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BILL ANALYSIS

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Senate Bill 849 (as introduced 12-2-03)
Sponsor: Senator Patricia L. Birkholz
Committee: Commerce and Labor

Date Completed: 12-2-03

CONTENT

The bill would amend the Brownfield Redevelopment Financing Act to revise the Act's definition of "initial taxable value" (which is used to determine properties' captured taxable value for the purpose of tax increment financing).

Currently, "initial taxable value" means the taxable value of an eligible property identified in and subject to a brownfield plan at the time the resolution adding that eligible property in the plan is adopted, as shown by the most recent assessment roll for which equalization has been completed at the time the resolution is adopted. The bill would refer to the taxable value of the eligible property as shown *either* by the most recent assessment roll (as currently provided) or, if provided by the brownfield plan, by the next assessment roll for which equalization would be completed following the date the resolution adding the property in the plan was adopted.

(The Act allows municipalities to establish brownfield redevelopment zones and brownfield redevelopment zone authorities, which may implement brownfield plans. The Act specifies financing sources for authority activities, including the capture of tax increment revenue. A property's "captured taxable value" is the amount by which its current taxable value in a given year exceeds its initial taxable value. Also, an authority annually must submit to the governing body and the State Tax Commission a financial report on the status of the authority's activities. Among other things, the report must include the initial taxable value of all eligible property subject to the brownfield plan.)

MCL 125.2652

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: David Zin

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