

SENATE BILL NO. 562

June 23, 2021, Introduced by Senator VICTORY and referred to the Committee on Economic and Small Business Development.

A bill to amend 1996 PA 381, entitled "Brownfield redevelopment financing act," by amending section 2 (MCL 125.2652), as amended by 2020 PA 259.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. As used in this act:

2 (a) "Authority" means a brownfield redevelopment authority
3 created under this act.

4 (b) "Baseline environmental assessment" means that term as
5 defined in part 201 or 213.

1 (c) "Blighted" means property that meets any of the following
2 criteria as determined by the governing body:

3 (i) Has been declared a public nuisance in accordance with a
4 local housing, building, plumbing, fire, or other related code or
5 ordinance.

6 (ii) Is an attractive nuisance to children because of physical
7 condition, use, or occupancy.

8 (iii) Is a fire hazard or is otherwise dangerous to the safety
9 of persons or property.

10 (iv) Has had the utilities, plumbing, heating, or sewerage
11 permanently disconnected, destroyed, removed, or rendered
12 ineffective so that the property is unfit for its intended use.

13 (v) Is tax reverted property owned by a qualified local
14 governmental unit, by a county, or by this state. The sale, lease,
15 or transfer of tax reverted property by a qualified local
16 governmental unit, county, or this state after the property's
17 inclusion in a brownfield plan shall not result in the loss to the
18 property of the status as blighted property for purposes of this
19 act.

20 (vi) Is property owned by or under the control of a land bank
21 fast track authority, whether or not located within a qualified
22 local governmental unit. Property included within a brownfield plan
23 prior to the date it meets the requirements of this subdivision to
24 be eligible property shall be considered to become eligible
25 property as of the date the property is determined to have been or
26 becomes qualified as, or is combined with, other eligible property.
27 The sale, lease, or transfer of the property by a land bank fast
28 track authority after the property's inclusion in a brownfield plan
29 shall not result in the loss to the property of the status as

1 blighted property for purposes of this act.

2 (vii) Has substantial buried subsurface demolition debris
3 present so that the property is unfit for its intended use.

4 (d) "Board" means the governing body of an authority.

5 (e) "Brownfield plan" means a plan that meets the requirements
6 of section 13 and section 13b and is adopted under section 14.

7 (f) "Captured taxable value" means the amount in 1 year by
8 which the current taxable value of an eligible property subject to
9 a brownfield plan, including the taxable value or assessed value,
10 as appropriate, of the property for which specific taxes are paid
11 in lieu of property taxes, exceeds the initial taxable value of
12 that eligible property. The state tax commission shall prescribe
13 the method for calculating captured taxable value.

14 (g) "Chief executive officer" means the mayor of a city, the
15 village manager of a village, the township supervisor of a
16 township, or the county executive of a county or, if the county
17 does not have an elected county executive, the chairperson of the
18 county board of commissioners.

19 (h) "Combined brownfield plan" means a brownfield plan that
20 also includes the information necessary to submit the plan to the
21 department or Michigan strategic fund under section 15(20).

22 (i) "Construction period tax capture revenues" means funds
23 equal to the amount of income tax levied and imposed in a calendar
24 year upon wages paid to individuals physically present and working
25 within the eligible property for the construction, renovation, or
26 other improvement of eligible property that is an eligible activity
27 within a transformational brownfield plan. As used in this
28 subdivision, "wages" means that term as defined in section 3401 of
29 the internal revenue code of 1986, 26 USC 3401. To calculate the

1 amount of construction period tax capture revenues for a calendar
2 year under a transformational brownfield plan, the state treasurer
3 shall do all of the following:

4 (i) Require the owner or developer of the eligible property to
5 report the total taxable wages paid to individuals for the
6 construction, renovation, or other improvement of eligible property
7 that is an eligible activity within the transformational brownfield
8 plan. The wages reported under this subparagraph shall exclude any
9 wages paid to employees of the owner or developer.

10 (ii) Multiply the amount under subparagraph (i) by the effective
11 rate as determined by the state treasurer at which the income tax
12 is levied on an individual in this state. The state treasurer shall
13 estimate the effective rate by taking into account the effect of
14 any exemptions, additions, subtractions, and credits allowable
15 under part 1 of the income tax act of 1967, 1967 PA 281, MCL 206.1
16 to 206.532. The state treasurer may require the owner or developer
17 to submit any information necessary for the calculation under this
18 subparagraph.

