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BILL ANALYSIS

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Senate Bill 400 (as introduced 4-17-07)
Sponsor: Senator Jason E. Allen
Committee: Commerce and Tourism

Date Completed: 4-17-07

CONTENT

The bill would amend the plant rehabilitation and industrial development act, commonly referred to as PA 198, to include the operation of a "qualified logistical and distribution center" in the Act's definition of "industrial property".

Under the bill, "qualified logistical and distribution center" would mean a logistics and distribution center that administers catastrophe response for private corporations and governmental entities, including education and training, communications and data support, delivery of food, water, and safety equipment, and aviation support. The logistics and distribution center would have to be located within the boundaries of a regional airport; in a township that has a population of less than 2,000 in a county with a population of more than 30,000 and less than 40,000, located north of Townline 16; and less than 15 miles from an interstate highway.

(The Act allows local units of government, with the approval of the State Tax Commission, to grant industrial facilities exemption certificates to new and speculative buildings and replacement facilities located in an industrial development district. A certificate essentially grants a property tax abatement to an industrial facility, which is subject to an industrial facilities tax that is lower than standard property taxes.)

MCL 207.552 Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would reduce local unit revenue and increase School Aid Fund expenditures by an unknown amount, depending upon how many exemption certificates were issued under the provisions added by the bill and the specific characteristics of the properties receiving certificates. The change in revenue would reflect the impact relative to whether a new facility or rehabilitation would occur absent the bill. Because the provisions in the bill would affect a limited number of areas, the fiscal impact on the State would likely be negligible. However, the foregone revenue to a particular local unit affected by the bill could be more substantial.

Fiscal Analyst: David Zin

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