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BILL ANALYSIS



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Senate Bill 923 (Substitute S-1 as reported)

Sponsor: Senator Philip E. Hoffman

Committee: Economic Development, International Trade and Regulatory Affairs

### **CONTENT**

The bill would create the "Brownfield Redevelopment Financing Act" to allow municipalities to create brownfield redevelopment zone authorities, provide for public comment on the creation of the authorities and the zones, specify funding sources for the authorities, and establish various funds for financing redevelopment activities within the zones. Each authority would be supervised and controlled by a board chosen by the governing body of the municipality, and would have various powers to accomplish the purposes of the bill, including the power to incur and spend funds to pay, or reimburse a public or private person for, costs of eligible activities attributable to an eligible property; enter into contracts; make loans and purchase and sell property; and borrow money and issue notes under the Municipal Finance Act. "Eligible activities" would mean baseline environmental assessment activities, due care activities, and additional response activities. "Eligible property" would mean a facility as defined in Part 201 (any area, place, or property where a hazardous substance in excess of the recommended concentrations had been released, deposited, or disposed of, or otherwise comes to be located) and adjacent or contiguous parcels on which a development was located that was directly related to and originating from a facility that was the central focus of a brownfield plan including, to the extent included in the brownfield plan, personal property located on the facility.

The bill would allow a municipality to establish a Local Site Remediation Revolving Fund to finance only the costs of eligible activities on eligible property located within the zone. In addition, the bill would allow the governing board of an authority to implement a brownfield plan that would summarize the proposed redevelopment and future use for each eligible property, specify the cost of the plan and the method for financing it, and include other pertinent information. An authority could issue tax increment bonds and notes to finance the purposes of a brownfield plan. An authority could not capture tax increment revenues from taxes levied before December 31, 1996.

The bill is tie-barred to Senate Bill 919.

Legislative Analyst: L. Burghardt

### **FISCAL IMPACT**

The bill would have an indeterminate fiscal impact on State and local government, depending on the amount of land in the brownfield redevelopment zones. The fiscal impact also would depend on a "brownfield's" initial value and its captured taxable value.

Date Completed: 5-21-96

Fiscal Analyst: R. Ross

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.