19 (iii) The wage information and other information required under
20 this subdivision shall be provided to the department of treasury by
21 the owner or developer in a manner prescribed by the state
22 treasurer. The state treasurer may require the owner or developer
23 to provide a review or reconciliation of the wages by an
24 independent auditing firm.

25 (j) "Corrective action" means that term as defined in part 111
26 or part 213.

27 (k) "Department" means the department of environment, Great
28 Lakes, and energy.

29 (l) "Department specific activities" means baseline

1 environmental assessments, due care activities, response
2 activities, and other environmentally related actions that are
3 eligible activities and are identified as a part of a brownfield
4 plan that are in addition to the minimum due care activities
5 required by part 201, including, but not limited to:

6 (i) Response activities that are more protective of the public
7 health, safety, and welfare and the environment than required by
8 section 20107a, 20114, or 21304c of the natural resources and
9 environmental protection act, 1994 PA 451, MCL 324.20107a,
10 324.20114, and 324.21304c.

11 (ii) Removal and closure of underground storage tanks pursuant
12 to part 211 or 213.

13 (iii) Disposal of solid waste, as defined in part 115 of the
14 natural resources and environmental protection act, 1994 PA 451,
15 MCL 324.11501 to 324.11554, from the eligible property, provided it
16 was not generated or accumulated by the authority or the developer.

17 (iv) Dust control related to construction activities.

18 (v) Removal and disposal of lake or river sediments exceeding
19 part 201 criteria from, at, or related to an economic development
20 project where the upland property is either a facility or would
21 become a facility as a result of the deposition of dredged spoils.

22 (vi) Industrial cleaning.

23 (vii) Sheeting and shoring necessary for the removal of
24 materials exceeding part 201 criteria at projects requiring a
25 permit pursuant to part 301, 303, or 325 of the natural resources
26 and environmental protection act, 1994 PA 451, MCL 324.30101 to
27 324.30113, MCL 324.30301 to 324.30328, or MCL 324.32501 to
28 324.32515a.

29 (viii) Lead, mold, or asbestos abatement when lead, mold, or

1 asbestos pose an imminent and significant threat to human health.

2 (ix) Environmental insurance.

3 (m) "Due care activities" means those response activities
4 identified as part of a brownfield plan that are necessary to allow
5 the owner or operator of an eligible property in the plan to comply
6 with the requirements of section 20107a or 21304c of the natural
7 resources and environmental protection act, 1994 PA 451, MCL
8 324.20107a and 324.21304c.

9 (n) "Economic opportunity zone" means 1 or more parcels of
10 property that meet all of the following:

11 (i) That together are 40 or more acres in size.

12 (ii) That contain or contained a manufacturing operation that
13 consists or consisted of 500,000 or more square feet.

14 (iii) That are located in a municipality that has a population
15 of 30,000 or less and that is contiguous to a qualified local
16 governmental unit.

17 (o) "Eligible activities" or "eligible activity" means 1 or
18 more of the following:

19 (i) For all eligible properties, eligible activities include
20 all of the following:

21 (A) Department specific activities.

22 (B) Relocation of public buildings or operations for economic
23 development purposes.

24 (C) Reasonable costs of environmental insurance.

25 (D) Reasonable costs incurred to develop and prepare
26 brownfield plans, combined brownfield plans, or work plans for the
27 eligible property, including legal and consulting fees that are not
28 in the ordinary course of acquiring and developing real estate.

29 (E) Reasonable costs of brownfield plan and work plan

1 implementation, including, but not limited to, tracking and
2 reporting of data and plan compliance and the reasonable costs
3 incurred to estimate and determine actual costs incurred, whether
4 those costs are incurred by a municipality, authority, or private
5 developer.

6 (F) Demolition of structures that is not a response activity,
7 including removal of manufactured debris composed of discarded,
8 unused, or unusable manufactured by-products left on the site by a
9 previous owner. The removal of the manufactured by-products left on
10 the site described in this sub-subparagraph is not eligible for
11 interest reimbursement under sub-subparagraph (H).

