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BILL ANALYSIS

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Senate Bill 718 (as reported without amendment)  
Sponsor: Senator Nancy Cassis  
Committee: Finance

### **CONTENT**

The bill would amend the Brownfield Redevelopment Financing Act to allow a municipality that established a local brownfield redevelopment authority to use captured school operating taxes for environmental response activities.

Under the Act, municipalities may establish brownfield redevelopment zones and brownfield authorities. A brownfield authority may "capture" property tax revenue based on increases in the assessed value of eligible property in a zone, and use the revenue for the costs of eligible activities on eligible property. An authority may capture taxes levied for school operating purposes if the eligible activities are consistent with a work plan or remedial action plan approved by the Department of Environmental Quality.

The Act prohibits an authority from using captured school operating taxes for "response activities" that benefit a party liable for certain costs under Section 20126 of the Natural Resources and Environmental Protection Act (NREPA), for particular violations of NREPA. The bill would create an exception to that prohibition, as described above. (Under NREPA, a response activity is an evaluation, interim response activity, remedial action, demolition, or the taking of other actions necessary to protect the public health, safety, or welfare, or the environment or the natural resources. Response activity also includes health assessments or health effect studies carried out by the State.)

MCL 125.2665

Legislative Analyst: George Towne

### **FISCAL IMPACT**

The bill would minimally increase School Aid Fund expenditures and minimally increase local unit revenues, both by an unknown amount. The bill is not expected to affect a large number of municipalities or affect a significant portion of revenue related to school operating taxes.

This estimate is preliminary and will be revised as new information becomes available.

Date Completed: 10-10-03

Fiscal Analyst: David Zin