

SUBSTITUTE FOR
HOUSE BILL NO. 5454

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending sections 51105, 51106, 51108, 51113, and 51116 (MCL
324.51105, 324.51106, 324.51108, 324.51113, and 324.51116), section
51105 as amended by 1996 PA 451 and sections 51106, 51108, 51113,
and 51116 as added by 1995 PA 57.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 51105. (1) Commercial forests are not subject to the ad
2 valorem general property tax after the date the township supervisor
3 is notified by the department that the land is a commercial forest,
4 except taxes as previously levied. Except as provided in subsection
5 (5), commercial forests are subject to an annual specific tax ~~as~~
6 ~~follows:~~

1 ~~—— (a) Through October 1, 1981, 15 cents per acre.~~

2 ~~—— (b) After October 1, 1981 and through December 31, 1989, 30~~
3 ~~cents per acre.~~

4 ~~—— (c) After December 31, 1989 and through December 31, 1993, 38~~
5 ~~cents per acre.~~

6 ~~—— (d) Beginning January 1, 1994, OF \$1.10 per acre. as adjusted~~
7 ~~pursuant to section 51107.~~

8 (2) The supervisor of the township shall remove from the list
9 of land descriptions assessed and taxed under the ad valorem
10 general property tax the land descriptions certified to him or her
11 by the department as being commercial forests and shall enter those
12 land descriptions on a roll separate from lands assessed and taxed
13 by the ad valorem general property tax and shall spread against
14 these commercial forests the specific tax provided by this section.

15 (3) The township treasurer shall collect the specific tax at
16 the same time and in the same manner as ad valorem general property
17 taxes are collected and this tax is subject to the same collection
18 charges levied for the collection of ad valorem property taxes.
19 Commercial forests are subject to return and sale for nonpayment of
20 taxes in the same manner, at the same time, and under the same
21 penalties as lands returned and sold for nonpayment of taxes levied
22 under the ad valorem general property tax laws. A valuation shall
23 not be determined for descriptions listed as commercial forests and
24 these lands shall not be considered by the county board of
25 commissioners or by the state board of equalization in connection
26 with county or state equalization for ad valorem property taxation
27 purposes.

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

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

Sec. 51106. On December 1 of each year, the department shall certify to the state treasurer the number of acres that are commercial forestlands in each county and the state treasurer shall transmit to the treasurer of each county in which these commercial forests are located a warrant on the state treasurer for an amount equal to \$1.20 per acre ~~—, as adjusted by section 51107, upon~~ **FOR** each acre of commercial forest in the county. The county treasurer of each county shall distribute an amount equal to 25 cents per acre for each acre of commercial forest in the county in the same proportions between the various funds as the ad valorem general property tax is distributed by the township treasurers in each township. Except as provided by section 51109(2), the county treasurer of each county shall distribute the remainder of the funds transmitted pursuant to this section ~~pursuant to the manner in which~~ **IN THE SAME MANNER AND IN THE SAME PROPORTION AS AD VALOREM TAXES COLLECTED UNDER THE** ad valorem **GENERAL** property

1 ~~taxes are distributed.~~ **TAX.**

2 Sec. 51108. (1) An owner of a commercial forest may withdraw
3 his or her land, in whole or in part, from the operation of this
4 part upon application to the department and payment of the
5 withdrawal application fee and penalty, as provided in this
6 section. **HOWEVER, FOR A PERIOD OF 1 YEAR AFTER THE EFFECTIVE DATE**
7 **OF THE 2006 AMENDMENTS TO THIS SECTION, THE WITHDRAWAL PENALTY IS**
8 **AS FOLLOWS:**

9 **(A) SUBJECT TO SUBDIVISION (B), THE WITHDRAWAL PENALTY THAT**
10 **WAS IN EFFECT IMMEDIATELY PRIOR TO THE EFFECTIVE DATE OF THE 2006**
11 **AMENDMENTS TO THIS SECTION.**

12 **(B) IF ALL OF THE FOLLOWING OCCUR, AN OWNER OF COMMERCIAL**
13 **FOREST PROPERTY IS NOT SUBJECT TO A WITHDRAWAL PENALTY:**

