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Senate Bill 774 (as introduced 10-14-03)

Sponsor: Senator Virg Bernero

Committee: Economic Development, Small Business and Regulatory Reform

Date Completed: 10-29-03

CONTENT

The bill would amend the Local Development Financing Act to allow the Michigan Economic Development Corporation (MEDC), until December 31, 2004, to enter into an agreement with a municipality that had adopted a resolution of interest to create a certified technology park before December 31, 2002. Currently, an agreement designating a certified technology park may not be made after December 31, 2002.

Under the Act, a local government may create a local development financing authority to finance public improvements in a given area, by capturing increases in property tax revenues due to increased value. Public Act 248 of 2000 amended the Act to allow the MEDC, until December 31, 2002, to designate certified technology parks if they satisfied certain criteria. For certified technology parks, Public Act 248 expanded the scope of property from which taxes may be collected, expanded the use of tax increment revenue, and precluded a taxing jurisdiction from exempting itself from the capture of taxes.

MCL 125.2162a

Legislative Analyst: George Towne

FISCAL IMPACT

The bill would reduce potential increases in State and local revenues by a negligible amount. State revenues would be affected because certified technology parks may capture a portion of the State education tax on the increased value of the property.

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

Fiscal Analyst: David Zin

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.