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## TIFAS AND SCHOOL TAX PLAN

House Bills 5117-5119

Sponsor: Rep. John Llewellyn

Committee: Local Government

Complete to 10-18-93

### A SUMMARY OF HOUSE BILLS 5117-5119 AS INTRODUCED 10-13-93

The bills would apply to three acts that provide for tax increment financing, whereby projects are funded by capturing revenue from the growth in property taxes in a designated area, including at present capturing revenue that comes from the levying of property taxes for funding schools. Public Act 145 of 1993 (Senate Bill 1) eliminated school property taxes as of January 1, 1994.

The bills would, generally, do the following:

**\*\* Eliminate references to school operating taxes and prohibit the capture of taxes levied by local school districts, intermediate school districts, or the state education finance authority (which would be created by enactment of House Bill 5111 to levy a statewide property tax on non-homestead property of 16 mills).**

**\*\* Delete references to the state tax commission and give its duties in the acts to the Department of Treasury. (The tax commission would be abolished if House Bill 5115 were enacted.)**

**\*\* Allow the budgets of the various TIFA authorities to contain funds of municipalities authorized under amendments proposed to the Property Tax Limitation Act in House Bill 5112. That would grant additional allocated millage to various municipalities (two mills for counties; six mills for cities; three mills for townships; and two mills for villages.)**

House Bill 5117 would amend the Tax Increment Finance Authority Act (MCL 125.1813). House Bill 5118 would amend the Local Development Financing Act (MCL 125.2151). House Bill 5119 would amend the act governing downtown development authorities (MCL 125.1651a).

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