12 (G) Lead, asbestos, or mold abatement.

13 (H) Except as otherwise provided in sub-subparagraph (F), the
14 repayment of principal of and interest on any obligation issued by
15 an authority to pay the costs of eligible activities attributable
16 to an eligible property.

17 (ii) For eligible properties located in a qualified local unit
18 of government, or an economic opportunity zone, or that is a former
19 mill, eligible activities include:

20 (A) The activities described in subparagraph (i).

21 (B) Infrastructure improvements that directly benefit eligible
22 property.

23 (C) Site preparation that is not a response activity.

24 (iii) For eligible properties that are owned by or under the
25 control of a land bank fast track authority, or a qualified local
26 unit of government or authority, eligible activities include:

27 (A) The eligible activities described in subparagraphs (i) and
28 (ii).

29 (B) Assistance to a land bank fast track authority in clearing

1 or quieting title to, or selling or otherwise conveying, property
 2 owned by or under the control of a land bank fast track authority
 3 or the acquisition of property by the land bank fast track
 4 authority if the acquisition of the property is for economic
 5 development purposes.

6 (C) Assistance to a qualified local governmental unit or
 7 authority in clearing or quieting title to, or selling or otherwise
 8 conveying, property owned by or under the control of a qualified
 9 local governmental unit or authority or the acquisition of property
 10 by a qualified local governmental unit or authority if the
 11 acquisition of the property is for economic development purposes.

12 (iv) For eligible activities on eligible property that is
 13 included in a transformational brownfield plan, any demolition,
 14 construction, restoration, alteration, renovation, or improvement
 15 of buildings or site improvements on eligible property, including
 16 infrastructure improvements that directly benefit eligible
 17 property.

18 (v) **For eligible activities on eligible property that is a**
 19 **qualified facility that is not located in a qualified local**
 20 **governmental unit and that is a facility, functionally obsolete, or**
 21 **blighted, the following additional activities:**

22 (A) **The activities described in subparagraph (i).**

23 (B) **Infrastructure improvements that directly benefit eligible**
 24 **property.**

25 (C) **Site preparation that is not a response activity.**

26 (p) "Eligible property" means, except as otherwise provided in
 27 this subdivision, property for which eligible activities are
 28 identified under a brownfield plan that was used or is currently
 29 used for commercial, industrial, public, or residential purposes,

1 including personal property located on the property, to the extent
2 included in the brownfield plan, and that is 1 or more of the
3 following:

4 (i) Is in a qualified local governmental unit and is a facility
5 or a site or property as those terms are defined in part 213,
6 historic resource, functionally obsolete, or blighted and includes
7 parcels that are adjacent or contiguous to that property if the
8 development of the adjacent and contiguous parcels is estimated to
9 increase the captured taxable value of that property.

10 (ii) Is not in a qualified local governmental unit and is a
11 facility, historic resource, functionally obsolete, blighted, or a
12 site or property as those terms are defined in part 213, and
13 includes parcels that are adjacent or contiguous to that property
14 if the development of the adjacent and contiguous parcels is
15 estimated to increase the captured taxable value of that property.

16 (iii) Is tax reverted property owned by or under the control of
17 a land bank fast track authority.

18 (iv) Is a transit-oriented development or transit-oriented
19 property.

20 (v) Is located in a qualified local governmental unit and
21 contains a targeted redevelopment area.

22 (vi) Is undeveloped property that was eligible property in a
23 previously approved brownfield plan abolished under section 14(8).

24 (vii) Eligible property does not include qualified agricultural
25 property exempt under section 7ee of the general property tax act,
26 1893 PA 206, MCL 211.7ee, from the tax levied by a local school
27 district for school operating purposes to the extent provided under
28 section 1211 of the revised school code, 1976 PA 451, MCL 380.1211.

29 (q) "Environmental insurance" means liability insurance for

1 environmental contamination and cleanup that is not otherwise
2 required by state or federal law.

3 (r) "Facility" means that term as defined in part 201.

4 (s) "Fiscal year" means the fiscal year of the authority.

