



# HOUSE BILL No. 4509

March 17, 1993, Introduced by Reps. Anthony, Harrison, Shepich, Gagliardi, Byrum, Owen, Baade, Agee, DeMars, Pitoniak, Shugars, Weeks, Wetters, Freeman, Leland, Wallace and Alley and referred to the Committee on Agriculture and Forestry.

A bill to amend the title and sections 1, 2, 3, 4, 5, 6, 6a, 7, 8, 10, 11, 12a, 13, 13c, and 14 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 2, 5, 6, 7, 8, and 10 as amended and section 6a as added by Act No. 393 of the Public Acts of 1980, being sections 320.301, 320.302, 320.303, 320.304, 320.305, 320.306, 320.306a, 320.307, 320.308, 320.310, 320.311, 320.312a, 320.313, 320.313c, and 320.314 of the Michigan Compiled Laws; to add section 9a; and to repeal certain parts of the act.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title and sections 1, 2, 3, 4, 5, 6, 6a, 7,  
2 8, 10, 11, 12a, 13, 13c, and 14 of Act No. 94 of the Public Acts  
3 of 1925, sections 2, 5, 6, 7, 8, and 10 as amended and section 6a

1 as added by Act No. 393 of the Public Acts of 1980, being  
2 sections 320.301, 320.302, 320.303, 320.304, 320.305, 320.306,  
3 320.306a, 320.307, 320.308, 320.310, 320.311, 320.312a, 320.313,  
4 320.313c, and 320.314 of the Michigan Compiled Laws, are amended  
5 and section 9a is added to read as follows:

6 TITLE

7 An act to provide for the establishment of commercial  
8 forests; ~~and for the administration and taxation of them~~ TO  
9 PRESCRIBE THE POWERS AND DUTIES OF CERTAIN STATE AGENCIES AND  
10 OFFICIALS; TO PROVIDE FOR CERTAIN TAXES, PENALTIES, AND FEES; TO  
11 PRESCRIBE PENALTIES; AND TO REPEAL CERTAIN ACTS AND PARTS OF  
12 ACTS.

13 Sec. 1. (1) THIS ACT SHALL BE KNOWN AND MAY BE CITED AS THE  
14 "COMMERCIAL FOREST ACT".

15 (2) IT IS THE INTENT AND PURPOSE OF THIS ACT TO ENCOURAGE  
16 REFORESTATION AND PROPER FOREST MANAGEMENT ON LANDS VALUABLE FOR  
17 THOSE PURPOSES.

18 (3) The department of natural resources ~~is authorized and~~  
19 ~~charged with certain duties in connection with the establishment~~  
20 ~~and maintenance of~~ SHALL ESTABLISH AND MAINTAIN commercial for-  
21 ests and ~~shall have authority to make such rules not herein spe-~~  
22 ~~cifically provided for~~ MAY PROMULGATE RULES as ~~may be~~ neces-  
23 sary to accomplish the intent and purpose of this act. All  
24 expense ~~to be~~ incurred and ~~help to be~~ STAFF employed TO  
25 IMPLEMENT THIS ACT shall be with the approval of the state admin-  
26 istrative board.

1 Sec. 2. As used in this act: ~~— a "commercial forest"~~

2 (A) "AD VALOREM GENERAL PROPERTY TAX" MEANS TAXES LEVIED  
3 UNDER THE GENERAL PROPERTY TAX ACT, ACT NO. 206 OF THE PUBLIC  
4 ACTS OF 1893, BEING SECTIONS 211.1 TO 211.157 OF THE MICHIGAN  
5 COMPILED LAWS.

6 (B) "COMMERCIAL FOREST" OR "COMMERCIAL FORESTLAND" MEANS  
7 FORESTLAND THAT IS DETERMINED TO BE A COMMERCIAL FOREST UNDER  
8 SECTION 3.

9 (C) "DECLASSIFY" OR "DECLASSIFICATION" MEANS THE REMOVAL OF  
10 THE COMMERCIAL FOREST DESIGNATION PURSUANT TO SECTION 13.

11 (D) "DEPARTMENT" MEANS THE DEPARTMENT OF NATURAL RESOURCES.

12 (E) "DIRECTOR" MEANS THE DIRECTOR OF THE DEPARTMENT.

13 (F) "FORESTLAND" means a tract of land ~~containing no~~ THAT  
14 MAY INCLUDE NONPRODUCTIVE LAND THAT IS INTERMIXED WITH PRODUCTIVE  
15 LAND THAT IS AN INTEGRAL PART OF A MANAGED FOREST AND THAT MEETS  
16 ALL THE FOLLOWING:

17 (i) DOES NOT HAVE material natural resources other than  
18 THOSE RESOURCES SUITABLE FOR forest growth ~~— no portion of which~~  
19 ~~is~~ OR THE POTENTIAL FOR FOREST GROWTH.

20 (ii) IS NOT used for agricultural, mineral extraction, graz-  
21 ing, industrial, developed recreational, RESIDENTIAL, or resort  
22 purposes. ~~— and upon which the~~

23 (iii) THE owner proposes to develop, maintain, and actively  
24 manage THE LAND AS a forest through planting, natural reproduc-  
25 tion, or other forest MANAGEMENT practices. ~~This land shall~~  
26 ~~also be capable of producing a thrifty forest growth and, at the~~  
27 ~~time of listing as a commercial forest, actually carry sufficient~~

~~1 forest growth of suitable character and distributed to give  
2 assurance that a stand of merchantable timber will be developed  
3 within a reasonable period of time. Forest land used for the  
4 primary purpose of growing and harvesting forest crops and non-  
5 productive land which occurs intermixed with productive land and  
6 which is an integral part of a managed forest shall be eligible  
7 for listing as a commercial forest pursuant to section 3.~~

8 (G) "FOREST MANAGEMENT PLAN" MEANS A WRITTEN PLAN PREPARED  
9 BY A REGISTERED FORESTER, A NATURAL RESOURCES PROFESSIONAL, OR  
10 THE OWNER THAT PRESCRIBES MEASURES TO OPTIMIZE PRODUCTION, UTILI-  
11 ZATION, AND REGENERATION OF FOREST RESOURCES. THE FOREST MANAGE-  
12 MENT PLAN SHALL INCLUDE SCHEDULES AND TIMETABLES FOR THE VARIOUS  
13 FORESTRY PRACTICES USED ON COMMERCIAL FORESTLANDS, INCLUDING, BUT  
14 NOT LIMITED TO, TIMBER HARVESTING AND REGENERATION. AN OWNER MAY  
15 AMEND HIS OR HER FOREST MANAGEMENT PLAN AT ANY TIME.

