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TO: The Honorable Detroit City Council
FROM: David Whitaker, Director 
Legislative Policy Division Staff
DATE: March 6, 2024
RE: Renaissance Zone Reimbursements

Pro-Tem Tate requested that the Legislative Policy Division (LPD) report on the reimbursement provisions the Renaissance Zone Act (PA 376). Specifically, Pro-Tem Tate asked for LPD to report on how much money was reimbursed to each jurisdiction. This report is our response to this inquiry.

Pursuant to the Act, the reimbursement provisions are stated as follows: “(6), this state shall reimburse a community college district and a public library each year for all tax revenue lost as a result of the exemption of property under this act, based on the property's taxable value in that year, from taxes levied or collected under the general property tax act. (the section additionally states)... this state shall reimburse the school aid fund for all revenues lost as the result of the establishment of renaissance zones.”¹

Regarding the reimbursement to the aforementioned entities, the State of Michigan on an annual basis, budgets for the reimbursement of said taxing jurisdictions, the Governor's 2024 proposed budget (attached) continues to provide \$2.2 million for Renaissance Zone Tax Reimbursements to hold community college districts harmless from the impact of property tax exemptions in designated state Renaissance Zones.

The entire State Budget for Renaissance Zone reimbursements includes \$14 million, which includes the State's annual allocation to reimburse the State's community college districts, school districts, and libraries, which is reflected in the attachment.²

Please contact us if we can be of any further assistance.

Attachment: Select State of Michigan Budget Pages

¹ MICHIGAN RENAISSANCE ZONE ACT MCL 125.2692

² We were unable to locate a separate allocation for schools and libraries in the Renaissance Zone reimbursement totals.



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Renaissance Zone Tax Reimbursements

The Governor’s proposed budget continues to provide \$2.2 million for Renaissance Zone Tax Reimbursements. These reimbursements hold community college districts harmless from the impact of property tax exemptions in designated state Renaissance Zones.

Debt Service and Other Required Payments

- **School Bond Loan Fund Debt Service** is funded at \$111 million.
- **Renaissance Zone** reimbursements are recommended at \$14 million.
- **School Aid Fund Borrowing Costs** are included at \$1 million.
- **Payments in Lieu of Taxes** are included at \$5.1 million.
- **Brownfield Redevelopment Reimbursements** are included at \$14.4 million.
- **Promise Zone funding** is included at \$26 million.