



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 980 (Substitute S-1 as reported)
Sponsor: Senator John Pappageorge
Committee: Commerce and Tourism

(as enacted)

CONTENT

The bill would amend the General Property Tax Act to allow the governing body of an eligible local assessing district to exempt all new personal property owned or leased by an eligible business located in one or more "distressed parcels" from the collection of taxes under the Act.

The Act allows an eligible local assessing district to exempt all new personal property owned or leased by an eligible business located in one or more eligible districts from the collection of taxes under the Act. Under the bill, this also would apply to new personal property owned or leased by an eligible business in one or more distressed parcels.

"Distressed parcel" would mean a parcel of real estate in a city or village that is located in a qualified downtown revitalization district, is zoned to allow for mixed use, and either has a blighted or functionally obsolete building located on the parcel or is a vacant parcel that previously had been occupied. "Qualified downtown revitalization district" would mean an area located within a downtown district, a principal shopping district, a business improvement district, or an area that is zoned and primarily used for business as determined by the local governmental unit. "Blighted" and "functionally obsolete" would mean those terms as defined in the Brownfield Redevelopment Financing Act.

MCL 211.9f

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no impact on State revenue. The bill would reduce local unit revenue by an unknown amount, assuming that a local unit were to exempt new personal property and that the property otherwise would be acquired. The amount of revenue loss would depend upon how much new personal property was exempted as a result of the bill and the millage rates in the community providing the exemption. To the extent that revenue from school operating mills would be reduced, expenditures from the State School Aid Fund would be increased in order to maintain per-pupil funding guarantees.

Date Completed: 6-4-08

Fiscal Analyst: David Zin