

Legislative Analysis



MSHDA ACT: CONFIDENTIAL INFORMATION; AND EXEMPTION FOR CERTAIN "SPECIFIC" TAXES

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House Bill 6245

Sponsor: Rep. Ed Clemente

Committee: New Economy and Quality of Life

Complete to 6-14-10

A SUMMARY OF HOUSE BILL 6245 AS INTRODUCED 6-9-10

The bill would amend the State Housing Development Authority Act to specify that certain trade secrets, and commercial, financial, and proprietary information would be considered confidential and not subject to the Freedom of Information Act. Confidentiality would have to be requested by an applicant or a submitter of information and would have to be acknowledged in writing by the director of MSHDA.

This would apply in the following cases:

- A record or portion of a record, material, information, or other data received, prepared, used, or retained by MSHDA in connection with an application for financial assistance for a housing project or related facilities needed to serve and improve a residential area in which authority-aided or federally-aided housing is located or is planned to be located. This applies where the record, material, information, or data relates to trade secrets, commercial, financial, or proprietary information.
- A record or portion of a record, material, information, or other data received, prepared, used, or retained by MSHDA in connection with trade secrets, commercial, financial, or proprietary information requested by the authority and submitted by a private organization for the purpose of developing public policy.

The bill also amends Section 15 of the act to extend the current property tax exemption for certain authority-aided or federally aided housing projects so that it also applies to "specific" taxes imposed in lieu of property taxes under the Tax Reverted Clean Title Act. The exemption would require the consent of the Land Bank Fast Track Authority that sold or otherwise conveyed the property under the Land Bank Fast Track Act. Under the Tax Reverted Clean Title Act, property conveyed by a land bank fast track authority is subject to the "eligible tax reverted property specific tax" instead of the standard property taxes.

MCL 125.1415a et al.

FISCAL IMPACT:

The provision of the bill exempting certain trade secrets, and commercial, financial, and proprietary information from the Freedom of Information Act would have little or no fiscal impact on state and local government.

Under other provisions of the bill, the current property tax exemption for certain authority-aided or federally aided housing projects would be extended so that the exemption would also apply to any eligible tax reverted property specific tax imposed under the Tax Reverted Clean Title Act. This provision would have fiscal implications for both state and local government.

Under the Tax Reverted Clean Title Act, the eligible tax reverted property specific tax in each year is the amount of tax that would have been collected under the General Property Tax Act for the given parcel of land. The tax is then disbursed by distributing 50 percent to the state, cities, townships, villages, school districts, counties, or other taxing units in the same proportion as required under the General Property Tax Act. The remaining 50 percent would be disbursed to the Land Bank Fast Track Authority for costs of clearing, quieting, or defending title to property held by the authority or to repay a loan made to the authority. Therefore, under the provisions of the bill, local taxing units and the Land Bank Fast Track Authority would realize a negative, but indeterminate, fiscal impact to the extent that they no longer received this source of funds.

The nonprofit housing corporation, consumer housing cooperative, limited dividend housing corporation, mobile home park corporation, or mobile home park association financed with federally-aided or authority-aided mortgage, advance, or grant would realize a positive fiscal impact to the extent that they didn't have to pay any eligible tax reverted property specific tax.

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