



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 6133 (Substitute H-2 as reported without amendment)
Sponsor: Representative Michael Lahti
House Committee: Tourism, Outdoor Recreation, and Natural Resources
Senate Committee: Agriculture

CONTENT

The bill would amend Part 511 (Commercial Forests) of the Natural Resources and Environmental Protection Act to revise the formula for calculating the penalty for withdrawing commercial forestland from the operation of Part 511. (Under that part, commercial forestland is not subject to the ad valorem general property tax, but instead is subject to an annual specific tax of \$1.20 per acre. The withdrawal of commercial forestland from the operation of Part 511 is subject to a penalty.)

Under the bill, for applications to withdraw commercial forestland filed on or after September 27, 2007, in which the withdrawal penalty had not been paid before the bill's effective date, the withdrawal penalty would have to be calculated as follows:

- Multiply the number of acres withdrawn by one-half of the valuation per acre for the county in which the forestland is located, in 2007; or, beginning in 2008 and for each subsequent year, multiply the number of acres withdrawn by that amount adjusted annually by the inflation rate for each year after 2007.
- Multiply the product of that calculation by the average millage rate levied by all townships, excluding villages, in the county in which the property is located.
- Multiply that product by the number of years, up to seven, in which the withdrawn property had been designated as commercial forestland under Part 511.
- Multiply the product of that calculation by an amount between 0.2 and 0.8, determined by the county where the commercial forestland is located.

The bill also would require the DNR to publish on its website certain information for each county in which commercial forestland is located.

MCL 324.51108

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on the State. The cost or savings would depend on the amount of commercial forestland withdrawn from the Commercial Forestland program and how the applicable penalty amount compared to the current penalty. Since penalty rates for withdrawal of commercial forestland would differ by county, the location of the land would be factor as well.

Date Completed: 9-11-08

Fiscal Analyst: Jessica Runnels