



Senate Fiscal Agency
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Senate Bill 432 (as reported without amendment)
Sponsor: Senator Ken Horn
Committee: Economic and Small Business Development

CONTENT

The bill would amend the Michigan Strategic Fund Act to revise the criteria under which certain nonprofit research and development enterprises would be exempt from taxation under the General Property Tax Act.

Under the Michigan Strategic Fund Act, the Michigan Strategic Fund (MSF) may use the money held in the Research Center Fund to provide financial aid to certain nonprofit research and development enterprises.

Personal property that is leased or owned, and used, or a portion of that real property that is leased, subleased, or owned, and occupied by a nonprofit research and development enterprise that receives or has received financial benefit or support under the Act, or Section 117 of Public Act 291 of 2000 of at least \$1.0 million or that has received financial benefit or support of at least \$1.0 million from an organization with tax exempt status under Section 501(c)(3) of the Internal Revenue Code, that received financial benefit or support directly or indirectly under the Act or Section 117 of Public Act 291 of 2000 is exempt from the taxes collected under the General Property Tax Act, while the property is leased, subleased, owned, used, or occupied by that nonprofit research and development enterprise solely for the purpose of performing or coordinating research and development in present and emerging technology and of the application of that technology to business and industry and provided that the research and development enterprise retains its tax-exempt status under Section 501(c)(3).

Under the bill, personal property that was leased, owned, or used, or real property that was leased, subleased, or owned, by a nonprofit research and development enterprise that received or had received financial benefit or support under the Michigan Strategic Fund Act, or Section 117 of Public Act 291 of 2000 of at least \$1.0 million or that had received the financial benefits or supports outlined above would be exempt from taxes collected under the General Property Tax Act while that property was leased, subleased, owned, used, or occupied by that nonprofit research and development enterprise solely for the purpose of performing, coordinating, *or supporting* research and development in present and emerging technology and of the application of that technology to business and industry and provided that the research and development enterprise retained its tax-exempt status under Section 501(c)(3).

MCL 125.2074

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 10-15-19

Fiscal Analyst: Cory Savino

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Bill Analysis @ www.senate.michigan.gov/sfa

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