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BILL ANALYSIS

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Senate Bill 218 (Substitute S-4 as reported by the Committee of the Whole)  
Sponsor: Senator Raymond E. Basham  
First Committee: Economic Development and Regulatory Reform  
Second Committee: Government Operations and Reform

### **CONTENT**

The bill would amend the plant rehabilitation and industrial development Act, commonly referred to as PA 198, to allow an industrial facilities exemption certificate to be approved for a facility located in an industrial development district that had received approval from the board of the Michigan Strategic Fund and the State Tax Commission, and that met requirements of the Act other than certain procedural timetables.

An exemption certificate allowed under the bill could be approved notwithstanding requirements in the Act that a proposed facility be in a district that was established before the restoration, replacement, or construction begins; that the restoration, replacement, or construction not begin earlier than six months before the application for a certificate was filed; and that a request for the establishment of a district be filed only in connection with a facility whose construction, acquisition, alteration, or installation has not begun.

MCL 207.559

Legislative Analyst: Patrick Affholter

### **FISCAL IMPACT**

The bill would reduce State and local unit revenue and increase School Aid Fund expenditures by an unknown amount. The impact on State revenue would depend on whether 0, 3, or 6 mills of the State education tax would be abated under any certificate granted under the new provisions. Any reduction in local school district operating revenue would be offset by increased expenditures from the School Aid Fund in order to maintain per-pupil funding guarantees.

The magnitude of the impact also would depend upon the characteristics of the properties affected. If any certificates were to be issued for a new facility, the revenue impact would represent an increase in revenue that would not be realized when the construction was completed.

Date Completed: 3-13-08

Fiscal Analyst: David Zin