

Legislative Analysis



EXTEND DURATION OF RENAISSANCE ZONE

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House Bill 5720

Sponsor: Rep. Kenneth Horn

Committee: Commerce

Complete to 6-5-12

A SUMMARY OF HOUSE BILL 5720 AS INTRODUCED 6-1-12

The bill would amend the Michigan Renaissance Zone Act. It would allow a renaissance zone that has already received a seven-year extension of its duration to receive an additional extension for 8 more years (not to exceed a total of 15 years).

Specifically, in the case addressed by the bill, the affected local unit of government could resubmit an application to the Michigan Strategic Fund before June 30, 2013, in order to obtain the extension. The MSF could grant the extension if it would increase capital investment or job creation in the state and the owner is in compliance with the original written agreement.

The Renaissance Zone Act was amended in 2006 to allow local units with renaissance zones to seek to extend the duration of one or more portions of a zone for up to 15 years if additional capital investment or job creation would occur as a result.

FISCAL IMPACT:

Renaissance zones are typically described as granting virtually tax-free status to the businesses or residents in them. Businesses in renaissance zones are exempt from the six-mill state education tax, local real and personal property taxes, specific taxes levied in lieu of property taxes, state and city income taxes, and (in Detroit) the utility users tax.

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