



**House
Legislative
Analysis
Section**

Olds Plaza Building, 10th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

SPECIFIC TAXES: TAXABLE VALUE

House Bill 5218

Sponsor: Rep. Willis Bullard, Jr.

House Bills 5219 and 5220

Sponsor: Rep. Robert Brackenridge

House Bill 5221

Sponsor: Rep. Michael Goschka

House Bill 5222

Sponsor: Rep. John Gernaat

Committee: Tax Policy

Complete to 10-23-95

A SUMMARY OF HOUSE BILLS 5218-5222 AS INTRODUCED 10-10-95

The term "taxable value" has been added to property tax statutes to implement the constitutional limit on how much property assessments can increase from one year to the next. That limit was added to the state constitution by the passage of Proposal A on March 15, 1994. It says the assessment of a parcel of property cannot increase from one year to the next by more than five percent or the percentage increase in the consumer price index, whichever is less. Property taxes are now based on the "taxable value" of property, which will be lower than state equalized value (SEV) where property values are increasing at a rate higher than the limit. House Bills 5218-5222 would amend various acts that provide for specific taxes in lieu of property taxes so that the tax rates under those acts would be calculated using "taxable value" rather than "state equalized value" or "true cash value." (This means the assessment cap would be applied to the property that is subject to each of the special taxes.)

House Bill 5218 would amend Public Act 282 of 1905 (MCL 207.4 et al.), which provides for the taxation of state utility property (e.g., telephone companies, railroads). House Bill 5219 would amend the Enterprise Zone Act (MCL 125.2103 et al.). House Bill 5220 would amend the Neighborhood Enterprise Zone Act (MCL 207.772). House Bill 5221 would amend the Commercial Redevelopment Act (MCL 207.654 et al.). House Bill 5222 would amend the Technology Park Development Act (MCL 207.704 et al.) (House Bills 5219-5222 would amend acts that provide tax abatements for certain specified property.)

House Bills 5218-5222 (10-23-95)