



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

BILL ANALYSIS



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Senate Bill 1035 (Substitute S-1 as reported)
Sponsor: Senator Peter MacGregor
Committee: Finance

CONTENT

The bill would amend the General Property Tax Act to exempt real property owned and occupied by a qualified sportsmen's club and used for the primary purpose for which that club was incorporated from the collection of taxes under the Act. "Qualified sportsmen's club" would mean an entity that meets all of the following conditions:

- Is either exempt from taxation under Section 501(c)(3) of the Internal Revenue Code; or is organized not for pecuniary profit, is an affiliate of a statewide conservation organization that is exempt from taxation under Section 501(c)(3) of the Code, and can demonstrate that all of its individual members are formally affiliated with that statewide conservation organization.
- Is organized or established, as reflected in its articles of incorporation or bylaws, for the primary purpose of educating the public in conservation and in hunting, fishing, archery, or shooting sports and firearms safety.
- Makes its real property available to the public for uses consistent with the primary purpose for which the entity is incorporated at least 55 days per calendar year.
- Annually offers to the public, without charge or at reduced rates, education consistent with the primary purpose for which the entity is incorporated to a number of people.
- Makes its real property available, without charge, to one or more governmental entities for uses consistent with the primary purpose for which the entity is incorporated.
- Offers membership in the entity, without charge or at reduced rates, based on the prospective member's financial ability to pay the regular membership fee; this requirement could be met by an entity that established reasonable rules concerning membership rates based on ability to pay.
- Annually, by not later than the first day of the March meeting of the Board of Review, provides the local tax collecting unit with an affidavit that includes certain information.

MCL 211.7o

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would reduce State and local revenue and increase costs to the School Aid Fund. To the extent that sportsmen's clubs are currently subject to property tax, but became eligible for the proposed exemption, local property tax revenue would be reduced, State revenue from the State Education Tax to the School Aid Fund would be reduced, and the State costs of the foundation allowance payable by the School Aid Fund would increase. The amount of the revenue reduction is unknown, but the impact would depend on the number of sportsmen's clubs that qualified for the exemption, as well as the taxable value of the property and local millage rates.

Date Completed: 11-28-18

Fiscal Analyst: Ryan Bergan

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Bill Analysis @ www.senate.michigan.gov/sfa

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