



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 5357 (Substitute H-2 as reported with amendments)
Sponsor: Representative Robert Brackenridge
House Committee: Tax Policy
Senate Committee: Local, Urban and State Affairs

CONTENT

The bill would amend the Plant Rehabilitation and Industrial Development Districts Act to limit the application fee charged by a local unit of government, and to require a local unit to forward an application to the State Tax Commission within a certain time.

Under the Act, after the establishment of a plant rehabilitation or industrial development district (in which eligible facilities are exempt from the general property tax and subject to the industrial facilities tax for up to 12 years), the owner or lessee of a facility may file an application for an industrial facilities exemption certificate with the clerk of the local governmental unit. The bill specifies that the local unit could charge the applicant an application fee to process the application. The fee could not exceed 3% of the total property taxes abated under the Act for the term that the certificate was in effect. A local unit could not charge an applicant any other fee under the Act.

Currently, if an application is approved, the clerk of the local unit must forward the application to the State Tax Commission. If disapproved, the clerk must return the application to the applicant, who may appeal the disapproval to the Commission within 10 days after the date of disapproval. Under the bill, a clerk would have to forward an approved application to the Commission within 60 days of approval or before October 31 of that year, whichever was first, in order to receive the certificate effective for the following year.

MCL 207.555-207.557

Legislative Analyst: S. Margules

FISCAL IMPACT

The bill would limit the application fees charged by local units to 3% of the total property taxes abated. The fees charged by some local units would decrease or increase, depending on the amount the local units presently charge.

The bill would have no fiscal impact on the State.

Date Completed: 3-7-96

Fiscal Analyst: R. Ross

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