

Legislative Analysis



RENAISSANCE ZONE REIMBURSEMENT

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Senate Bill 1092

Sponsor: Sen. Jelinek

House Committee: Appropriations

Complete to 4-4-10

A SUMMARY OF SENATE BILL 1092 AS PASSED BY THE SENATE 2-11-10

Senate bill 1092 would amend the Michigan Renaissance Zone Act to allow for the proration of renaissance zone reimbursements for lost revenue to local and intermediate school districts, community colleges, public libraries, and to the School Aid Fund. The state is statutorily required to reimburse local and intermediate school districts, community college districts, public library districts, and the School Aid Fund for revenue lost as a result of the lost property tax revenue due to a renaissance zone. Specifically, the bill would amend the Act to specify that these reimbursement payments are subject to appropriation and allow for the proration of reimbursement payments if the amount appropriated was less than the amount required.

FISCAL IMPACT:

The Renaissance Zone Reimbursement line item in Public Act 128 of 2009 (FY 2009-10 General Government budget) provides reimbursement to public libraries for lost revenue due to the presence of a renaissance zone. In FY 2009-10, funding for renaissance zone reimbursements was reduced by \$419,500. The total amount appropriated in FY 2009-10 was \$2,992,000. This bill would allow for the proration of these payments due to the reduction in funding below required levels.

In addition to public libraries this legislation could affect changes to reimbursements to school districts, intermediate districts, community colleges and the School Aid Fund if appropriations are not sufficient to cover reimbursements. In the event of a shortfall, the bill would allow for a proration in reimbursements to the above entities. The FY 2009-10 appropriation for schools and intermediate school districts is \$26.2 million, for community colleges it is \$3.5 million and the reimbursement to the School Aid Fund is \$9.2 million.

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