

# SENATE BILL No. 53

January 16, 2013, Introduced by Senator BOOHER and referred to the Committee on Natural Resources, Environment and Great Lakes.

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

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

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.**

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

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

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24 CALCULATED AS IF THE PROPERTY HAD NOT BEEN WITHDRAWN FROM THE  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

1 THE WITHDRAWAL OF THAT PROPERTY FROM THE OPERATION OF PART 511 OF  
2 THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT, 1994 PA  
3 451, MCL 324.51101 TO 324.51120, THE RECAPTURE TAX SHALL BE  
4 CALCULATED UNDER SUBDIVISION (A) OR (B), AS APPLICABLE.

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