16 (H) "FUND" MEANS THE COMMERCIAL FOREST FUND CREATED PURSUANT  
17 TO SECTION 9A.

18 (I) "NATURAL RESOURCES PROFESSIONAL" MEANS A PERSON WHO IS  
19 ACKNOWLEDGED BY THE DEPARTMENT AS HAVING THE EDUCATION, KNOWL-  
20 EDGE, EXPERIENCE, AND SKILLS TO IDENTIFY, SCHEDULE, AND IMPLEMENT  
21 APPROPRIATE FOREST MANAGEMENT PRACTICES NEEDED TO ACHIEVE THE  
22 PURPOSES OF THIS ACT ON LAND SUBJECT TO OR TO BE SUBJECT TO THIS  
23 ACT.

24 (J) "OWNER" MEANS A PERSON WHO HOLDS TITLE TO THE SURFACE  
25 ESTATE OF FORESTLAND SUBJECT TO THIS ACT. HOWEVER, IF LAND IS  
26 PURCHASED ON A LAND CONTRACT, THE OWNER INCLUDES THE PERSON WHO

1 HOLDS THE LAND CONTRACT VENDEE'S INTEREST AND DOES NOT INCLUDE  
2 THE PERSON WHO HOLDS THE LAND CONTRACT VENDOR'S INTEREST.

3 (K) "PERSON" MEANS AN INDIVIDUAL, PARTNERSHIP, CORPORATION,  
4 ASSOCIATION, GOVERNMENTAL ENTITY, OR OTHER LEGAL ENTITY.

5 (L) "PERSONAL USE" MEANS USE FOR ANY NONCOMMERCIAL PURPOSE.

6 (M) "REGISTERED FORESTER" MEANS A PERSON REGISTERED UNDER  
7 ARTICLE 21 OF THE OCCUPATIONAL CODE, ACT NO. 299 OF THE PUBLIC  
8 ACTS OF 1980, BEING SECTIONS 339.2101 TO 339.2108 OF THE MICHIGAN  
9 COMPILED LAWS.

10 (N) "RULE" MEANS A RULE PROMULGATED PURSUANT TO THE ADMINIS-  
11 TRATIVE PROCEDURES ACT OF 1969, ACT NO. 306 OF THE PUBLIC ACTS OF  
12 1969, BEING SECTIONS 24.201 TO 24.328 OF THE MICHIGAN COMPILED  
13 LAWS.

14 Sec. 3. (1) The owner of ~~any land~~ FORESTLAND LOCATED  
15 within this state ~~, which complies substantially with the~~  
16 ~~requirements specified in section 2, may make application~~ MAY  
17 APPLY to the department ~~of natural resources~~ to have ~~such~~  
18 ~~land~~ THAT FORESTLAND determined ~~and listed~~ TO BE a commercial  
19 forest UNDER THIS ACT. ~~, specifying in such application the~~  
20 ~~legal description and acreage of such land and such additional~~  
21 ~~information as may be called for by said department. The appli-~~  
22 ~~cant shall furnish such information under oath and upon blanks~~  
23 ~~provided for the purpose.~~

24 (2) TO BE ELIGIBLE FOR DETERMINATION AS A COMMERCIAL FOREST,  
25 FORESTLAND SHALL BE CAPABLE OF ALL OF THE FOLLOWING:

26 (A) PRODUCING NOT LESS THAN 20 CUBIC FEET PER ACRE PER YEAR  
27 OF FOREST GROWTH UPON MATURITY.

1 (B) PRODUCING TREE SPECIES THAT HAVE ECONOMIC OR COMMERCIAL  
2 VALUE.

3 (C) PRODUCING A COMMERCIAL STAND OF TIMBER WITHIN A REASON-  
4 ABLE PERIOD OF TIME.

5 (3) APPLICATION SHALL BE ON A FORM PRESCRIBED BY THE  
6 DEPARTMENT. IN ADDITION TO ANY INFORMATION THAT THE DEPARTMENT  
7 MAY REASONABLY REQUIRE BY RULE, THE APPLICANT SHALL PROVIDE ALL  
8 OF THE FOLLOWING TO THE DEPARTMENT:

9 (A) A NONREFUNDABLE APPLICATION FEE IN THE AMOUNT OF \$1.00  
10 PER ACRE OR FRACTION OF AN ACRE, NOT TO EXCEED \$1,000.00. THE  
11 DEPARTMENT SHALL REMIT THE APPLICATION FEE TO THE TREASURER FOR  
12 DEPOSIT INTO THE FUND.

13 (B) A LEGAL DESCRIPTION AND THE AMOUNT OF ACREAGE CONSIDERED  
14 FOR DETERMINATION AS A COMMERCIAL FOREST.

15 (C) IF THE FORESTLAND CONSISTS OF MORE THAN 500 ACRES, THAT  
16 A STATEMENT CERTIFYING THAT A FOREST MANAGEMENT PLAN COVERING THE  
17 FORESTLAND HAS BEEN PREPARED.

18 (D) A STATEMENT CERTIFYING THAT THE OWNER OF THE FORESTLAND  
19 OWNS THE TIMBER RIGHTS TO THE TIMBER STANDING ON THE FORESTLAND.

