

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 867

A bill to amend 1994 PA 451, entitled  
"Natural resources and environmental protection act,"  
by amending section 51105 (MCL 324.51105), as amended by 1996 PA  
451.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 51105. (1) Commercial forests are not subject to the  
2 ~~ad valorem general property tax~~ **collection of taxes under the**  
3 **general property tax act, 1893 PA 206, MCL 211.1 to 211.157,**  
4 after the date the township supervisor is notified by the  
5 department that the land is a commercial forest, except taxes  
6 ~~as that were~~ previously levied. Except as provided in  
7 ~~subsection~~ **subsections (5) and (6)**, commercial forests are  
8 subject to an annual specific tax as follows:  
9       (a) Through October 1, 1981, 15 cents per acre.  
10       (b) After October 1, 1981 and through December 31, 1989, 30

1 cents per acre.

2 (c) After December 31, 1989 and through December 31, 1993, 38  
3 cents per acre.

4 (d) Beginning January 1, 1994, \$1.10 per acre as adjusted  
5 pursuant to section 51107.

6 (2) The supervisor of the township shall remove from the  
7 ~~list of land descriptions assessed and taxed under the ad~~  
8 ~~valorem general property~~ tax roll of property subject to the  
9 collection of taxes under the general property tax act, 1893 PA  
10 206, MCL 211.1 to 211.157, the ~~land~~ property descriptions  
11 certified to him or her by the department as being commercial  
12 forests and shall enter those ~~land~~ descriptions on a roll  
13 separate from ~~lands assessed and taxed by the ad valorem general~~  
14 ~~property tax~~ property subject to the collection of taxes under  
15 the general property tax act, 1893 PA 206, MCL 211.1 to 211.157,  
16 and shall spread against these commercial forests the specific  
17 tax provided by this section.

18 (3) The township treasurer shall collect the specific tax at  
19 the same time and in the same manner as ~~ad valorem general~~  
20 ~~property~~ taxes are collected under the general property tax act,  
21 1893 PA 206, MCL 211.1 to 211.157, and this tax is subject to the  
22 same collection charges levied for the collection of ~~ad valorem~~  
23 ~~property~~ taxes under the general property tax act, 1893 PA 206,  
24 MCL 211.1 to 211.157. Commercial forests are subject to ~~return~~  
25 forfeiture, foreclosure, and sale for nonpayment of taxes in the  
26 same manner, at the same time, and under the same penalties as  
27 ~~lands returned and sold for nonpayment of taxes levied under the~~

1 ~~ad valorem general property tax laws~~ **delinquent tax property**  
2 **under the general property tax act, 1893 PA 206, MCL 211.1 to**  
3 **211.157.** A valuation shall not be determined for descriptions  
4 listed as commercial forests and ~~these lands~~ **this property**  
5 shall not be considered by the county board of commissioners or  
6 by the state board of equalization in connection with county or  
7 state equalization for ad valorem property taxation purposes.

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

13 (5) Commercial forestland located in a renaissance zone under  
14 the Michigan renaissance zone act, ~~Act No. 376 of the Public~~  
15 ~~Acts of 1996, being sections 125.2681 to 125.2696 of the Michigan~~  
16 ~~Compiled Laws~~ **1996 PA 376, MCL 125.2681 to 125.2696**, is exempt  
17 from the annual specific tax levied under this section to the  
18 extent and for the duration provided pursuant to ~~Act No. 376 of~~  
19 ~~the Public Acts of 1996~~ **the Michigan renaissance zone act, 1996**  
20 **PA 376, MCL 125.2681 to 125.2696.**

21 (6) Upon application for an exemption under this subsection  
22 by a qualified start-up business, the governing body of a local  
23 tax collecting unit may adopt a resolution to exempt forestland  
24 of a qualified start-up business from the collection of the  
25 annual specific tax levied under this section. The clerk of the  
26 local tax collecting unit shall notify in writing the assessor of  
27 the local tax collecting unit and the legislative body of each

1 taxing unit that levies ad valorem property taxes in the local  
2 tax collecting unit. Before acting on the resolution, the  
3 governing body of the local tax collecting unit shall afford the  
4 assessor and a representative of the affected taxing units an  
5 opportunity for a hearing. The application for exemption under  
6 this subsection shall be in a form prescribed by the state tax  
7 commission. If a resolution authorizing the exemption is adopted  
8 as provided in this subsection, the commercial forestland owned  
9 or operated by a qualified start-up business is exempt from the  
10 annual specific tax levied under this section, except for that  
11 portion of the annual specific tax attributable to a tax  
12 described in section 7ff(2) of the general property tax act, 1893  
13 PA 206, MCL 211.7ff, for 5 consecutive years beginning on the  
14 December 31 in the year in which the qualified start-up business  
15 first claimed the credit under section 31a of the single business  
16 tax act, 1975 PA 228, MCL 208.31a, or section 51f of the income  
17 tax act of 1967, 1967 PA 281, MCL 206.51f. A qualified start-up  
18 business exempt under this subsection shall file an exemption  
19 affidavit with the assessor of the local tax collecting unit.  
20 The exemption affidavit shall be filed within 60 days of the  
21 qualified start-up business becoming exempt under this  
22 subsection. The affidavit shall be in a form prescribed by the  
23 state tax commission. The annual specific tax calculated under  
24 this subsection shall be disbursed proportionately to the taxing  
25 unit or units that levied the tax described in section 7ff(2) of  
26 the general property tax act, 1893 PA 206, MCL 211.7ff. As used  
27 in this subsection, "qualified start-up business" means that term

Senate Bill No. 867 (H-1) as amended April 27, 2004

1 as defined in section 31a of the single business tax act, 1975 PA  
2 228, 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.]