

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 the property is converted by a change in use and there
4 have not been 1 or more harvests of forest products on that
5 property consistent with the approved forest management plan, the
6 recapture tax shall be calculated in the following manner:

7 (i) Multiply the property's ~~state-equalized valuation~~ **TAXABLE**
8 **VALUE** at the time the property is converted by a change in use by
9 ~~the total millage rate levied by all taxing units in the local tax~~

~~collecting unit in which the property is located~~ THE NUMBER OF
 OPERATING MILLS LEVIED BY THE LOCAL SCHOOL DISTRICT IN WHICH THE
 PROPERTY IS LOCATED UNDER SECTION 1211 OF THE REVISED SCHOOL CODE,
 1976 PA 451, MCL 380.1211.

(ii) Multiply the product of the calculation under subparagraph
 (i) by ~~7~~ THE SUM OF THE NUMBER OF YEARS THE PROPERTY HAD BEEN EXEMPT
 AS QUALIFIED FOREST PROPERTY UNDER SECTION 7JJ OF THE GENERAL
 PROPERTY TAX ACT, 1893 PA 206, MCL 211.7JJ[1], BEFORE THE PROPERTY
 WAS CONVERTED BY A CHANGE IN USE AND, IF APPLICABLE, THE NUMBER OF
 YEARS THE PROPERTY HAD BEEN EXEMPT AS A COMMERCIAL FOREST UNDER
 SECTION 51105 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
 ACT, 1994 PA 451, MCL 324.51105, NOT TO EXCEED THE 7 YEARS
 IMMEDIATELY PRECEDING THE YEAR IN WHICH THE QUALIFIED FOREST
 PROPERTY IS CONVERTED BY A CHANGE IN USE.

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

(b) If the property is converted by a change in use and there
 have been 1 or more harvests of forest products on that property
 consistent with the approved forest management plan, the recapture
 tax shall be calculated in the following manner:

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

1 (ii) Multiply the product of the calculation under subparagraph
2 (i) by ~~7-~~THE SUM OF THE NUMBER OF YEARS THE PROPERTY HAD BEEN EXEMPT
3 AS QUALIFIED FOREST PROPERTY UNDER SECTION 7JJ OF THE GENERAL
4 PROPERTY TAX ACT, 1893 PA 206, MCL 211.7JJ[1], BEFORE THE PROPERTY
5 WAS CONVERTED BY A CHANGE IN USE AND, IF APPLICABLE, THE NUMBER OF
6 YEARS THE PROPERTY HAD BEEN EXEMPT AS A COMMERCIAL FOREST UNDER
7 SECTION 51105 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
8 ACT, 1994 PA 451, MCL 324.51105, NOT TO EXCEED THE 7 YEARS
9 IMMEDIATELY PRECEDING THE YEAR IN WHICH THE QUALIFIED FOREST
10 PROPERTY IS CONVERTED BY A CHANGE IN USE.

11 (c) In addition to the recapture tax calculated under
12 subdivision (a) or (b), if property is converted by a change in use
13 and the taxable value of the property was not adjusted under
14 section 27a(3) of the general property tax act, 1893 PA 206, MCL
15 211.27a, after a transfer of ownership of the property due to the
16 provisions of section 27a(7)(o) of the general property tax act,
17 1893 PA 206, MCL 211.27a, the recapture tax shall include the
18 benefit received on that property.

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

22 (a) House Bill No. 4969.

23 (b) House Bill No. 4970.