfy the reporting and audit requirements of
3 this section.

4 (9) If activities of the authority include housing assistance
5 activities or housing development activities, the report under
6 subsection (3) must also include all of the following and a copy of
7 the report must be provided to the Michigan state housing
8 development authority:

9 (a) The number of housing units produced.

10 (b) The number of income qualified purchaser households
11 served.

12 (c) The number of income qualified renting households
13 assisted.