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House Bill 4723 (Substitute H-2 as reported without amendment)

Sponsor: Representative John Espinoza

House Committee: Commerce Senate Committee: Transportation

## CONTENT

The bill would amend the Michigan Renaissance Zone Act to authorize the Michigan Strategic Fund (MSF) board to designate up to 25 additional renaissance zones for border crossing facilities within the State in qualified border local governmental units, if the city or township or combination of cities and townships consented to the creation of the renaissance zone.

"Border crossing facility" would mean a business that meets one or more of the following as determined by a vote of the MSF board:

- -- Was located in a qualified border local governmental unit and was displaced or otherwise negatively affected by the development of the international border crossing and is unable to recover from the displacement or negative effect without the establishment of a renaissance zone.
- -- Is associated with international trade, shipping, or freight hauling, including customs brokers, distribution centers, and truck supply and repair.

"Qualified border local governmental unit" would mean a city with a population of more than 30,000 and less than 36,000 that contains an international border crossing, or a township that adjoins such a city. (Port Huron is the only city that meets those criteria, according to data from the U.S. Census Bureau. Fort Gratiot and Port Huron Townships adjoin the city.)

MCL 125.2683 et al. Legislative Analyst: Curtis Walker

## FISCAL IMPACT

The bill would reduce State and local tax revenue and would increase School Aid Fund expenditures by an unknown amount. The actual amount would depend upon the specific characteristics of the property affected by the bill and the amount of property included in the additional renaissance zones. Under current law, property inside a renaissance zone is exempt from local property taxes and the State Education Tax, and individuals and businesses that reside in the zone are exempt from the Michigan Business Tax and individual income taxes. Current law also requires the State to reimburse many of the property taxes lost as a result of any exemptions under the Act, including revenue to intermediate school districts, local school districts, community colleges, public libraries, and the School Aid Fund.

Date Completed: 2-1-10 Fiscal Analyst: David Zin