



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

BILL



ANALYSIS

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

Senate Bill 732 (as reported without amendment)
Sponsor: Senator Rick Jones
Committee: Finance

CONTENT

The bill would amend Public Act 1 of 1895, which provides for the incorporation of Masonic associations, to exempt real property or any portion of real property owned by a Masonic corporation organized under the Act and occupied solely for Masonic purposes from ad valorem property taxes collected under the General Property Tax Act. In addition, the bill would exempt personal property owned by a Masonic corporation and used solely for Masonic purposes from ad valorem property taxes collected under the General Property Tax Act.

Proposed MCL 457.224a

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would reduce State and local property tax revenue and increase costs paid by the School Aid Fund. Based on a sample of property taxes paid by Masonic associations, it is estimated that the total revenue reduction would be in the range of \$600,000 to \$2.3 million annually. Of this amount, approximately \$500,000 to \$2.0 million would be a reduction in local revenue and \$100,000 to \$300,000 would be a reduction in State revenue from the State Education Tax, which is deposited in the School Aid Fund. The State cost of the school foundation allowance would increase by an estimated \$300,000 to \$900,000 due to the reduction in local school operating revenue.

The impact on individual local governments would vary based on the taxable value of property owned by a Masonic association, whether the property was used solely for Masonic association purposes, and local millage rates. Property tax records show that several Masonic lodges currently are reported as having a taxable value of \$0. In the local units where those lodges are located, the bill would have no fiscal impact.

Date Completed: 2-17-16

Fiscal Analyst: Elizabeth Pratt