



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 6437 (Substitute H-2 as passed by the House)
Sponsor: Representative Joan Bauer
House Committee: Tax Policy
Senate Committee: Finance

Date Completed: 12-3-08

CONTENT

The bill would amend the General Property Tax Act to increase from 400 to 640 acres the amount of real property owned by a Boy or Girl Scout or Camp Fire Girls organization, a 4-H Club or foundation, or a Young Men's Christian Association or Young Women's Christian Association that may be exempt from taxation under the Act.

Currently, up to 400 acres of land in this State owned by a Boy or Girl Scout or Camp Fire Girls organization, a 4-H Club or foundation, or a YMCA or YWCA is exempt from the general property tax, if at least 50% of the members of the association or organization are residents of this State. Upon petition of the association or organization, the county board of commissioners may waive the residence requirement while the property is occupied by the association or organization solely for the purpose for which it was incorporated or established.

Under the bill, the current exemption would apply before December 31, 2008. After that date, up to 640 acres owned by a Boy or Girl Scout or Camp Fire Girls organization, a 4-H Club or foundation, or a YMCA or YWCA would be exempt from the collection of taxes if the organization met the membership requirement described above. However, if an organization reorganized, merged, affiliated, or in some other manner consolidated with another Boy or Girl Scout or Camp Fire Girls organization, 4-H Club or foundation, or YMCA or YWCA after December 30, 2007, the total exemption available to the consolidated or surviving entity would be 640 acres times the number of individual Boy or Girl Scout or Camp Fire Girls organizations, 4-H Clubs or foundations, or YMCAs or YWCAs that took part in the reorganization, merger, affiliation, or consolidation.

MCL 211.7q

Legislative Analyst: Craig Laurie

FISCAL IMPACT

The bill would have a small negative impact on property tax revenue. Based on preliminary information, approximately 10 Boy Scout councils and YMCAs currently own more than 400 acres, and therefore would realize a property tax reduction under this bill. Increasing the exemption from 400 acres to 640 acres would reduce the property tax revenue for the local governments and school districts in which this land is located. In addition, the State School Aid Fund would experience a reduction in State education property tax revenue and an increase in State aid payments to the affected local school districts. It is estimated that these reductions in property tax revenue and increases in School Aid payments would total less than \$0.5 million.

Fiscal Analyst: Jay Wortley

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.