



**House
Legislative
Analysis
Section**

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TAX INCREMENT FINANCE; SCHOOL TAXES

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House Bill 4629

Sponsor: Rep. Bill Martin

First Committee: Taxation

Second Committee: Urban Affairs

Complete to 5-3-89

A SUMMARY OF HOUSE BILL 4629 AS INTRODUCED 4-13-89

Under the downtown development authority act, the percentage of school operating taxes that may be "captured" and used by a tax increment financing plan may not be greater than the percentage of city, county, township or village operating taxes captured and used by the plan. The bill would specify that the limitation would not apply to the portion of captured assessed value shared with a county under an agreement entered into before 1989. Further, if a portion of captured assessed value was shared with a city, township, or village in 1988, the bill would provide for a phase-in of the limitation for tax years 1989 through 1991. The allowable amount of captured assessed value that could be shared with a local government would be the greater of either: the current limit imposed under the act, or 100 percent of the amount shared in 1988, for tax year 1989; either the current limit or 2/3 of the 1988 amount, for tax year 1990; and for tax year 1991, either the current limit or 1/3 of the 1988 amount.

MCL 125.1664

House Bill 4629 (5-3-89)