




Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 275 (Substitute S-2 as enrolled)
Sponsor: Senator Cameron S. Brown
Committee: Economic Development, Small Business and Regulatory Reform

CONTENT

The bill would amend the Michigan Renaissance Zone Act to allow a qualified local governmental unit in which a renaissance zone was designated in a rural area under Section 8a(1) of the Act, to modify the boundaries of that zone to include a contiguous parcel of property, as determined by the local unit. The local unit would have to make this modification before July 1, 2004. (Section 8a(1) authorized the State Administrative Board to designate nine renaissance zones, including up to five in rural areas, in addition to the zones that were originally authorized under the Act.)

The contiguous parcel of property could include only property that was less than one-half acre in size and that the local unit previously sought to have included in a zone by submitting, in February 2002, an application that the State's Renaissance Zone Review Board did not act upon.

If the boundaries of the renaissance zone were modified as provided in the bill, the additional contiguous parcel of property would become part of the original renaissance zone on the same terms and conditions as the rest of the property in that zone, and would not constitute an additional distinct geographic area as provided in the Act.

MCL 125.2686

Legislative Analyst: George Towne

FISCAL IMPACT

The bill would negligibly reduce State revenues and negligibly increase State expenditures. The actual impact would depend upon the specific value of the property and the activity taking place on the property affected by the bill. The bill is expected to only affect one local unit and the property likely to be included in the renaissance zone would represent a negligible change in revenues or expenditures. Local unit revenues also would be reduced by an unknown and likely negligible amount. State and local revenues would be reduced because of the tax exemptions granted to property and activity within a zone, while State expenditures would increase because the State reimburses local school districts, libraries, and community colleges for lost property tax revenue from property within the zone.

This estimate is preliminary and will be revised as new information becomes available.

Date Completed: 10-24-03

Fiscal Analyst: David Zin