HOUSE BILL NO. 5287

November 13, 2025, Introduced by Rep. Farhat and referred to Committee on Economic Competitiveness.

A bill to amend 1996 PA 381, entitled

"Brownfield redevelopment financing act,"

by amending section 8a (MCL 125.2658a), as amended by 2023 PA 90.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 8a. (1) The state brownfield redevelopment fund is created as a revolving fund ~~within~~ **in** the department of treasury to be administered as provided in this section. The state treasurer shall direct the investment of the state brownfield redevelopment fund. Money in the state brownfield redevelopment fund at the close of the fiscal year remains in the state brownfield redevelopment fund and does not lapse to the general fund.

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

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

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

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

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

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

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

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

(*ii*) The department to implement this act.

(*iii*) The department to implement part ~~196~~ **192** of the natural resources and environmental protection act, 1994 PA 451, MCL ~~324.19601~~ **324.19201** to ~~324.19616.~~**324.19223.**

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

(b) To ~~make deposits into the clean Michigan initiative bond fund under section 19606(2)(d) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19606, for use in providing~~ **provide** grants and loans under ~~section 19608(1)(a)(*iv*)~~ **part 192** of the natural resources and environmental protection act, 1994 PA 451, MCL ~~324.19608.~~**324.19201 to 324.19223.**

(c) To fund a grant and loan program created and operated by the Michigan strategic fund for the costs of eligible activities described in section 13b(4) on eligible properties. The grant and loan program must provide for all of the following:

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

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

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

(*iv*) If an application is approved under this subsection, the Michigan strategic fund shall enter into a written agreement with the applicant. The written agreement must provide all the conditions imposed on the applicant and the terms of the grant or loan. The written agreement must also provide for penalties if the applicant fails to comply with the provisions of the written agreement.

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

(*vi*) Any proceeds from repayment of a loan, including interest on those repayments, under this subsection must be paid into the state brownfield redevelopment fund **created under subsection (1)** or to the fund from which the loan was generated, as described in subdivision (b) and this subdivision.

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

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

(4) The state treasurer shall deposit annually from the general fund into the state brownfield redevelopment fund **created under subsection (1)** an amount equal to the construction period tax capture revenues, withholding tax capture revenues, income tax capture revenues, and sales and use tax capture revenues due to be transmitted under all transformational brownfield plans. The

department of treasury shall distribute the construction period tax capture revenues, withholding tax capture revenues, income tax capture revenues, and sales and use tax capture revenues to an authority, or to the owner or developer of the eligible property to which the revenues are attributable, in accordance with section 16(8) and the terms of the written development or reimbursement agreement for each transformational brownfield plan. Amounts transferred into the state brownfield redevelopment fund **created under subsection (1) that are** attributable to a specific transformational brownfield plan must be accounted for separately within the state brownfield redevelopment fund and must not be used for any other purpose or activity under this section or for any transformational brownfield plan other than the plan to which the revenues are attributable or for the additional administrative costs under this section associated with the implementation of a transformational brownfield plan.

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. ____ (request no. S03444'35) or House Bill No. 5286 (request no. H03444'25) of the 103rd Legislature is enacted into law.