



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 6303 (Substitute S-1 as reported)
Sponsor: Representative Jerry O. Kooiman
House Committee: Commerce
Senate Committee: Commerce and Labor

CONTENT

The bill would amend the Brownfield Redevelopment Financing Act to require a brownfield plan or plan amendment to specify the beginning date of the capture of tax increment revenue, which would have to be within five years after a plan amendment was approved.

The Act allows municipalities to establish brownfield redevelopment zones and brownfield redevelopment zone authorities, which may implement brownfield plans for the redevelopment of commercial or industrial property. The Act specifies financing sources for authority activities, including the capture of tax increment revenue (that is, revenue from the incremental increase in property values within a zone). The revenue may be used to pay the costs of eligible activities on eligible property within a zone.

A brownfield plan or an amendment to a plan must contain certain information, including the duration of the plan. Under the bill, a brownfield plan or plan amendment would have to specify the duration of the plan for eligible activities on eligible property, including the beginning date of the capture of tax increment revenue. The beginning date could not be later than five years following the date of the resolution approving the plan amendment related to particular eligible property.

As currently provided, the duration could not exceed the lesser of 30 years or the period otherwise authorized in the Act (which relates to the time required to capture sufficient revenue to cover costs that may be funded with tax increment revenue).

MCL 125.2663

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 12-4-06

Fiscal Analyst: David Zin