



Jan. 11, 2013

SUBJECT: New Legislation Affecting Brownfield Redevelopment

Two bills concerning brownfields were signed into law by Governor Snyder and became effective December 31, 2012.

- 2012 PA 502 (Senate Bill 1210) – this amends the Brownfield Redevelopment Financing Act, 1996 PA 381 (Act 381).
- 2012 PA 446 (Senate Bill 1328) – this amends several areas of the Natural Resources and Environmental Protection Act, 1994 PA 451 (Act 451); only the amendments to Part 196, Clean Michigan Initiative (CMI), are discussed in this document.

The tax increment financing (TIF) incentives in Act 381 have been highly successful tools in facilitating the redevelopment of contaminated, blighted, and functionally obsolete properties. As part of Governor Snyder's initiative to reinvent government, the Michigan Department of Environmental Quality (MDEQ) convened a Collaborative Stakeholder Initiative (CSI) designed to develop recommendations to improve Michigan's Cleanup and Redevelopment Program. These amendments represent several of the recommendations included in the Brownfield CSI work groups report.

The amendments are designed to streamline and enhance Michigan's Brownfield program. The significant changes to the Brownfield Redevelopment Financing Act contained in Public Act 502 of 2012 are noted below. The amendments:

- Eliminate the January 1, 2013, sunset date for the MDEQ and Michigan Economic Development Corporation (MEDC) approval of Act 381 work plans to conduct eligible activities identified in a Brownfield Plan using financing derived from school operating tax increments. This sunset elimination means that there is no longer an "end date" for the ability of Brownfield Authorities to capture school operating taxes for Brownfield Projects, thereby providing more certainty and financial support to local governments in getting vacant, contaminated, and blighted properties back on the tax rolls, creating jobs, and leveraging private investment in Michigan communities.
- Create a new state Brownfield Redevelopment Fund (BRF) in the Department of Treasury. The revenue source for the BRF is three mills of the state education tax captured under a Brownfield Plan for projects approved after December 31, 2012. The BRF is to be used for the following activities:
 1. Fifteen percent of the annual deposits to the BRF cover the administrative costs of the MEDC and MDEQ to implement Act 381, and the administrative costs of the MDEQ to implement CMI grants and loans.
 2. Funding for MDEQ brownfield redevelopment grants and loans under Part 196.

3. A new Strategic Fund Brownfield grant and loan program in the MEDC to fund eligible activities.
 - Provide for TIF reimbursement of additional eligible activities conducted prior to approval of a Brownfield Plan.
 - Expand the definition of public infrastructure to include parking structures and urban storm water management, defined as eligible activities for TIF financing.
 - Eliminate the second public notice requirement for Authorities for Brownfield Plans.
 - Provide incentives for regional collaboration of Brownfield Authorities by providing additional funds for administrative costs.
 - Add "historic resource" as an eligible property.
 - Allow for a combined Brownfield Plan and Work Plan to streamline the process.
 - Eliminate the requirements for Brownfield Authorities to reimburse the MEDC and MDEQ for their work plan review costs.

The significant changes to the brownfields program contained in Public Act 446 of 2012 are noted below. The amendments:

- Redistribute the funding for the grant and loan program in order to increase the funding available for grants by \$12.5 million.
- Eliminate the requirement for communities to pledge their full faith and credit to apply for a brownfield redevelopment loan.

For the bill analyses prepared by the Senate Fiscal Agency, the bold/strike versions of Act 381, Act 451, and the Public Acts, see the Michigan Legislative Website links below:

- [Act 502 of 2012 - Senate Bill 1210](#)
- [Act 446 of 2012 - Senate Bill 1328](#)

Questions:

For questions regarding the bills, please contact Susan Erickson, Brownfield Redevelopment Program Unit, Remediation and Redevelopment Division, at 517-241-8707, or by e-mail at ericksons@michigan.gov.