

# HOUSE BILL NO. 5101

October 21, 2025, Introduced by Rep. Aragona and referred to Committee on Economic Competitiveness.

A bill to amend 1996 PA 381, entitled "Brownfield redevelopment financing act," by amending sections 2 and 14a (MCL 125.2652 and 125.2664a), as amended by 2023 PA 90.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

- 1           Sec. 2. As used in this act:
- 2           (a) "Authority" means a brownfield redevelopment authority
- 3 created under this act.
- 4           (b) "Baseline environmental assessment" means that term as
- 5 defined in part 201 or 213.

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

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

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

8 (iii) Is a fire hazard or is otherwise dangerous to the safety  
9 of persons or property.

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

13 (v) Is previously developed or tax reverted property owned by  
14 a municipality or by this state. The sale, lease, or transfer of  
15 previously developed or tax reverted property by a municipality or  
16 this state after the property's inclusion in a brownfield plan does  
17 not result in the loss to the property of the status as blighted  
18 property for purposes of this act.

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

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

3 (d) "Board" means the board that supervises and controls an  
4 authority under section 5.

5 (e) "Brownfield plan" means a plan that meets the requirements  
6 of sections 13 and 13b and is adopted under section 14.

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

14 (g) "Chief executive officer" means the mayor of a city, the  
15 village manager of a village, the township supervisor of a  
16 township, or the county executive of a county or, if the county  
17 does not have an elected county executive, the chairperson of the  
18 county board of commissioners.

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

23 (i) "Construction period tax capture revenues" means funds  
24 equal to the amount of income tax levied and imposed in a calendar  
25 year on wages paid to individuals physically present and working  
26 within the eligible property for the construction, renovation, or  
27 other improvement of eligible property that is an eligible activity  
28 within a transformational brownfield plan. As used in this  
29 subdivision, "wages" means that term as defined in section 3401 of

1 the internal revenue code of 1986, 26 USC 3401. To calculate the  
2 amount of construction period tax capture revenues for a calendar  
3 year under a transformational brownfield plan, the state treasurer  
4 shall do all of the following:

5 (i) Require the owner or developer of the eligible property to  
6 report the total taxable wages paid to individuals for the  
7 construction, renovation, or other improvement of eligible property  
8 that is an eligible activity within the transformational brownfield  
9 plan. The wages reported under this subparagraph must exclude any  
10 wages paid to employees of the owner or developer.

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

20 (iii) The wage information and other information required under  
21 this subdivision must be provided to the department of treasury by  
22 the owner or developer in a manner prescribed by the state  
23 treasurer. The state treasurer may require the owner or developer  
24 to provide a review or reconciliation of the wages by an  
25 independent auditing firm.

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

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

1           (l) "Department specific activities" means baseline  
2 environmental assessments, due care activities, response  
3 activities, and other environmentally related actions that are  
4 eligible activities and are identified as a part of a brownfield  
5 plan that are in addition to the minimum due care activities  
6 required by part 201, including, but not limited to:

7           (i) Response activities that are more protective of the public  
8 health, safety, and welfare and the environment than required by  
9 section 20107a, 20114, or 21304c of the natural resources and  
10 environmental protection act, 1994 PA 451, MCL 324.20107a,  
11 324.20114, and 324.21304c.

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

14           (iii) Disposal of solid waste, as defined in part 115 of the  
15 natural resources and environmental protection act, 1994 PA 451,  
16 MCL 324.11501 to 324.11587, from the eligible property, if the  
17 solid waste was not generated or accumulated by the authority or  
18 the developer.

19           (iv) Dust control related to construction activities.

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

24           (vi) Industrial cleaning.

25           (vii) Sheet piling and shoring necessary for the removal of  
26 materials exceeding part 201 criteria at projects requiring a  
27 permit pursuant to part 301, 303, or 325 of the natural resources  
28 and environmental protection act, 1994 PA 451, MCL 324.30101 to  
29 324.30113, 324.30301 to 324.30328, and 324.32501 to 324.32515a.

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

3           (ix) Environmental insurance.

4           (m) "Due care activities" means those response activities  
5 identified as part of a brownfield plan that are necessary to allow  
6 the owner or operator of an eligible property in the plan to comply  
7 with the requirements of section 20107a or 21304c of the natural  
8 resources and environmental protection act, 1994 PA 451, MCL  
9 324.20107a and 324.21304c.

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

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

13           (ii) That contain or contained a manufacturing operation or an  
14 enclosed mall that consists or consisted of 300,000 or more square  
15 feet.

16           (iii) That are located in a municipality that is contiguous to a  
17 qualified local governmental unit.

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

20           (i) For all eligible properties, eligible activities include  
21 all of the following:

22               (A) Department specific activities.

23               (B) Relocation of public buildings or operations for economic  
24 development purposes.

25               (C) Reasonable costs of environmental insurance.

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

1 (E) Reasonable costs of brownfield plan and work plan  
2 implementation, including, but not limited to, tracking and  
3 reporting of data and plan compliance, including costs to  
4 implement, monitor, and maintain compliance with the income and  
5 price monitoring responsibilities associated with housing  
6 development activities, and the reasonable costs incurred to  
7 estimate and determine actual costs incurred, whether those costs  
8 are incurred by a municipality, authority, or private developer.

9 (F) Demolition of structures or site improvements that are not  
10 a response activity, including removal of manufactured debris  
11 composed of discarded, unused, or unusable manufactured by-products  
12 left on the site by a previous owner. The removal of the  
13 manufactured by-products left on the site described in this sub-  
14 subparagraph is not eligible for interest reimbursement under sub-  
15 subparagraph (H).

