



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

BILL ANALYSIS



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

House Bill 5198 (Substitute H-2 as passed by the House)
Sponsor: Representative Ilona Varga
House Committee: Tax Policy

CONTENT

The bill would amend Public Act 189 of 1953 (which provides for the taxation of for-profit lessees and users of tax-exempt real property) to create a tax exemption for real property located in a renaissance zone under the Michigan Renaissance Zone Act to the extent and for the duration provided in that Act, except for a special assessment or a tax described in Section 7ff(2) of the General Property Tax Act. (That section, which would be added by Senate Bill 670, describes real and personal property in a renaissance zone that would remain subject to certain taxes or special assessments.)

Under Public Act 189, if tax-exempt real property is leased, loaned, or otherwise made available to and used by a private individual, association, or corporation in connection with a business conducted for profit, the lessee or user is subject to taxation in the same manner and to the same extent as though the lessee or user owned the property. This provision does not apply to specific types of property described in the Act. As described above, the bill would add property in a renaissance zone.

MCL 211.181

Legislative Analyst: S. Margules

FISCAL IMPACT

Please see FISCAL IMPACT on House Bill 5190.

Date Completed: 12-4-96

Fiscal Analyst: J. Wortley