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BROWNFIELD REDEVELOPMENT: PERSONAL PROPERTY TAX EXEMPTION

House Bill 5445

Sponsor: Rep. Stephen Ehardt

Committee: Economic Development

Complete to 2-28-00

A SUMMARY OF HOUSE BILL 5445 AS INTRODUCED 2-24-00

The bill would amend the General Property Tax Act to allow the governing body of a “local assessing district” (a city, village, or township) to adopt a resolution exempting from taxation all personal property owned or leased by businesses located in “eligible property”, as defined under the Brownfield Redevelopment Act. Under current law, “eligible property” refers generally to property contaminated by a hazardous substance; under House Bills 4400 and 5444, to which this bill is tie-barred, the definition would be expanded to include blighted or obsolete commercial property.

The clerk of the local assessing district would have to notify, in writing, the assessor of the local tax collecting unit in which the eligible property is located, and the legislative body of each taxing unit that levies property taxes in the local assessing district. Before acting on the resolution, the governing body of the local assessing district would be required to afford the assessor and a representative of the affected taxing units an opportunity for a hearing.

A copy of the resolution would have to be filed with the State Tax Commission, which would have 60 days to approve or disapprove of it. A resolution could not take effect unless approved by the State Tax Commission. The state treasurer, with the written concurrence of the president of the Michigan Strategic Fund, would advise the commission as to whether exempting personal property as proposed in the resolution is necessary to reduce unemployment, promote economic growth, and increase capital investment in the state.

An exemption adopted under the bill’s provisions would be effective on the December 31 immediately succeeding the adoption of the resolution, and would continue in effect for a period specified in the resolution.

House Bill 5445 is tie-barred to Senate Bill 269, which would expand the single business tax credits available under the Brownfield Redevelopment Financing Act; House Bill 4400, which would amend the Brownfield Redevelopment Financing Act to expand the brownfield redevelopment program; House Bill 5443, which would amend the Michigan Economic Development Authority Act to provide several new tax credits for business investment, and House

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Bill 5444, which would create a new act to allow local governments to exempt obsolete and blighted property from property taxation.

Analyst: D. Martens

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.