



Senate Fiscal Agency
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**BILL ANALYSIS**

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Senate Bill 1578 (as reported without amendment)

Sponsor: Senator Buzz Thomas

Committee: Commerce and Tourism

CONTENT

The bill would create the "Art Institute Authorities Act" to do the following:

- Allow a county to form an art institute authority.
- Require a county board of commissioners to adopt articles of incorporation in order to establish an authority.
- Allow the authority, with approval of the county electors, to levy a tax of up to 0.2 mill for up to 20 years on all taxable property in the county that would be used exclusively for the benefit of the art institute for which an art institute service provider rendered services.
- Require the authority to contract for art institute services with an art institute services provider before a vote for a tax levy occurred
- Require the contract to require the art institute services provider to offer preferences or benefits for residents of the county.
- Prohibit the authority from obtaining an interest in real property or participating in the governance of an art institute.
- Require the authority to reimburse the county and a municipality for their election costs, if a tax were approved.

"Art institute" would mean an encyclopedic art museum whose primary art collection and facility, at the date an authority is established, are owned by a municipality located in Michigan. "Art institute services" would mean the operation or support of an art institute. "Art institute services provider" would mean a nonprofit entity qualified under Section 501(c)(3) of the Internal Revenue Code that, as its primary purpose, provides art institute services to an art institute.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no fiscal impact on State government. The bill would increase revenue by an unknown amount depending upon the taxable value in a county creating an art institute authority, which would be a special district government. The bill would have no direct impact on the finances of general purpose local governments.

Date Completed: 11-9-10

Fiscal Analyst: Eric Scorsone