

Legislative Analysis



EXTEND DEADLINE FOR APPLYING FOR NEW PA 198 EXEMPTION

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House Bill 6222

Sponsor: Rep. Tory Rocca

Committee: Commerce

Complete to 9-8-08

A SUMMARY OF HOUSE BILL 6222 AS INTRODUCED 6-5-08

Under the Plant Rehabilitation and Industrial Development Act, commonly referred to as PA 198, industrial facilities can receive property tax abatements for up to 12 years. An exemption certificate must be approved by the local unit of government and by the State Tax Commission. Under the act, if an exemption is granted for less than the maximum period of time to a replacement facility, new facility, or speculative facility, then the owner or lessor of the facility can apply for another certificate, with the sum of the old and new exemption periods not permitted to exceed the maximum for an original certificate.

The application for a new certificate in such cases must be made *within the final year of the original certificate*. House Bill 6222 would also allow an application for a new certificate to be made *within 12 months after the first certificate expired*.

MCL 207.566a

FISCAL IMPACT:

The bill would appear to allow the extension of a reduction in property taxes that had been granted to a firm under PA 198.

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