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

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

21 (ii) For housing property located in a community that has  
22 identified a specific housing need and has absorption data or job  
23 growth data included in the brownfield plan, eligible activities  
24 include all of the following:

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

26 (B) Housing development activities.

27 (C) Infrastructure improvements that are necessary for housing  
28 property and support housing development activities.

29 (D) Site preparation that is not a response activity and that

1 supports housing development activities.

2 (iii) For eligible properties located in a qualified local  
3 governmental unit, or an economic opportunity zone, or that are a  
4 former mill, eligible activities include all of the following:

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

6 (B) Infrastructure improvements that directly benefit eligible  
7 property.

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

9 (iv) For eligible properties that are owned by or under the  
10 control of a land bank fast track authority, or a municipality or  
11 authority, eligible activities include all of the following:

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

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

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

26 (v) 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) 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 either of the following:

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

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

26 (B) Is not in a qualified local governmental unit and is a  
27 facility, historic resource, functionally obsolete, blighted, or a  
28 site or property as those terms are defined in part 213, and  
29 includes parcels that are adjacent or contiguous to that property

1 if the development of the adjacent and contiguous parcels is  
 2 estimated to increase the captured taxable value of that property.

3 (C) Is tax reverted property owned by or under the control of  
 4 a land bank fast track authority.

5 (D) Is a transit-oriented development or transit-oriented  
 6 property.

7 (E) Is located in a qualified local governmental unit and  
 8 contains a targeted redevelopment area.

9 (F) Is undeveloped property that was eligible property in a  
 10 previously approved brownfield plan abolished under section 14(8).

11 (G) Eligible property does not include qualified agricultural  
 12 property exempt under section 7ee of the general property tax act,  
 13 1893 PA 206, MCL 211.7ee, from the tax levied by a local school  
 14 district for school operating purposes to the extent provided under  
 15 section 1211 of the revised school code, 1976 PA 451, MCL 380.1211.

16 (ii) Housing property for which eligible activities are  
 17 identified under a brownfield plan **implemented under section 13**  
 18 **only**, including personal property located on the property, to the  
 19 extent included in the brownfield plan. **Eligible property does not**  
 20 **include housing property for which eligible activities are**  
 21 **identified under a transformational brownfield plan implemented**  
 22 **under section 13c.**

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

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

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

28 (t) "Former mill" means a former mill that has not been used  
 29 for industrial purposes for the immediately preceding 2 years, that

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

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

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

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

19 (x) "Housing development activities" means 1 or more of the  
20 following:

21 (i) Reimbursement provided to owners of rental housing units  
22 for qualified rehabilitation.

23 (ii) Costs for infrastructure available for public use and  
24 safety improvements necessary for a housing project.

25 (iii) Costs of demolition and renovation of existing buildings  
26 and site preparation, to the extent necessary to accommodate an  
27 income qualified purchaser household or income qualified renting  
28 household.

29 (iv) Temporary household relocation costs for an income

1 qualified household for a period not to exceed 1 year.

2 (v) Acquisition cost for blighted or obsolete rental units, to  
3 the extent the acquisition would promote rehabilitation or adaptive  
4 reuse of the blighted or obsolete rental unit to accommodate an  
5 income qualified purchaser household or income qualified renting  
6 household.

7 (vi) Reimbursement provided to a developer to fill a financing  
8 gap associated with the development of housing units priced for  
9 income qualified households and to assist with costs related to  
10 infrastructure improvements and site preparation that are not a  
11 response activity and that are necessary for new housing  
12 development for income qualified households on eligible property.

13 (y) "Housing property" means 1 or more of the following:

14 (i) A property on which 1 or more units of residential housing  
15 are proposed to be constructed, rehabilitated, or otherwise  
16 designed to be used as a dwelling.

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

19 (z) "Income qualified household" means a person, a family, or  
20 unrelated persons living together, whose annual household income is  
21 not more than 120% of the area median income. As used in this  
22 subdivision:

23 (i) "Area median income" means the median income for the area  
24 as determined under section 8 of the United States housing act of  
25 1937, 42 USC 1437f, adjusted for family size.

26 (ii) "Household income" means all income received by all  
27 individuals who are not less than 24 years of age when the  
28 household income is determined and who reside in a household while  
29 members of the household.

1 (aa) "Income qualified purchaser household" means a purchaser  
2 who is, or who is a member of, an income qualified household.

3 (bb) "Income qualified renting household" means a renter who  
4 is, or who is a member of, an income qualified household.

5 (cc) "Income tax" means the tax levied and imposed under part  
6 1 of the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532.

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

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

26 (ii) Any other information that may be necessary to calculate  
27 the income tax capture revenues. The information required under  
28 this subdivision must be provided in a manner prescribed by the  
29 state treasurer.

