



Budget Briefs

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BROWNFIELDS

The biennial state budget act (2001 Wisconsin Act 16), passed by the legislature and signed by Governor Scott McCallum on August 30, 2001, makes numerous changes to the state's brownfields programs, which are designed to offer incentives to individuals and local governments to redevelop contaminated lands.

BROWNFIELDS GRANT PROGRAM

Act 16 modifies the brownfields grant program, which was created in 1997 and is administered by the Department of Commerce (Commerce). Under Act 16, grants may no longer be used to pay lien claims made by the Department of Natural Resources (DNR) or the federal Environmental Protection Agency based on departmental investigations or remediation activities. Act 16 also prohibits the use of grant funds for the payment of real estate taxes or related interest and penalties.

The grant program had previously been structured so that the size of the grants awarded varied according to a distribution scale. Act 16 repealed this requirement but retained provisions limiting the maximum grant size to \$1.25 million and requiring that at least seven grants be awarded to projects located in municipalities under 35,000 population.

LOCAL GOVERNMENT PROVISIONS

Act 16 creates the brownfields greenspace grant program, administered by DNR, to award funds to local governments for brownfields remediation projects that facilitate the preservation of greenspace, the development of recreational areas, or the use of property by the local government receiving the grant.

Existing brownfields law had contained special negotiation and cost recovery provisions for local governments. Act 16 extends these provisions to remediations for property that is only partially owned by the local government but for which the government is committed to paying more than 50% of the investigation and remediation costs, less any other government assistance.

LIABILITY EXEMPTIONS FOR PRIVATE OWNERS

Owners of contaminated sites who report contamination on their property are known as "voluntary parties". They are exempt from liability for contamination if they are participating in certain state-regulated remediation activities. Act 16 extends this exemption to former owners who are voluntary parties if subsequent owners fail to comply with DNR remediation procedures.

Owners of contaminated sites are generally exempt from liability for soil contamination that has migrated from someone else's property. Act 16 specifies that this exemption applies to contaminated sediments that have migrated onto a site.

LOCAL PROVISIONS

Milwaukee's Menomonee Valley. Act 16 requires Commerce to give grants of \$375,000 each to the Milwaukee Economic Development Corporation and the Menomonee Valley Partners, Inc., in each fiscal year of the biennium. The first pair of grants must be awarded no later than December 30, 2001, and the second pair no later than October 1, 2002. They must be used to fund projects based on the degree of blight and underused economic potential in the area, the area's potential for redevelopment, and the project's compatibility with the Memononee Valley land use plan. Projects awarded grant money may use the funds for acquisition, demolition, environmental assessment, removal of underground storage tanks and abandoned containers, site investigations, cleanup, monitoring, and associated costs. Projects may only receive grants if they provide equal matching funds.

Kenosha's American Brass Factory Site. Act 16 requires Commerce to provide a \$1 million grant to the City of Kenosha for the demolition and rehabilitation of the American Brass factory site if the city: 1) submits a plan detailing proposed uses of the grant; 2) complies with existing brownfields grant eligibility requirements; 3) signs an agreement with Commerce specifying the conditions for the use of grant proceeds; and 4) agrees to submit to Commerce a detailed report on how funds were used within six months of spending the entire amount. The grant may not be awarded after June 30, 2003.

Beloit Rail Corridor. Act 16 requires Commerce to award \$100,000 to the City of Beloit for the acquisition, cleanup, and redevelopment of a brownfields site in the Fourth and Fifth Street rail corridor. The grant is subject to the same conditions as the Kenosha project.

Amery's Apple River Project. Act 16 requires Commerce to award \$386,000 to the City of Amery for the Apple River Project. Based on a mutual agreement between the city and Commerce as to the details, funds may be used to purchase land and buildings and perform environmental cleanup on the land. The funds may also be used to match federal or other state funding to the extent allowable by law.

Platteville and Fond du Lac. Act 16 requires DNR to make a grant of \$150,000 to the City of Platteville and \$250,000 to the City of Fond du Lac under the sustainable urban development zone program, which promotes the use of financial incentives to clean up and redevelop brownfields.