

EXPAND RENAISSANCE ZONES

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Senate Bill 922

Sponsor: Sen. Ken Sikkema

House Committee: Commerce

Senate Committee: Commerce and Labor

Complete to 3-20-06

A SUMMARY OF SENATE BILL 922 AS PASSED BY THE SENATE 1-25-06

The bill would amend the Michigan Renaissance Zone Act to permit the modification of two existing zones in the following instances, in each case adding contiguous parcels of property.

1) A qualified local governmental unit in a county with a population between 160,000 and 170,000 with a renaissance zone of less than 50 contiguous acres but more than 20 contiguous acres could modify the zone boundaries to include a contiguous parcel of property. The contiguous parcel would have to be less than 12 acres in size and would become part of the original zone.

2) A qualified local governmental unit in a county with a population between 61,000 and 64,000 with a renaissance zone of more than 500 acres could modify the zone boundaries to include a contiguous parcel of property. The contiguous parcel would have to be less than 12 acres in size and would become part of the original zone.

The bill also would make two other changes to the act in the Definitions section.

1) The definition of a "redevelopment renaissance zone" would be amended to allow such a zone in a city with a population between 13,000 and 14,000 located in a county with a population between 1 million and 1.3 million. To be eligible, this zone would have to contain an industrial site of 300 or more contiguous acres. The act would also be amended to allow the designation of two redevelopment zones rather than one, as is currently allowed.

[Currently, the act defines a redevelopment renaissance zone to apply to an industrial site of 200 or more acres located in a city with a population of more than 7,500 and less than 8,500 and in a county with a population of more than 60,000 and less than 70,000 (i.e., the City of Greenville in Montcalm County).]

2) The definition of an "eligible pharmaceutical company" would be modified so that a company would need to employ 4,800 persons who were engaged primarily in research and development of pharmaceuticals rather than 5,000 such employees.

The bill also would allow for an additional two renaissance zones to be designated by the board of the Michigan Strategic Fund, with one of those to be the additional redevelopment renaissance zone permitted by the expanded definition.

MCL 125.2686 and 2688a

FISCAL IMPACT:

Under current law, property inside a renaissance zone is exempt from local property taxes and the six-mill State Education Tax. Individuals and businesses that reside in such zones are exempt from the Michigan Individual Income Tax and the Single Business Tax respectively. This bill expands the existing renaissance zones in the City of Benton Harbor in Berrien County and one adjacent to Carson City in Montcalm County. It also provides for a second redevelopment renaissance zone in the City of Wixom. These revisions will reduce local and state property tax by an indeterminate amount which will depend on the properties located in these zones. In addition, the State will be required to reimburse many of the property taxes lost as a result of these exemptions, including revenues to local schools, intermediate school districts, community colleges, public libraries and the State School Aid Fund.

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