

Legislative Analysis



TOOL AND DIE ZONES: PATTERN MANUFACTURERS

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Senate Bill 371 (Substitute H-1)

Sponsor: Sen. Alan Sanborn

House Committee: Commerce

Senate Committee: Economic Development, Small Business and Regulatory Reform

Complete to 2-24-06

A SUMMARY OF SENATE BILL 371 (SUBSTITUTE H-1)

Senate Bill 371 would require that at least one of the state's tool and die recovery zones consist of one or more "industrial pattern manufacturers" —a tool and die business with an NAICS of 332997.

The Michigan Renaissance Zone Act allows for the creation of up to 25 tool and die renaissance recovery zones where eligible businesses can be granted virtually tax-free status for 5 to 15 years. The Michigan Strategic Fund is responsible for designating the zones, which require local government approval.

Under the act, to be a qualified tool and tie business, a business must have fewer than 75 employees; have the proper classification in the North American industrial classification system (NAICS); and must enter a "qualified collaboration agreement" as approved by the MSF with other businesses in the appropriate NAICS classifications. Currently NAICS 332997 is not one of the cited classifications.

MCL 125.2688d

FISCAL IMPACT:

Because the total number of allowable tool and die recovery zones has not been amended, there is no significant fiscal impact on the State of Michigan or its local units of government.

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