

# HOUSE BILL No. 5019

June 27, 1991, Introduced by Reps. Anthony, Weeks, Pitoniak, Jacobetti, Gagliardi, Alley, Hertel, Niederstadt, Leland and Clack and referred to the Committee on Taxation.

A bill to amend the title and sections 5, 6, 7, and 13a of Act No. 94 of the Public Acts of 1925, entitled as amended

"An act to provide for the establishment of commercial forests and for the administration and taxation of them,"

sections 5, 6, and 7 as amended by Act No. 393 of the Public Acts of 1980, being sections 320.305, 320.306, 320.307, and 320.313a of the Michigan Compiled Laws; and to repeal certain parts of the act on specific dates.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. The title and sections 5, 6, 7, and 13a of Act  
2 No. 94 of the Public Acts of 1925, sections 5, 6, and 7 as  
3 amended by Act No. 393 of the Public Acts of 1980, being sections  
4 320.305, 320.306, 320.307, and 320.313a of the Michigan Compiled  
5 Laws, are amended to read as follows:

## TITLE

1

2 An act to provide for the establishment of commercial  
3 forests; ~~and for the administration and taxation of them~~ TO  
4 PRESCRIBE THE POWERS AND DUTIES OF CERTAIN STATE AGENCIES AND  
5 OFFICIALS; TO PROVIDE FOR CERTAIN TAXES AND FEES; TO PRESCRIBE  
6 PENALTIES; AND TO REPEAL CERTAIN ACTS AND PARTS OF ACTS.

7 Sec. 5. (1) ~~Lands offered by the owner and approved as~~  
8 ~~commercial forests and certified as commercial forests by the~~  
9 ~~department of natural resources to the supervisor of the township~~  
10 ~~in which they are located shall not be~~ COMMERCIAL FORESTS ARE  
11 NOT subject to the ad valorem general property tax after the date  
12 the township supervisor is notified BY THE DEPARTMENT OF NATURAL  
13 RESOURCES THAT THE LAND IS A COMMERCIAL FOREST, except taxes as  
14 previously levied. ~~These lands shall be~~ COMMERCIAL FORESTS ARE  
15 subject to an annual specific tax of 15 cents per acre and, after  
16 ~~the effective date of this 1980 amendatory act~~ OCTOBER 1, 1981,  
17 an additional annual specific tax equal to 15 cents per acre as  
18 adjusted pursuant to section 6a.

19 (2) IN ADDITION TO THE ANNUAL TAX PROVIDED IN  
20 SUBSECTION (1), BEGINNING JANUARY 1, 1992, A SPECIFIC TAX IS  
21 IMPOSED AT THE RATE OF 40 CENTS PER ACRE ON ALL LAND LISTED AS A  
22 COMMERCIAL FOREST, AS ADJUSTED PURSUANT TO SECTION 6A.

23 (3) The supervisor of the township shall remove from the  
24 list of land descriptions assessed and taxed under the ad valorem  
25 general property tax the land descriptions certified to him or  
26 her by the department as being commercial forests and shall enter  
27 ~~these~~ THOSE land descriptions on a roll separate from lands

1 assessed and taxed BY the ad valorem general property tax and  
2 shall spread against these commercial forest lands the specific  
3 tax provided by this section.

4 (4) The township treasurer shall collect the specific tax at  
5 the same time and in the same manner as ad valorem general prop-  
6 erty taxes are collected and this tax ~~shall be~~ IS subject to  
7 the same collection charges levied for the collection of ad  
8 valorem property taxes. Lands listed and taxed as commercial  
9 forests ~~shall be~~ ARE subject to return and sale for nonpayment  
10 of taxes in the same manner, at the same time, and under the same  
11 penalties as lands returned and sold for nonpayment of taxes  
12 levied under the ad valorem general property tax laws. A valua-  
13 tion shall not be determined for descriptions listed as commer-  
14 cial forests and these lands shall not be considered by the  
15 county board of commissioners or by the state board of equaliza-  
16 tion in connection with county or state equalization for ad  
17 valorem property taxation purposes.

18 (5) All sums collected ~~because of the annual tax as pro-~~  
19 ~~vided by~~ PURSUANT TO this section shall be distributed by the  
20 township treasurer in the same proportions to the various funds  
21 as the ad valorem general property tax is allocated in the  
22 township. ~~, except as provided by section 7a(2).~~

23 Sec. 6. On December 1 of each year, the department of natu-  
24 ral resources shall certify to the state treasurer the number of  
25 acres of land determined and listed as commercial forests in each  
26 county and the state treasurer shall transmit to the treasurer of  
27 each county in which these ~~lands are situated~~ COMMERCIAL

1 FORESTS ARE LOCATED a warrant on the state treasurer for an  
2 amount equal to 70 cents per acre, as adjusted by section 6a,  
3 upon each acre of land certified and listed as commercial forest  
4 in the county. The county treasurer of each county shall dis-  
5 tribute an amount equal to 25 cents per acre for each acre of  
6 land certified and listed as commercial forest in the county in  
7 the same proportions between the various funds as the ad valorem  
8 general property tax is distributed by the township treasurers in  
9 each township. ~~Except as provided by section 7a(2), the~~ THE  
10 county treasurer of each county shall distribute the remainder of  
11 the funds transmitted pursuant to this section pursuant to the  
12 manner in which ad valorem property taxes are distributed.

