



**Senate Fiscal Agency**  
P. O. Box 30036  
Lansing, Michigan 48909-7536

---

---

BILL ANALYSIS



**Telephone: (517) 373-5383**  
**Fax: (517) 373-1986**

---

---

Senate Bill 670 (Substitute S-1as reported by the Committee of the Whole)  
Sponsor: Senator Loren Bennett  
Committee: Local, Urban and State Affairs

### **CONTENT**

The bill would amend the General Property Tax Act to provide that for taxes levied after 1996, except as otherwise provided and limited in the bill, real property in a renaissance zone and personal property located in a renaissance zone for at least 50% of the tax year would be exempt from taxes collected under the Act to the extent and for the duration provided pursuant to the Michigan Renaissance Zone Act (proposed by Senate Bill 668).

Real and personal property in a renaissance zone would not be exempt from the following:

- A special assessment levied by the local tax collecting unit in which the property was located.
- Except as provided in the bill, a tax levied to pay principal and interest due on an obligation of a local taxing unit such as bonds, refunding bonds, notes, certificates of indebtedness, contracts or assessments for the payment of bonds, and other similar instruments issued or incurred by the local taxing unit that met one or more of the following requirements: evidenced a general obligation of that local taxing unit, pledged the full faith and credit of that local taxing unit, and/or was payable primarily or secondarily from taxes and/or special assessments.
- A tax levied under provisions of the School Code that permit the levy of a regional enhancement property tax for local school district operations (MCL 380.705); permit a school district to levy up to three additional mills for enhancing operating revenue (MCL 380.1211c); and, permit a school district to levy up to five mills for up to 20 years to create a sinking fund to be used to purchase sites for, and construction or repair of, school buildings (MCL 380.1212).

The bill specifies that for residential rental property in a renaissance zone, this exemption would be available only if that property did not pose a significant threat to health, safety, or welfare of an occupant. If the local tax collecting unit determined that a property owner claiming an exemption had knowingly filed a false affidavit and the property posed a significant threat, the assessor would have to remove the property's exemption.

Real property in a renaissance zone would be exempt from taxes captured to pay principal and interest due on bonds or notes issued under the Tax Increment Finance Authority Act, the downtown development authority Act, or the Local Development Financing Act.

Proposed MCL 211.7ff

Legislative Analyst: L. Arasim

### **FISCAL IMPACT**

Please see FISCAL IMPACT for Senate Bill 668.

Date Completed: 1-24-96

Fiscal Analyst: J. Wortley

floor\sb670

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.