



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5270 (Substitute S-1 as reported)
Sponsor: Representative Mike Nofs
House Committee: Commerce
Senate Committee: Natural Resources and Environmental Affairs

CONTENT

The bill would amend Part 196 (Clean Michigan Initiative Implementation) of the Natural Resources and Environmental Protection Act to require the Department of Environmental Quality (DEQ) to create a Clean Michigan Initiative Revolving Loan Program for the purpose of making loans to local units of government and brownfield redevelopment authorities to provide for response activities at known or suspected facilities with redevelopment potential.

The bill is tie-barred to Senate Bill 805, which would increase from \$20 million to \$75 million the amount in the Clean Michigan Initiative Bond Fund for grants and loans to local units of government and brownfield redevelopment authorities for facilities with redevelopment potential.

(Under Part 196, "facility" refers to an area, place, or property where a hazardous substance in excess of DEQ-established cleanup criteria for residential use has been released, deposited, disposed of, or otherwise comes to be located. "Response activity" means evaluation, interim response activity, remedial action, demolition, or other actions necessary to protect the public health, safety, or welfare, the environment, or the natural resources. The term also includes health assessments or health effect studies, and enforcement actions related to any response activity.)

MCL 324.19608a

Legislative Analyst: Claire Layman

FISCAL IMPACT

Indeterminate benefits, such as job creation, increased tax revenue, and other economic activity, could result from increased redevelopment of brownfields due to the long-term revolving loan program created in the bill. The impact would depend upon how quickly brownfields were cleaned up, what type and size of businesses located on the properties, and the applicable taxes collected.

The bill is tie-barred to Senate Bill 805, which would provide up to \$55 million more for brownfield grants and loans and \$33 million more for activities at facilities that pose imminent or substantial danger. The \$37,500,000 provided for brownfield loans would be used according to the provisions of House Bill 5270 (S-1).

Date Completed: 12-5-03

Fiscal Analyst: Jessica Runnels