



Senate Fiscal Agency
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Senate Bill 533 (as reported without amendment)
Sponsor: Senator Roger Kahn, M.D.
Committee: Economic Development

CONTENT

The bill would amend the Brownfield Redevelopment Authority Act to delay the 2013 deadline for a brownfield redevelopment authority to apply for approval to have State Education Tax revenue paid to the authority.

The Act provides for State Education Tax (SET) revenue to be paid to a brownfield redevelopment authority, for the repayment of particular advances or obligations, if the amount of tax increment revenue the authority lost as a result of certain personal property tax exemptions enacted in 2007 will reduce the allowable school tax capture the authority receives in a fiscal year.

With the approval of the Department of Treasury, an authority may request the local tax collecting treasurer to retain the SET revenue and pay it to the authority. The authority must submit an application to the Department for approval by June 1 each year.

Under the bill, for 2013 only, an authority would have to submit an application within 30 days after the bill's effective date.

MCL 125.2665a

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would reduce State School Aid Fund revenue and increase State expenditures by an unknown amount. The bill also would increase local unit revenue to the affected authorities by an unknown amount. The amount of any fiscal impact would depend upon the specific characteristics of the local units affected, the amount of revenue appropriated to authorities, and the amount of State Education Tax allowed to be retained by authorities. State expenditures would need to be increased in order to maintain per-pupil funding allowances. Local unit expenditures would potentially be increased by the amount of any payments made to authorities.

School Aid Fund revenue would decrease to the extent that State Education Tax revenue was approved to be retained and paid to an authority. It is unknown whether appropriations would be made from the General Fund to offset any reduction in SET revenue. The bill would affect only those local units with authorities that were authorized to capture State Education Tax and the SET received from those units.

Date Completed: 10-21-13

Fiscal Analyst: David Zin