



**House
Legislative
Analysis
Section**

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INCREASE TECHNOLOGY PARK DISTRICT AREA

House Bill 5677 as enrolled
Second Analysis (12-14-88)

RECEIVED

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Sponsor: Rep. Thomas L. Hickner
House Committee: Economic Development and Energy
Senate Committee: Finance

THE APPARENT PROBLEM:

The Technology Park Development Act is one of a number of different acts created since the early eighties to help diversify and revitalize Michigan's economy. Under the act, a local government may establish a technology park district located near a public four-year educational institution to offer tax abatements to technology facilities. Businesses that fall within the district can work together with the public educational institution for an interchange of ideas and services: schools gain opportunities to finance the research and development of new ideas and open the way for more internships for their students, businesses gain tax breaks and access to the schools' research capabilities, and both can work toward building the economic base of a community. The act requires that all land located in a technology park district be within a five-mile radius from a school's administration building. Although Monitor Township in Day County lies just outside the five-mile limit from Saginaw Valley State University, a business firm in the township that currently provides data-processing services for a savings and loan association would like to be included in the college area's technology park district. Because some feel the five-mile limit for the district was chosen arbitrarily, they feel the act should be amended to increase the district area so that more businesses would fall within district boundaries.

THE CONTENT OF THE BILL:

The Technology Park Development Act specifies that all land within a district must be within a five mile radius of the administration building on the main campus of a four-year public or independent university or institute of technology, or as otherwise specified in the act. The bill would increase the district area to include all land within a 10-mile radius of the administration building.

MCL 207.705

FISCAL IMPLICATIONS:

According to the Department of Commerce, the bill would have an undetermined fiscal impact on state and local government. (12-19-88)

ARGUMENTS:

For:

The bill would permit more businesses to become involved in special technology park districts. Interaction between schools, businesses and local governments increases the possible benefits to an area. Schools can assure their students are being instructed according to industry standards and ensure their students get experience from internships provided by participating businesses. Businesses, on the other hand, are granted property tax abatements and can tap the research capabilities of the local school. Both working together can increase business

activity for an area and, ultimately, strengthen the economic base of a community.

Against:

The bill seems to be directed at correcting a situation in one area. If the original limit was an arbitrary figure, why have a limit at all? The act was intended to apply to a limited business area near four-year public educational institutions. If the limit is raised from that originally specified, it could cause businesses well outside the technology park districts to request that they be allowed to participate in a program.

Response: There are currently only two areas in the state where technology park districts are located, one in Mount Pleasant (Central Michigan University) and one near Saginaw (Saginaw Valley State). By increasing the limit to 10 miles the bill would ensure that, should future districts be created in larger metropolitan areas, the legislature would not need to increase the limit again.

H.B. 5677 (12-14-88)