20 (4) THE DEPARTMENT SHALL PREPARE AND DISTRIBUTE TO ANY  
21 PERSON DESIRING TO MAKE APPLICATION UNDER THIS ACT A BROCHURE  
22 THAT LISTS AND EXPLAINS, IN SIMPLE, NONTECHNICAL TERMS, ALL OF  
23 THE FOLLOWING:

24 (A) THE APPLICATION, HEARING, DETERMINATION, DECLASSIFICA-  
25 TION, AND PROSECUTION PROCESS.

26 (B) THE REQUIREMENTS OF THE FOREST MANAGEMENT PLAN.

1 (5) BEFORE JANUARY 1, 1997, AN OWNER OF A COMMERCIAL FOREST  
 2 CONSISTING OF MORE THAN 500 ACRES THAT WAS DESIGNATED A  
 3 COMMERCIAL FOREST BEFORE THE EFFECTIVE DATE OF THE AMENDATORY ACT  
 4 THAT ADDED THIS SUBSECTION SHALL PREPARE A FOREST MANAGEMENT PLAN  
 5 AND FILE A STATEMENT WITH THE DEPARTMENT CERTIFYING THAT A FOREST  
 6 MANAGEMENT PLAN HAS BEEN PREPARED. IF AN OWNER OF A COMMERCIAL  
 7 FOREST FAILS TO COMPLY WITH THIS SUBSECTION, THE DEPARTMENT SHALL  
 8 DECLASSIFY THE OWNER'S COMMERCIAL FOREST PURSUANT TO SECTION 13.

9 Sec. 4. (1) Upon receipt of ~~such~~ THE application,  
 10 ~~establishing prima facie~~ THE FOREST MANAGEMENT PLAN CERTIFICA-  
 11 TION, THE TIMBER RIGHTS CERTIFICATION, AND APPLICATION FEE  
 12 DESCRIBED IN SECTION 3, the ~~right of any land to be classed as a~~  
 13 ~~commercial forest the~~ department ~~of natural resources~~ shall  
 14 ~~determine the character of the land~~ EVALUATE THE FORESTLAND  
 15 offered and fix a date for a public hearing upon the eligibility  
 16 of ~~such land~~ THE FORESTLAND for ~~listing~~ DETERMINATION as a  
 17 commercial forest. The hearing shall be held in the county where  
 18 the land is located not later than November 1 following receipt  
 19 of the application. ~~and all applications~~ APPLICATIONS offering  
 20 lands in the same county may be heard on the same day and at the  
 21 same place. The department shall ~~cause a~~ PUBLISH notice of  
 22 ~~such~~ hearing and a list of the LEGAL descriptions of ~~land to~~  
 23 ~~be~~ LANDS BEING considered for ~~classification~~ DETERMINATION as  
 24 commercial forests ~~to be published~~ in a newspaper ~~published~~  
 25 ~~and circulated~~ OF GENERAL CIRCULATION in ~~said~~ THE county ~~7~~  
 26 ~~and~~ IN WHICH THE LAND IS LOCATED. THE NOTICE OF HEARING SHALL  
 27 BE PUBLISHED at least 20 days ~~shall elapse between the date of~~

1 ~~publication of said notice and~~ BEFORE the date of the hearing.  
2 At the ~~same~~ time ~~that the notice is sent to the newspaper for~~  
3 OF publication, the department shall ~~send~~ PROVIDE a copy of the  
4 notice OF HEARING and a list of descriptions of land in each  
5 township to be considered for ~~classification~~ DETERMINATION AS A  
6 COMMERCIAL FOREST to each township supervisor in whose township  
7 the lands are located. Any ~~township supervisor or other~~ person  
8 ~~desiring to~~ WHO WISHES MAY testify as to eligibility for ~~the~~  
9 ~~listing~~ DETERMINATION as a commercial forest of any of the  
10 ~~descriptions offered, may appear and be heard at such hearing.~~  
11 ~~Such~~ DESCRIBED LANDS. THE hearing ~~may~~ SHALL be conducted by  
12 the director ~~or any employee~~ of the department OR AN EMPLOYEE  
13 designated ~~for the purpose~~ BY THE DIRECTOR.

14 ~~In case the department shall determine that the descrip-~~  
15 ~~tions listed, or any of them, comply with the requirements as to~~  
16 ~~commercial forests specified in section 2 and that the owner has~~  
17 ~~declared his intention to devote the land to the development and~~  
18 ~~maintenance thereon of a commercial forest, and that there are no~~  
19 ~~unpaid valid taxes against such land, the department shall forth-~~  
20 ~~with report such determination to the applicant and also to the~~  
21 ~~supervisor of the township and shall record with the register of~~  
22 ~~deeds in the county in which said commercial forest is located,~~  
23 ~~the application of the owner and the approval of the department~~  
24 ~~endorsed thereon.~~

25 (2) AFTER THE HEARING, IF THE DEPARTMENT DETERMINES THAT THE  
26 APPLICANT AND FORESTLAND MEET THE REQUIREMENTS OF THIS ACT AND  
27 DETERMINES THAT ALL VALID TAXES ASSESSED AGAINST THAT FORESTLAND



1 HAVE BEEN PAID, THE DEPARTMENT SHALL APPROVE THE APPLICATION.  
 2 UPON APPROVAL OF THE APPLICATION, THE DEPARTMENT SHALL IMMEDI-  
 3 ATELY RECORD A LISTING CERTIFICATE IN THE REGISTER OF DEEDS  
 4 OFFICE IN THE COUNTY IN WHICH THE LAND IS LOCATED WITH THE  
 5 DEPARTMENT APPROVAL ENDORSED ON THE LISTING CERTIFICATE AND FOR-  
 6 WARD A COPY OF THE LISTING CERTIFICATE TO THE APPLICANT AND TO  
 7 THE TOWNSHIP SUPERVISOR OF THE TOWNSHIP IN WHICH THE LAND IS  
 8 LOCATED.

9 (3) IF THE DEPARTMENT DETERMINES THAT THE FORESTLAND OR THE  
 10 APPLICANT DO NOT MEET THE REQUIREMENTS OF THIS ACT, THE DEPART-  
 11 MENT SHALL DENY THE APPLICATION.

