

SFA

BILL ANALYSIS

Senate Fiscal Agency

Lansing, Michigan 48909

(517) 373-5383

Senate Bill 519

Sponsor: Senator Joseph Mack

Committee: Finance

Date Completed: 11-10-88

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SUMMARY OF SENATE BILL 519 as introduced 11-8-88:

The bill would amend Public Act 70 of 1977 to require the State Treasury to reimburse a local school district for taxes lost due to the establishment of Pictured Rocks National Lakeshore Park, by paying the district \$50,000 in 1988 and each year thereafter.

Under the Act, the State Treasurer was required to reimburse local units of government, for 10 years beginning in 1977, for taxes lost due to the establishment of Pictured Rocks National Lakeshore Park, Isle Royale National Park, the Sylvania tract in the Ottawa National Forest Park, and the Seney National Wildlife Refuge Park. Payments to local units were based on the State equalized valuation of the lands for each taxing jurisdiction from which property was transferred, and the rate of taxation. Payments were reduced by 10% each year. The last payment was made in December 1986.

MCL 211.801

Legislative Analyst: G. Towne

FISCAL IMPACT

The bill would result in a cost to the State of \$50,000 General Fund/General Purpose in FY 1988-89 by providing an annual payment of \$50,000 to the Burt Township School District in Grand Marais (Alger County).

State equalized valuation (SEV) was reduced in two local school districts as a result of the establishment of Pictured Rocks National Lakeshore Park: Munising Public Schools in Munising and Burt Township Schools in Grand Marais. However, since Munising is an "in-formula" district, its SEV loss is fully restored through the general membership formula of the School Aid Act. Burt Township is out-of-formula and receives no such membership aid. Total payments in lieu of taxes to the two school districts under Public Act 70 of 1977 for the establishment of Pictured Rocks National Lakeshore Park over the 10-year period of 1977 through 1986 have been:

Munising Public Schools.....	\$280,185
Burt Township Schools.....	\$367,779

Fiscal Analyst: M. Addonizio

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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.