



**Senate Fiscal Agency**  
P. O. Box 30036  
Lansing, Michigan 48909-7536

**BILL ANALYSIS**

**Telephone: (517) 373-5383**  
**Fax: (517) 373-1986**

House Bill 4580 (Substitute S-1 as reported by the Committee of the Whole)  
Sponsor: Representative Andy Schor  
House Committee: Tax Policy  
Senate Committee: Finance

**CONTENT**

The bill would amend the General Property Tax Act to do the following:

- Prohibit the governing body of an eligible local assessing district, after December 31, 2016, from adopting a resolution exempting new personal property from the collection of taxes without a written agreement entered into with the eligible business subject to the exemption, and require the written agreement to contain a remedy provision with certain tax exemption revocation and repayment requirements.
- Require a written agreement entered into after December 31, 2016, between a Next Michigan Development Corporation and an eligible Next Michigan business subject to an exemption, to include additional tax exemption revocation provisions.

MCL 211.9f

Legislative Analyst: Drew Krogulecki

**FISCAL IMPACT**

The bill would increase State and local revenue in future years by an unknown and likely small amount due to the proposed requirements for written agreements on exemptions of new personal property by a Next Michigan development district or an eligible local assessing district. The written agreements would be required to include provisions for revocation of personal property tax exemptions in case of a violation of the written agreement, and for the repayment of all or a part of personal property taxes exempted. The amount of any additional revenue would depend on the terms of the written agreements, the frequency with which agreements were violated, and ability to collect repayments.

Date Completed: 9-20-16

Fiscal Analyst: Elizabeth Pratt