12 Sec. 5. (1) ~~Lands offered by the owner and approved as~~  
 13 ~~commercial forests and certified as commercial forests by the~~  
 14 ~~department of natural resources to the supervisor of the township~~  
 15 ~~in which they are located shall~~ COMMERCIAL FORESTS ARE not ~~be~~  
 16 subject to the ad valorem general property tax after the date the  
 17 township supervisor is notified BY THE DEPARTMENT THAT THE LAND  
 18 IS A COMMERCIAL FOREST, except taxes as previously levied.  
 19 ~~These lands shall be~~ COMMERCIAL FORESTS ARE subject to an  
 20 annual specific tax ~~of~~ AS FOLLOWS:

21 (A) THROUGH OCTOBER 1, 1981, 15 cents per acre. ~~and, after~~  
 22 ~~the effective date of this 1980 amendatory act~~

23 (B) AFTER OCTOBER 1, 1981 AND THROUGH DECEMBER 31, 1989, an  
 24 ~~additional~~ annual specific tax equal to ~~+5~~ 30 cents per  
 25 acre. ~~as adjusted pursuant to section 6a.~~

26 (C) AFTER DECEMBER 31, 1989 AND THROUGH DECEMBER 31, 1993,  
 27 AN ANNUAL SPECIFIC TAX EQUAL TO 38 CENTS PER ACRE.

1 (D) BEGINNING JANUARY 1, 1994, AN ANNUAL SPECIFIC TAX EQUAL  
2 TO \$1.10 PER ACRE AS ADJUSTED PURSUANT TO SECTION 6A.

3 (2) The supervisor of the township shall remove from the  
4 list of land descriptions assessed and taxed under the ad valorem  
5 general property tax the land descriptions certified to him or  
6 her by the department as being commercial forests and shall enter  
7 ~~these~~ THOSE land descriptions on a roll separate from lands  
8 assessed and taxed BY the ad valorem general property tax and  
9 shall spread against these commercial ~~forest lands~~ FORESTS the  
10 specific tax provided by this section.

11 (3) The township treasurer shall collect the specific tax at  
12 the same time and in the same manner as ad valorem general prop-  
13 erty taxes are collected and this tax ~~shall be~~ IS subject to  
14 the same collection charges levied for the collection of ad  
15 valorem property taxes. ~~Lands listed and taxed as commercial~~  
16 ~~forests shall be~~ COMMERCIAL FORESTS ARE subject to return and  
17 sale for nonpayment of taxes in the same manner, at the same  
18 time, and under the same penalties as lands returned and sold for  
19 nonpayment of taxes levied under the ad valorem general property  
20 tax laws. A valuation shall not be determined for descriptions  
21 listed as commercial forests and these lands shall not be consid-  
22 ered by the county board of commissioners or by the state board  
23 of equalization in connection with county or state equalization  
24 for ad valorem property taxation purposes. ~~All~~

25 (4) EXCEPT AS PROVIDED IN SECTION 7A(2), ALL sums collected  
26 ~~because of the annual tax as provided by~~ PURSUANT TO this  
27 section shall be distributed by the township treasurer in the

1 same proportions to the various funds as the ad valorem general  
2 property tax is allocated in the township. ~~except as provided~~  
3 ~~by section 7a(2).~~

4 Sec. 6. On December 1 of each year, the department ~~of nat-~~  
5 ~~ural resources~~ shall certify to the state treasurer the number  
6 of acres ~~of land determined and listed as commercial forests~~  
7 THAT ARE COMMERCIAL FORESTLANDS in each county and the state  
8 treasurer shall transmit to the treasurer of each county in which  
9 these ~~lands are situated~~ COMMERCIAL FORESTS ARE LOCATED a war-  
10 rant on the state treasurer for an amount equal to ~~70 cents~~  
11 \$1.20 per acre, as adjusted by section 6a, upon each acre of  
12 ~~land certified and listed as~~ commercial forest in the county.  
13 The county treasurer of each county shall distribute an amount  
14 equal to 25 cents per acre for each acre of ~~land certified and~~  
15 ~~listed as~~ commercial forest in the county in the same propor-  
16 tions between the various funds as the ad valorem general prop-  
17 erty tax is distributed by the township treasurers in each  
18 township. Except as provided by section 7a(2), the county trea-  
19 surer of each county shall distribute the remainder of the funds  
20 transmitted pursuant to this section pursuant to the manner in  
21 which ad valorem property taxes are distributed.

22 Sec. 6a. On all ~~lands entered under this act~~ COMMERCIAL  
23 FORESTLAND, the annual specific tax and the state payment  
24 DESCRIBED in section 6, per acre, shall be adjusted in ~~+1990-~~  
25 2004 and every tenth year after ~~+1990-~~ 2005 to the nearest cent  
26 by the use of a ratio computed by the revenue division of the  
27 department of treasury. The ratio shall be computed by using the

1 state equalized value per acre of the timber cutover lands within  
2 the state in 1980 as the denominator and using the state equal-  
3 ized value per acre for timber cutover lands in ~~+1990-~~ 2005 and  
4 every tenth year after ~~+1990-~~ 2005 as the numerator.

