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Senate Bill 533 (as enacted)
Sponsor: Senator Roger Kahn, M.D.
Senate Committee: Economic Development
House Committee: Tax Policy

PUBLIC ACT 20 of 2014

Date Completed: 5-1-14

CONTENT

The bill amended the Brownfield Redevelopment Authority Act to revise the annual deadline, and 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. Under the bill, the authority must submit an application to the Department for approval by June 15 each year. Previously, the annual deadline was June 1.

Also, under the bill, for 2013 only, an authority had to submit an application within 30 days after the bill's effective date, which was February 25, 2014.

MCL 125.2665a

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill will reduce State School Aid Fund revenue and increase State expenditures by an unknown amount. The bill also will increase local unit revenue to the affected authorities by an unknown amount. The amount of any fiscal impact depends 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 will need to be increased in order to maintain per-pupil funding allowances. Local unit expenditures will potentially be increased by the amount of any payments made to authorities.

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

Fiscal Analyst: David Zin

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.