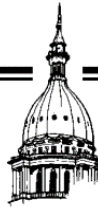




**Senate Fiscal Agency**  
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BILL



ANALYSIS

**Telephone: (517) 373-5383**  
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House Bill 4541 (Substitute S-1 as reported)  
Sponsor: Representative Tim Kelly  
House Committee: Tax Policy  
Senate Committee: Finance

### **CONTENT**

The bill would amend the Obsolete Property Rehabilitation Act to require an obsolete property rehabilitation exemption certificate (tax abatement) to be considered issued on December 31 in the year in which the qualified local governmental unit approved the application for the certificate, under the following circumstances:

- The local unit had approved the application before October 1 of that year.
- The clerk of the local unit failed to forward the application to the State Tax Commission before October 1, but filed it before March 30 of the following year.
- The Commission approved the application.

In addition, beginning October 1, 2013, in a situation described above, or in a situation involving an application that was amended to correct a mistake or an error (under a current provision of the Act), the bill would require the Commission to do both of the following:

- Notify the office of the member of the House of Representatives and the office of the Senator representing the geographic area where the property was located, that such an application had been approved or disapproved.
- Publish on the Commission's website a copy of the certificate if approved, or a copy of the denial notice if disapproved, and whatever additional information the Commission considered appropriate regarding the application.

MCL 125.2786

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 an obsolete property rehabilitation exemption certificate was approved or disapproved for a project in his or her district under the specified circumstances, and to post copies of approved certificates and denial notices on the internet. The Department currently posts a list of approved projects on the internet.

Date Completed: 6-17-13

Fiscal Analyst: Elizabeth Pratt  
David Zin