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Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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House Bill 5223 (as reported without amendment)  
Sponsor: Representative Mary Schroer  
House Committee: Tax Policy  
Senate Committee: Economic Development, International Trade and Regulatory Affairs

### **CONTENT**

The bill would amend the Plant Rehabilitation and Industrial Development Districts Act to specify that except as otherwise provided, if an industrial facilities exemption certificate were filed and the application were approved by the local governmental unit in October 1996, but the application were denied by the State Tax Commission in December 1996, then the restoration, replacement, or construction of the facility would not have to have begun six months (or, if the application were approved by the local unit on October 7, 1996, seven months) before the filing of the application for the exemption certificate with the local unit. The exemption would apply for a facility that was located in an existing industrial development district owned or occupied by a person who filed an application for an exemption certificate in April 1996 if the application were approved by the local legislative body in May 1996 and a certificate of occupancy were granted for the facility in January 1996.

Further, notwithstanding any other provision of the Act, if, in June 1997, a local governmental unit passed a resolution designating a speculative building and approving an industrial facilities exemption certificate, the State Tax Commission would have to issue the certificate for the speculative building from December 30, 1996, through December 30, 2006. The speculative building would have to have been occupied in November 1995, and be located in an industrial development district created in January 1996.

MCL 207.559

Legislative Analyst: N. Nagata

### **FISCAL IMPACT**

The bill would increase State costs by the amount lost by schools. Additionally, the revenue of local units involved would decrease.

Date Completed: 12-10-97

Fiscal Analyst: R. Ross