

HOUSE BILL No. 6176

June 8, 2006, Introduced by Reps. Tobocman, Amos, Proos, Donigan, Byrnes, Clemente, Mayes, Kolb, Lipsey, Kahn, Murphy, Hunter, Alma Smith, Kathleen Law, Accavitti, David Law, Ball, Palmer, Espinoza, McDowell, Gonzales, Polidori, Cushingberry, Sak, Anderson, Stewart, Kooiman and Gaffney and referred to the Committee on Commerce.

A bill to create the cultural redevelopment authority; to create and operate certain cultural redevelopment districts; to foster economic opportunities in this state; to facilitate economic development; to stimulate cultural, industrial, commercial, and residential improvements; to prevent physical and infrastructure deterioration of geographic areas in this state; to authorize expenditures; to provide exemptions and credits from certain taxes; to create certain obligations of this state and local governmental units; to provide for appropriations; and to prescribe the powers and duties of certain state and local departments, agencies, and officials.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the

1 "cultural redevelopment district authority act".

2 Sec. 2. The legislature of this state finds and declares that
3 there exists in this state continuing need for programs to assist
4 certain local governmental units in encouraging cultural
5 development, cultural redevelopment, economic development, the
6 consequent job creation and retention, and ancillary economic
7 growth in this state. To achieve these purposes, the legislature
8 determines it is necessary to assist and encourage the creation of
9 cultural redevelopment districts and provide temporary relief from
10 certain taxes within those districts.

11 Sec. 3. As used in this act:

12 (a) "Artist" means a person who creates or executes an
13 artistic work.

14 (b) "Artist materials" means materials used directly in the
15 creation of artistic work that are for sale or purchased within the
16 district.

17 (c) "Artistic work" means an original and creative work,
18 whether written, composed, created, or executed for one-of-a-kind
19 or limited production, which is 1 of the following:

20 (i) A book or other writing.

21 (ii) A play or the performance of a play.

22 (iii) A musical composition or the performance of the
23 composition.

24 (iv) A painting or other like picture.

25 (v) A sculpture.

26 (vi) A traditional and fine craft.

27 (vii) The creation of a film, the acting of a film, or

1 photography.

2 (viii) The creation of a dance or the performance of the dance.

3 (ix) A design art.

4 (d) "Authority" means the cultural redevelopment district
5 authority created in section 4.

6 (e) "Board" means the board of directors of the cultural
7 redevelopment authority board created in section 5.

8 (f) "Department" means the department of labor and economic
9 growth.

10 (g) "Development plan" means a written plan that addresses the
11 criteria in section 7 and includes all of the following:

12 (i) A map of the proposed cultural redevelopment district that
13 indicates the geographic boundaries, the total area, and the
14 present use and conditions generally of the land and structures
15 within those boundaries.

16 (ii) Evidence of community support and commitment from
17 cultural, residential, and business interests.

18 (iii) A description of the methods proposed to increase economic
19 opportunity and expansion, facilitate infrastructure improvement,
20 and identify job opportunities.

21 (iv) Current and anticipated improvements in infrastructure and
22 social, economic, and demographic characteristics of the proposed
23 district.

24 (v) Any other information required by the board.

25 (h) "District" means a cultural redevelopment district created
26 under section 6.

27 (i) "Local governmental unit" means a county, city, village,

1 or township.

2 (j) "Person" means an individual, partnership, corporation,
3 association, limited liability company, governmental entity, or
4 other legal entity.

5 (k) "Qualified business" means a person who creates an
6 artistic work or assists others in the creation, display, or sale
7 of an artistic work.

8 (l) "Qualified local governmental unit" means a city, village,
9 or township.

10 Sec. 4. (1) The cultural redevelopment district authority is
11 created as a public body corporate and politic within the
12 department.

13 (2) The authority shall exercise its duties independently of
14 the department. However, the budgeting, procurement, and related
15 administrative functions of the authority shall be conducted by the
16 department.

17 Sec. 5. (1) The authority shall exercise its duties through
18 its board of directors.

19 (2) The board shall be made up of 13 members as follows:

20 (a) The director of the department of labor and economic
21 growth.

22 (b) The director of the department of history, arts, and
23 libraries.

24 (c) The director of the Michigan council for arts and cultural
25 affairs.

26 (d) The chief executive officer of the Michigan economic
27 development corporation.

1 (e) The director of the state historic preservation office of
2 the Michigan historical center of the department of history, arts,
3 and libraries.

4 (f) The state librarian.

5 (g) The director of the Michigan state housing development
6 authority.

7 (h) Four members with knowledge, skill, or experience in
8 private development or local arts or cultural organizations
9 appointed by the governor with the advice and consent of the
10 senate.

11 (i) One member appointed by the governor from a list of 2 or
12 more individuals selected by the majority leader of the senate,
13 with knowledge, skill, or experience in private development or
14 local arts or cultural organizations.

15 (j) One member appointed by the governor from a list of 2 or
16 more individuals selected by the speaker of the house of
17 representatives, with knowledge, skill, or experience in private
18 development or local arts or cultural organizations.

19 (3) The appointed members shall serve for terms of 4 years. Of
20 the 2 members first appointed, 1 shall be appointed for an initial
21 term of 1 year and 1 shall be appointed for an initial term of 2
22 years. The appointed members shall serve until a successor is
23 appointed. A vacancy shall be filled for the balance of the
24 unexpired term in the same manner as the original appointment.

25 (4) The chief executive officer or director of any state
26 department or agency who is a designated member of the board may
27 appoint a representative to serve in his or her absence.

