From: Heather Cole <hcsquared3@gmail.com>
Sent: Monday, February 23, 2026 7:59 PM
To: House Clerk <HouseClerk@house.mi.gov>
Subject: A Statement About Proposed House Bill 5031 of 2025

Vote NO on House Bill 5031

Dear Michigan House and Senate Members:

In Michigan, we utilize tax exemptions, such as the Obsolete Property Rehabilitation Act and the Commercial Rehabilitation Act, to provide temporary relief from startup costs for businesses to establish themselves and build their operations. These exemptions have term limits, and Michigan starts receiving the full benefits of the new business after the term expires. The term for most tax exemptions is typically 10 to 15 years.

Tax Increment Financing Authorities created under Public Act 57 of 2018 had a term of 15 years and a 5-year extension option to capture existing funding levied by other taxing authorities for use in targeted marketing campaigns to encourage businesses to build in Michigan. In this case, the taxing authorities referenced in House Bill 5031 are targeting high-technology businesses. Again, these taxing authorities don't levy taxes; they capture taxes.

The taxes captured by these taxing authorities include city taxes, county taxes, and **public education taxes**. A member of a city board has to approve a tax capture through a Tax Increment Financing Plan. As with the other tax exemptions I mentioned above, the TIF Plan expires, and then Michigan will receive the full benefits of the new business taxes.

House Bill 5031 proposes to change the term of the tax capture extension option from 5 to 15 years. On February 19, 2026, several organizations spoke in favor of House Bill 5031, including Ann Arbor Spark, LEAP, and the City of Sterling Heights Economic Development Corporation. These organizations all indicated that they believe the taxing authorities, Smart Zones, should continue capturing taxes to market and target new high-technology businesses to build in their communities.

I ask that you vote NO on House Bill 5031. To do this, I'm providing you with some important numbers to consider:

1. **$2,583,048** - The amount of public education taxes captured by the LDFA, Smart Zone, under the TIF Plan in the City of Sterling Heights in 2023, 2024, and 2025.
2. **38,179** - The average number of students enrolled in Utica Community Schools and Warren Consolidated Schools combined, the two main K-12 public schools in the City of Sterling Heights, in 2023, 2024, and 2025.
3. **$272,963,611.87** - The amount of State School Aid paid to Utica Community Schools and Warren Consolidated Schools for the 2025 Foundation Allowance.

The State Aid Fund (SAF) compensates for the taxes captured by a taxing authority in the foundation allowance, MCL 388.1620(14)(e). The SAF shouldn't have to compensate for the taxing authorities capturing 30 years of public education taxes. If a taxing authority believes it needs recurring funding for its programs, it should put a levy on the ballot and allow the public to vote.

I will end my letter with one final number that should be taken into consideration:

- **11** - The number of Representatives on the Economic Competitiveness Committee that voted “Yes” on House Substitute H5 to Senate Bill 166 of 2025 to cancel all public education funding for Michigan schools.

Vote NO on HB 5031 and put public education funds back in Michigan schools.

Michigan kids matter.

-Heather Cole

A Concerned Michigander!

Sources:

- The State School Aid Act of 1979 (Excerpt) https://www.legislature.mi.gov/documents/mcl/pdf/MCL-ACT-94-OF-1979.pdf
- The Michigan Department of Education State Aid Status Reports https://mdoe.state.mi.us/samspublic/Home/StatusArchiveReport
- MISchoolData.org Foundation Allowances https://www.mischooldata.org/foundation-allowance
- MISchoolData.org Student Enrollment Counts Report https://www.mischooldata.org/student-enrollment-counts-report/
- The City of Sterling Heights Annual Report on Status of Tax Increment Financing Plan 2025- https://www.sterlingheights.gov/DocumentCenter/View/19594/2025-CIA-Annual-Report, 2024- https://sterlingheights.gov/DocumentCenter/View/18472/2024-CIA-Annual-Report?bidId=, 2023- https://sterlingheights.gov/DocumentCenter/View/15567/2023-CIA-Annual-Report?bidId=
- Michigan Votes 2025 Senate Bill 166 Public Act 15 https://www.michiganvotes.org/legislation/2025/senate/bill-166