13 Sec. 7. (1) An owner of land listed as a commercial forest  
14 ~~desiring to~~ MAY withdraw his or her land, in whole or in part,  
15 from the operation of this act ~~shall make~~ UPON written applica-  
16 tion to the department of natural resources.

17 (2) Except as ~~otherwise~~ provided ~~for land listed under~~  
18 ~~this act for more than 20 years or land condemned or donated to a~~  
19 ~~public body for public use, the~~ IN SUBSECTION (3), AN applica-  
20 tion shall be granted only on payment to the department of a pen-  
21 alty equal to the product of the current average ad valorem prop-  
22 erty tax on timber cutover real property within the township in  
23 which the land is located, as determined by the township asses-  
24 sor, times the number of years, not to exceed ~~7~~ 15, the land  
25 was subject to this act. ~~, together with a fee equivalent to~~  
26 ~~10% of the full stumpage value of the merchantable forest~~  
27 ~~products upon the land, as determined by the department. Land~~

~~1 withdrawn after being listed under the act for more than 20 years~~  
~~2 shall be subject only to payment of the 10% stumpage fee. Land~~  
~~3 condemned or donated to a public body for public use shall not be~~  
~~4 subject to the penalties listed in this section, but shall be~~  
~~5 subject to payment of the 10% stumpage fee. These~~

6 (3) LANDS THAT ARE LISTED AS A COMMERCIAL FOREST THAT ARE  
7 EXCHANGED WITH PROPERTY BELONGING TO A PUBLIC BODY ARE EXEMPT  
8 FROM THE WITHDRAWAL PENALTY IN SUBSECTION (2).

9 (4) THE penalties ~~and fees~~ PAID PURSUANT TO THIS ACT shall  
10 be paid to the department OF NATURAL RESOURCES before the appli-  
11 cation to withdraw is granted. The department shall remit THE  
12 withdrawal penalties ~~and fees~~ to the treasurer of the township  
13 in which withdrawn lands are located. The money shall be dis-  
14 tributed by the township treasurer in the same proportions to the  
15 various funds as the ad valorem general property tax is allocated  
16 in the township. ~~, except as provided by section 7a(2).~~

17 (5) If an application to withdraw land from classification  
18 as a commercial forest is granted, the department shall immedi-  
19 ately notify the applicant, the supervisor of the township, and  
20 the register of deeds of the county in which the lands are  
21 located of the action and shall file with those officials a list  
22 of the WITHDRAWN lands. ~~withdrawn.~~ The lands shall immediately  
23 be removed from the list of lands paying specific taxes and shall  
24 then be assessed and taxed under the ad valorem general property  
25 tax the same as though they were never listed under this act. If  
26 application to withdraw is filed after January 1 in any year, the

1 specific tax and not the ad valorem general property tax shall be  
2 paid for that year.

3       Sec. 13a. Changes in the terms, fees, taxes, or other pro-  
4 visions of this act as ~~from time to time~~ enacted into law  
5 ~~shall~~ apply to all lands ~~which~~ THAT are listed AS COMMERCIAL  
6 FORESTS at the time ~~such~~ THE enactments become effective. Any  
7 owner may, without penalty, ~~of payment of withdrawal or stumpage~~  
8 ~~fees,~~ withdraw ~~said~~ lands from the operation of this act ~~in~~  
9 ~~event of~~ IF any change by law in the terms, fees, taxes, or  
10 other provisions of this act, ~~which would~~ materially increase  
11 the burden of the owner. The owner ~~shall~~ DOES not have the  
12 right to withdraw lands without penalty unless he OR SHE makes  
13 application to do so within 1 year after the enactments become  
14 effective. When any owner elects to withdraw the lands he OR SHE  
15 shall withdraw all such lands as may be listed by him OR HER at  
16 that time. If any application to withdraw lands from classifica-  
17 tion as a commercial forest is initiated by any owner or by the  
18 department of natural resources prior to the time that such  
19 changes in terms, fees, taxes, or other provisions of this act  
20 become effective, the withdrawal and stumpage fees in effect  
21 prior to the enactment of the changes shall be paid in the same  
22 manner and at the same rates as though ~~no such~~ THE changes had  
23 NOT been enacted.

24       Section 2. Sections 7a, 8, 9, and 12 of Act No. 94 of the  
25 Public Acts of 1925, being sections 320.307a, 320.308, 320.309,  
26 and 320.312 of the Michigan Compiled Laws, are repealed effective  
27 January 1, 1992.