5 (t) "Former mill" means a former mill that has not been used
6 for industrial purposes for the immediately preceding 2 years, that
7 is not located in a qualified local governmental unit, that is a
8 facility or is a site or a property as those terms are defined in
9 part 213, functionally obsolete, or blighted, and that is located
10 within 15 miles of a river that is a federal superfund site listed
11 under the comprehensive environmental response, compensation, and
12 liability act of 1980, 42 USC 9601 to 9675, and that is located in
13 a municipality with a population of less than 10,000.

14 (u) "Functionally obsolete" means that the property is unable
15 to be used to adequately perform the function for which it was
16 intended due to a substantial loss in value resulting from factors
17 such as overcapacity, changes in technology, deficiencies or
18 superadequacies in design, or other similar factors that affect the
19 property itself or the property's relationship with other
20 surrounding property.

21 (v) "Governing body" means the elected body having legislative
22 powers of a municipality creating an authority under this act.

23 (w) "Historic resource" means that term as defined in section
24 90a of the Michigan strategic fund act, 1984 PA 270, MCL 125.2090a.

25 (x) "Income tax" means the tax levied and imposed under part 1
26 of the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532.

27 (y) "Income tax capture revenues" means funds equal to the
28 amount for each tax year by which the aggregate income tax from
29 individuals domiciled within the eligible property subject to a

1 transformational brownfield plan exceeds the initial income tax
2 value. The state treasurer shall calculate annually the income tax
3 capture revenues associated with each transformational brownfield
4 plan. In calculating income tax capture revenues, the state
5 treasurer shall subtract from the aggregate amount of income tax
6 credits under sections 255, 265, 266, and chapter 9 of the income
7 tax act of 1967, 1967 PA 281, MCL 206.255, 206.265, 206.266, and
8 206.501 to 206.532. The state treasurer shall require the owner or
9 developer of the eligible property to provide to the department of
10 treasury all of the following information at the end of each
11 calendar year, including the year in which the resolution adding
12 that eligible property in the transformational brownfield plan is
13 adopted:

14 (i) A list of individuals domiciled within the eligible
15 property.

16 (ii) The addresses of those individuals identified in
17 subparagraph (i).

18 (iii) Any other information that may be necessary to calculate
19 the income tax capture revenues. The information required under
20 this subdivision shall be provided in a manner prescribed by the
21 state treasurer.

22 (z) "Industrial cleaning" means cleaning or removal of
23 contaminants from within a structure necessary to achieve the
24 intended use of the property.

25 (aa) "Infrastructure improvements" means a street, road,
26 sidewalk, parking facility, pedestrian mall, alley, bridge, sewer,
27 sewage treatment plant, property designed to reduce, eliminate, or
28 prevent the spread of identified soil or groundwater contamination,
29 drainage system, waterway, waterline, water storage facility, rail

1 line, utility line or pipeline, transit-oriented development,
2 transit-oriented property, or other similar or related structure or
3 improvement, together with necessary easements for the structure or
4 improvement, owned or used by a public agency or functionally
5 connected to similar or supporting property owned or used by a
6 public agency, or designed and dedicated to use by, for the benefit
7 of, or for the protection of the health, welfare, or safety of the
8 public generally, whether or not used by a single business entity,
9 provided that any road, street, or bridge shall be continuously
10 open to public access and that other property shall be located in
11 public easements or rights-of-way and sized to accommodate
12 reasonably foreseeable development of eligible property in
13 adjoining areas. Infrastructure improvements also include 1 or more
14 of the following whether publicly or privately owned or operated or
15 located on public or private property:

16 (i) Underground parking.

17 (ii) Multilevel parking structures.

18 (iii) Urban stormwater management systems.

19 (bb) "Initial income tax value" means the aggregate amount of
20 income tax less credits under sections 255, 265, 266, and chapter 9
21 of the income tax act of 1967, 1967 PA 281, MCL 206.255, 206.265,
22 206.266, and 206.501 to 206.532, from individuals domiciled within
23 the eligible property subject to a transformational brownfield plan
24 for the tax year in which the resolution adding that eligible
25 property in the transformational brownfield plan is adopted.

