



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 486 (Substitute S-2 as reported)
Sponsor: Senator Valde Garcia
Committee: Finance

CONTENT

The bill would amend Public Act 243 of 1959, which regulates trailer coach parks, to require that, after December 31, 2006, a specific tax be levied on occupied trailer coaches in trailer coach parks if the levy of the specific tax were approved by the electors of the local tax collecting unit in which the trailer coach was located. The bill is tie-barred to House Bill 4868 (which would create the "Manufactured Home Owners' Residency Act").

Currently, each trailer coach park licensee is required to collect a specific tax of \$3 per month and remit it to the treasurer of the municipality in which the trailer park is located. Under the bill, for taxes levied in 2007, the tax rates for trailer coaches would be determined as follows:

Fair Market Value	Per Month Tax Levy
Less than \$3,000	\$1.75
\$3,000 - \$6,000	\$2.25
\$6,001 - \$9,000	\$2.45
\$9,001 - \$12,000	\$2.65
\$12,001 - \$15,000	\$2.85
\$15,001 - \$18,000	\$7.10
\$18,001 - \$21,000	\$9.60
\$21,001 - \$24,000	\$12.00
\$24,001 - \$27,000	\$14.25
\$27,001 - \$30,000	\$16.25

For a trailer coach with a fair market value over \$30,000, the monthly tax would be \$16.25 plus \$2 for each \$3,000 in incremental increase in market value.

For taxes levied in the following tax years, the tax rate would be the amount collected the previous year plus the stated percentage increase:

Tax Year	Adjustment Amount
2008	4%
2009	3.5%
2010	3%
2011	2.8%
After 2011	2.5%

The tax would have to be collected at the same time and in the same manner as taxes collected under the General Property Tax Act.

The local tax collecting unit that collected the specific tax would have to distribute it as follows:

- 50% would be deposited in the State Treasury with 15% credited to the General Fund and 35% credited to the School Aid Fund.
- 20% would be retained by the local tax collecting unit and credited to its general fund.
- 10% would be transmitted to the treasurer of the local school district in which the trailer park was located and could be used only for purposes for which bonds may be issued under Section 1351a of the Revised School Code (purchasing, erecting, completing, remodeling, or equipping a building).
- 20% would be transmitted to the county treasurer and credited to the county general fund.

MCL 125.1035 et al.

Legislative Analyst: J.P. Finet

FISCAL IMPACT

Please see **FISCAL IMPACT** on Senate Bill 478 (S-1).

Date Completed: 12-1-04

Fiscal Analyst: Jay Wortley

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