5       Sec. 7. ~~An owner of land listed as a commercial forest~~  
6 ~~desiring to withdraw his or her land, in whole or in part, from~~  
7 ~~the operation of this act shall make written application to the~~  
8 ~~department of natural resources. Except as otherwise provided~~  
9 ~~for land listed under this act for more than 20 years or land~~  
10 ~~condemned or donated to a public body for public use, the appli-~~  
11 ~~cation shall be granted only on payment to the department of a~~  
12 ~~penalty equal to the product of the current average ad valorem~~  
13 ~~property tax on timber cutover real property within the township~~  
14 ~~in which the land is located, as determined by the township~~  
15 ~~assessor, times the number of years, not to exceed 7, the land~~  
16 ~~was subject to this act, together with a fee equivalent to 10% of~~  
17 ~~the full stumpage value of the merchantable forest products upon~~  
18 ~~the land, as determined by the department. Land withdrawn after~~  
19 ~~being listed under the act for more than 20 years shall be~~  
20 ~~subject only to payment of the 10% stumpage fee. Land condemned~~  
21 ~~or donated to a public body for public use shall not be subject~~  
22 ~~to the penalties listed in this section, but shall be subject to~~  
23 ~~payment of the 10% stumpage fee. These penalties and fees shall~~  
24 ~~be paid to the department before the application to withdraw is~~  
25 ~~granted.~~ (1) AN OWNER OF A COMMERCIAL FOREST MAY WITHDRAW HIS OR  
26 HER LAND, IN WHOLE OR IN PART, FROM THE OPERATION OF THIS ACT

1 UPON APPLICATION TO THE DEPARTMENT AND PAYMENT OF THE WITHDRAWAL  
2 APPLICATION FEE AND PENALTY, AS PROVIDED IN THIS SECTION.

3 (2) EXCEPT AS OTHERWISE PROVIDED BY THIS SECTION, UPON  
4 APPLICATION TO THE DEPARTMENT TO WITHDRAW COMMERCIAL FORESTLAND  
5 FROM THE OPERATION OF THIS ACT, THE APPLICANT SHALL FORWARD TO  
6 THE DEPARTMENT A WITHDRAWAL APPLICATION FEE IN THE AMOUNT OF  
7 \$1.00 PER ACRE WITH A MINIMUM WITHDRAWAL APPLICATION FEE OF  
8 \$200.00 PER APPLICATION AND A MAXIMUM WITHDRAWAL APPLICATION FEE  
9 OF \$1,000.00 PER APPLICATION.

10 (3) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, AN APPLI-  
11 CATION TO WITHDRAW COMMERCIAL FORESTLAND FROM THE OPERATION OF  
12 THIS ACT SHALL BE GRANTED UPON THE PAYMENT TO THE TOWNSHIP TREA-  
13 SURER IN WHICH THE COMMERCIAL FORESTLAND IS LOCATED OF A PENALTY  
14 PER ACRE EQUAL TO THE PRODUCT OF THE CURRENT AVERAGE AD VALOREM  
15 PROPERTY TAX PER ACRE ON TIMBER CUTOVER REAL PROPERTY WITHIN THE  
16 TOWNSHIP IN WHICH THE COMMERCIAL FORESTLAND IS LOCATED, AS DETER-  
17 MINED BY THE TOWNSHIP ASSESSOR, MULTIPLIED BY 1 OF THE  
18 FOLLOWING:

19 (A) FOR FORESTLAND DETERMINED TO BE A COMMERCIAL FOREST  
20 BEFORE JANUARY 1, 1995, THE NUMBER OF YEARS, TO A MAXIMUM OF 7  
21 YEARS, THAT THE LAND WAS SUBJECT TO THIS ACT.

22 (B) FOR FORESTLAND DETERMINED TO BE A COMMERCIAL FOREST  
23 AFTER DECEMBER 31, 1994, THE NUMBER OF YEARS, TO A MAXIMUM OF 15  
24 YEARS, THAT THE LAND WAS SUBJECT TO THIS ACT.

25 (4) AN APPLICATION TO WITHDRAW COMMERCIAL FORESTLAND FROM  
26 THE OPERATION OF THIS ACT THAT MEETS 1 OR MORE OF THE FOLLOWING

1 REQUIREMENTS SHALL BE GRANTED WITHOUT PAYMENT OF THE WITHDRAWAL  
2 APPLICATION FEE OR PENALTY UNDER THIS SECTION:

3 (A) COMMERCIAL FORESTLAND THAT HAS BEEN DONATED TO A PUBLIC  
4 BODY FOR PUBLIC USE.

5 (B) COMMERCIAL FORESTLAND THAT HAS BEEN EXCHANGED WITH PROP-  
6 ERTY BELONGING TO A PUBLIC BODY IF THE PROPERTY RECEIVED IS DES-  
7 IGNATED AS A COMMERCIAL FOREST AS DETERMINED BY THE DEPARTMENT.

8 (C) COMMERCIAL FORESTLAND THAT HAS BEEN CONDEMNED FOR PUBLIC  
9 USE.

10 (5) The department shall remit ~~withdrawal penalties and~~  
11 ~~fees~~ THE WITHDRAWAL APPLICATION FEE PAID PURSUANT TO  
12 SUBSECTION (2) to the treasurer ~~of the township in which with-~~  
13 ~~drawn lands are located~~ FOR DEPOSIT INTO THE FUND. ~~The money~~  
14 EXCEPT AS PROVIDED BY SECTION 7A(2), THE PENALTY RECEIVED BY THE  
15 TOWNSHIP TREASURER UNDER SUBSECTION (3) shall be distributed by  
16 the township treasurer in the same proportions to the various  
17 funds as the ad valorem general property tax is allocated in the  
18 township. ~~, except as provided by section 7a(2).~~

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

1 ~~act. If application to withdraw is filed after January 1 in any~~  
2 ~~year, the specific tax and not the ad valorem general property~~  
3 ~~tax shall be paid for that year.~~

