

Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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House Bills 5805 and 5806 (as passed by the House)  
Sponsor: Representative Jason Allen (House Bill 5805)  
Representative Joseph Rivet (House Bill 5806)  
House Committee: Commerce  
Senate Committee: Economic Development, International Trade and Regulatory Affairs

Date Completed: 5-20-02

## **CONTENT**

**House Bills 5805 and 5806 would amend the Michigan Renaissance Zone Act to revise provisions governing the extension of the duration of a renaissance zone.**

### **House Bill 5805**

The Act provides that, through December 31, 2002, a qualified local governmental unit or units in which a renaissance zone was designated under the Act may designate additional distinct geographic areas, not to exceed a total of 10 distinct geographic areas, upon application to and approval by the State Administrative Board. The Act currently specifies that those additional distinct geographic areas have the duration of renaissance zone status determined by the qualified local governmental unit, not to exceed 15 years, except as otherwise provided. The bill would delete a qualified local unit's authority to determine the duration of renaissance zone status for those additional areas.

The Act also provides that, if a qualified local governmental unit or units designate additional distinct geographic areas in a renaissance zone, as described above, the qualified local unit or units may extend the duration of the renaissance zone status of one or more distinct geographic areas in that zone until 2017. The bill specifies that the local unit or units could extend the duration of renaissance zone status until that year upon application to and approval by the State Administrative Board.

The bill states that it would be retroactive and effective for one or more distinct geographic areas whose duration of renaissance zone status had been extended on and after April 1, 2002. Any action by a qualified local governmental unit on and after that date and until the bill's effective date to extend the duration of renaissance zone status on additional distinct geographic areas without approval by the State Administrative Board would be null and void.

### **House Bill 5806**

The Act requires the State Administrative Board to approve or reject the duration of renaissance zone status, not to exceed 15 years except as provided in Section 4(5) (i.e., until 2017--subject to Board approval under House Bill 5805). The bill would delete from that provision "not to exceed 15 years except as provided in section 4(5)".

MCL 125.2684 (H.B. 5805)  
125.2686 (H.B. 5806)

Legislative Analyst: Patrick Affholter

**FISCAL IMPACT**

The bills would have no fiscal impact on State or local government.

Fiscal Analyst: David Zin