

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bill 6137 (Substitute S-1 as reported)
Sponsor: Representative Laura M. Toy
House Committee: Land Use and Environment
Senate Committee: Economic Development, International Trade and Regulatory Affairs

CONTENT

The bill would amend the Brownfield Redevelopment Financing Act to include assistance to a land bank among eligible activities authorized by the Act; permit the use of tax increment revenues for assistance attributable to a land bank; and revise the requirements for a brownfield plan. The bill also would allow a brownfield authority to reimburse financial advances made by a municipality, a land bank, or any other person or entity, for costs of eligible activities, with any source of revenue available for the brownfield authority's use, and allow an authority to enter into agreements related to those reimbursements.

Under the bill, for property owned or under the control of a land bank, or property over which a land bank could exercise its authority, tax increment revenues related to a brownfield plan could be used for any of the following: 1) eligible activities attributable to any such property; 2) the cost of principal of and interest on any obligation issued by the brownfield authority to pay the costs of eligible activities; 3) the reasonable cost of preparing a work plan or remedial action plan; and 4) the actual cost of the review of the work plan or remedial action plan. Eligible activities would include assistance to a land bank in clearing or quieting title to, or disposing of, land bank property and related activities of the land bank.

The Act requires that each brownfield plan or an amendment to a plan include a description of the costs of the plan intended to be paid for with tax increment revenues. Under the bill, for a plan for eligible properties owned or held by a land bank or over which a land bank could exercise its authority, the plan would have to include a list of all eligible activities that could be conducted for one or more of the eligible properties. The Act also requires that a plan or amendment include an estimate of the captured taxable value and tax increment revenue for each year of the plan from each parcel of eligible property. The bill would include in that requirement an estimate of the captured taxable value and tax increment revenue from all eligible properties owned or held by a land bank or over which the land bank could exercise its authority.

The bill is tie-barred to House Bills 4851-4853, 5450, and 5451.

MCL 125.2652 & 125.2663

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

Please see **FISCAL IMPACT** for House Bill 4851.

Date Completed: 6-24-02

Fiscal Analyst: David Zin