4       Sec. 8. ~~The~~ A PERSON SHALL REPORT TO THE DEPARTMENT  
5 BEFORE CUTTING OR REMOVING MERCHANTABLE FOREST PRODUCTS FROM A  
6 COMMERCIAL FOREST. IF THE OWNER HARVESTS OR REMOVES FOREST PROD-  
7 UCTS IN COMPLIANCE WITH HIS OR HER FOREST MANAGEMENT PLAN AND  
8 OTHERWISE COMPLIES WITH THIS ACT, THE owner of ~~land registered~~  
9 ~~as~~ a commercial forest ~~shall be~~ IS entitled to ~~a permit to~~  
10 cut OR REMOVE MERCHANTABLE forest products on that land without  
11 withdrawing it ~~from classification~~ OR AFFECTING ITS STATUS as a  
12 commercial forest and without payment of a fee or PENALTY. AN  
13 OWNER MAY HARVEST, CUT, OR REMOVE FOREST PRODUCTS FOR HIS OR HER  
14 PERSONAL USE WITHOUT REPORTING TO THE DEPARTMENT, WITHOUT AFFECT-  
15 ING ITS STATUS AS A COMMERCIAL FOREST, AND WITHOUT THE PAYMENT OF  
16 A FEE OR PENALTY. ~~tax other than the annual specific tax and the~~  
17 ~~stumpage tax provided by section 9. An owner desiring to cut and~~  
18 ~~remove merchantable forest products from land that has been~~  
19 ~~listed as a commercial forest shall make application to the~~  
20 ~~department of natural resources for a permit to cut, stating in~~  
21 ~~his or her application the description or descriptions of land~~  
22 ~~from which forest products are to be cut, and the class, the~~  
23 ~~approximate amount, and the approximate unit stumpage value of~~  
24 ~~each forest product proposed to be cut at the place of cutting.~~  
25 ~~In situations where more than 1 harvesting operation is planned~~  
26 ~~within a township, the department may issue a single master~~  
27 ~~permit. The department shall then verify the unit stumpage value~~

~~1 of each of the classes of forest products proposed to be cut and  
2 shall issue a permit indicating the unit stumpage values to be  
3 used in computing the yield tax to be paid for the forest prod-  
4 ucts cut and removed under the terms of the permit. An owner to  
5 whom a permit is issued who is dissatisfied with the determina-  
6 tion of the department as to the stumpage rates indicated in the  
7 permit may file a protest with the department within 20 days  
8 after receipt of the permit. For the purpose of determining the  
9 stumpage values the department shall conduct a hearing and may  
10 compel the attendance of witnesses. At the hearing the owner  
11 shall be given opportunity to be heard and to produce witnesses.  
12 The department may then amend the permit as to stumpage values to  
13 be used in computing the yield tax to be paid. A person shall  
14 not cut or remove forest products from land listed as a commer-  
15 cial forest until a permit has been issued.~~

16 SEC. 9A. (1) THE COMMERCIAL FOREST FUND IS CREATED WITHIN  
17 THE STATE TREASURY.

18 (2) THE STATE TREASURER SHALL DEPOSIT THE MONEY COLLECTED  
19 FROM THE FOLLOWING SOURCES INTO THE FUND:

20 (A) THE APPLICATION FEE AND FOREST MANAGEMENT PLAN FEE PUR-  
21 SUANT TO SECTION 3.

22 (B) THE WITHDRAWAL APPLICATION FEE PURSUANT TO SECTION 7.

23 (C) THE FEE DESCRIBED IN SECTION 13(A).

24 (D) AN AMOUNT EQUAL TO 10 CENTS FOR EACH ACRE OF COMMERCIAL  
25 FORESTLAND ENROLLED UNDER THIS ACT TO BE APPROPRIATED EACH FISCAL  
26 YEAR FROM THE GENERAL FUND.



1 (3) THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS  
2 FROM ANY SOURCE FOR DEPOSIT INTO THE FUND. THE STATE TREASURER  
3 SHALL DIRECT THE INVESTMENT OF THE FUND. THE STATE TREASURER  
4 SHALL CREDIT TO THE FUND INTEREST AND EARNINGS FROM FUND  
5 INVESTMENTS.

6 (4) MONEY IN THE FUND APPROPRIATED FROM THE GENERAL FUND  
7 SHALL REMAIN IN THE FUND AT THE CLOSE OF THE FISCAL YEAR AND  
8 SHALL NOT LAPSE TO THE GENERAL FUND.

9 (5) THE DEPARTMENT SHALL EXPEND THE MONEY FROM THE FUND,  
10 UPON APPROPRIATION, FOR ENFORCEMENT AND MONITORING OF COMPLIANCE  
11 WITH THIS ACT AND RULES PROMULGATED UNDER THIS ACT.

12 Sec. 10. (1) ~~The~~ EXCEPT AS PROVIDED IN THIS SECTION, THE  
13 owner of ~~land listed as~~ a commercial forest shall not ~~make use~~  
14 ~~of~~ USE that land in a manner ~~which would be~~ THAT IS prejudic-  
15 ial to its development as a commercial forest, ~~and shall not~~  
16 use the land for ~~industrial, recreational, or other commercial~~  
17 ~~purposes, nor enjoy exclusive privileges as to hunting and fish-~~  
18 ~~ing upon the land. However, the~~ COMMERCIAL PURPOSES, OR DENY  
19 THE general public ~~shall be accorded~~ the privilege of hunting,  
20 ~~and~~ fishing, AND OTHER PUBLIC RECREATIONAL ACTIVITIES THAT ARE  
21 NOT PREJUDICIAL TO ITS DEVELOPMENT AS A COMMERCIAL FOREST on ~~all~~  
22 ~~lands listed as~~ commercial ~~forest except if~~ FORESTLAND UNLESS  
23 the ~~lands are~~ LAND IS closed ~~to hunting or fishing, or both,~~  
24 FOR THE DESIGNATED ACTIVITY by order of the ~~natural resources~~  
25 commission OF NATURAL RESOURCES or by an act of the legislature.

26 (2) Exploration for minerals shall be permitted on land  
27 listed under this act. ~~If commercial mineral deposits are~~

~~1 discovered and extraction is to be undertaken, the lands affected~~  
~~2 shall be removed from the provisions of this act and penalties~~  
~~3 paid pursuant to section 7.~~ EXCEPT AS PROVIDED IN  
4 SUBSECTIONS (3) AND (4), PRIOR TO THE REMOVAL OF ANY COMMERCIAL  
5 MINERAL DEPOSITS, THE OWNER SHALL WITHDRAW THE PORTION OF THE  
6 COMMERCIAL FORESTLAND DIRECTLY AFFECTED BY THE REMOVAL PURSUANT  
7 TO SECTION 7. THE DECLASSIFICATION OF COMMERCIAL FORESTLAND DUE  
8 TO MINERAL REMOVAL AS PROVIDED IN THIS SECTION SHALL NOT CAUSE  
9 THE REMAINING PORTION OF THE COMMERCIAL FORESTLAND TO BE DECLAS-  
10 SIFIED DUE TO INSUFFICIENT ACREAGE OF THE REMAINING COMMERCIAL  
11 FORESTLAND.

