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BILL ANALYSIS

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House Bill 5086 (as reported without amendment)
Sponsor: Representative Mike Simpson
House Committee: Agriculture
Senate Committee: Agriculture and Bioeconomy

CONTENT

The bill would amend the Michigan Renaissance Zone Act to increase from 30 to 40 the maximum number of agricultural processing renaissance zones.

The Act allows the State Administrative Board, upon recommendation of the Michigan Strategic Fund board and the Agriculture Commission, to designate up to 30 renaissance zones for agricultural processing facilities in the State in one or more cities, villages, or townships, provided those entities consent to the creation of the zones for that purpose. The bill would allow the Administrative Board to designate up to 40 agricultural processing renaissance zones.

MCL 125.2688c

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bill would reduce State and local tax revenue and would increase School Aid Fund expenditures by an unknown amount. The actual amount would depend upon the specific characteristics of the property affected by the bill and the amount of property included in the additional renaissance zones. Under current law, property inside a renaissance zone is exempt from local property taxes and the State Education Tax, and individuals and businesses that reside in the zone are exempt from the Michigan Business Tax and individual income taxes. Current law also requires the State to reimburse many of the property taxes lost as a result of any exemptions under the Act, including revenue to intermediate school districts, local school districts, community colleges, public libraries, and the School Aid Fund.

Date Completed: 8-24-09

Fiscal Analyst: David Zin