



Senate Fiscal Agency  
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Lansing, Michigan 48909-7536

BILL



ANALYSIS

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Senate Bill 1148 (as reported without amendment)  
Sponsor: Senator Bruce Caswell  
Committee: Finance

### **CONTENT**

The bill would amend the plant rehabilitation and industrial development district Act (known as PA 198) to require the State Tax Commission to issue an industrial facilities exemption certificate if a local governmental unit in September or October 2011 had passed a resolution approving the certificate for 12 years for personal property, but the Commission did not receive the application until November 2011 and approved it in May 2012. The certificate would have to begin on December 31, 2011, and end on December 30, 2024. The facility would have to be taxed under the Act as if it had been granted an exemption certificate on December 31, 2011.

MCL 207.559

Legislative Analyst: Suzanne Lowe

### **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 issued as a result of the bill. 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. For a certificate 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: 9-14-12

Fiscal Analyst: David Zin