12 (3) UPON APPLICATION TO AND APPROVAL BY THE DEPARTMENT, SAND  
13 AND GRAVEL MAY BE REMOVED FROM THE COMMERCIAL FOREST WITHOUT  
14 AFFECTING THE LAND'S STATUS AS A COMMERCIAL FOREST. THE DEPART-  
15 MENT SHALL APPROVE AN APPLICATION TO REMOVE SAND AND GRAVEL  
16 DEPOSITS ONLY IF THE REMOVAL SITE IS NOT GREATER THAN 5 ACRES,  
17 EXCLUDING ACCESS TO THE REMOVAL SITE, AND THE SAND AND GRAVEL ARE  
18 TO BE UTILIZED BY 1 OR MORE OF THE FOLLOWING:

19 (A) THE OWNER OF A COMMERCIAL FOREST FOR PERSONAL USE IF THE  
20 OWNER OF THE COMMERCIAL FOREST IS ALSO THE OWNER OF THE SAND AND  
21 GRAVEL DEPOSITS.

22 (B) THE OWNER OF THE SAND AND GRAVEL DEPOSITS FOR HIS OR HER  
23 PERSONAL USE OR FOR SALE TO THE OWNER OF THE COMMERCIAL FOREST  
24 FOR PERSONAL USE, IF THE OWNER OF THE COMMERCIAL FOREST IS NOT  
25 ALSO THE OWNER OF THE SAND AND GRAVEL DEPOSITS.

26 (C) THIS STATE, A LOCAL UNIT OF GOVERNMENT, OR A COUNTY ROAD  
27 COMMISSION, FOR GOVERNMENTAL USE.

1 (4) UPON APPLICATION TO AND APPROVAL BY THE DEPARTMENT,  
2 DEPOSITS OF OIL AND GAS OWNED BY THIS STATE MAY BE REMOVED FROM  
3 THE COMMERCIAL FOREST WITHOUT AFFECTING THE LAND'S STATUS AS A  
4 COMMERCIAL FOREST.

5 Sec. 11. All applications, statements, REPORTS, and infor-  
6 mation ~~if~~ required by the department ~~of natural resources~~ in  
7 the administration of this act SHALL BE ON FORMS PRESCRIBED BY  
8 THE DEPARTMENT AND shall be under oath.

9 Sec. 12a. (1) The transfer of title of ~~any land listed as~~  
10 ~~a commercial forest~~ FORESTLAND SUBJECT TO THIS ACT shall not  
11 affect ~~the~~ THAT FORESTLAND'S status ~~of such land~~ as a commer-  
12 cial forest IF THE FORESTLAND CONTINUES TO MEET ALL OF THE ELIGI-  
13 BILITY REQUIREMENTS UNDER THIS ACT. ~~The withdrawal procedure~~  
14 ~~hereinbefore provided shall be made to apply to the new owner in~~  
15 ~~like manner as to the original owner.~~ IF THE PURCHASER DESIRES  
16 TO WITHDRAW HIS OR HER FORESTLAND FROM THIS ACT, THE PURCHASER  
17 SHALL WITHDRAW THAT FORESTLAND PURSUANT TO SECTION 7. IF THE  
18 FORESTLAND'S ELIGIBILITY TO BE A COMMERCIAL FOREST IS AFFECTED BY  
19 THE TRANSFER OF TITLE, THE DEPARTMENT SHALL DETERMINE WHICH FOR-  
20 ESTLANDS MAY REMAIN UNDER THIS ACT AND WHICH FORESTLANDS MUST BE  
21 WITHDRAWN OR DECLASSIFIED.

22 (2) A DOCUMENT THAT TRANSFERS ANY INTEREST IN COMMERCIAL  
23 FORESTLANDS SHALL STATE ON THE FACE OF THE DOCUMENT THAT "THIS  
24 PROPERTY IS SUBJECT TO THE COMMERCIAL FOREST ACT". FAILURE TO  
25 COMPLY WITH THIS SUBSECTION DOES NOT AFFECT THE STATUS OF THE  
26 LAND AS COMMERCIAL FORESTLAND.

1 (3) NOT LATER THAN 30 DAYS AFTER THE TRANSFER OF TITLE OR  
2 THE TRANSFER OF ANY INTEREST IN LAND CONTRACT CONCERNING THE  
3 COMMERCIAL FORESTLAND, THE OWNER SHALL NOTIFY THE DEPARTMENT IN  
4 WRITING OF THE TRANSFER OR OWNERSHIP CHANGE.

5 Sec. 13. ~~In the event of the use of any portion or all of~~  
6 ~~the land included in any commercial forest for purposes contrary~~  
7 ~~to the provisions of section 2~~ IF AN OWNER OF A COMMERCIAL FOR-  
8 ESTLAND USES HIS OR HER COMMERCIAL FOREST IN VIOLATION OF THIS  
9 ACT, FAILS TO PLANT, HARVEST, OR REMOVE FOREST PRODUCTS IN COM-  
10 PLIANCE WITH THE OWNER'S FOREST MANAGEMENT PLAN, FAILS TO PAY ANY  
11 SPECIFIC TAX UNDER SECTION 5, OR IF MINERALS ARE REMOVED IN VIO-  
12 LATION OF SECTION 10, the department may upon notice to the owner  
13 and hearing ~~, thereon, declassify such portion or all of said~~  
14 ~~lands so used and require the payment of fees as in the case of~~  
15 ~~voluntary withdrawal.~~ DECLASSIFY ALL OR A PORTION OF THE COMMER-  
16 CIAL FOREST. If, AT THE HEARING, the department ~~as the outcome~~  
17 ~~of the hearing shall find~~ DETERMINES that ~~any portion or all of~~  
18 ~~such lands are being used contrary to the requirements set forth~~  
19 ~~in section 2~~ THE COMMERCIAL FORESTS WERE USED IN VIOLATION OF  
20 THIS ACT, THAT THE OWNER FAILED TO PLANT, HARVEST, OR REMOVE  
21 FOREST PRODUCTS IN COMPLIANCE WITH THE OWNER'S FOREST MANAGEMENT  
22 PLAN, THAT THE OWNER FAILED TO PAY THE SPECIFIC TAX PURSUANT TO  
23 SECTION 5, OR THAT MINERALS WERE REMOVED IN VIOLATION OF SECTION  
24 10, then the department shall DECLASSIFY THE COMMERCIAL FOREST  
25 AND serve a notice of declassification of ~~such~~ THE lands upon  
26 the owner ~~, and upon the supervisor of the township~~ and record  
27 a copy ~~thereof~~ OF THE DECLASSIFICATION in the office of the

