

HOUSE BILL No. 5947

April 8, 2008, Introduced by Reps. Tobocman, Byrnes, Mayes, Huizenga, Clemente, Griffin, Robert Jones, Bauer, Warren, Sak, Moss, Brown, Alma Smith, Coulouris and Dean and referred to the Committee on New Economy and Quality of Life.

A bill to create the cultural redevelopment authority; to create and operate certain cultural redevelopment districts; to foster economic opportunities in this state; to facilitate economic development; to stimulate cultural, industrial, commercial, and residential improvements; to prevent physical and infrastructure deterioration of geographic areas in this state; to authorize expenditures; to provide exemptions and credits from certain taxes; to create certain obligations of this state and local governmental units; to provide for appropriations; and to prescribe the powers and duties of certain state and local departments, agencies, and officials.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 1. This act shall be known and may be cited as the
- 2 "cultural redevelopment district authority act".

1 Sec. 2. The legislature of this state finds and declares that
2 there exists in this state continuing need for programs to assist
3 certain local governmental units in encouraging cultural
4 development, cultural redevelopment, economic development, the
5 consequent job creation and retention, and ancillary economic
6 growth in this state. To achieve these purposes, the legislature
7 determines it is necessary to assist and encourage the creation of
8 cultural redevelopment districts and provide temporary relief from
9 certain taxes within those districts.

10 Sec. 3. As used in this act:

11 (a) "Artist" means a person who creates or executes an
12 artistic work.

13 (b) "Artist materials" means materials used directly in the
14 creation of artistic work that are for sale or purchased within the
15 district.

16 (c) "Artistic work" means an original and creative work,
17 whether written, composed, created, or executed for one-of-a-kind
18 or limited production, which is 1 of the following:

19 (i) A book or other writing.

20 (ii) A play or the performance of a play.

21 (iii) A musical composition or the performance of the
22 composition.

23 (iv) A painting or other like picture.

24 (v) A sculpture.

25 (vi) A traditional and fine craft.

26 (vii) The creation of a film, the acting of a film, or
27 photography.

1 (viii) The creation of a dance or the performance of the dance.

2 (ix) A design art.

3 (d) "Authority" means the cultural redevelopment district
4 authority created in section 4.

5 (e) "Board" means the board of directors of the cultural
6 redevelopment authority board created in section 5.

7 (f) "Department" means the department of labor and economic
8 growth.

9 (g) "Development plan" means a written plan that addresses the
10 criteria in section 7 and includes all of the following:

11 (i) A map of the proposed cultural redevelopment district that
12 indicates the geographic boundaries, the total area, and the
13 present use and conditions generally of the land and structures
14 within those boundaries.

15 (ii) Evidence of community support and commitment from
16 cultural, residential, and business interests.

17 (iii) A description of the methods proposed to increase economic
18 opportunity and expansion, facilitate infrastructure improvement,
19 and identify job opportunities.

20 (iv) Current and anticipated improvements in infrastructure and
21 social, economic, and demographic characteristics of the proposed
22 district.

23 (v) Any other information required by the board.

24 (h) "District" means a cultural redevelopment district created
25 under section 6.

26 (i) "Local governmental unit" means a county, city, village,
27 or township.

1 (j) "Person" means an individual, partnership, corporation,
2 association, limited liability company, governmental entity, or
3 other legal entity.

4 (k) "Qualified business" means a person who creates an
5 artistic work or assists others in the creation, display, or sale
6 of an artistic work.

7 (l) "Qualified local governmental unit" means a city, village,
8 or township.

9 Sec. 4. (1) The cultural redevelopment district authority is
10 created as a public body corporate and politic within the
11 department.

12 (2) The authority shall exercise its duties independently of
13 the department. However, the budgeting, procurement, and related
14 administrative functions of the authority shall be conducted by the
15 department.

16 Sec. 5. (1) The authority shall exercise its duties through
17 its board of directors.

18 (2) The board shall be made up of 13 members as follows:

19 (a) The director of the department of labor and economic
20 growth.

21 (b) The director of the department of history, arts, and
22 libraries.

23 (c) The director of the Michigan council for arts and cultural
24 affairs.

25 (d) The chief executive officer of the Michigan economic
26 development corporation.

27 (e) The director of the state historic preservation office of

1 the Michigan historical center of the department of history, arts,
2 and libraries.

3 (f) The state librarian.

4 (g) The director of the Michigan state housing development
5 authority.

6 (h) Four members with knowledge, skill, or experience in
7 private development or local arts or cultural organizations
8 appointed by the governor with the advice and consent of the
9 senate.

10 (i) One member appointed by the governor from a list of 2 or
11 more individuals selected by the majority leader of the senate,
12 with knowledge, skill, or experience in private development or
13 local arts or cultural organizations.

14 (j) One member appointed by the governor from a list of 2 or
15 more individuals selected by the speaker of the house of
16 representatives, with knowledge, skill, or experience in private
17 development or local arts or cultural organizations.

18 (3) The appointed members shall serve for terms of 4 years. Of
19 the 2 members first appointed, 1 shall be appointed for an initial
20 term of 1 year and 1 shall be appointed for an initial term of 2
21 years. The appointed members shall serve until a successor is
22 appointed. A vacancy shall be filled for the balance of the
23 unexpired term in the same manner as the original appointment.

24 (4) The chief executive officer or director of any state
25 department or agency who is a designated member of the board may
26 appoint a representative to serve in his or her absence.

