



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 579 (as reported without amendment)
Senate Bills 619 through 624 (as reported without amendment)
Sponsor: Senator Dave Robertson (S.B. 579 & 622)
 Senator Jack Brandenburg (S.B. 619 & 620)
 Senator Peter MacGregor (S.B. 621)
 Senator Rick Jones (S.B. 623 & 624)
Committee: Finance

CONTENT

The bills would amend various statutes to do the following:

- Exclude from "tax increment revenues" ad valorem property taxes and specific local taxes attributable to those property taxes levied for a separate millage for public library purposes approved by the electors after December 31, 2015, except as provided below.
- Specify that millage that was levied by a library board or commission for public library purposes before January 1, 2016, would be exempt from the capture of tax increment revenue if obligations of the authority capturing the revenue were paid, unless the library board or commission allowed the capture.
- Allow a library board or commission to exempt all or a portion of its taxes from capture, if it levied millage for public library purposes before January 1, 2016, and an authority modified its tax increment finance plan.
- Specify that a library board or commission could allow all or a portion of its taxes to be captured, with respect to a millage for public library purposes approved by the voters after December 31, 2015.
- Include exclusions from tax increment revenue for two Acts that do not mirror the others.

Senate Bill 579 would amend the Brownfield Redevelopment Financing Act. Senate Bill 619 would amend the Tax Increment Finance Authority Act. Senate Bill 620 would amend the downtown development authority Act. Senate Bill 621 would amend the Corridor Improvement Authority Act. Senate Bill 622 would amend the Water Resource Improvement Tax Increment Finance Authority Act. Senate Bill 623 would amend the Local Development Financing Act. Senate Bill 624 would amend the Historical Neighborhood Tax Increment Finance Authority Act.

Each of those Acts provides for the creation of an authority that may capture tax revenue attributable to increases in property value within an area or district ("tax increment revenue"), and use that money for specific purposes.

MCL 125.2652 & 125.2654 (S.B. 579)
125.1801 & 125.1803 (S.B. 619)
125.1651 & 125.1653 (S.B. 620)
125.2873 & 125.2888 (S.B. 621)
125.1773 & 125.1785 (S.B. 622)
125.2152 & 125.2154 (S.B. 623)
125.2843 & 125.2857 (S.B. 624)

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bills would not change total local revenue; however, in some cases, the bills would redistribute local property tax revenue from authorities that use tax increment financing to public libraries that levy a separate millage for public library purposes. In general, public libraries that levy a separate millage approved by voters would have the opportunity for increased revenue, and a brownfield redevelopment authority, tax increment finance authority, downtown development authority, corridor improvement authority, water resource improvement tax increment finance authority, local development finance authority, or historical neighborhood tax increment finance authority would receive less revenue under the bills. The amount of revenue shifted from an authority to a public library would depend on when a separate library millage was approved by the voters, decisions of public library boards and commissions with regard to allowing tax capture under some circumstances, local millage rates, and local property values.

Senate Bills 622 and 624 also would exclude millage levied under the Zoological Authorities Act and the Art Institution Authorities Act from capture under the Water Resources Improvement Tax Increment Authority Act and the Historical Neighborhood Tax Increment Finance Authority Act. This change previously was made for the other types of authorities using tax increment financing.

Date Completed: 12-2-15

Fiscal Analyst: Elizabeth Pratt

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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.