1           (iii) Notwithstanding anything to the contrary in this  
2 subdivision, instead of the reporting and calculation methods  
3 otherwise provided for, the owner or developer of a  
4 transformational brownfield project site may elect to utilize a  
5 safe harbor method of calculating income tax capture revenues.  
6 Under this safe harbor method, the Michigan strategic fund shall  
7 establish a safe harbor amount of annual income tax capture  
8 revenues for each eligible property when the Michigan strategic  
9 fund approves the transformational brownfield plan, and those  
10 amounts shall serve as the basis for the transmittal of income tax  
11 capture revenues to the owner or developer of the transformational  
12 project site under section 8a(4). The Michigan strategic fund shall  
13 establish the safe harbor amount for an eligible property by  
14 imputing a standard annual taxable income for households residing  
15 within the eligible property or portion of the eligible property.  
16 The safe harbor is effective only to the extent that the  
17 residential units within the eligible property or portion of the  
18 eligible property are actively leased or, in the case of units made  
19 available for sale, sold in an arms-length transaction. Imputations  
20 as to standard household taxable income may vary based on location  
21 and other relevant factors. The Michigan strategic fund may adjust  
22 the safe harbor amount for an eligible property, or portion of the  
23 eligible property, after the time of transformational brownfield  
24 plan approval as required to reflect changes in the  
25 transformational brownfield plan for the transformational project  
26 site that may occur after approval of the transformational  
27 brownfield plan, if those changes do not result in an aggregate  
28 increase in the level of income tax capture revenues from the  
29 amount initially established. The owner or developer of the

1 transformational project site may elect to utilize the safe harbor  
2 method of accounting at any time before the first reimbursement of  
3 income tax capture revenues under the transformational brownfield  
4 plan. An election to utilize the safe harbor method of accounting,  
5 once made, cannot be rescinded.

6 (ee) "Industrial cleaning" means cleaning or removal of  
7 contaminants from within a structure necessary to achieve the  
8 intended use of the property.

9 (ff) "Infrastructure improvements" means a street, road,  
10 sidewalk, parking facility, pedestrian mall, alley, bridge, sewer,  
11 sewage treatment plant, property designed to reduce, eliminate, or  
12 prevent the spread of identified soil or groundwater contamination,  
13 drainage system, waterway, waterline, water storage facility, rail  
14 line, utility line or pipeline, transit-oriented development,  
15 transit-oriented property, or other similar or related structure or  
16 improvement, together with necessary easements for the structure or  
17 improvement, owned or used by a public agency or functionally  
18 connected to similar or supporting property owned or used by a  
19 public agency, or designed and dedicated to use by, for the benefit  
20 of, or for the protection of the health, welfare, or safety of the  
21 public generally, whether or not used by a single business entity,  
22 if any road, street, or bridge is continuously open to public  
23 access and other property is located in public easements or rights-  
24 of-way and sized to accommodate reasonably foreseeable development  
25 of eligible property in adjoining areas. Infrastructure  
26 improvements also include 1 or more of the following whether  
27 publicly or privately owned or operated or located on public or  
28 private property:

29 (i) Underground parking.

1 (ii) Multilevel parking structures.

2 (iii) Urban stormwater management systems.

3 (gg) "Initial income tax value" means, with respect to each  
4 eligible property subject to a transformational brownfield plan,  
5 the aggregate amount of income tax less credits under sections 255,  
6 265, 266, and chapter 9 of the income tax act of 1967, 1967 PA 281,  
7 MCL 206.255, 206.265, 206.266, and 206.501 to 206.532, from  
8 individuals residing within the eligible property for the ~~tax-base~~  
9 year **specified** in ~~which the resolution adding that~~ **that adds the**  
10 eligible property in the transformational brownfield plan. ~~is~~  
11 ~~adopted.~~

12 (hh) "Initial sales and use tax value" means, with respect to  
13 each eligible property subject to a transformational brownfield  
14 plan, the aggregate amount of sales tax and use tax collected from  
15 persons located within the eligible property for the ~~tax-base~~ year  
16 **specified** in ~~which the resolution adding that~~ **that adds the**  
17 eligible property in the transformational brownfield plan. ~~is~~  
18 ~~adopted.~~ For persons with multiple business locations, the  
19 applicable amount of sales tax and use tax for purposes of this act  
20 is only the sales tax and use tax collections attributable to the  
21 business location within the eligible property.

22 (ii) "Initial taxable value" means the taxable value of an  
23 eligible property identified in and subject to a brownfield plan at  
24 the time the resolution adding that eligible property in the  
25 brownfield plan is adopted, as shown either by the most recent  
26 assessment roll for which equalization has been completed at the  
27 time the resolution is adopted or, if provided by the brownfield  
28 plan, by the next assessment roll for which equalization will be  
29 completed following the date the resolution adding that eligible



1 property in the brownfield plan is adopted. Property exempt from  
2 taxation at the time the initial taxable value is determined is  
3 included with the initial taxable value of zero. Property for which  
4 a specific tax is paid in lieu of property tax is not considered  
5 exempt from taxation. The state tax commission shall prescribe the  
6 method for calculating the initial taxable value of property for  
7 which a specific tax was paid in lieu of property tax. The initial  
8 assessed value may be modified by lowering the initial assessed  
9 value once during the term of the brownfield plan through an  
10 amendment as provided in section 14 after the tax increment  
11 financing plan fails to generate captured taxes for 3 consecutive  
12 years due to declines in assessed value.

13 (jj) "Initial withholding tax value" means, with respect to  
14 each eligible property subject to a transformational brownfield  
15 plan, the amount of income tax withheld under chapter 17 of the  
16 income tax act of 1967, 1967 PA 281, MCL 206.701 to ~~206.715,~~  
17 **206.718**, from individuals employed within the eligible property for  
18 the ~~calendar~~ **base** year **specified** in ~~which~~ the resolution ~~adding the~~  
19 **that adds the** eligible property to the plan. ~~is adopted.~~ The  
20 initial withholding tax value does not include construction period  
21 tax capture revenues.

