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**BILL ANALYSIS**

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House Bill 4207 (Substitute H-2 as reported without amendment)  
Sponsor: Representative Andy Schor  
House Committee: Commerce and Trade  
Senate Committee: Economic Development and International Investment

**CONTENT**

The bill would amend Chapter 8C (Community Revitalization Program) of the Michigan Strategic Fund Act to do the following:

- Extend eligibility for community revitalization incentives to property used for a neighborhood and commercial corridor food initiative, through September 30, 2022.
- For fiscal year (FY) 2017-18 through FY 2021-22, require at least 5% of community revitalization incentives to be awarded to neighborhood and commercial corridor food initiatives, unless there were insufficient approved applications.
- State that a new neighborhood and commercial corridor food initiative would not be eligible for a community revitalization incentive if it were located within one mile of an existing retail supermarket, grocery store, or produce market that sold certain products.

"Neighborhood and commercial corridor food initiative" would mean property that will be used primarily as a retail supermarket, grocery store, produce market, or delicatessen that is located in a downtown area or in a development area as defined under the Corridor Improvement Authority Act, as determined by the Michigan Strategic Fund board, that offers unprocessed United States Department of Agriculture (USDA)-inspected meat and poultry products or meat products that carry the USDA organic seal, fresh fruits and vegetables, and dairy products for sale to the public.

MCL 125.2090a & 125.2090b

Legislative Analyst: Drew Krogulecki

**FISCAL IMPACT**

The bill would have a fiscal impact on the Department of Talent and Economic Development (which houses the Michigan Strategic Fund), the Community Revitalization Program, and local units of government. The Department would experience minor administrative costs in processing applications for neighborhood and commercial corridor food initiatives. The Department may use up to 4% of annual appropriations from the 21<sup>st</sup> Century Jobs Trust Fund and charge application fees for administrative costs.

The Community Revitalization Program is funded from the Business Attraction and Community Revitalization line item in the Michigan Strategic Fund budget. The fiscal year 2017-18 appropriation for Business Attraction and Community Revitalization is \$115.5 million. Additionally, boilerplate language requires at least \$20.0 million from the line item to be used for brownfield redevelopment and historic preservation projects under the Community Revitalization Program, and \$42.4 million was appropriated to the program in FY 2015-16. This means that funding for neighborhood and commercial corridor food initiatives would be at least \$1.0 million to over \$2.0 million annually between FY 2017-18 and FY 2021-22.

Local units of government would receive additional grants for community projects from the State. These grants would go toward existing downtown or development areas that do not currently have a retail supermarket, grocery store, or produce market within one mile of a corridor food initiative. Since there would be no cap on the size of grants for the initiatives, it is difficult to predict the number or size of grants that would be awarded.

Date Completed: 12-5-17

Fiscal Analyst: Cory Savino

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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.