



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4580 (Substitute H-2 as reported without amendment)
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:

- After December 31, 2016, prohibit the governing body of an eligible local assessing district 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: 5-5-16

Fiscal Analyst: Elizabeth Pratt