

# Legislative Analysis

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## FOREST DEVELOPMENT FUND

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### House Bill 5628

**Sponsor: Rep. Tom Casperson**

**Committee: Conservation, Forestry, and Outdoor Recreation**

**Complete to 2-1-06**

## A SUMMARY OF HOUSE BILL 5628 AS INTRODUCED 2-1-06

House Bill 5628 would amend the Natural Resources and Environmental Protection Act (MCL 324.50507) to annually allocate a certain amount of money received by the Forest Development Fund to the School Aid Fund, and also to local tax collecting units in counties with land classified as commercial forests.

More specifically, in each state fiscal year, money that was received by the Forest Development Fund from the proceeds of the sale of the first 90,000 cords of wood harvested from the state forest would be distributed as follows:

- 50 percent of the money would be deposited into the School Aid Fund; and
- 50 percent of the money would be distributed to each local tax collecting unit in each county that had land classified as commercial forest, in proportion to the amount of commercial forestland that was located in that local tax collecting unit, to be distributed in the same manner and in the same proportion as ad valorem taxes collected under the General Property Tax Act.

## FISCAL IMPACT:

The Department of Natural Resources estimates that the amount deposited into the School Aid Fund and the local tax collecting units would be \$4.4 million (\$2.2 to SAF, \$2.2 to townships). The Forest Development Fund received \$33.4 million in revenue in FY 2004-05. If this bill were enacted in its present form, revenues to the Forest Development Fund would be reduced by about 13 percent.

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