26 (cc) "Initial taxable value" means the taxable value of an
27 eligible property identified in and subject to a brownfield plan at
28 the time the resolution adding that eligible property in the
29 brownfield plan is adopted, as shown either by the most recent

1 assessment roll for which equalization has been completed at the
2 time the resolution is adopted or, if provided by the brownfield
3 plan, by the next assessment roll for which equalization will be
4 completed following the date the resolution adding that eligible
5 property in the brownfield plan is adopted. Property exempt from
6 taxation at the time the initial taxable value is determined shall
7 be included with the initial taxable value of zero. Property for
8 which a specific tax is paid in lieu of property tax shall not be
9 considered exempt from taxation. The state tax commission shall
10 prescribe the method for calculating the initial taxable value of
11 property for which a specific tax was paid in lieu of property tax.
12 The initial assessed value may be modified by lowering the initial
13 assessed value once during the term of the brownfield plan through
14 an amendment as provided in section 14 after the tax increment
15 financing plan fails to generate captured taxes for 3 consecutive
16 years due to declines in assessed value.

17 (dd) "Initial withholding tax value" means the amount of
18 income tax withheld under part 3 of the income tax act of 1967,
19 1967 PA 281, MCL 206.701 to 206.713, from individuals employed
20 within the eligible property subject to a transformational
21 brownfield plan for the calendar year in which the resolution
22 adding the eligible property to the plan is adopted. For purposes
23 of this act, an individual is employed within the eligible property
24 if the eligible property is the individual's principal place of
25 employment. The initial withholding tax value shall not include
26 construction period tax capture revenues.

27 (ee) "Land bank fast track authority" means an authority
28 created under the land bank fast track act, 2003 PA 258, MCL
29 124.751 to 124.774.

1 (ff) "Local taxes" means all taxes levied other than taxes
2 levied for school operating purposes.

3 (gg) "Michigan strategic fund" means the Michigan strategic
4 fund created under the Michigan strategic fund act, 1984 PA 270,
5 MCL 125.2001 to 125.2094.

6 (hh) "Mixed-use" means a real estate project with planned
7 integration of some combination of retail, office, residential, or
8 hotel uses.

9 (ii) "Municipality" means all of the following:

10 (i) A city.

11 (ii) A village.

12 (iii) A township in those areas of the township that are outside
13 of a village.

14 (iv) A township in those areas of the township that are in a
15 village upon the concurrence by resolution of the village in which
16 the zone would be located.

17 (v) A county.

18 (jj) "Owned by or under the control of" means that a land bank
19 fast track authority or a qualified local unit of government has 1
20 or more of the following:

21 (i) An ownership interest in the property.

22 (ii) A tax lien on the property.

23 (iii) A tax deed to the property.

24 (iv) A contract with this state or a political subdivision of
25 this state to enforce a lien on the property.

26 (v) A right to collect delinquent taxes, penalties, or
27 interest on the property.

28 (vi) The ability to exercise its authority over the property.

29 (kk) "Part 111", "part 201", "part 211", or "part 213" means

1 that part as described as follows:

2 (i) Part 111 of the natural resources and environmental
3 protection act, 1994 PA 451, MCL 324.11101 to 324.11153.

4 (ii) Part 201 of the natural resources and environmental
5 protection act, 1994 PA 451, MCL 324.20101 to 324.20142.

6 (iii) Part 211 of the natural resources and environmental
7 protection act, 1994 PA 451, MCL 324.21101 to 324.21113.

8 (iv) Part 213 of the natural resources and environmental
9 protection act, 1994 PA 451, MCL 324.21301a to 324.21334.

10 **(ll) "Qualified facility" means a landfill facility area of 15**
11 **or more contiguous acres that is located in a city and that**
12 **contains, contained, or is adjacent to a landfill, a material**
13 **recycling facility, or an asphalt plant that is no longer in**
14 **operation.**

15 **(mm) ~~(ll)~~**"Qualified local governmental unit" means that term
16 as defined in the obsolete property rehabilitation act, 2000 PA
17 146, MCL 125.2781 to 125.2797.

18 **(nn) ~~(mm)~~**"Qualified taxpayer" means that term as defined in
19 sections 38d and 38g of former 1975 PA 228, or section 437 of the
20 Michigan business tax act, 2007 PA 36, MCL 208.1437, or a recipient
21 of a community revitalization incentive as described in section 90a
22 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2090a.

23 **(oo) ~~(nn)~~**"Release" means that term as defined in part 201 or
24 part 213.

