



Senate Fiscal Agency  
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## BILL ANALYSIS



Telephone: (517) 373-5383  
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House Bill 5059 (Substitute H-1 as reported without amendment)

Sponsor: Representative Bradley Slagh

House Committee: Tax Policy

Ways and Means

Senate Committee: Economic and Small Business Development

**CONTENT**

The bill would amend the Brownfield Redevelopment Financing Act to do the following:

- Beginning January 1, 2021, and each year thereafter, require the State to reimburse from the School Aid Fund (SAF) each intermediate school district (ISD) for any tax increment revenue captured by a brownfield redevelopment authority under the Act for property taxes levied for certain operating purposes, including career and technical education and special education.
- Require the amounts reimbursed by the bill to be used by the ISD only for purposes for which the property taxes were originally levied.
- Require the Michigan Strategic Fund (MSF) and the Michigan Economic Development Corporation to work with the Department of Treasury in identifying the amount of tax revenues captured by an authority that were to be reimbursed as proposed by the bill.

Proposed MCL 125.2665b

Legislative Analyst: Tyler VanHuyse

**FISCAL IMPACT**

The bill would have no fiscal impact on State revenue but would require a portion of the SAF to be dedicated to reimbursing ISDs for lost operating revenue because of brownfield redevelopment zones. The estimate of the required payment to ISDs is roughly \$6.0 million annually, which would come out of existing SAF revenue. This would mean that it would reduce the amount of SAF available for other purposes, like the foundation allowance or categorical spending.

The bill would increase revenue to ISDs that experienced losses because of captured brownfield redevelopment zone revenue, and would reduce, by the same amount, revenue available for spending to all other entities that receive SAF.

Date Completed: 12-3-20

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