



Senate Fiscal Agency
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**BILL ANALYSIS**

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Senate Bill 478 (Substitute S-1 as reported)
Sponsor: Senator Raymond E. Basham
Committee: Finance

CONTENT

The bill would amend the General Property Tax Act to provide that a mobile home located on real property, whether or not permanently affixed to that property, would be real property and would have to be assessed as real property to the owner of the mobile home, for purposes of Section 2 (which describes land and buildings included in real property, for the purpose of taxation).

Under the bill, the term "mobile home" would include all fixtures attached and all structures appurtenant to a mobile home, including, but not limited to, steps, decks, porches, and storage sheds. Currently, fixtures and appurtenant structures are not included in the Act's definition of "mobile home".

MCL 211.2a et al.

Legislative Analyst: J.P. Finet

FISCAL IMPACT

Senate Bills 478 (S-1) and 486 (S-2) would generate an estimated \$20.8 million in new mobile home specific tax revenue in 2007; however, taxpayers would be able to claim increased property tax credits of an estimated \$1.2 million, for a net increase to taxpayers of an estimated \$19.1 million. By 2012, the net increase to taxpayers would be an estimated \$26.3 million. The new specific tax revenue would be distributed among the State General Fund, State School Aid Fund, local school districts, counties, and other local governments; the increase in property tax credits also would have an impact on the State's General Fund. The estimated net revenue gain and distribution are presented in Table 1.

Table 1

Mobile Home Specific Tax Estimated Fiscal Impact of S.B. 486 (S-2) (dollars in millions)						
	2007	2008	2009	2010	2011	2012
Existing Specific Tax	\$5.2	\$5.2	\$5.3	\$5.3	\$5.4	\$5.4
Property Tax Credit	(\$0.4)	(\$0.4)	(\$0.4)	(\$0.4)	(\$0.4)	(\$0.4)
Net Revenue	\$4.8	\$4.8	\$4.9	\$4.9	\$4.9	\$5.0
Distribution:						
State General Fund	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
State School Aid Fund	3.5	3.5	3.5	3.5	3.6	3.6
Cities, Villages, & Townships	0.9	0.9	0.9	0.9	0.9	0.9
Local Schools	0.0	0.0	0.0	0.0	0.0	0.0
Counties	0.9	0.9	0.9	0.9	0.9	0.9
Specific Tax Revenue: SB 486(S-2)	\$26.0	\$27.6	\$29.2	\$30.8	\$32.4	\$34.0
Property Tax Credit	(\$2.1)	(\$2.2)	(\$2.3)	(\$2.5)	(\$2.6)	(\$2.7)
Net Revenue	\$23.9	\$25.4	\$26.9	\$28.3	\$29.8	\$31.3
Distribution:						
State General Fund	1.8	1.9	2.0	2.2	2.3	2.4
State School Aid Fund	9.1	9.6	10.2	10.8	11.3	11.9
Cities, Villages, & Townships	5.2	5.5	5.8	6.2	6.5	6.8
Local Schools	2.6	2.8	2.9	3.1	3.2	3.4
Counties	5.2	5.5	5.8	6.2	6.5	6.8
Net Change In Revenue:						
Specific Tax	\$20.8	\$22.3	\$23.9	\$25.5	\$27.1	\$28.6
Property Tax Credit	(1.7)	(1.8)	(1.9)	(2.0)	(2.2)	(2.3)
Net Specific Tax	\$19.1	\$20.5	\$22.0	\$23.4	\$24.9	\$26.3
Distribution:						
State General Fund	\$2.2	\$2.3	\$2.5	\$2.6	\$2.7	\$2.8
State School Aid Fund	5.6	6.2	6.7	7.2	7.8	8.3
Cities, Villages, & Townships	4.3	4.6	5.0	5.3	5.6	5.9
Local Schools	2.6	2.8	2.9	3.1	3.2	3.4
Counties	4.3	4.6	5.0	5.3	5.6	5.9

Date Completed: 11-30-04

Fiscal Analyst: Jay Wortley

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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.