

Legislative Analysis



PROPERTY TAX: WIND ENERGY SYSTEMS

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Senate Bill 803

Sponsor: Sen. Jason E. Allen

House Committee: Energy and Technology

1st Senate Committee: Technology and Energy

2nd Senate Committee: Finance

Complete to 5-25-06

A SUMMARY OF SENATE BILL 803 AS PASSED BY THE SENATE 5-17-06

The bill would amend the General Property Tax Act to specifically provide that a "wind energy system" is to be considered personal property, for taxes levied after December 31, 2005.

(Under the General Property Tax act, alternative energy personal property is exempt from taxation through 2012. "Alternative energy personal property" is defined so as to include an "alternative energy system" as that term is defined in the Michigan Next Energy Authority Act. Under that act, such property refers to a number of systems, including a wind energy system.)

Under Senate Bill 803, a "wind energy system" would mean an integrated unit consisting of a wind turbine composed of a rotor, an electrical generator, a control system, an inverter or other power conditioning unit, and a tower, that uses moving air to produce power.

MCL 211.8

FISCAL IMPACT:

The bill would essentially have no fiscal impact on state or local government as it would essentially codify the current practice for the treatment of this property, which reportedly has recently been called into question.

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Fiscal Analyst: Rebecca Ross

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