25 **(pp) ~~(oo)~~**"Response activity" means either of the following:

26 (i) Response activity as that term is defined in part 201.

27 (ii) Corrective action.

28 **(qq) ~~(pp)~~**"Specific taxes" means a tax levied under 1974 PA
29 198, MCL 207.551 to 207.572; the commercial redevelopment act, 1978

1 PA 255, MCL 207.651 to 207.668; the enterprise zone act, 1985 PA
 2 224, MCL 125.2101 to 125.2123; 1953 PA 189, MCL 211.181 to 211.182;
 3 the technology park development act, 1984 PA 385, MCL 207.701 to
 4 207.718; the obsolete property rehabilitation act, 2000 PA 146, MCL
 5 125.2781 to 125.2797; the neighborhood enterprise zone act, 1992 PA
 6 147, MCL 207.771 to 207.786; the commercial rehabilitation act,
 7 2005 PA 210, MCL 207.841 to 207.856; or that portion of the tax
 8 levied under the tax reverted clean title act, 2003 PA 260, MCL
 9 211.1021 to 211.1025a, that is not required to be distributed to a
 10 land bank fast track authority.

11 **(rr)** ~~(qq)~~ "State brownfield redevelopment fund" means the
 12 state brownfield redevelopment fund created in section 8a.

13 **(ss)** ~~(rr)~~ "Targeted redevelopment area" means not fewer than
 14 40 and not more than 500 contiguous parcels of real property
 15 located in a qualified local governmental unit and designated as a
 16 targeted redevelopment area by resolution of the governing body and
 17 approved by the Michigan strategic fund. A qualified local
 18 governmental unit is limited to designating no more than 2 targeted
 19 redevelopment areas for the purposes of this section in a calendar
 20 year. The Michigan strategic fund may approve no more than 5
 21 targeted redevelopment areas for the purposes of this section in a
 22 calendar year.

23 **(tt)** ~~(ss)~~ "Tax increment revenues" means the amount of ad
 24 valorem property taxes and specific taxes attributable to the
 25 application of the levy of all taxing jurisdictions upon the
 26 captured taxable value of each parcel of eligible property subject
 27 to a brownfield plan and personal property located on that
 28 property, regardless of whether those taxes began to be levied
 29 after the brownfield plan was adopted. Tax increment revenues do

1 not include any of the following:

2 (i) Ad valorem property taxes specifically levied for the
3 payment of principal of and interest on either obligations approved
4 by the electors or obligations pledging the unlimited taxing power
5 of the local governmental unit, and specific taxes attributable to
6 those ad valorem property taxes.

7 (ii) For tax increment revenues attributable to eligible
8 property also exclude the amount of ad valorem property taxes or
9 specific taxes captured by a downtown development authority under
10 part 2 of the recodified tax increment financing act, 2018 PA 57,
11 MCL 125.4201 to 125.4230, tax increment finance authority under the
12 tax increment finance authority act, part 3 of the recodified tax
13 increment financing act, 2018 PA 57, MCL 125.4301 to 125.4329,
14 corridor improvement authority under part 6 of the recodified tax
15 increment financing act, 2018 PA 57, MCL 125.4602 to 125.4629, or
16 local development finance authority under part 4 of the recodified
17 tax increment financing act, 2018 PA 57, MCL 125.4401 to 125.4420,
18 if those taxes were captured by these other authorities on the date
19 that eligible property became subject to a brownfield plan under
20 this act.

21 (iii) Ad valorem property taxes levied under 1 or more of the
22 following or specific taxes attributable to those ad valorem
23 property taxes:

24 (A) The zoological authorities act, 2008 PA 49, MCL 123.1161
25 to 123.1183.

26 (B) The art institute authorities act, 2010 PA 296, MCL
27 123.1201 to 123.1229.

28 (uu) ~~(tt)~~ "Taxable value" means the value determined under
29 section 27a of the general property tax act, 1893 PA 206, MCL

1 211.27a.

2 **(vv)** ~~(uu)~~ "Taxes levied for school operating purposes" means
3 all of the following:

4 (i) The taxes levied by a local school district for operating
5 purposes.

6 (ii) The taxes levied under the state education tax act, 1993
7 PA 331, MCL 211.901 to 211.906.

8 (iii) That portion of specific taxes attributable to taxes
9 described under subparagraphs (i) and (ii).

