



**House
Legislative
Analysis
Section**

Manufacturer's Bank Building, 12th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

GRAND HAVEN TAX ABATEMENT

**House Bill 6144 with committee amendments
First Analysis (11-27-90)**

**Sponsor: Rep. Alvin Hoekman
Committee: Taxation**

THE APPARENT PROBLEM:

The plant rehabilitation and industrial development act (known as Public Act 198) requires that an application for a tax abatement be filed no later than six months after the commencement of the restoration, replacement, or construction of the facility for which the abatement is sought. According to testimony before the House Taxation Committee, a company now operating in Grand Haven which had intended to apply (and thought it had applied) for a tax abatement failed to properly submit its application, apparently through an administrative misunderstanding. In order for the anticipated abatement to be granted, Public Act 198 of 1974 must be amended.

THE CONTENT OF THE BILL:

The bill would amend the plant rehabilitation and industrial development act so that a facility, located in an industrial development district, for which construction began in July 1988 and was completed in January 1989 could apply for an industrial facilities exemption certificate (a tax abatement) up to February 1, 1991. This would be an exception to the usual requirement that applications be filed no later than six months after work on the facility has begun.

MCL 207.559

FISCAL IMPLICATIONS:

There is no information at present.

ARGUMENTS:

For:

The bill would grant a company in Grand Haven a special extension of the time allowed to apply for a tax abatement on a new facility. An error resulted in the company's original application not being submitted properly.

POSITIONS:

The Michigan Municipal League supports the bill. (11-26-90)