**Senate Fiscal Agency**
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BILL ANALYSIS

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House Bill 5571 (Substitute H-1 as passed by the House)
Sponsor: Representative Ken Goike
House Committee: Detroit's Recovery and Michigan's Future
Senate Committee: Government Operations

Date Completed: 6-2-14

## CONTENT

**The bill would amend the Art Institute Authority Act to do the following:**

- **Prohibit a tax levy for an art institute from being authorized or renewed unless the art institute were owned by a municipality located in Michigan on the date of the levy or renewal.**
- **Allow an art institute authority to levy a tax for up to 10, rather than 20, years.**

The Act allows a county to form an art institute authority and allows the authority, with approval of the county electors, to levy a tax of up to 0.2 mill for up to 20 years on all taxable property in the county. The tax revenue is to be used exclusively for the benefit of the art institute.

(In August 2012, voters in Macomb, Oakland, and Wayne Counties approved a 0.2 mill tax levy for 10 years to benefit the Detroit Institute of Arts.)

Under the bill, beginning on its effective date, a new tax or the renewal of an existing tax could not be authorized unless the art institute were owned by a municipality located in this State on the date the tax levy or renewal was authorized.

The bill also would reduce the maximum duration of a tax levy from 20 years to 10.

MCL 123.1217 Legislative Analyst: Suzanne Lowe

## FISCAL IMPACT

The bill would have no fiscal impact on the State.

The annual revenue from the current 0.2 mill levy for the Detroit Institute of Arts is approximately $22.9 million. The bill would not affect this millage revenue; however, under the bill, a change from municipal ownership of the art institute to another type of ownership would preclude the continuation of the tax levy after the current 10-year millage expires.

The bill also would reduce from 20 years to 10 years the length of time that the millage could be renewed, if it were not discontinued.

Fiscal Analyst: Elizabeth Pratt

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