1 register of deeds of the county in which ~~such~~ THE lands are  
 2 ~~situate, and from the date of recording such notice, said lands~~  
 3 ~~shall cease to be classified as commercial forests and shall~~  
 4 ~~thereafter, be subject to the ad valorem property tax: Provided,~~  
 5 ~~that if notice of declassification is served after January 1 in~~  
 6 ~~any year, the specific tax and not the ad valorem general prop-~~  
 7 ~~erty tax shall be paid for that year.~~ LOCATED. UPON DECLASSIFI-  
 8 CATION, THE LAND SHALL BE SUBJECT TO THE AD VALOREM GENERAL PROP-  
 9 ERTY TAX. Within ~~90~~ 30 days after the service of ~~such~~ THE  
 10 declassification notice ON the owner, THE OWNER shall ~~make pay-~~  
 11 ~~ment to the department exactly as if said lands had been volun-~~  
 12 ~~tarily withdrawn by the owner under the terms of this act.~~ PAY  
 13 BOTH OF THE FOLLOWING:

14 (A) A FEE EQUAL TO THE WITHDRAWAL APPLICATION FEE DESCRIBED  
 15 IN SECTION 7 TO THE DEPARTMENT FOR DEPOSIT INTO THE FUND.

16 (B) AN AMOUNT EQUAL TO THE PENALTY DESCRIBED IN SECTION 7 TO  
 17 THE TOWNSHIP TREASURER OF THE TOWNSHIP IN WHICH THE LAND IS  
 18 LOCATED TO BE DISTRIBUTED, EXCEPT AS PROVIDED IN SECTION 7A(2),  
 19 IN THE SAME PROPORTIONS TO THE VARIOUS FUNDS AS THE AD VALOREM  
 20 GENERAL PROPERTY TAX IS ALLOCATED IN THE TOWNSHIP.

21 Sec. ~~13 c~~ 13C. ~~It shall be lawful at any and all times~~  
 22 ~~for any~~ A duly authorized ~~representatives~~ REPRESENTATIVE of  
 23 the department ~~to~~ MAY AT ANY TIME go upon ~~any and all lands~~  
 24 ~~classified hereunder, and such representatives, for the purpose~~  
 25 ~~of ascertaining the correctness~~ COMMERCIAL FORESTLANDS TO ASCER-  
 26 TAIN THE VALIDITY of any ~~return or~~ report made pursuant to this  
 27 act ~~by any owner or agent, shall have the power to~~ OR OTHERWISE

1 DETERMINE COMPLIANCE WITH THIS ACT. THE DULY AUTHORIZED  
2 REPRESENTATIVE OF THE DEPARTMENT MAY examine or cause to be  
3 examined any books, papers, records, or memorandum bearing upon  
4 the amounts of timber products cut from ~~said lands~~ THE COMMER-  
5 CIAL FORESTLAND OR THE OWNER'S FOREST MANAGEMENT PLAN.

6 Sec. 14. (1) ~~Any person violating any of the provisions of~~  
7 ~~this act shall be deemed guilty of a felony and upon conviction~~  
8 ~~shall be liable to a fine of not more than 2,000 dollars or to~~  
9 ~~imprisonment in the state prison for not more than 3 years or to~~  
10 ~~both such fine and imprisonment in the discretion of the court.~~

11 EXCEPT AS PROVIDED IN SUBSECTION (2), A PERSON WHO HARVESTS,  
12 CUTS, OR REMOVES FOREST PRODUCTS IN VIOLATION OF THIS ACT OR IN  
13 VIOLATION OF HIS OR HER FOREST MANAGEMENT PLAN, IS GUILTY OF A  
14 FELONY PUNISHABLE BY IMPRISONMENT FOR NOT MORE THAN 3 YEARS OR A  
15 FINE OF NOT MORE THAN \$10,000.00, OR BOTH.

16 (2) A PERSON WHO HARVESTS, CUTS, OR REMOVES FOREST PRODUCTS  
17 HAVING A VALUE OF \$2,500.00 OR LESS IN VIOLATION OF THIS ACT OR  
18 IN VIOLATION OF HIS OR HER FOREST MANAGEMENT PLAN IS GUILTY OF A  
19 MISDEMEANOR PUNISHABLE BY IMPRISONMENT FOR NOT MORE THAN 90 DAYS  
20 OR A FINE OR NOT MORE THAN \$500.00, OR BOTH.

21 (3) UPON CONVICTION FOR A VIOLATION OF THIS ACT, THE COURT  
22 MAY DECLASSIFY ALL OR A PORTION OF THE COMMERCIAL FOREST PURSUANT  
23 TO SECTION 13.

24 Section 2. Sections 1a, 9, 12, and 13b of Act No. 94 of the  
25 Public Acts of 1925, being sections 320.301a, 320.309, 320.312,  
26 and 320.313b of the Michigan Compiled Laws, are repealed.

1       Section 3. This amendatory act shall take effect January 1,  
2 1994.