



# SENATE BILL 387: Brownfields Property Reuse Act Revisions.

2025-2026 General Assembly

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<b>Committee:</b>	Senate Agriculture, Energy, and Environment.	<b>Date:</b>	April 29, 2025
	If favorable, re-refer to Judiciary. If favorable, re-refer to Rules and Operations of the Senate		
<b>Introduced by:</b>	Sens. McInnis, Moffitt, Jarvis	<b>Prepared by:</b>	Jennifer McGinnis
<b>Analysis of:</b>	First Edition		Committee Counsel

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**OVERVIEW:** *Senate Bill 387 would: (i) make various changes to the process and timing of payment of current fees associated with execution of a brownfields agreement between a prospective developer (PD) and the Department of Environmental Quality (Department), and establish a new fee applicable in the event of a PD's failure to comply with certain brownfields requirements; and (ii) modify a statute governing a partial exclusion from taxation applicable to qualifying improvements made pursuant to a brownfields agreement.*

## CURRENT LAW/BACKGROUND:

A brownfields site is any real property that is abandoned, idled, or underutilized where environmental contamination, or perceived environmental contamination, hinders redevelopment. The Brownfields Property Reuse Act (Act) of 1997 was enacted to encourage and facilitate redevelopment of these sites by removing barriers to redevelopment posed by a PD's potential liability for clean-up costs. To be eligible for participation in the Brownfields Program (Program), a PD must not have caused or contributed to contamination at a site. The Act does not obviate practical or necessary remediation of properties under any State or federal cleanup program, but it does authorize the Department to work with PDs toward the safe redevelopment of sites, and to provide PDs regulatory flexibility and liability protection that would not be available to parties who actually caused or contributed to contamination at a site.

If a site is included in the Brownfields Program, the Department will enter into an agreement with the developer that is in effect a covenant not-to-sue contingent on the developer making the site suitable for the reuse proposed. Additionally, a brownfields agreement obtained from the Program entitles the developer to a property tax exclusion on the improvements made to the property for a period of five years, which can more than pay for assessment and cleanup activities on many projects. Site remedies (cleanup requirements) under the Program are also less costly and time consuming than they would be for a party who caused or contributed to the contamination, as site remedies under the Brownfields Program are designed to prevent exposure and make the site suitable for reuse, rather than meet environmental standards required under the traditional cleanup programs.

A PD must pay a fee at the time they submit a proposed brownfields agreement for Department approval, and a fee upon entering a brownfields agreement to cover the full cost to the Department and the Department of Justice of all activities related to the brownfields agreement, including negotiation of the brownfields agreement, public notice and community involvement, and monitoring the implementation of the brownfields agreement.

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## **BILL ANALYSIS:**

**Section 1** of the bill would make various changes to the process and timing of payment of the fees established under current law. Additionally, the bill would establish a new fee applicable to a PD subject to a recorded Notice of Brownfields Property who is out of compliance with the statutory requirements regarding the Notice, which would be payable to the Department and the Department of Justice in an amount that would be sufficient to cover the costs to the State to enforce or otherwise seek to correct the noncompliance.

**Section 2** of the bill would modify the language governing the partial exclusion from taxation to provide that the exclusion would apply to qualifying improvements made after the Department provides written confirmation that the proposed improvements are eligible for a brownfields agreement (rather than improvements made after a brownfields agreement is executed).

**EFFECTIVE DATE:** Section 1 of the bill would become effective January 1, 2026. Section 2 of the bill would be effective for taxes imposed for taxable years beginning on or after July 1, 2025.