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SFA**BILL ANALYSIS**

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Senate Bills 295 and 296 (as introduced 3-6-97)

Sponsor: Senator Bill Bullard, Jr.

Committee: Finance

Date Completed: 10-28-97

CONTENT

Senate Bill 295 would amend the General Property Tax Act to allow a local unit of government to exempt from taxation all personal property acquired after 1997, or all personal property within the local unit; and prohibit a local unit from approving an industrial facilities exemption certificate if the local unit exempted personal property from taxation. **Senate Bill 296** would amend the Plant Rehabilitation and Industrial Development Districts Act to prohibit a local unit of government from approving an industrial facilities exemption certificate if the local unit exempted personal property from taxation. Senate Bill 296 is tie-barred to Senate Bill 295.

Senate Bill 295

The bill would allow the governing body of a local unit of government, by resolution, to exempt either: 1) all personal property within the local unit; or 2) all personal property acquired after 1997. The exemption for personal property acquired after 1997 would not apply if the taxpayer were liable for the payment of taxes on that property before 1998.

Further, the bill provides that if a local unit exempted personal property from taxation, it could not approve an application for an industrial facilities exemption certificate under the Plant Rehabilitation and Industrial Development Districts Act.

Senate Bill 296

The bill would prohibit the legislative body of a local government from approving an application for an industrial facilities exemption certificate, and prohibit the State Tax Commission from issuing a certificate, if the local unit exempted personal property from the property tax.

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. If an application is approved, the clerk of the local unit must forward the application to the State Tax Commission, which must make a determination of whether to issue an exemption certificate.

Proposed MCL 211.9f (S.B. 295)

Legislative Analyst: G. Towne

FISCAL IMPACT

Data do not exist to determine the fiscal impact accurately.

Fiscal Analyst: R. Ross

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