



**Senate Fiscal Agency**  
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**BILL ANALYSIS**

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Senate Bill 359 (Substitute S-1 as reported)  
Sponsor: Senator Dave Hildenbrand  
Committee: Finance

**CONTENT**

The bill would amend the General Property Tax Act to provide that, for 2017 only, if an owner of qualified new or previously existing personal property (eligible manufacturing personal property) did not file with the city or township assessor a combined document to claim an exemption by February 21, 2017, the owner could file the combined document by May 31, 2017. The owner still would have to meet all deadlines required under the State Essential Services Assessment Act.

If the assessor determined that the property qualified for the exemption, the assessor immediately would have to amend the assessment roll to reflect the exemption. By June 9, 2017, the assessor would have to transmit to the Department of Treasury the combined document filed, or the information contained in it, and other parcel information the Department required. The assessor could deny the claim for exemption if he or she believed that the property was not qualified new or previously existing personal property.

MCL 211.9m & 211.9n

Legislative Analyst: Drew Krogulecki

**FISCAL IMPACT**

The bill would reduce State and local revenue and increase administrative costs for State and local government by an unknown amount. A similar extension enacted by Public Act 108 of 2016 resulted in an estimated 500 additional properties qualifying for personal property tax (PPT) exemptions. The number of properties that would qualify under the proposed extension for 2017 could be larger or smaller than in 2016. The bill would reduce State Education Tax (SET) revenue and local property tax revenue by an amount that would depend on the number and taxable value of the properties that qualified for a PPT exemption due to the extended deadline. Local revenue changes also would depend on local millage rates. The General Fund reimburses the School Aid Fund for reductions in SET revenue and the increased cost of the foundation allowance due to reduced property tax collections. The distribution of personal property tax reimbursement payments from the Local Community Stabilization Authority (LCSA) to eligible local units would change somewhat based on the distribution of exempt property among local units of government. The total amount of LCSA payments, however, would not change as the total of all PPT reform reimbursements each year is set in statute. State revenue from the Essential Services Assessment would increase by an unknown and likely minimal amount. The Department of Treasury and local officials who administer the property tax would have additional administrative costs under the bill, which likely would be absorbed within existing resources.

Date Completed: 5-10-17

Fiscal Analyst: Elizabeth Pratt