



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 358 (as introduced 3-11-09)

Sponsor: Senator Roger Kahn, M.D.

Committee: Economic Development and Regulatory Reform

Date Completed: 5-6-09

CONTENT

The bill would amend the Local Development Financing Act to allow the Michigan Economic Development Corporation (MEDC) to designate two additional certified technology parks between June 1, 2009, and December 31, 2009.

Under the Act, a local government may create a local development financing authority to finance public improvements in a given area, by capturing increases in property tax revenue due to increased value. Public Act 248 of 2000 amended the Act to allow the MEDC to enter into agreements designating certified technology parks (also known as SmartZones) in municipalities that had created an authority, if they applied to the MEDC and satisfied certain criteria.

As amended in 2000, the Act authorized the MEDC to designate up to 10 certified technology parks. A 2002 amendment authorized the MEDC to designate an additional five certified technology parks after November 1, 2002. A 2008 amendment authorized the MEDC to designate an additional three certified technology parks after February 1, 2008, and before December 31, 2008.

The bill would allow the MEDC to designate an additional two certified technology parks after June 1, 2009, and before December 31, 2009. The MEDC could not accept applications for the additional certified technology parks until after June 1, 2009.

Under the Act, for the additional certified technology parks designated under the 2002 and 2008 amendments, the State must reimburse intermediate and local school districts each year for all tax revenue lost that was captured by an authority for a certified technology park designated by the MEDC after October 3, 2002. The State also must reimburse the School Aid Fund.

The bill would extend these reimbursement requirements to the additional two certified technology parks that the MEDC could designate between June 1, 2009, and December 31, 2009.

MCL 125.2162a

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would reduce State and local unit revenue and increase State expenditures by an unknown amount depending upon the number of additional properties affected, as well as their specific characteristics. State expenditures would be increased in order to maintain per-pupil funding guarantees for locally captured operating mills.

Fiscal Analyst: David Zin

S0910\sb358sa

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.