27 (5) Members of the board shall serve without compensation but

1 may receive reasonable reimbursement for necessary travel and
2 expenses incurred in the discharge of their duties.

3 (6) The board shall select a board member to serve as
4 chairperson of the board.

5 (7) A majority of the appointed and serving members of the
6 board shall constitute a quorum of the board for the transaction of
7 business. A member may participate in a meeting by the use of
8 amplified telephonic or video conferencing equipment. A member
9 participating by the use of telephonic or video conferencing
10 equipment shall be considered to be present for purposes of a
11 quorum and for purposes of voting. Actions of the board shall be
12 approved by a majority vote of the members present at a meeting.

13 (8) The members of the board and officers and employees of the
14 authority are subject to 1968 PA 317, MCL 15.321 to 15.330, or 1968
15 PA 318, MCL 15.301 to 15.310.

16 (9) A member of the board or officer, employee, or agent of
17 the authority shall discharge the duties of his or her position in
18 a nonpartisan manner, with good faith, and with that degree of
19 diligence, care, and skill that an ordinarily prudent person would
20 exercise under similar circumstances in a like position.

21 Sec. 6. (1) One or more qualified local governmental units may
22 apply to the board to designate a portion of the qualified local
23 governmental unit or units as a district if all of the following
24 criteria are met:

25 (a) The geographic area of the proposed district is located
26 within the boundaries of the qualified local governmental unit or
27 units that apply.

1 (b) The application includes a development plan.

2 (c) The application includes the proposed duration of district
3 status, not to exceed 10 years, except as otherwise provided in
4 this section.

5 (d) If the qualified local governmental unit is a city, that
6 city's mayor's written approval of the application.

7 (2) A qualified local governmental unit may submit not more
8 than 1 application to the board for designation as a district.

9 Sec. 7. (1) The board shall review all applications submitted
10 by qualified local governmental units and determine which
11 applications meet the criteria contained in section 6.

12 (2) The board shall do all of the following:

13 (a) Designate districts.

14 (b) Subject to subsection (3), approve or reject the duration
15 of district status.

16 (c) Subject to subsection (3), approve or reject the
17 geographic boundaries and the total area of the district as
18 submitted in the application.

19 (d) Approve or reject each exemption, deduction, or credit as
20 described in section 9.

21 (3) The board shall not alter the geographic boundaries of the
22 district or the duration of district status described in the
23 application unless the qualified local governmental unit or units
24 and the local governmental unit or units in which the district is
25 to be located consent by resolution to the alteration.

26 (4) The designation of a district under this act shall take
27 effect on January 1 in the year following designation.

1 Sec. 8. The board shall consider the following criteria in
2 designating a district:

3 (a) Giving priority to applications that include new business
4 activity.

5 (b) Evidence of adverse economic and socioeconomic conditions
6 within the proposed district.

7 (c) The viability of the development plan.

8 (d) Whether the development plan is creative and innovative.

9 (e) Public and private commitment to and other resources
10 available for the proposed district.

11 (f) How district designation would relate to a broader plan
12 for the community as a whole.

13 (g) The level of demonstrated cooperation from artists and the
14 local arts community.

15 (h) Any other information required by the board.

16 Sec. 9. An artist who is a resident of or conducts business in
17 a district or a qualified business that is located and conducts
18 business activity within a district shall receive the exemption,
19 deduction, or credit as determined by the board as provided in the
20 following for the period provided under section 7(2)(b):

21 (a) Sections 461 and 462 of the Michigan business tax act,
22 2007 PA 36, MCL 208.1461 and 208.1462.

23 (b) Sections 272 and 275 of the income tax act of 1967, 1967
24 PA 281, MCL 206.272 and 206.275.

25 (c) Section 4cc of the general sales tax act, 1933 PA 167, MCL
26 205.54cc.

27 Sec. 10. The form of the application for a district

1 designation shall be as specified by the department. The board may
2 request any information from an applicant, in addition to that
3 contained in an application, as may be needed to permit the board
4 to discharge its responsibilities under this act.

5 Sec. 11. This state shall reimburse the school aid fund for
6 all revenues lost as the result of the establishment of a district.
7 Foundation allowances calculated under section 20 of the state
8 school aid act of 1979, 1979 PA 94, MCL 388.1620, shall not be
9 reduced as a result of lost revenues arising from this act.

10 Sec. 12. (1) The board shall conduct all business at public
11 meetings held in compliance with the open meetings act, 1976 PA
12 267, MCL 15.261 to 15.275. Public notice of the time, date, and
13 place of each meeting shall be given in the manner required by the
14 open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

15 (2) A record or a portion of a record, material, application,
16 or other data received, prepared, used, or retained by the board is
17 subject to the freedom of information act, 1976 PA 442, MCL 15.231
18 to 15.246.

19 Sec. 13. This act shall be construed liberally to effectuate
20 the legislative intent and the purposes of this act and as complete
21 and independent authority for the performance of each and every act
22 and thing authorized by this act, and all powers granted by this
23 act shall be broadly interpreted to effectuate the intent and
24 purposes of this act and not as a limitation of powers.

25 Sec. 14. The department shall annually report to the
26 legislature on the economic effects of this act in each district.
27 The report shall include, but is not limited to, all of the

1 following for each district:

2 (a) Number of new jobs created.

3 (b) Percentage change in aggregate taxable value and state
4 equalized value.

5 (c) Average wage of new jobs created.

6 (d) Percentage change of adjusted gross income of residents.

7 (e) The estimated change in the population from the
8 immediately preceding year.