



Senate Fiscal Agency  
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## BILL ANALYSIS



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House Bill 5357 (Substitute H-2 as passed by the House)  
Sponsor: Representative Robert Brackenridge  
House Committee: Tax Policy  
Senate Committee: Local, Urban and State Affairs

Date Completed: 3-6-96

**CONTENT**

**The bill would amend the Plant Rehabilitation and Industrial Development Districts Act to limit the application fee charged by a local unit of government, and to require a local unit to forward an application to the State Tax Commission within a certain time.**

Under the Act, after the establishment of a plant rehabilitation or industrial development district (in which eligible facilities are exempt from the general property tax and subject to the industrial facilities tax for up to 12 years), the owner or lessee of a facility may file an application for an industrial facilities exemption certificate with the clerk of the local governmental unit. The bill specifies that the local unit could charge the applicant an application fee to process the application. The fee could not exceed the actual cost incurred by the local unit in processing the application or 3% of the total property taxes abated under the Act for the term that the certificate was in effect, whichever was less. A local unit could not charge an applicant any other fee under the Act.

Currently, if an application is approved, the clerk of the local unit must forward the application to the State Tax Commission. If disapproved, the clerk must return the application to the applicant, who may appeal the disapproval to the Commission within 10 days after the date of disapproval. Under the bill, a clerk would have to forward an approved application to the Commission within 60 days of approval or before October 31 of that year, whichever was first, in order to receive the certificate effective for the following year. An applicant could appeal a disapproval if the appeal were filed with the Commission before October 31 of that year.

The Act provides that, within 60 days after receiving an approved application or an appeal of a disapproved application, the Commission must determine whether the facility is a speculative building or designed and acquired primarily for the purpose of restoration or replacement of obsolete industrial property or the construction of new industrial property, and whether the facility otherwise complies with the Act. The bill would require the Commission to make these determinations within 60 days after receiving an approved application or an appeal of a disapproved application that was submitted to the Commission before October 31 of that year.

MCL 207.555-207.557

Legislative Analyst: S. Margules

## **FISCAL IMPACT**

The bill would limit the application fees charged by local units. The fees charged by some local units would decrease or increase, depending on the amount the local units presently charge.

The bill would have no fiscal impact on the State.

Fiscal Analyst: R. Ross

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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.