



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 345 (as reported without amendment)
Sponsor: Senator Alan L. Cropsey
Committee: Commerce and Tourism

CONTENT

The bill would amend the plant rehabilitation and industrial development districts Act, commonly referred to as PA 198, to allow an industrial facilities exemption certificate to be approved for a new facility in an existing industrial development district whose owner filed or amended an application for an exemption certificate for personal property in June 2006, if the application were approved in August 2006 and submitted to the State Tax commission in 2007.

The exemption certificate 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 the certificate. 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 property affected. Because the certificate would be issued for a new facility, the revenue impact would represent an increase in revenue that would not be realized when the construction is completed.

Date Completed: 3-21-07

Fiscal Analyst: David Zin