



**Senate Fiscal Agency**  
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**BILL ANALYSIS**



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Senate Bill 570 (Substitute S-1 as reported by the Committee of the Whole)

Senate Bills 571 through 573 (as reported without amendment)

Sponsor: Senator Dave Hildenbrand (S.B. 570)

Senator Jack Brandenburg (S.B. 571)

Senator Dave Robertson (S.B. 572)

Senator John Proos (S.B. 573)

Committee: Finance

**CONTENT**

Senate Bill 570 (S-1) would amend the General Property Tax Act to do the following:

- Change the February 20 deadline for submitting a combined document for the exemption of qualified new and qualified previously existing eligible manufacturing personal property, if February 20 were a Saturday, Sunday, or legal holiday.
- Specify that a combined document delivered by the U.S. Postal Service would be timely filed if it were postmarked by the deadline and received by the local assessor at least one week before the March meeting of the board of review began.
- Allow a late application to be filed directly with the March board of review before it adjourned, if a combined document were not filed on time.
- Specify that an appeal of a denial by the March board of review could be made by filing a petition with the Michigan Tax Tribunal within 35 days of the denial notice.
- Apply the revised deadline to a statement for an exemption claimed under Section 9o (commonly called the small parcel exemption, for industrial or commercial personal property), and a combined document filed under Section 9f (for the exemption of new personal property in an "eligible local assessing district").
- Apply the revised deadline to the annual statement of personal property that must be filed with the local assessor.
- Delete a requirement that the July and December board of review hear appeals concerning an exemption under Section 9o.

Senate Bills 571, 572, and 573 would amend the State Essential Services Assessment Act, the Alternative State Essential Services Assessment Act, and the plant rehabilitation and industrial development Act, respectively, to require a combined document described under each Act to be filed by the date found in the General Property Tax Act.

MCL 211.9f et al. (S.B. 570)

211.1057 (S.B. 571)

211.1077 (S.B. 572)

207.561a (S.B. 573)

Legislative Analyst: Drew Krogulecki

**FISCAL IMPACT**

The proposed changes in timing for filing personal property tax exemptions and appeals related to those exemptions would have a minimal fiscal impact on local and State government. Previously, extensions of the filing deadlines for various personal property tax

exemptions were enacted for 2014 (small parcel exemption), and 2016 and 2017 (qualified new and qualified existing eligible manufacturing personal property). The process in the bills would be a shorter extension than the extensions granted separately for 2016 and 2017. Also, a local board of review likely would have additional cases due to the option to file personal property tax exemptions directly with the Board of Review.

In general, an additional exemption from personal property taxation reduces local property tax revenue and State School Aid Fund revenue from the State Education Tax, increases the State cost of the foundation allowance, increases State General Fund revenue from the Essential Services Assessment, and changes the distribution of reimbursement payments from the Local Community Stabilization Authority (LCSA) to eligible local governmental units. The General Fund also is required to reimburse the School Aid Fund for lost revenue and additional costs of the personal property tax exemptions. The magnitude of these effects related to the bills would depend on the number and specific characteristics of the properties approved under the filing deadline extensions. Total LCSA reimbursements are set in statute and would not be changed by the bills.

Date Completed: 10-10-17

Fiscal Analyst: Elizabeth Pratt