22 (kk) "Land bank fast track authority" means an authority  
23 created under the land bank fast track act, 2003 PA 258, MCL  
24 124.751 to 124.774.

25 (ll) "Local taxes" means all taxes levied other than taxes  
26 levied for school operating purposes.

27 (mm) "Michigan state housing development authority" means the  
28 Michigan state housing development authority created in section 21  
29 of the state housing development authority act of 1966, 1966 PA

1 346, MCL 125.1421.

2 (nn) "Michigan strategic fund" means the Michigan strategic  
3 fund created under the Michigan strategic fund act, 1984 PA 270,  
4 MCL 125.2001 to 125.2094.

5 (oo) "Mixed-use" means a real estate project with planned  
6 integration of some combination of retail, office, residential, or  
7 hotel uses.

8 (pp) "Municipality" means all of the following:

9 (i) A city.

10 (ii) A village.

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

13 (iv) A township in those areas of the township that are in a  
14 village on the concurrence by resolution of the village in which  
15 the zone would be located.

16 (v) A county.

17 (qq) "Owned by or under the control of" means that a land bank  
18 fast track authority, a municipality, or a qualified local  
19 governmental unit has 1 or more of the following:

20 (i) An ownership interest in the property.

21 (ii) A tax lien on the property.

22 (iii) A tax deed to the property.

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

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

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

28 (rr) "Part 111", "part 201", "part 211", or "part 213" means  
29 that part as described as follows:

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

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

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

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

9 (ss) "Previously developed property" means property that was  
10 part of an existing developed residential, commercial, or  
11 industrial zone and contained a structure serviced by utilities, or  
12 former dumps, landfills, and other areas filled with nonnative  
13 material.

14 (tt) "Qualified facility" means a landfill facility area of 15  
15 or more contiguous acres that is located in a city and that  
16 contains, contained, or is adjacent to a landfill, a material  
17 recycling facility, or an asphalt plant that is no longer in  
18 operation.

19 (uu) "Qualified local governmental unit" means that term as  
20 defined in the obsolete property rehabilitation act, 2000 PA 146,  
21 MCL 125.2781 to 125.2797.

22 (vv) "Qualified rehabilitation" means rehabilitation of  
23 existing structures that is necessary to make a housing unit  
24 suitable for sale to an income qualified purchaser household or  
25 rent to an income qualified renting household. Qualified  
26 rehabilitation also includes proposed rehabilitation that will  
27 bring the structure into conformance with minimum local building  
28 code standards for occupancy or improve the livability of the units  
29 while meeting minimum local building code standards. As used in

1 this subsection, "existing structures" includes any structure  
2 designed to be used as a dwelling.

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

8 (xx) "Release" means that term as defined in part 201 or part  
9 213.

10 (yy) "Response activity" means either of the following:

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

12 (ii) Corrective action.

13 (zz) "Sales tax" means the tax levied under the general sales  
14 tax act, 1933 PA 167, MCL 205.51 to 205.78.

15 (aaa) "Sales and use tax capture revenues" means, with respect  
16 to each eligible property subject to a transformational brownfield  
17 plan, the amount for each calendar year by which the sales tax and  
18 use tax collected from persons within the eligible property exceeds  
19 the initial sales and use tax value. For persons with multiple  
20 business locations, the applicable amount of sales tax and use tax  
21 for purposes of this act is only the sales tax and use tax  
22 collections attributable to the business location within the  
23 eligible property. To calculate sales and use tax capture revenues  
24 for a calendar year under a transformational brownfield plan, the  
25 state treasurer or the Michigan strategic fund shall do all of the  
26 following:

27 (i) The state treasurer shall develop methods and processes  
28 that are necessary for each applicable person within the eligible  
29 property to report the amount of sales and use tax from that

1 location.

2 (ii) The Michigan strategic fund shall include all of the  
3 following provisions in the development or reimbursement agreement  
4 for any transformational brownfield plan that utilizes sales and  
5 use tax capture revenues:

6 (A) That the owner or developer of the eligible property shall  
7 require each applicable person occupying the eligible property to  
8 comply with the reporting requirements under this section through a  
9 contract requirement, lease requirement, or other similar means.

10 (B) That reimbursement of sales and use tax capture revenues  
11 is limited to amounts that are reported in accordance with this  
12 section, and this state has no obligation with respect to sales and  
13 use tax capture revenues that are not reported or paid.

14 (bbb) "Specific taxes" means all of the following:

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

16 (A) 1974 PA 198, MCL 207.551 to 207.572.

17 (B) The commercial redevelopment act, 1978 PA 255, MCL 207.651  
18 to 207.668.

19 (C) The enterprise zone act, 1985 PA 224, MCL 125.2101 to  
20 125.2123.

21 (D) 1953 PA 189, MCL 211.181 to 211.182.

22 (E) The technology park development act, 1984 PA 385, MCL  
23 207.701 to 207.718.

24 (F) The obsolete property rehabilitation act, 2000 PA 146, MCL  
25 125.2781 to 125.2797.

26 (G) The neighborhood enterprise zone act, 1992 PA 147, MCL  
27 207.771 to 207.786.

28 (H) The commercial rehabilitation act, 2005 PA 210, MCL  
29 207.841 to 207.856.

1 (I) The attainable housing facilities act, 2022 PA 236, MCL  
2 207.901 to 207.916.

