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SWAMP TAX CHANGES

House Bill 4590

Sponsor: Rep. John Gernaat

Committee: Tax Policy

Complete to 3-20-95

A SUMMARY OF HOUSE BILL 4590 AS INTRODUCED 3-14-95

Under current law, certain state-owned lands under the jurisdiction of the Department of Natural Resources (tax-reverted, recreation, or forest lands) are subject to a payment to local governments in lieu of property taxes (the "swamp tax"). The payment is set at \$2.50 per acre, and payment is made by the Department of Treasury to each county in which such property is located. The county treasurer distributes the funds to other local taxing units, with 40 percent paid to the county general fund, 20 percent paid to the township general fund, and 20 percent paid to the school district's operating fund.

The bill would revise these provisions to take into account the new school financing system adopted by the voters in March, 1994. Under the bill, after November 30, 1994, the state payment would be \$2.00 per acre, and the proceeds would be split equally between the county and township in which the land is located.

MCL 211.581

House Bill 4590 (3-20-95)