



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4226 (as reported without amendment)
Sponsor: Representative Daniela R. Garcia
House Committee: Commerce and Trade
Senate Committee: Economic Development and International Investment

CONTENT

The bill would amend the Local Development Financing Act to do the following:

- Increase from three to nine the number of satellite certified technology parks for which the State Treasurer may approve the capture of State Education Tax revenue and local and intermediate school district taxes.
- Require that any applications for additional satellite certified technology parks be approved by the MEDC through a competitive application process during two periods.
- Provide that the first application period would begin on the bill's effective date and end on November 1, 2015, and the final period would go from January 1, 2016, to July 1, 2016.
- Allow the MEDC to approve up to three applications during the first period, and require approval or denial by November 1, 2015.
- Allow the MEDC to approve the remainder of the designations during the final period, up to the limit of nine, and require approval or denial by September 1, 2016.

The Act allows a local government to create a local development finance authority to finance public improvements in a given area, by capturing increases in property tax revenue due to increased value of property in a district or development area. The Act also allowed the MEDC to designate certified technology parks (also known as SmartZones) in municipalities that had created a local development finance authority, if satisfied certain criteria.

If a municipality has created an authority in which a certified technology park has been designated, the municipality may enter into an agreement with another authority that does not contain a certified technology park, under certain circumstances, to designate a distinct geographic area within the authority district as a certified technology park (i.e., a satellite certified technology park). The State Treasurer may approve the capture of amounts levied by the State under the State Education Tax Act and by local and intermediate school districts, as permitted to fund public facilities, for not more than three distinct geographic areas.

MCL 125.2162b

Legislative Analyst: Ryan M. Bergan

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 because the State would have to reimburse intermediate school districts, local school districts, and the School Aid Fund for revenue captured under the bill's provisions.

Date Completed: 6-11-15

Fiscal Analyst: David Zin

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Bill Analysis @ www.senate.michigan.gov/sfa

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