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**SFA****BILL ANALYSIS**

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Senate Bill 435 (as introduced 4-22-97)

Sponsor: Senator Joanne G. Emmons

Committee: Economic Development, International Trade and Regulatory Affairs

Date Completed: 5-21-97

### **CONTENT**

The bill would amend the General Property Tax Act to specify that "public purpose", in the Act's exemption from taxation of publicly owned property used for a public purpose, would include, but not be limited to, property held for the purpose of economic development.

The General Property Tax Act provides that property that is owned, or is being acquired under an installment purchase agreement, by a county, township, city, village, or school district and is used for a public purpose is exempt from taxation under the Act. The Act also exempts property owned or being acquired by an agency, authority, instrumentality, nonprofit corporation, commission, or other separate legal entity composed solely of or wholly owned by, or whose members consist solely of a political subdivision, a combination of political subdivisions, or a combination of political subdivisions and the State if the property is used to carry out a public purpose.

MCL 211.7m

Legislative Analyst: P. Affholter

### **FISCAL IMPACT**

The bill would include property held for the purpose of economic development in the definition of "public purpose", which refers to property that is exempt from the property tax. The fiscal impact for local units of government would depend on the millage rates and the taxable value of the land involved.

Fiscal Analyst: R. Ross

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