



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

BILL ANALYSIS



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

Senate Bill 355 (as introduced 5-27-15)
Sponsor: Senator Goeff Hansen
Committee: Economic Development and International Investment

Date Completed: 6-11-15

CONTENT

The bill would amend the Michigan Promise Zone Act to provide that if a governing body dissolved a promise zone, the Department of Treasury's certification authorizing that promise zone would be terminated and would not count toward the Act's limit of 10 certifications.

The Act permits the governing body of an eligible entity to establish a promise zone and provide a promise of financial assistance for postsecondary education to students who have graduated from a public or nonpublic high school within that zone. (An eligible entity is a city, township, county, school district, or intermediate school district in an area where the percentage of families with children living at or below the Federal poverty rate is higher than the State average.)

A governing body that wishes to establish a promise zone must submit an application to the Department of Treasury, which then determines whether the governing body is eligible to establish a promise zone. If the Department certifies that the governing body is eligible, the governing body must establish a promise zone by resolution. The applications must be reviewed and approved on a first-come first-served basis, and the Department may not certify more than 10 governing bodies of eligible entities as eligible to establish a promise zone.

Under the bill, if the governing body of an eligible entity by resolution dissolved a promise zone, the Department's certification authorizing that zone would be void and would not count toward the limit of 10 certifications.

MCL 390.1645

Legislative Analyst: Ryan M. Bergan

FISCAL IMPACT

The bill would have an unknown and likely minimal impact on State and local revenue. The actual impact would depend on the specific characteristics of affected promise zones, including the size of the zone, the value of property within the zone, and whether or not a new zone was established as a result of the termination of a previously existing zone.

Fiscal Analyst: David Zin

SAS\S1516\s355sa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.