3 (J) The residential housing facilities act, 2022 PA 237, MCL  
4 207.951 to 207.966.

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

8 (ccc) "State brownfield redevelopment fund" means the state  
9 brownfield redevelopment fund created in section 8a.

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

20 (eee) "Tax increment revenues" means the amount of ad valorem  
21 property taxes and specific taxes attributable to the application  
22 of the levy of all taxing jurisdictions on the captured taxable  
23 value of each parcel of eligible property subject to a brownfield  
24 plan and personal property located on that property, regardless of  
25 whether those taxes began to be levied after the brownfield plan  
26 was adopted. Tax increment revenues also include the amount of any  
27 payment in lieu of taxes under section 15a(3) of the state housing  
28 development authority act of 1966, 1966 PA 346, MCL 125.1415a, paid  
29 on an eligible property subject to a brownfield plan, less the

1 amount of property taxes levied on the eligible property subject to  
2 the brownfield plan for the year the eligible property became  
3 subject to the brownfield plan. Tax increment revenues do not  
4 include any of the following:

5 (i) Ad valorem property taxes specifically levied for the  
6 payment of principal of and interest on either obligations approved  
7 by the electors or obligations pledging the unlimited taxing power  
8 of the local governmental unit, and specific taxes attributable to  
9 those ad valorem property taxes.

10 (ii) For tax increment revenues attributable to eligible  
11 property, the amount of ad valorem property taxes or specific taxes  
12 captured by a downtown development authority under part 2 of the  
13 recodified tax increment financing act, 2018 PA 57, MCL 125.4201 to  
14 125.4230, tax increment finance authority under part 3 of the  
15 recodified tax increment financing act, 2018 PA 57, MCL 125.4301 to  
16 125.4329, corridor improvement authority under part 6 of the  
17 recodified tax increment financing act, 2018 PA 57, MCL 125.4602 to  
18 125.4629, or local development finance authority under part 4 of  
19 the recodified tax increment financing act, 2018 PA 57, MCL  
20 125.4401 to 125.4420, if those taxes were captured by these other  
21 authorities on the date that eligible property became subject to a  
22 brownfield plan under this act, unless these other authorities  
23 agree to forgo or transfer their taxes in support of the brownfield  
24 plan.

25 (iii) Ad valorem property taxes levied under 1 or more of the  
26 following or specific taxes attributable to those ad valorem  
27 property taxes:

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

1 (B) The art institute authorities act, 2010 PA 296, MCL  
2 123.1201 to 123.1229.

3 (fff) "Taxable value" means the value determined under section  
4 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

5 (ggg) "Taxes levied for school operating purposes" means all  
6 of the following:

7 (i) The taxes levied by a local school district for operating  
8 purposes.

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

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

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

26 (i) In a municipality that is not a county and that has a  
27 population of not less than 600,000, \$500,000,000.00.

28 (ii) In a municipality that is not a county and that has a  
29 population of not less than 150,000 and not more than 599,999,



1 \$100,000,000.00.

2 (iii) In a municipality that is not a county and that has a  
3 population of not less than 100,000 and not more than 149,999,  
4 \$75,000,000.00.

5 (iv) In a municipality that is not a county and that has a  
6 population of not less than 50,000 and not more than 99,999,  
7 \$50,000,000.00.

8 (v) In a municipality that is not a county and that has a  
9 population of not less than 25,000 and not more than 49,999,  
10 \$25,000,000.00.

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

13 (iii) "Transit-oriented development" means infrastructure  
14 improvements that are located within 1/2 mile of a transit station  
15 or transit-oriented property that promotes transit ridership or  
16 passenger rail use as determined by the board and approved by the  
17 municipality in which it is located.

18 (jjj) "Transit-oriented property" means property that houses a  
19 transit station in a manner that promotes transit ridership or  
20 passenger rail use.

21 (kkk) "Use tax" means the tax levied under the use tax act,  
22 1937 PA 94, MCL 205.91 to 205.111, including both the local  
23 community stabilization share and the state share as those terms  
24 are defined in section 2c of the use tax act, 1937 PA 94, MCL  
25 205.92c.

26 (lll) "Withholding tax capture revenues" means, with respect to  
27 each eligible property subject to a transformational brownfield  
28 plan, the amount for each calendar year by which the income tax  
29 withheld under chapter 17 of the income tax act of 1967, 1967 PA

1 281, MCL 206.701 to ~~206.715~~, **206.718**, from individuals employed  
 2 within the eligible property exceeds the initial withholding tax  
 3 value. Withholding tax capture revenues do not include income tax  
 4 from individuals domiciled within the eligible property or  
 5 construction period tax capture revenues. To calculate withholding  
 6 tax capture revenues for a calendar year under a transformational  
 7 brownfield plan, the state treasurer or the Michigan strategic fund  
 8 shall do all of the following:

9 (i) The state treasurer shall require the owner or developer of  
 10 the eligible property to provide the department of treasury with  
 11 notice not more than 10 days from the date an employer commences or  
 12 terminates occupancy within the eligible property. As used in this  
 13 subdivision, "employer" means that term as defined in section 8 of  
 14 the income tax act of 1967, 1967 PA 281, MCL 206.8.

15 (ii) The state treasurer shall develop methods and processes  
 16 that are necessary for each employer occupying the eligible  
 17 property to report the amount of withholding under chapter 17 of  
 18 the income tax act of 1967, 1967 PA 281, MCL 206.701 to ~~206.715~~,  
 19 **206.718**, from individuals employed within the eligible property.

