



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 4711 (Substitute S-1 as reported)
House Bill 4712 (Substitute S-1 as reported)
Sponsor: Representative Bill Huizenga (H.B. 4711)
Representative Ed Clemente (H.B. 4712)
House Committee: New Economy and Quality of Life
Senate Committee: Economic Development and Regulatory Reform

CONTENT

House Bill 4711 (S-1) would amend the Brownfield Redevelopment Financing Act to do all of the following:

- Extend for five years, to January 1, 2013, the date by which the Department of Environmental Quality (DEQ) or the Michigan Economic Growth Authority (MEGA) must approve a work plan, if a brownfield development authority will use taxes levied for school operating purposes.
- Revise the factors the DEQ must consider when reviewing a work plan.
- Allow the DEQ to deny a work plan if the property were not eligible property under the Act; if the work plan contemplated the use of taxes levied for school operating purposes for response activities that would benefit a party liable under Part 201 (Environmental Remediation) of the Natural Resources and Environmental Protection Act; or for an eligible activity conducted before approval of the brownfield plan.
- Require DEQ and MEGA annual reports to each member of the Legislature to include the amount of tax increment revenue approved in the preceding calendar year to conduct eligible activities under the Act, including taxes levied for school operating purposes, rather than the amount of revenue the State and local units would have received if taxes levied for school operating purposes had not been captured.
- Allow an applicant and the DEQ, by mutual written agreement, to extend the time period for any review under the Act.
- Delete references to a remedial action plan.

House Bill 4712 (S-1) would amend the Brownfield Redevelopment Financing Act to:

- Require the approval of a work plan by MEGA before January 1, 2013, instead of January 1, 2008, if a brownfield plan included the capture of taxes levied for school operating purposes; and require a development agreement or reimbursement agreement between the municipality or brownfield authority and an owner or developer of eligible property, if those captured taxes would be used for certain purposes.
- Increase the amount of captured tax revenue that may be used to cover an authority's administrative and operating expenses, baseline environmental assessments (BEAs), due care activities, additional response activities, and the costs of preparing and reviewing a work plan, based on the number of an authority's active projects.
- Allow an authority to use tax revenue attributable to local taxes, without regard to the Act's limitations on the use of captured tax revenue, for reasonable costs of site investigations, BEAs, and due care activities related to a person's work on eligible

- property before approval of a brownfield plan, if those costs and the property were included in a brownfield plan approved by the authority.
- Specify that, if an authority reimbursed a person or entity for an eligible activity that included interest, the authority could capture local taxes and taxes levied for school operating purposes for eligible activities approved in a work plan and the interest on the eligible activities; but require DEQ or MEGA approval for the use of taxes levied for school operating purposes to pay interest in excess of 50% of the total projected eligible activity costs.
 - Specify that the duration of a brownfield plan could not exceed 35 years following the date of the resolution approving the plan amendment related to a particular eligible property.
 - Revise notice requirements regarding a public hearing for the approval of brownfield plan.

The bills are tie-barred to each other and to Senate Bills 534 and 539, which also would amend the Brownfield Redevelopment Financing Act. Senate Bill 534 (S-1) would amend the definitions of "eligible activities", "eligible property", and "blighted". Senate Bill 539 (S-1) would require performance postaudits of the brownfield program, and expand brownfield authority reporting requirements.

MCL 125.2665 (H.B. 4711)
125.2663 (H.B. 4712)

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

Please see **FISCAL IMPACT** on Senate Bill 534 (S-1).

Date Completed: 11-19-07

Fiscal Analyst: Joe Carrasco
Jessica Runnels
David Zin

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