10 **(ww)** ~~(vv)~~ "Transformational brownfield plan" means a
11 brownfield plan that meets the requirements of section 13c and is
12 adopted under section 14a and, as designated by resolution of the
13 governing body and approved by the Michigan strategic fund, will
14 have a transformational impact on local economic development and
15 community revitalization based on the extent of brownfield
16 redevelopment and growth in population, commercial activity, and
17 employment that will result from the plan. To be designated a
18 transformational brownfield plan, a transformational brownfield
19 plan under this subdivision shall be for mixed-use development and
20 shall be expected to result in the following levels of capital
21 investment:

22 (i) In a municipality that is not a county and that has a
23 population of at least 600,000, \$500,000,000.00.

24 (ii) In a municipality that is not a county and that has a
25 population of at least 150,000 and not more than 599,999,
26 \$100,000,000.00.

27 (iii) In a municipality that is not a county and that has a
28 population of at least 100,000 and not more than 149,999,
29 \$75,000,000.00.

1 (iv) In a municipality that is not a county and that has a
 2 population of at least 50,000 and not more than 99,999,
 3 \$50,000,000.00.

4 (v) In a municipality that is not a county and that has a
 5 population of at least 25,000 and not more than 49,999,
 6 \$25,000,000.00.

7 (vi) In a municipality that is not a county and that has a
 8 population of less than 25,000, \$15,000,000.00.

9 **(xx)** ~~(ww)~~ "Transit-oriented development" means infrastructure
 10 improvements that are located within 1/2 mile of a transit station
 11 or transit-oriented property that promotes transit ridership or
 12 passenger rail use as determined by the board and approved by the
 13 municipality in which it is located.

14 **(yy)** ~~(xx)~~ "Transit-oriented property" means property that
 15 houses a transit station in a manner that promotes transit
 16 ridership or passenger rail use.

17 **(zz)** ~~(yy)~~ "Withholding tax capture revenues" means the amount
 18 for each calendar year by which the income tax withheld under part
 19 3 of the income tax act of 1967, 1967 PA 281, MCL 206.701 to
 20 206.713, from individuals employed within the eligible property
 21 subject to a transformational brownfield plan exceeds the initial
 22 withholding tax value. Withholding tax capture revenues shall not
 23 include income tax from individuals domiciled within the eligible
 24 property or construction period tax capture revenues. To calculate
 25 withholding tax capture revenues for a calendar year under a
 26 transformational brownfield plan, the state treasurer or the
 27 Michigan strategic fund shall do all of the following:

28 (i) The state treasurer shall require the owner or developer of
 29 the eligible property to provide the department of treasury with

1 notice not more than 10 days from the date an employer commences or
 2 terminates occupancy within the eligible property. As used in this
 3 subdivision, "employer" means that term as defined in section 8 of
 4 the income tax act of 1967, 1967 PA 281, MCL 206.8.

5 (ii) The state treasurer shall develop methods and processes
 6 that are necessary for each employer occupying the eligible
 7 property to report the amount of withholding under part 3 of the
 8 income tax act of 1967, 1967 PA 281, MCL 206.701 to 206.713, from
 9 individuals employed within the eligible property.

10 (iii) The Michigan strategic fund shall include the following
 11 provisions in the development or reimbursement agreement for any
 12 transformational brownfield plan that utilizes withholding tax
 13 capture revenues:

14 (A) That the owner or developer of the eligible property shall
 15 require each employer occupying the eligible property to comply
 16 with the reporting requirements under this section through a
 17 contract requirement, lease requirement, or other such means.

18 (B) That reimbursement of withholding tax capture revenues is
 19 limited to amounts that are reported in accordance with part 3 of
 20 the income tax act of 1967, 1967 PA 281, MCL 206.701 to 206.713,
 21 and this state has no obligation with respect to withholding tax
 22 capture revenues that are not reported or paid.

23 (aaa) ~~(zz)~~ "Work plan" means a plan that describes each
 24 individual activity to be conducted to complete eligible activities
 25 and the associated costs of each individual activity.

26 (bbb) ~~(aaa)~~ "Zone" means, for an authority established before
 27 June 6, 2000, a brownfield redevelopment zone designated under this
 28 act.