20 (iii) The Michigan strategic fund shall include the following  
 21 provisions in the development or reimbursement agreement for any  
 22 transformational brownfield plan that utilizes withholding tax  
 23 capture revenues:

24 (A) That the owner or developer of the eligible property shall  
 25 require each employer occupying the eligible property to comply  
 26 with the reporting requirements under this section through a  
 27 contract requirement, lease requirement, or other similar means.

28 (B) That reimbursement of withholding tax capture revenues is  
 29 limited to amounts that are reported in accordance with chapter 17

1 of the income tax act of 1967, 1967 PA 281, MCL 206.701 to ~~206.715,~~  
2 **206.718**, and this state has no obligation with respect to  
3 withholding tax capture revenues that are not reported or paid.

4 (iv) Notwithstanding anything to the contrary in this  
5 subdivision, instead of the reporting and calculation methods  
6 otherwise provided for, the owner or developer of a  
7 transformational project site may elect to utilize a safe harbor  
8 method of calculating withholding tax capture revenues. Under this  
9 safe harbor method, the Michigan strategic fund shall establish a  
10 safe harbor amount of annual withholding tax capture revenues for  
11 each eligible property when the Michigan strategic fund approves  
12 the transformational brownfield plan, and those amounts shall serve  
13 as the basis for the transmittal of withholding tax capture  
14 revenues to the owner or developer of the transformational project  
15 site under section 8a(4). The Michigan strategic fund shall  
16 establish the safe harbor amount for an eligible property by  
17 imputing a standard level of employee occupancy that corresponds to  
18 the size and use of the eligible property or portion of the  
19 eligible property and a safe harbor average annual taxable wage for  
20 the individuals employed within the eligible property or portion of  
21 the eligible property. The safe harbor is effective only to the  
22 extent the eligible property or portion of the eligible property is  
23 actively occupied, as evidenced by the existence of a binding lease  
24 agreement or similar instrument. Imputations as to occupancy and  
25 wages may vary between projects based on location, the type and use  
26 of the eligible property, and other relevant factors. The Michigan  
27 strategic fund may adjust the safe harbor amount for an eligible  
28 property, or portion of the eligible property, after the time of  
29 plan approval as required to reflect changes in the

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

11 (mmm) "Work plan" means a plan that describes each individual  
12 activity to be conducted to complete eligible activities and the  
13 associated costs of each individual activity.

14 (nnn) "Zone" means, for an authority established before June  
15 6, 2000, a brownfield redevelopment zone designated under this act.

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 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(hhh), which must include a determination  
3 that the transformational brownfield plan is calculated to, and has  
4 the reasonable likelihood to, have a transformational impact on  
5 local economic development and community revitalization based on  
6 the extent of brownfield redevelopment and growth in population,  
7 commercial activity, and employment that will result from the  
8 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,  
15 income tax capture revenues, and sales and use tax capture revenues  
16 estimated to result from adoption of the transformational  
17 brownfield plan are reasonable.

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

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

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

29 (5) In determining whether to approve a transformational

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

22 (6) The Michigan strategic fund shall require an independent,  
23 third-party underwriting analysis under subsection (3)(d) for any  
24 plan that proposes to use more than \$10,000,000.00 in any year in  
25 withholding tax capture revenues, income tax capture revenues, and  
26 sales and use tax capture revenues, as determined by the first full  
27 year of tax capture under the plan. The cost of the independent,  
28 third-party underwriting analysis must be paid by the owner or  
29 developer of the eligible property. In addition to the independent,

1 third-party underwriting analysis, the Michigan strategic fund  
2 shall require an independent, third-party analysis of the sales and  
3 use tax capture revenue estimates for any plan that includes sales  
4 and use tax capture revenues. The cost of the independent, third-  
5 party analysis must be paid by the owner or developer of the  
6 eligible property. The Michigan strategic fund shall consult with  
7 the state treasurer before approving any transformational  
8 brownfield plan subject to this subsection. This subsection does  
9 not limit the ability of the Michigan strategic fund to utilize  
10 independent, third-party analyses on plans not subject to this  
11 subsection.

12 (7) Except as otherwise provided in this subsection, the  
13 Michigan strategic fund may not approve a transformational  
14 brownfield plan that proposes to use more than 50% of the  
15 withholding tax capture revenues or 50% of the income tax capture  
16 revenues. The Michigan strategic fund may modify the amount of  
17 withholding tax capture revenues and income tax capture revenues  
18 before approving a transformational brownfield plan to bring the  
19 transformational brownfield plan into compliance with subsection  
20 (5). The Michigan strategic fund may approve a transformational  
21 brownfield plan that proposes to use more than 50% of the income  
22 tax capture revenues if 1 of the following applies:

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

25 (b) The applicable eligible properties within the  
26 transformational brownfield plan are subject to a written, binding  
27 affordable housing agreement with the local governmental unit,  
28 which agreement must be provided to the Michigan strategic fund, in  
29 which case the Michigan strategic fund may approve a

1 transformational brownfield plan that proposes to use up to 100% of  
2 the income tax capture revenues, subject to the underwriting and  
3 financial analysis required under subsection (5).

