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BILL



ANALYSIS

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Senate Bill 553 (as introduced 9-25-13)
Sponsor: Senator Roger Kahn, M.D.
Committee: Economic Development

Date Completed: 10-15-13

CONTENT

The bill would amend the Michigan Renaissance Zone Act to allow a qualified local governmental unit to seek an eight-year extension of renaissance zone status, in addition to a previously granted seven-year extension. This would apply to a renaissance zone located in a county with a population of more than 190,000 and less than 240,000 (i.e., Saginaw County).

Specifically, if a qualified local governmental unit in which a renaissance zone was designated under Section 8 received approval by the Michigan Strategic Fund (MSF) to extend the duration of renaissance zone status for a period of seven years, and that renaissance zone is located in a county with a population of more than 190,000 and less than 240,000, according to the most recent decennial census, that local governmental unit could resubmit an application to the MSF before June 14, 2014, to extend the renaissance zone status for an additional eight years, for a total maximum extension of 15 years.

The Michigan Strategic Fund could grant the extension if it would increase capital investment or job creation in the State, and the owner were in compliance with the written agreement required for an extension Section 4(7).

(Section 4 provides for the extension of renaissance zone status for all or portions of a zone under various circumstances. Under subsection (7), through December 31, 2011, a qualified local governmental unit in which a zone was designated under Section 8 or 8a could seek to extend the duration of renaissance zone status for one or more portions of a zone that was in existence as of March 15, 2008. The MSF board could approve an extension for up to 15 years. If it did so, the board had to enter into a written agreement with the owner of all real property located within the boundaries of the portions of the zone whose duration was extended.

Section 8 of the Act originally authorized the State Administrative Board to designate up to nine renaissance zones, and specified that not more than six could be in urban areas and not more than four could be in rural areas. Section 8 also authorized the Board to designate renaissance zones in one or more qualified local governmental units containing a closed military installation. Section 8a authorized the designation of additional zones by the Administrative Board and the MSF board. A qualified local government unit is either 1) a county, or 2) a city, village, or township that contains an eligible distressed area, as defined in the State Housing Development Authority Act.)

MCL 125.2684

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would reduce State and local revenue by an unknown amount. The bill also would potentially increase State expenditures by an unknown amount. The amount of any fiscal impact would depend upon the specific characteristics of the taxpayers and local units affected as well as revenue appropriated to local units as part of State reimbursements for losses attributable to renaissance zones. If reimbursement amounts were not changed, the bill would lower reimbursements received by local units affected by all other renaissance zones. Any revenue losses would affect revenue in 2015 through 2023. The bill would apply to only a renaissance zone located in Saginaw County.

Fiscal Analyst: David Zin

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.