1 (5) Members of the board shall serve without compensation but
2 may receive reasonable reimbursement for necessary travel and
3 expenses incurred in the discharge of their duties.

4 (6) The board shall select a board member to serve as
5 chairperson of the board.

6 (7) A majority of the appointed and serving members of the
7 board shall constitute a quorum of the board for the transaction of
8 business. A member may participate in a meeting by the use of
9 amplified telephonic or video conferencing equipment. A member
10 participating by the use of telephonic or video conferencing
11 equipment shall be considered to be present for purposes of a
12 quorum and for purposes of voting. Actions of the board shall be
13 approved by a majority vote of the members present at a meeting.

14 (8) The members of the board and officers and employees of the
15 authority are subject to 1968 PA 317, MCL 15.321 to 15.330, or 1968
16 PA 318, MCL 15.301 to 15.310.

17 (9) A member of the board or officer, employee, or agent of
18 the authority shall discharge the duties of his or her position in
19 a nonpartisan manner, with good faith, and with that degree of
20 diligence, care, and skill that an ordinarily prudent person would
21 exercise under similar circumstances in a like position.

22 Sec. 6. (1) One or more qualified local governmental units may
23 apply to the board to designate a portion of the qualified local
24 governmental unit or units as a district if all of the following
25 criteria are met:

26 (a) The geographic area of the proposed district is located
27 within the boundaries of the qualified local governmental unit or

1 units that apply.

2 (b) The application includes a development plan.

3 (c) The application includes the proposed duration of district
4 status, not to exceed 10 years, except as otherwise provided in
5 this section.

6 (d) If the qualified local governmental unit is a city, that
7 city's mayor's written approval of the application.

8 (2) A qualified local governmental unit may submit not more
9 than 1 application to the board for designation as a district.

10 Sec. 7. (1) The board shall review all applications submitted
11 by qualified local governmental units and determine which
12 applications meet the criteria contained in section 6.

13 (2) The board shall do all of the following:

14 (a) Designate districts.

15 (b) Subject to subsection (3), approve or reject the duration
16 of district status.

17 (c) Subject to subsection (3), approve or reject the
18 geographic boundaries and the total area of the district as
19 submitted in the application.

20 (d) Approve or reject each exemption, deduction, or credit as
21 described in section 9.

22 (3) The board shall not alter the geographic boundaries of the
23 district or the duration of district status described in the
24 application unless the qualified local governmental unit or units
25 and the local governmental unit or units in which the district is
26 to be located consent by resolution to the alteration.

27 (4) The designation of a district under this act shall take

1 effect on January 1 in the year following designation.

2 Sec. 8. The board shall consider the following criteria in
3 designating a district:

4 (a) Giving priority to applications that include new business
5 activity.

6 (b) Evidence of adverse economic and socioeconomic conditions
7 within the proposed district.

8 (c) The viability of the development plan.

9 (d) Whether the development plan is creative and innovative.

10 (e) Public and private commitment to and other resources
11 available for the proposed district.

12 (f) How district designation would relate to a broader plan
13 for the community as a whole.

14 (g) The level of demonstrated cooperation from artists and the
15 local arts community.

16 (h) Any other information required by the board.

17 Sec. 9. An artist who is a resident of or conducts business in
18 a district or a qualified business that is located and conducts
19 business activity within a district shall receive the exemption,
20 deduction, or credit as determined by the board as provided in the
21 following for the period provided under section 6(2)(b):

22 (a) Sections 36f and 36g of the single business tax act, 1975
23 PA 228, MCL 208.36f and 208.36g.

24 (b) Sections 272 and 275 of the income tax act of 1967, 1967
25 PA 281, MCL 206.272 and 206.275.

26 (c) Section 4cc of the general sales tax act, 1933 PA 167, MCL
27 205.54cc.

1 Sec. 10. The form of the application for a district
2 designation shall be as specified by the department. The board may
3 request any information from an applicant, in addition to that
4 contained in an application, as may be needed to permit the board
5 to discharge its responsibilities under this act.

6 Sec. 11. This state shall reimburse the school aid fund for
7 all revenues lost as the result of the establishment of a district.
8 Foundation allowances calculated under section 20 of the state
9 school aid act of 1979, 1979 PA 94, MCL 388.1620, shall not be
10 reduced as a result of lost revenues arising from this act.

11 Sec. 12. (1) The board shall conduct all business at public
12 meetings held in compliance with the open meetings act, 1976 PA
13 267, MCL 15.261 to 15.275. Public notice of the time, date, and
14 place of each meeting shall be given in the manner required by the
15 open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

16 (2) A record or a portion of a record, material, application,
17 or other data received, prepared, used, or retained by the board is
18 subject to the freedom of information act, 1976 PA 442, MCL 15.231
19 to 15.246.

20 Sec. 13. This act shall be construed liberally to effectuate
21 the legislative intent and the purposes of this act and as complete
22 and independent authority for the performance of each and every act
23 and thing authorized by this act, and all powers granted by this
24 act shall be broadly interpreted to effectuate the intent and
25 purposes of this act and not as a limitation of powers.

26 Sec. 14. The department shall annually report to the
27 legislature on the economic effects of this act in each district.

1 The report shall include, but is not limited to, all of the
 2 following for each district:

3 (a) Number of new jobs created.

4 (b) Percentage change in aggregate taxable value and state
 5 equalized value.

6 (c) Average wage of new jobs created.

7 (d) Percentage change of adjusted gross income of residents.

8 (e) The estimated change in the population from the
 9 immediately preceding year.