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**SFA****BILL ANALYSIS**

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House Bill 4010 (as reported by the Committee of the Whole)  
Sponsor: Representative Gene DeRossett  
House Committee: Agriculture and Resource Management  
Senate Committee: Agriculture, Forestry and Tourism

### **CONTENT**

The bill would amend the plant rehabilitation and industrial development districts Act to permit local units of government to extend property tax abatements to facilities that create or synthesize biodiesel fuel, and to electric generating plants fueled by biomass.

Under the Act, local units of government may establish plant rehabilitation districts and industrial development districts to provide new, renovated, or expanded industrial property (facilities) with property tax abatements for up to 12 years. To be eligible for the tax abatements, the industrial property must be used for certain activities, which include the manufacturing and processing of goods or materials, high-technology activity, and agricultural processing. The bill would amend the definition of "industrial property" to include the creation or synthesis of biodiesel fuel among the activities that qualify a facility for the tax abatement. Additionally, the present definition includes, until December 31, 2007, an electric generating plant not owned by a local unit of government. Under the bill, this would include an electric generating plant fueled by biomass. (Biomass commonly refers to plant material, vegetation, or agricultural waste used as an energy source.)

MCL 207.552

Legislative Analyst: Claire Layman

### **FISCAL IMPACT**

The bill would reduce State and local revenues by an unknown amount. Currently, no Michigan firms are engaged in the creation or synthesis of biodiesel fuel. The bill would not have an impact until such operations began and were granted an abatement under the Act.

This estimate is preliminary and will be revised as new information becomes available.

Date Completed: 4-2-03

Fiscal Analyst: David Zin