

Legislative Analysis



BROWNFIELDS: ASSISTANCE TO LOCAL UNITS IN CLEARING & QUIETING TITLE, ETC.

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House Bill 5566

Sponsor: Rep. Robert Jones

Committee: Commerce

Complete to 12-7-09

A SUMMARY OF HOUSE BILL 5566 AS INTRODUCED 11-3-09

The bill would amend the Brownfield Redevelopment Financing Act to amend the definition of "eligible activities" to include the providing of assistance to a qualified local governmental unit or authority in clearing or quieting title to, selling or otherwise conveying, property under its control or the acquisition of property by the unit or authority if the acquisition is for economic development purposes.

This kind of assistance is already authorized in the act for land bank fast track authorities.

The state's Brownfield Redevelopment Program provides funding and tax incentives for the cleanup and redevelopment of contaminated, blighted, and functionally obsolete properties with the aim of making them economically viable. As part of the program, the Brownfield Redevelopment Financing Act allows brownfield authorities created by local units of government to use tax increment financing to pay for certain "eligible activities" on eligible property. Those activities already include the providing of assistance to a land bank fast track authority in clearing or quieting title to, selling or otherwise conveying, property under its control or the acquisition of property by authority if the acquisition is for economic development purposes.

House Bill 5457 would allow a brownfield authority to use captured revenue to provide the same assistance to a qualified local governmental unit or authority. The term qualified local governmental unit refers to what is commonly called a "core community." The definition is in a different act, the Obsolete Property Rehabilitation Act. The list of such communities can be found at the website of the Michigan Economic Development Corporation at:

<http://ref.themedc.org/cm/attach/b0bc12b6-18b0-4e74-823f-50b40d116e36/BrownfieldSBT.pdf>

Another section of the act is amended by the bill to include the same language about assistance for a local unit in a provision that requires state-approved work plans and development agreements to be in place in order for school operating taxes to be captured for use in carrying out certain activities.

MCL 125.2652 and 2663

FISCAL IMPACT:

The does not appear to have a significant state or local fiscal impact.

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