



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 5136 (Substitute S-1 as reported)

Sponsor: Representative Gerald Law

House Committee: Tax Policy

Senate Committee: Economic Development, International Trade and Regulatory Affairs

CONTENT

The bill would amend the plant rehabilitation and industrial development Act to specify that if an industrial facilities tax exemption certificate were awarded to a new facility, a replacement facility, or a speculative building for less than the maximum period permitted under the Act, the owner or lessee could apply for another certificate. If the local unit disapproved the application, there would be no right of appeal as there is with an initial application. The sum of the exemption periods could not exceed the maximum for a single certificate. The bill would apply to certificates that became effective after December 31, 1995.

The Act allows owners of industrial facilities located in plant rehabilitation or industrial development districts to apply for tax exemption certificates exempting the facilities from any ad valorem real and personal property taxes. Instead, the owners pay an industrial facility tax. Unless revoked, an exemption certificate generally is in effect for the period determined by the local legislative body, but not more than 12 years.

MCL 207.559 et al.

Legislative Analyst: L. Burghardt

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on the State and local governments. It would depend on the number of subsequent abatements granted.

Date Completed: 11-9-95

Fiscal Analyst: R. Ross