4 (8) The Michigan strategic fund shall require the owner or  
5 developer of the eligible property to certify the actual capital  
6 investment, as determined in accordance with section 2(o)(v) and  
7 (hhh), on the completion of construction and before the  
8 commencement of reimbursement from withholding tax capture  
9 revenues, income tax capture revenues, sales and use tax capture  
10 revenues, or tax increment revenues, for the plan or the distinct  
11 phase or project within the plan for which reimbursement will be  
12 provided. If the actual capital investment is less than the amount  
13 included in the plan, the Michigan strategic fund shall review the  
14 determination under subsection (5) and may modify the amount of  
15 reimbursement if, and to the extent, such a modification is  
16 necessary to maintain compliance with subsection (5). The  
17 transformational brownfield plan, work plan, and development and  
18 reimbursement agreement must include provisions to enforce the  
19 requirements and remedies under this subsection. If the actual  
20 level of capital investment does not meet the applicable minimum  
21 investment requirement under section 2(hhh) and is outside of the  
22 safe harbor under subsection (15), the Michigan strategic fund may  
23 take 1 of the following remedial actions:

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

26 (b) For a plan that consists of distinct phases or projects,  
27 if the failure to meet the minimum investment threshold is the  
28 result of failure to undertake additional distinct phases or  
29 projects as provided for in the plan, 1 or more of the following:



1 (i) Permanently rescind the authorization to use tax increment  
 2 revenues, construction period tax capture revenues, withholding tax  
 3 capture revenues, income tax capture revenues, and sales and use  
 4 tax capture revenues for the additional distinct phases or projects  
 5 in the plan.

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

9 (9) On approval by the Michigan strategic fund, the minimum  
 10 investment requirements in section 2(hhh) and limitation under  
 11 subsection (22)(a) and (b) may be waived if the transformational  
 12 brownfield plan meets 1 of the following criteria:

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

24 (b) Is for eligible property in a municipality that was  
 25 subject to a state of emergency under the emergency management act,  
 26 1976 PA 390, MCL 30.401 to 30.421, issued for drinking water  
 27 contamination.

28 (c) Is for eligible property that is a historic resource if  
 29 the Michigan strategic fund determines the redevelopment is not

1 economically feasible absent the transformational brownfield plan.

2 (d) Is for eligible property that is located in a city,  
3 village, or township with a population of less than 25,000 or that  
4 is otherwise eligible for the corresponding population tier in  
5 section 2(hhh)(vi), as determined in accordance with subsection  
6 (15), if the Michigan strategic fund determines that the  
7 redevelopment is not economically feasible absent the  
8 transformational brownfield plan.

9 (10) In determining whether a plan under subsection (9) has a  
10 transformational impact for purposes of section 2(hhh) and  
11 subsection (3)(a), the governing body and Michigan strategic fund  
12 shall consider the impact of the transformational brownfield plan  
13 in relation to existing investment and development conditions in  
14 the project area and whether the transformational brownfield plan  
15 will act as a catalyst for additional revitalization of the area in  
16 which it is located.

17 (11) The Michigan strategic fund may not approve more than 5  
18 transformational brownfield plans under subsection (9) in a  
19 calendar year, except that if the Michigan strategic fund approves  
20 fewer than 5 plans in a calendar year under subsection (9), the  
21 unused approval authority carries forward into future calendar  
22 years and remains available until December 31, 2027. The Michigan  
23 strategic fund also shall not approve more than 5 transformational  
24 brownfield plans under subsection (9) in any individual city,  
25 village, or township before December 31, 2022.

26 (12) Except as otherwise provided in this subsection,  
27 amendments to an approved transformational brownfield plan must be  
28 submitted by the authority to the governing body and to the  
29 Michigan strategic fund for approval or rejection following the

1 same notice necessary for approval or rejection of the original  
2 transformational brownfield plan. Notice is not required for  
3 revisions in the estimates of tax increment revenues, construction  
4 period tax capture revenues, withholding tax capture revenues,  
5 income tax capture revenues, or sales and use tax capture revenues.

6 (13) Except as provided in this subsection, an amendment to an  
7 approved transformational brownfield plan under section 13c(1) is  
8 not considered a new plan approval subject to the limitation in  
9 subsection (22)(a). The Michigan strategic fund may consider an  
10 amendment as a new plan approval only if the amendment adds  
11 eligible property and the Michigan strategic fund determines that  
12 approving the addition as an amendment would be inconsistent with  
13 the purposes of this act.

14 (14) The procedure, adequacy of notice, and findings under  
15 this section are presumptively valid unless contested in a court of  
16 competent jurisdiction within 60 days after approval of the  
17 transformational brownfield plan by the Michigan strategic fund. An  
18 approved amendment to a conclusive transformational brownfield plan  
19 is likewise conclusive unless contested within 60 days after  
20 approval of the amendment by the Michigan strategic fund. If a  
21 resolution adopting an amendment to the transformational brownfield  
22 plan is contested, the original resolution adopting the  
23 transformational brownfield plan is not open to contest.

24 (15) The determination as to whether a transformational  
25 brownfield plan complies with the minimum investment requirements  
26 in section 2(hhh) must be made with reference to the most recent  
27 decennial census data available at the time of approval by the  
28 authority. A plan in a municipality that exceeds a population tier  
29 under section 2(hhh) by not more than 10% of the maximum population

1 for that tier is, on election of the authority, subject to the  
2 investment requirement for that tier. A transformational brownfield  
3 plan that is expected to result in, or does result in, a total  
4 capital investment that is within 10% of the applicable minimum  
5 investment requirement is considered to satisfy the applicable  
6 requirement under section 2(hhh).

