

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4302

A bill to amend 2006 PA 379, entitled
"Qualified forest property recapture tax act,"
by amending section 4 (MCL 211.1034).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. The recapture tax under this act shall be imposed at
2 the following rate:

3 (a) ~~If~~ **EXCEPT AS OTHERWISE PROVIDED IN SUBDIVISION (C), IF** the
4 property is converted by a change in use and there have not been 1
5 or more harvests of forest products on that property consistent
6 with the approved forest management plan, the recapture tax shall
7 be calculated in the following manner:

8 (i) Multiply the property's ~~state-equalized valuation~~ **TAXABLE**

1 **VALUE** at the time the property is converted by a change in use by
 2 ~~the total millage rate levied by all taxing units in the local tax~~
 3 ~~collecting unit in which the property is located~~ **THE NUMBER OF**
 4 **OPERATING MILLS LEVIED BY THE LOCAL SCHOOL DISTRICT IN WHICH THE**
 5 **PROPERTY IS LOCATED UNDER SECTION 1211 OF THE REVISED SCHOOL CODE,**
 6 **1976 PA 451, MCL 380.1211.**

7 (ii) Multiply the product of the calculation under subparagraph
 8 (i) by ~~7~~ **THE NUMBER OF YEARS THE PROPERTY HAD BEEN EXEMPT AS**
 9 **QUALIFIED FOREST PROPERTY UNDER SECTION 7JJ OF THE GENERAL PROPERTY**
 10 **TAX ACT, 1893 PA 206, MCL 211.7JJ[1], BEFORE THE PROPERTY WAS**
 11 **CONVERTED BY A CHANGE IN USE NOT TO EXCEED THE 7 YEARS IMMEDIATELY**
 12 **PRECEDING THE YEAR IN WHICH THE QUALIFIED FOREST PROPERTY WAS**
 13 **CONVERTED BY A CHANGE IN USE.**

14 (iii) Multiply the product of the calculation under subparagraph
 15 (ii) by 2.

16 (b) ~~if~~ **EXCEPT AS OTHERWISE PROVIDED IN SUBDIVISION (C), IF** the
 17 property is converted by a change in use and there have been 1 or
 18 more harvests of forest products on that property consistent with
 19 the approved forest management plan, the recapture tax shall be
 20 calculated in the following manner:

21 (i) Multiply the property's ~~state equalized valuation~~ **TAXABLE**
 22 **VALUE** at the time the property is converted by a change in use by
 23 ~~the total millage rate levied by all taxing units in the local tax~~
 24 ~~collecting unit in which the property is located~~ **THE NUMBER OF**
 25 **OPERATING MILLS LEVIED BY THE LOCAL SCHOOL DISTRICT IN WHICH THE**
 26 **PROPERTY IS LOCATED UNDER SECTION 1211 OF THE REVISED SCHOOL CODE,**
 27 **1976 PA 451, MCL 380.1211.**

1 (ii) Multiply the product of the calculation under subparagraph
2 (i) by ~~7-~~THE NUMBER OF YEARS THE PROPERTY HAD BEEN EXEMPT AS
3 QUALIFIED FOREST PROPERTY UNDER SECTION 7JJ OF THE GENERAL PROPERTY
4 TAX ACT, 1893 PA 206, MCL 211.7JJ[1], BEFORE THE PROPERTY WAS
5 CONVERTED BY A CHANGE IN USE NOT TO EXCEED THE 7 YEARS IMMEDIATELY
6 PRECEDING THE YEAR IN WHICH THE QUALIFIED FOREST PROPERTY WAS
7 CONVERTED BY A CHANGE IN USE.

8 (C) IF THE PROPERTY WAS ELIGIBLE FOR EXEMPTION UNDER SECTION
9 7JJ OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.7JJ[1],
10 AS A RESULT OF THE WITHDRAWAL OF THAT PROPERTY FROM THE OPERATION
11 OF PART 511 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
12 ACT, 1994 PA 451, MCL 324.51101 TO 324.51120, AS PROVIDED IN
13 SECTION 51108(5) OF THE NATURAL RESOURCES AND ENVIRONMENTAL
14 PROTECTION ACT, 1994 PA 451, MCL 324.51108, AND THE PROPERTY IS
15 CONVERTED BY A CHANGE IN USE WITHIN 7 YEARS AFTER THE WITHDRAWAL OF
16 THAT PROPERTY FROM THE OPERATION OF PART 511 OF THE NATURAL
17 RESOURCES AND ENVIRONMENTAL PROTECTION ACT, 1994 PA 451, MCL
18 324.51101 TO 324.51120, THE RECAPTURE TAX IS AN AMOUNT EQUAL TO THE
19 APPLICATION FEE AND PENALTY THAT WOULD HAVE BEEN ASSESSED UNDER
20 SECTION 51108 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
21 ACT, 1994 PA 451, MCL 324.51108, TO WITHDRAW THAT PROPERTY FROM THE
22 OPERATION OF PART 511 OF THE NATURAL RESOURCES AND ENVIRONMENTAL
23 PROTECTION ACT, 1994 PA 451, MCL 324.51101 TO 324.51120, IN THE
24 YEAR IN WHICH THE PROPERTY IS CONVERTED BY A CHANGE OF USE,
25 CALCULATED AS IF THE PROPERTY HAD NOT BEEN WITHDRAWN FROM THE
26 OPERATION OF PART 511 OF THE NATURAL RESOURCES AND ENVIRONMENTAL
27 PROTECTION ACT, 1994 PA 451, MCL 324.51101 TO 324.51120. IF THE

1 PROPERTY IS CONVERTED BY A CHANGE IN USE MORE THAN 7 YEARS AFTER
2 THE WITHDRAWAL OF THAT PROPERTY FROM THE OPERATION OF PART 511 OF
3 THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT, 1994 PA
4 451, MCL 324.51101 TO 324.51120, THE RECAPTURE TAX SHALL BE
5 CALCULATED UNDER SUBDIVISION (A) OR (B), AS APPLICABLE.

6 (D) ~~(e)~~—In addition to the recapture tax calculated under
7 subdivision (a), ~~or~~ (b), OR (C), if property is converted by a
8 change in use and the taxable value of the property was not
9 adjusted under section 27a(3) of the general property tax act, 1893
10 PA 206, MCL 211.27a, after a transfer of ownership of the property
11 due to the provisions of section 27a(7)(o) of the general property
12 tax act, 1893 PA 206, MCL 211.27a, the recapture tax shall include
13 the benefit received on that property.

14 Enacting section 1. This amendatory act does not take effect
15 unless all of the following bills of the 96th Legislature are
16 enacted into law:

- 17 (a) Senate Bill No. 1057.
- 18 (b) Senate Bill No. 1058.
- 19 (c) Senate Bill No. 1059.
- 20 (d) Senate Bill No. 1061.
- 21 (e) Senate Bill No. 1062.
- 22 (f) House Bill No. 4969.
- 23 (g) House Bill No. 4970.