

# Legislative Analysis

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## NEW REDEVELOPMENT REN. ZONE

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**House Bill 5847 (Substitute H-2)**

**Sponsor: Rep. John Moolenaar**

**Committee: Commerce**

**Complete to 11-27-06**

## A SUMMARY OF HOUSE BILL 5847 (H-2) AS REPORTED FROM COMMITTEE

The bill would amend the Michigan Renaissance Zone Act to allow the board of the Michigan Strategic Fund to designate an additional redevelopment renaissance zone. The zone would have to meet the following criteria: (1) be located in a city with a population over 190,000 and under 250,000 and in a county with a population over 573,000 and less than 625,000; (2) contain only all or a portion of an industrial site of more than 14 acres and less than 16 acres; and (3) be approved by the MSF board on or before April 1, 2007. Firms located in renaissance zones receive exemptions from local real and personal property taxes, the State Education Tax, the Michigan Single Business Tax, and personal income taxes.

The bill also contains clarifying language in the descriptions of existing redevelopment zones. The proposed amendments would allow "all or a portion" of the properties described (rather than the properties as a whole) to be designated zones.

MCL 125.2688a

## BACKGROUND INFORMATION:

According to committee testimony, the bill would apply to the city of Grand Rapids and to Autodie International, a high tech tool and die company in the process of being purchased by a subsidiary of Daimler Chrysler.

## FISCAL IMPACT:

The bill would reduce State and local revenue by an indeterminate amount. In addition, expenditures from the School Aid Fund would increase by an indeterminate amount to replace the reduced local school tax revenue.

## POSITIONS:

The Michigan Economic Development Corporation and the City of Grand Rapids indicated support for the bill to the Committee on Commerce. (11-14-06)

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