

SUBSTITUTE FOR
SENATE BILL NO. 53

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**
9 **VALUE** at the time the property is converted by a change in use by
10 ~~the total millage rate levied by all taxing units in the local tax~~
11 ~~collecting unit in which the property is located~~ **THE NUMBER OF**

1 OPERATING MILLS LEVIED BY THE LOCAL SCHOOL DISTRICT IN WHICH THE
 2 PROPERTY IS LOCATED UNDER SECTION 1211 OF THE REVISED SCHOOL CODE,
 3 1976 PA 451, MCL 380.1211, REDUCED BY THE NUMBER OF MILLS COLLECTED
 4 AS A FEE FOR QUALIFIED FOREST PROPERTY UNDER SECTION 7JJ(9) OF THE
 5 GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.7JJ[1].

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

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

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

20 (i) Multiply the property's ~~state equalized valuation~~ TAXABLE
 21 VALUE at the time the property is converted by a change in use by
 22 ~~the total millage rate levied by all taxing units in the local tax~~
 23 ~~collecting unit in which the property is located~~ THE NUMBER OF
 24 OPERATING MILLS LEVIED BY THE LOCAL SCHOOL DISTRICT IN WHICH THE
 25 PROPERTY IS LOCATED UNDER SECTION 1211 OF THE REVISED SCHOOL CODE,
 26 1976 PA 451, MCL 380.1211, REDUCED BY THE NUMBER OF MILLS COLLECTED
 27 AS A FEE FOR QUALIFIED FOREST PROPERTY UNDER SECTION 7JJ(9) OF THE

1 GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.7JJ[1].

2 (ii) Multiply the product of the calculation under subparagraph

3 (i) by ~~7~~-THE NUMBER OF YEARS THE PROPERTY HAD BEEN EXEMPT AS

4 QUALIFIED FOREST PROPERTY UNDER SECTION 7JJ OF THE GENERAL PROPERTY

5 TAX ACT, 1893 PA 206, MCL 211.7JJ[1], BEFORE THE PROPERTY WAS

6 CONVERTED BY A CHANGE IN USE NOT TO EXCEED THE 7 YEARS IMMEDIATELY

7 PRECEDING THE YEAR IN WHICH THE QUALIFIED FOREST PROPERTY WAS

8 CONVERTED BY A CHANGE IN USE.

9 (C) IF THE PROPERTY WAS ELIGIBLE FOR EXEMPTION UNDER SECTION

10 7JJ OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.7JJ[1],

11 AS A RESULT OF THE WITHDRAWAL OF THAT PROPERTY FROM THE OPERATION

12 OF PART 511 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

13 ACT, 1994 PA 451, MCL 324.51101 TO 324.51120, AS PROVIDED IN

14 SECTION 51108(5) OF THE NATURAL RESOURCES AND ENVIRONMENTAL

15 PROTECTION ACT, 1994 PA 451, MCL 324.51108, AND THE PROPERTY IS

16 CONVERTED BY A CHANGE IN USE WITHIN 7 YEARS AFTER THE WITHDRAWAL OF

17 THAT PROPERTY FROM THE OPERATION OF PART 511 OF THE NATURAL

18 RESOURCES AND ENVIRONMENTAL PROTECTION ACT, 1994 PA 451, MCL

19 324.51101 TO 324.51120, THE RECAPTURE TAX IS AN AMOUNT EQUAL TO THE

20 APPLICATION FEE AND PENALTY THAT WOULD HAVE BEEN ASSESSED UNDER

21 SECTION 51108 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

22 ACT, 1994 PA 451, MCL 324.51108, TO WITHDRAW THAT PROPERTY FROM THE

23 OPERATION OF PART 511 OF THE NATURAL RESOURCES AND ENVIRONMENTAL

24 PROTECTION ACT, 1994 PA 451, MCL 324.51101 TO 324.51120, IN THE

25 YEAR IN WHICH THE PROPERTY IS CONVERTED BY A CHANGE OF USE,

26 CALCULATED AS IF THE PROPERTY HAD NOT BEEN WITHDRAWN FROM THE

27 OPERATION OF PART 511 OF THE NATURAL RESOURCES AND ENVIRONMENTAL

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

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

15 Enacting section 1. This amendatory act takes effect June 1,
16 2013.