



House  
Legislative  
Analysis  
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## PA 198: LOCAL FLEXIBILITY

House Bill 5136  
Sponsor: Rep. Gerald Law  
Committee: Tax Policy

Complete to 10-3-95

### A SUMMARY OF HOUSE BILL 5136 AS INTRODUCED 9-26-95

The bill would amend the plant rehabilitation and industrial development act (Public Act 198 of 1974), which provides for property tax abatements for industrial facilities, in the following ways.

-- The act specifies what the tax rate will be for a new facility or speculative building that obtains an exemption facility; the rate is, generally, one-half of property taxes that would otherwise be paid on the facility (excluding land and inventory property). The bill would say that the tax rate, after December 31, 1995, would be not more than 50 percent of the usual rate.

-- The act provides that an exemption certificate remains in force for a period to be determined by the local legislative body, but for no more than 12 years. The bill would specify that if the exemption period was less than the maximum, then the owner or lessee of the new facility or speculative building could apply for another certificate during the final year of the certificate, and the local unit could approve a subsequent certificate at a tax rate different from the earlier certificate. However, the sum of the exemption periods could not exceed the maximum for a single certificate. The provision would apply to a certificate that became effective after December 31, 1995.

MCL 207.564

House Bill 5136 (10-3-95)