7 (16) For purposes of a transformational brownfield plan,  
8 determination as to whether property is functionally obsolete may  
9 include considerations of economic obsolescence as determined in  
10 accordance with the Michigan state tax commission's assessor's  
11 manual.

12 (17) Any positive or negative determination by the Michigan  
13 strategic fund under this section must be supported by objective  
14 analysis and documented in the record of its proceedings.

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

19 (19) The Michigan strategic fund shall not commit, and the  
20 department of treasury shall not disburse, more than ~~\$80,000,000.00~~  
21 **\$175,000,000.00** in total annual tax capture. As used in this  
22 subsection, "total annual tax capture" means the total annual  
23 amount of income tax capture revenues, withholding tax capture  
24 revenues, and sales and use tax capture revenues that may be  
25 reimbursed each calendar year under all transformational brownfield  
26 plans. In addition to the ~~\$80,000,000.00~~ **\$175,000,000.00** annual  
27 limit, both of the following provisions apply:

28 (a) With respect to the availability of uncommitted amounts,  
29 if an amount authorized to be committed for a calendar year has not

1 been committed, the uncommitted amount for that calendar year  
2 remains available to be committed and disbursed in a subsequent  
3 calendar year and is in addition to the annual limits otherwise  
4 applicable. However, not more than \$30,000,000.00 may be committed  
5 or disbursed in any calendar year above the ~~\$80,000,000.00~~  
6 **\$175,000,000.00** annual limit as a result of the operation of this  
7 subdivision, and all commitments and disbursements under this  
8 subdivision remain subject to the overall limitation in subsection  
9 (20).

10 (b) With respect to the availability of committed but  
11 undisbursed amounts, if an amount has been committed under an  
12 approved transformational brownfield plan for a calendar year but  
13 has not been disbursed, the undisbursed amount for that year is  
14 available to be disbursed in a subsequent calendar year and is in  
15 addition to the annual limit otherwise applicable.

16 (20) The Michigan strategic fund shall not commit, and the  
17 department of treasury shall not disburse, a total amount of income  
18 tax capture revenues, withholding tax capture revenues, and sales  
19 and use tax capture revenues that exceeds \$1,600,000,000.00.

20 (21) The Michigan strategic fund shall not approve more than a  
21 total of \$200,000,000.00 in construction period tax capture  
22 revenues. The Michigan strategic fund shall project the value of  
23 the sales and use tax exemptions under each transformational  
24 brownfield plan at the time of plan approval and shall require such  
25 information from the owner or developer as is necessary to perform  
26 this calculation. The Michigan strategic fund also shall require  
27 the owner or developer of the eligible property to report the  
28 actual value of the sales and use tax exemptions each tax year of  
29 the construction period and at the end of the construction period.

1           (22) The Michigan strategic fund shall comply with all of the  
2 following:

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

8           (b) Not approve more than 5 transformational brownfield plans  
9 in any individual city, village, or township before December 31,  
10 2022.

11           (c) Ensure an equitable geographic distribution of plans  
12 approved under this subsection, which must achieve a balance  
13 between the needs of municipalities of differing sizes and  
14 differing geographic areas of the state. Subject to the receipt of  
15 qualified transformational brownfield plans meeting the criteria  
16 under this section and section 13c, the Michigan strategic fund  
17 shall ensure that both of the following requirements are met:

18           (i) Not less than 33% and not more than 38% of the total  
19 transformational brownfield plans approved under this act before  
20 December 31, 2027 will be located in cities, villages, and  
21 townships with a population of less than 100,000.

22           (ii) Not less than 33% and not more than 38% of the total  
23 transformational brownfield plans approved under this act before  
24 December 31, 2027 will be located in cities, villages, and  
25 townships with a population of not less than 100,000 and not more  
26 than 225,000.

27           **(iii) Beginning with transformational brownfield plans approved**  
28 **under this act on or after December 31, 2027, the total**  
29 **transformational brownfield plans approved under this act located**

1 in cities described in subparagraph (i) or (ii) must be in an amount  
2 that is at least equal to the total transformational brownfield  
3 plans approved under this act located in cities larger in  
4 population than the cities described in subparagraph (i) and (ii).

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

8 (23) In the event of a proposed change in ownership of  
9 eligible property subject to a transformational brownfield plan for  
10 which reimbursement will continue, the approval of the Michigan  
11 strategic fund is required before the assignment or transfer of the  
12 development and reimbursement agreement.

13 (24) If the Michigan strategic fund approves a  
14 transformational brownfield plan and work plan, and subsequent to  
15 that approval, amendments are made to this act, the Michigan  
16 strategic fund may amend those plans to make conforming and  
17 consistent changes to the approved transformational brownfield plan  
18 and work plan on an administrative basis, if those changes do not  
19 result in any increase in the aggregate total amount of  
20 reimbursement authorized under the initial transformational  
21 brownfield plan. The authority of the Michigan strategic fund to  
22 administratively amend transformational brownfield plans and work  
23 plans under this subsection also applies to transformational  
24 brownfield plans and work plans entered into before December 27,  
25 2021.

26 (25) The Michigan strategic fund shall not approve any new  
27 transformational brownfield plans after December 31, 2027. A  
28 transformational brownfield plan approved before December 31, 2022  
29 remains in effect and may be amended in accordance with this act.

1           (26) On approval by the Michigan strategic fund, the mixed-use  
2 requirement in section 2(hhh) may be waived for a brownfield plan  
3 that otherwise meets the location, population, and minimum  
4 investment requirement under section 2(hhh) (vi).