

Legislative Analysis



REIMBURSEMENT OF CERTAIN CAPTURED TAX INCREMENT REVENUES

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<http://www.house.mi.gov/hfa>

House Bill 5059 as introduced
Sponsor: Rep. Bradley Slagh
Committee: Tax Policy
Complete to 1-21-20

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 5059 would amend the Brownfield Redevelopment Financing Act to provide for reimbursement to intermediate school districts (ISDs) of tax increment revenues captured by a brownfield redevelopment authority for property taxes levied for operating purposes under the Revised School Code.

Under the bill, beginning January 1, 2019, and each year thereafter, the state would have to reimburse, from the School Aid Fund, each ISD for any tax increment revenues captured by an authority for property taxes levied for operating purposes under sections 625a, 681 to 690, or 1722 to 1729 of the Revised School Code. The reimbursed amounts could be used by the ISD only for the purposes for which the property taxes were originally levied.

The bill would require the Michigan Strategic Fund and the Michigan Economic Development Corporation to work with the Department of Treasury in identifying the amount of tax revenues captured by an authority that would be reimbursed under the above provisions.

Proposed MCL 125.1665b

FISCAL IMPACT:

Because the reimbursements to the ISDs would be made from existing School Aid Fund (SAF) revenues, there would be no direct state or local fiscal impact. However, because a portion of the SAF would be utilized for the reimbursements, less SAF revenue would be available for other purposes. Although the actual amounts of the reimbursements are not known, they are likely to be relatively small, especially relative to the overall SAF.

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