

Legislative Analysis



REAL PROPERTY TAX EXEMPTION FOR SPORTSMEN'S CLUBS

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House Bill 5838

Sponsor: Rep. Peter MacGregor

Committee: Tax Policy

Complete to 12-1-14

A SUMMARY OF HOUSE BILL 5838 AS INTRODUCED 9-23-14

House Bill 5838 would amend Section 7o of the General Property Tax Act to exempt the real property of "qualified sportsmen's organizations" from all property taxes. In order to qualify for the exemption, the facilities of these qualified organizations must be available to the public for charitable, nonprofit purposes on at least 55 days out of every calendar year. Qualified sportsmen's organizations must also have the primary purpose of educating the public on conservation, hunting and fishing, and firearms safety. These organizations can include, but are not limited to, sportsmen's clubs, gun clubs, conservation clubs, and rod and gun clubs.

FISCAL IMPACT:

As written, the bill would reduce local property tax revenue and State Education Tax (SET) revenue by an unknown amount. Given the broad description of qualified organizations, the number of newly exempt properties could be quite large. Since the bill does not specify whether charitable, non-profit activities actually occur, merely that the space is available for them, all sportsmen's organization could potentially qualify as tax-exempt, simply by offering their facilities for these purposes. The language of the bill does not specify how a sportsmen's organization would prove it has met this requirement. The potential impact of this exemption cannot be estimated in advance; however, a preliminary estimate suggests it would be over \$1 million annually.

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