



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



BILL ANALYSIS

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

House Bill 5096 (Substitute S-4 as reported by the Committee of the Whole)

Sponsor: Representative Kristian Grant

House Committee: Economic Development and Small Business

Senate Committee: Committee of the Whole

CONTENT

The bill would amend the Michigan Renaissance Zone Act to do the following:

- Allow the Board of Directors of the Michigan Strategic Fund (MSF), instead of the Renaissance Zone Review Board, to designate any remaining undesignated renaissance zones for renewable energy facilities, forest products processing facilities, and border crossing facilities, beginning October 1, 2023.
- Allow a qualified local governmental unit that contained a renaissance zone and had a population between 1.7 million and 1.9 million to apply to the MSF to extend the duration of renaissance zone status by an additional 15 years, not to exceed a total of 30 years.

MCL 125.2683 et al.

Legislative Analyst: Abby Schneider

FISCAL IMPACT

The bill would increase administrative costs to the MSF and Department of Treasury to approve renaissance zones, calculate taxable value, and calculate tax revenue loss for any additional renaissance zones that were approved due to the bill. These additional costs would likely be minimal.

The bill would not have a direct fiscal impact on local governments; however, if there were an increase in renaissance zones, this would reduce State and local revenue by an indeterminate amount.

In addition, if the MSF were to extend the duration of the renaissance zones in Wayne County as permitted under the bill, the State and local governments would forgo the revenue that would have otherwise been collected following the scheduled expiration of the zones. Currently, those provisions reduce local unit revenue each year by approximately \$13.4 million and State revenue by approximately \$1.6 million, and increase State expenditures by approximately \$10.8 million.

Date Completed: 2-29-24

Fiscal Analyst: Cory Savino, PhD
Bobby Canell; Elizabeth Raczkowski