



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 1286 (as introduced 9-19-12)
Sponsor: Senator Mark C. Jansen
Committee: Finance

Date Completed: 11-7-12

CONTENT

The bill would amend the General Property Tax Act to provide a tax exemption for real property that was leased to and occupied by a nonprofit charitable institution, and used solely as a retail store operated by that charitable institution. The store would have to be engaged exclusively in the collection and sale of donated items, and the proceeds would have to be used exclusively for the purposes of the charitable institution. The exemption would apply beginning December 31, 2012.

Proposed MCL 211.700

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The Department of Treasury estimates that the bill would reduce State revenue to the School Aid Fund by approximately \$0.3 million per year, and local property tax revenue by approximately \$1.6 million per year. The bill also would require increase School Aid Fund expenditures by approximately \$1.0 million per year in order to maintain per-pupil funding guarantees; otherwise, local school districts would experience a loss of approximately \$1.0 million per year.

Fiscal Analyst: David Zin

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