

# SENATE BILL No. 710

February 6, 1992, Introduced by Senators KOIVISTO and  
MC MANUS and referred to the Committee on Agriculture,  
Forestry, and Wildlife.

A bill to amend the title and sections 5, 6, 7, and 9 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,"

as amended by Act No. 393 of the Public Acts of 1980, being sec-  
tions 320.305, 320.306, 320.307, and 320.309 of the Michigan  
Compiled Laws; and to repeal certain parts of the act.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. The title and sections 5, 6, 7, and 9 of Act  
2 No. 94 of the Public Acts of 1925, as amended by Act No. 393 of  
3 the Public Acts of 1980, being sections 320.305, 320.306,  
4 320.307, and 320.309 of the Michigan Compiled Laws, are amended  
5 to read as follows:



## 1 TITLE

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; AND TO PRE-  
6 SCRIBE PENALTIES.

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) The supervisor of the township shall remove from the  
20 list of land descriptions assessed and taxed under the ad valorem  
21 general property tax the land descriptions certified to him or  
22 her by the department as being commercial forests and shall enter  
23 ~~these~~ THE land descriptions on a roll separate from lands  
24 assessed and taxed the ad valorem general property tax and shall  
25 spread against these commercial forest lands the specific tax  
26 provided by this section.



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

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

20       Sec. 6. On December 1 of each year, the department of natu-  
21 ral resources shall certify to the state treasurer the number of  
22 acres of land determined and listed as commercial forests in each  
23 county and the state treasurer shall transmit to the treasurer of  
24 each county in which ~~these lands are situated~~ THE COMMERCIAL  
25 FORESTS ARE LOCATED a warrant on the state treasurer for an  
26 amount equal to 70 cents per acre, as adjusted by section 6a,  
27 upon each acre of land certified and listed as commercial forest



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

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

14 (2) Except as ~~otherwise~~ provided ~~for land listed under~~  
15 ~~this act for more than 20 years or land condemned or donated to a~~  
16 ~~public body for public use, the application shall be granted only~~  
17 ~~on payment to the department~~ IN SUBSECTION (3), THE DEPARTMENT  
18 SHALL GRANT AN APPLICATION ONLY UPON RECEIPT OF A PAYMENT of a  
19 penalty equal to the product of the current average ad valorem  
20 property tax on timber cutover real property within the township  
21 in which the land is located, as determined by the township  
22 assessor, times the number of years, not to exceed 7, the land  
23 was subject to this act, together with a fee equivalent to 10% of  
24 the full stumpage value of the merchantable forest products upon  
25 the land, as determined by the department.

26 (3) Land withdrawn after being listed under the act for more  
27 than 20 years ~~shall be subject only to payment of the 10%~~



1 ~~stumpage fee. Land~~ AND LAND condemned or donated to a public  
2 body for public use ~~shall not be~~ ARE NOT subject to the penal-  
3 ties listed in this section, but ~~shall be~~ ARE subject to pay-  
4 ment of ~~the~~ A 10% stumpage fee. ~~These penalties and fees~~  
5 ~~shall be paid to the~~

6 (4) THE department ~~before the~~ SHALL NOT GRANT AN applica-  
7 tion to withdraw ~~is granted~~ UNTIL ALL PENALTIES AND FEES PURSU-  
8 ANT TO THIS SECTION ARE RECEIVED BY THE DEPARTMENT. The depart-  
9 ment shall remit withdrawal penalties and fees to the treasurer  
10 of the township in which withdrawn lands are located WITHIN 90  
11 DAYS AFTER THE DEPARTMENT RECEIVES THE PENALTIES AND FEES. The  
12 money shall be distributed by the township treasurer in the same  
13 proportions to the various funds as the ad valorem general prop-  
14 erty tax is allocated in the township. ~~, except as provided by~~  
15 ~~section 7a(2).~~

16 (5) If an application to withdraw land from classification  
17 as a commercial forest is granted, the department shall immedi-  
18 ately notify the applicant, the supervisor of the township, and  
19 the register of deeds of the county in which the lands are  
20 located of the action and shall file with those officials a list  
21 of the WITHDRAWN lands. ~~withdrawn.~~ The lands shall immediately  
22 be removed from the list of lands paying specific taxes and shall  
23 then be assessed and taxed under the ad valorem general property  
24 tax the same as though they were never listed under this act. If  
25 application to withdraw is filed after January 1 in any year, the  
26 specific tax and not the ad valorem general property tax shall be  
27 paid for that year.



1       Sec. 9. (1) ~~On or before August 31 and February 28~~  
2 ~~succeeding any time in which a permit issued by the department of~~  
3 ~~natural resources was in effect, the owner shall certify and~~  
4 ~~submit a report to the department, for the 6-month period ending~~  
5 ~~June 30 and December 31, the actual~~ AFTER A PERMIT IS ISSUED,  
6 THE OWNER SHALL REPORT, ON A FORM PRESCRIBED BY THE DEPARTMENT,  
7 TO THE DEPARTMENT ON OR BEFORE AUGUST 31 FOR A 6-MONTH PERIOD  
8 ENDING JUNE 30 AND REPORT ON FEBRUARY 28 FOR A 6-MONTH PERIOD  
9 ENDING DECEMBER 31. THE REPORT SHALL INDICATE THE quantity of  
10 each kind and class of forest products cut OR REMOVED, as deter-  
11 mined by the scale or measurement made on the ground as cut,  
12 skidded, or loaded. ~~—, and at—~~

13       (2) AT the same time THE OWNER IS REQUIRED TO REPORT TO THE  
14 DEPARTMENT UNDER SUBSECTION (1), THE OWNER shall pay to the  
15 department a yield tax of 10% of the total stumpage value of the  
16 forest products ~~so~~ reported, as computed from the stumpage  
17 rates indicated in the ~~cutting~~ permit. If any forest products  
18 cut during any 6-month period are not scaled during ~~that~~ THE  
19 6-MONTH period, then those forest products shall be reported with  
20 the forest products cut during the 6-MONTH period immediately  
21 following. ~~Except as provided by section 7a(2), the~~

22       (3) THE department shall remit the ~~stumpage or~~ yield tax  
23 to the treasurer of the township in which harvesting operations  
24 were conducted WITHIN 90 DAYS AFTER THE DEPARTMENT RECEIVES THE  
25 YIELD TAX. The township treasurer shall distribute the payment  
26 in the same proportions to the various funds as the ad valorem  
27 general property tax is allocated to the township.



1       (4) A yield tax shall not be paid on any forest material cut  
2 for domestic use of the owner of the lands, or on materials nec-  
3 essarily used in harvesting the forest crop.

4       Section 2. Section 7a of Act No. 94 of the Public Acts of  
5 1925, being section 320.307a of the Michigan Compiled Laws, is  
6 repealed.

7       Section 3. This amendatory act shall not take effect unless  
8 Senate Bill No. 390 of the 86th Legislature is enacted into law.