



A package of bills (SB 1061-1065) dealing with tax incentives for brownfield redevelopments was introduced on September 7 and was approved by the Senate Committee on Economic Development and International Investment on September 21. The idea behind the legislation is that incentivizing “transformative” development projects would result in a net gain for all members of the community. The package of five bills would capture portions of sales, property and income tax of those who move into or work in buildings built on brownfield properties and redirect that money to redevelopment projects. As it currently stands, the proposal dictates that there could be up to five projects per year statewide. The projects would have to be approved by both the local brownfield redevelopment authority and the Michigan Strategic Fund. The captured revenue could go toward demolition, construction, restoration, alteration, renovation or improvement of buildings or site improvements on the property. The duration of such deals would be either 30 years or the period authorized, whichever is less.

Advocates of the plan say that this will give Michigan cities like Detroit an edge over competition for new business. Many say that this is the obvious path for transforming areas that have faced economic loss and that such projects could not be pursued without state aid. So far the plan has won the favor of Saginaw, Flint, Grand Rapids and Kalamazoo.

Many critics feel that the companies that would be aided by this legislation are simply gathering more revenue after already not paying business tax. Without this package, the tax money could be directed towards their original purposes such as

education and prisons. Among the critics is Gov. Snyder who has voiced concern of the effect this would have on the state budget and has not approved of the package as it currently stands.

The bills now go to the full Senate for approval.