

**STATE OF MICHIGAN
92ND LEGISLATURE
REGULAR SESSION OF 2004**

Introduced by Senators Van Woerkom, Sanborn, Allen and Brown

ENROLLED SENATE BILL No. 867

AN ACT to amend 1994 PA 451, entitled "An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, and assessments; to provide certain appropriations; to prescribe penalties and provide remedies; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts," by amending section 51105 (MCL 324.51105), as amended by 1996 PA 451.

The People of the State of Michigan enact:

Sec. 51105. (1) Commercial forests are not subject to the collection of taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157, after the date the township supervisor is notified by the department that the land is a commercial forest, except taxes that were previously levied. Except as provided in subsections (5) and (6), commercial forests are subject to an annual specific tax as follows:

- (a) Through October 1, 1981, 15 cents per acre.
- (b) After October 1, 1981 and through December 31, 1989, 30 cents per acre.
- (c) After December 31, 1989 and through December 31, 1993, 38 cents per acre.
- (d) Beginning January 1, 1994, \$1.10 per acre as adjusted pursuant to section 51107.

(2) The supervisor of the township shall remove from the tax roll of property subject to the collection of taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157, the property descriptions certified to him or her by the department as being commercial forests and shall enter those descriptions on a roll separate from property subject to the collection of taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157, and shall spread against these commercial forests the specific tax provided by this section.

(3) The township treasurer shall collect the specific tax at the same time and in the same manner as taxes are collected under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157, and this tax is subject to the same collection charges levied for the collection of taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157. Commercial forests are subject to forfeiture, foreclosure, and sale for nonpayment of taxes in the same manner, at the same time, and under the same penalties as delinquent tax property under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157. A valuation shall not be determined for descriptions listed as commercial forests and this property shall not be considered by the county board of commissioners or by the state board of equalization in connection with county or state equalization for ad valorem property taxation purposes.

(4) Except as provided in section 51109(2), all sums collected pursuant to this section shall be distributed by the township treasurer in the same proportions to the various funds as the ad valorem general property tax is allocated in the township.

(5) Commercial forestland located in a renaissance zone under the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, is exempt from the annual specific tax levied under this section to the extent and for the duration provided pursuant to the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.

(6) Upon application for an exemption under this subsection by a qualified start-up business, the governing body of a local tax collecting unit may adopt a resolution to exempt forestland of a qualified start-up business from the collection of the annual specific tax levied under this section. The clerk of the local tax collecting unit shall notify in writing the assessor of the local tax collecting unit and the legislative body of each taxing unit that levies ad valorem property taxes in the local tax collecting unit. Before acting on the resolution, the governing body of the local tax collecting unit shall afford the assessor and a representative of the affected taxing units an opportunity for a hearing. The application for exemption under this subsection shall be in a form prescribed by the state tax commission. If a resolution authorizing the exemption is adopted as provided in this subsection, the commercial forestland owned or operated by a qualified start-up business is exempt from the annual specific tax levied under this section, except for that portion of the annual specific tax attributable to a tax described in section 7ff(2) of the general property tax act, 1893 PA 206, MCL 211.7ff, for 5 consecutive years beginning on the December 31 in the year in which the qualified start-up business first claimed the credit under section 31a of the single business tax act, 1975 PA 228, MCL 208.31a, or section 51f of the income tax act of 1967, 1967 PA 281, MCL 206.51f. A qualified start-up business exempt under this subsection shall file an exemption affidavit with the assessor of the local tax collecting unit. The exemption affidavit shall be filed within 60 days of the qualified start-up business becoming exempt under this subsection. The affidavit shall be in a form prescribed by the state tax commission. The annual specific tax calculated under this subsection shall be disbursed proportionately to the taxing unit or units that levied the tax described in section 7ff(2) of the general property tax act, 1893 PA 206, MCL 211.7ff. As used in this subsection, "qualified start-up business" means that term as defined in section 31a of the single business tax act, 1975 PA 228, MCL 208.31a.

Enacting section 1. This amendatory act does not take effect unless House Bill No. 5331 of the 92nd Legislature is enacted into law.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Ray E. Randall

Clerk of the House of Representatives

Approved

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Governor