

# SENATE BILL No. 913

December 1, 2005, Introduced by Senators STAMAS, VAN WOERKOM, JELINEK, GARCIA, BIRKHOLZ, JOHNSON, ALLEN and GILBERT and referred to the Committee on Agriculture, Forestry and Tourism.

A bill to impose a state recapture tax on the change in use of certain qualified forest property; to provide for the administration of the recapture tax; to prescribe the powers and duties of certain state and local officers; to provide for the collection and distribution of the recapture tax; and to prescribe penalties and provide remedies.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1. This act shall be known and may be cited as the  
2 "qualified forest property recapture tax act".

3       Sec. 2. As used in this act:

4       (a) "Converted by a change in use" means that due to a change  
5 in use the property is no longer qualified forest property as  
6 determined by the assessor of the local tax collecting unit.

7       (b) "Person" means an individual, partnership, corporation,  
8 limited liability company, association, governmental entity, or

1 other legal entity.

2 (c) "Qualified forest property" means that term as defined in  
3 section 7jj of the general property tax act, 1893 PA 206, MCL  
4 211.7jj.

5 (d) "Recapture tax" means the qualified forest property  
6 recapture tax imposed under this act.

7 (e) "Treasurer" means the state treasurer.

8 Sec. 3. (1) Beginning January 1, 2007, the qualified forest  
9 property recapture tax provided under section 4 is imposed as  
10 provided in this section if the property is converted by a change  
11 in use after December 31, 2006.

12 (2) The recapture tax is the obligation of the person who  
13 owned the property at the time the property was converted by a  
14 change in use. If a recapture tax is imposed on the owner of the  
15 property under this subsection, the recapture tax is a lien on the  
16 property subject to the recapture tax until paid. If the recapture  
17 tax is not paid within 90 days of the date the property was  
18 converted by a change in use, the treasurer may bring a civil  
19 action against the owner of the property as of the date the  
20 property was converted by a change in use. If the recapture tax  
21 remains unpaid on the March 1 in the year immediately succeeding  
22 the year in which the property is converted by a change in use, the  
23 property on which the recapture tax is due shall be returned as  
24 delinquent to the county treasurer of the county in which the  
25 property is located. Property returned as delinquent under this  
26 section, and upon which the recapture tax, interest, penalties, and  
27 fees remain unpaid after the property is returned as delinquent to

1 the county treasurer, is subject to forfeiture, foreclosure, and  
2 sale for the enforcement and collection of the delinquent taxes as  
3 provided in sections 78 to 79a of the general property tax act,  
4 1893 PA 206, MCL 211.78 to 211.79a.

5 Sec. 4. The recapture tax under this act shall be imposed at  
6 the following rate:

7 (a) If the property is converted by a change in use within 20  
8 years after an exemption is first claimed under section 7jj of the  
9 general property tax act, 1893 PA 206, MCL 211.7jj, 100% of the  
10 total amount exempted under section 7jj of the general property tax  
11 act, 1893 PA 206, MCL 211.7jj.

12 (b) If the property is converted by a change in use 20 or more  
13 years but less than 30 years after an exemption is first claimed  
14 under section 7jj of the general property tax act, 1893 PA 206, MCL  
15 211.7jj, 75% of the total amount exempted under section 7jj of the  
16 general property tax act, 1893 PA 206, MCL 211.7jj.

17 (c) If the property is converted by a change in use 30 or more  
18 years but less than 40 years after an exemption is first claimed  
19 under section 7jj of the general property tax act, 1893 PA 206, MCL  
20 211.7jj, 50% of the total amount exempted under section 7jj of the  
21 general property tax act, 1893 PA 206, MCL 211.7jj.

22 (d) If the property is converted by a change in use 40 or more  
23 years after an exemption is first claimed under section 7jj of the  
24 general property tax act, 1893 PA 206, MCL 211.7jj, no recapture  
25 tax is due under this act.

26 Sec. 5. (1) The recapture tax shall be collected by the county  
27 treasurer and deposited with the treasurer as provided in this

1 section. By the fifteenth day of each month, the county treasurer  
2 shall, on a form prescribed by the treasurer, itemize the recapture  
3 taxes collected the preceding month and transmit the form and the  
4 recapture taxes collected to the treasurer. The county treasurer  
5 may retain the interest earned on the money collected pursuant to  
6 this act while held by the county treasurer as reimbursement for  
7 the costs incurred by the county in collecting and transmitting the  
8 recapture tax. The money retained by the county treasurer under  
9 this section shall be deposited in the treasury of the county in  
10 which the recapture tax is collected to the credit of the general  
11 fund.

12 (2) The assessor of the local tax collecting unit shall notify  
13 the county treasurer of the date the property is converted by a  
14 change in use.

15 Sec. 6. The treasurer shall credit the proceeds of the  
16 recapture tax collected by county treasurers under this act to the  
17 general fund of this state.

18 Sec. 7. This act shall be administered by the department of  
19 treasury under 1941 PA 122, MCL 205.1 to 205.31.

20 Enacting section 1. This act does not take effect unless all  
21 of the following bills of the 93rd Legislature are enacted into  
22 law:

23 (a) Senate Bill No. 912.

24  
25 (b) Senate Bill No. 914.