



**Senate Fiscal Agency**  
**P. O. Box 30036**  
**Lansing, Michigan 48909-7536**



**Telephone: (517) 373-5383**  
**Fax: (517) 373-1986**

House Bill 4540 (Substitute S-1 as reported)  
Sponsor: Representative Jim Stamas  
House Committee: Tax Policy  
Senate Committee: Finance

### **CONTENT**

The bill would amend the plant rehabilitation and industrial development Act (known as PA 198) to do the following:

- Allow the State Tax Commission (STC) to issue an industrial facilities exemption certificate (tax abatement) for a new or replacement facility for which an application was made complete before October 31 following the year in which the Commission received the application; and provide that the certificate would have an effective date of December 31 of the year in which the STC received the application.
- Permit an applicant for an exemption certificate to submit an amended application that would correct an error or mistake discovered after an application had been approved locally or after the STC had issued a certificate; and allow the local unit or Commission to approve or deny the amended application.
- Provide that a certificate would be considered issued on December 31 of the year in which a local unit approved the application, if the local unit had approved it before October 31 and the local clerk failed to forward it to the STC before that October 31, but filed it before October 31 of the following year, and the Commission approved the application.
- Require the STC, beginning October 1, 2013, to notify the legislators representing the geographic area in which the property was located, and to publish on its website a copy of the approved application or the denial notice, in situations involving an exemption certificate approved or disapproved in any of the three situations described above.

The bill also would require the State Tax Commission to issue exemption certificates for new facilities that had received local approval on February 21, 2012, or on July 23, 2012, for which the application was not made complete until 2013. Each certificate would begin on December 31, 2012. The certificate for the facility that had received local approval on July 23, 2012, would end on December 31, 2024.

MCL 207.556 & 207.557

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

The bill would reduce State and local unit revenue by an unknown amount. The actual amount of the reduction would depend upon the characteristics of the property affected by the bill. Any impact would reduce School Aid Fund revenue, local unit revenue, and local school district revenue. Reductions to local school district revenue would require increased expenditures from the School Aid Fund in order to maintain per-pupil funding guarantees.

The administrative costs of the State Tax Commission within Department of Treasury would increase by a minimal amount due the requirements in the bill to notify a member of the Legislature when industrial facilities exemption certificates were approved or disapproved for a project in his or her district under the specified circumstances, and to post certificates of approval or denial notices on the internet. Lists of approved projects are posted currently on the internet.

Date Completed: 6-17-13

Fiscal Analyst: Elizabeth Pratt  
David Zin

Floor\hb4540

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.