14 **(i) AN OWNER OF COMMERCIAL FORESTLAND WITHDRAWS HIS OR HER LAND**
15 **FROM THE OPERATION OF THIS PART AS PROVIDED IN THIS SECTION.**

16 **(ii) THE FORMER COMMERCIAL FORESTLAND IS PLACED ON THE**
17 **ASSESSMENT ROLL IN THE LOCAL TAX COLLECTING UNIT IN WHICH THE**
18 **FORMER COMMERCIAL FORESTLAND IS LOCATED.**

19 **(iii) THE OWNER OF THE FORMER COMMERCIAL FORESTLAND CLAIMS AND**
20 **IS GRANTED AN EXEMPTION FROM THE TAX LEVIED BY A LOCAL SCHOOL**
21 **DISTRICT FOR SCHOOL OPERATING PURPOSES UNDER SECTION 7JJ OF THE**
22 **GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.7JJ.**

23 (2) Except as otherwise provided by this section, upon
24 application to the department to withdraw commercial forestland
25 from the operation of this part, the applicant shall forward to the
26 department a withdrawal application fee in the amount of \$1.00 per
27 acre with a minimum withdrawal application fee of \$200.00 per

1 application and a maximum withdrawal application fee of \$1,000.00
2 per application.

3 (3) Except as otherwise provided in this section, an
4 application to withdraw commercial forestland from the operation of
5 this part shall be granted upon the payment to the township
6 treasurer in which the commercial forestland is located of a
7 penalty per acre equal to the ~~product of the current average ad~~
8 ~~valorem property tax per acre on timber cutover real property~~
9 ~~within the township in which the commercial forestland is located,~~
10 ~~as determined by the township assessor, multiplied by 1 of the~~
11 ~~following:~~ **SUM OF THE AD VALOREM GENERAL PROPERTY TAX FROM WHICH**
12 **THE FORESTLAND WAS EXEMPTED UNDER SECTION 51105 FOR THE PRECEDING**
13 **10 YEARS, BUT NOT LONGER THAN THE PERIOD FOR WHICH THE PROPERTY HAS**
14 **BEEN DESIGNATED AS COMMERCIAL FORESTLAND.**

15 ~~—— (a) For forestland determined to be a commercial forest before~~
16 ~~January 1, 1994, the number of years, to a maximum of 7 years, that~~
17 ~~the land was subject to this part.~~

18 ~~—— (b) For forestland determined to be a commercial forest after~~
19 ~~December 31, 1993, the number of years, to a maximum of 15 years,~~
20 ~~that the land was subject to this part.~~

21 ~~—— (4) For purposes of calculating the penalty in subsection (3),~~
22 ~~if the township in which the commercial forestland is located does~~
23 ~~not contain any real property classified as timber cutover real~~
24 ~~property under the general property tax act, Act No. 206 of the~~
25 ~~Public Acts of 1893, being sections 211.1 to 211.157 of the~~
26 ~~Michigan Compiled Laws, then 1 of the following applies:~~

27 ~~—— (a) If there is timber cutover real property located within~~

~~the county in which the commercial forestland is located, the per acre average of the ad valorem property tax for all timber cutover real property located in the county in which the commercial forestland is located shall be used in calculating the penalty under subsection (3).~~

~~(b) If there is no timber cutover real property located within the county in which the commercial forestland is located, the per acre average of the ad valorem property tax for all timber cutover real property in townships contiguous to the county in which the commercial forestland is located shall be used in calculating the penalty under subsection (3).~~

~~(4) —(5)—~~ An application to withdraw commercial forestland from the operation of this part that meets 1 or more of the following requirements shall be granted without payment of the withdrawal application fee or penalty under this section:

(a) Commercial forestland that has been donated to a public body for public use prior to withdrawal.

(b) Commercial forestland that has been exchanged for property belonging to a public body if the property received is designated as a commercial forest as determined by the department.

(c) Commercial forestland that has been condemned for public use.

~~(5) —(6)—~~ The department shall remit the withdrawal application fee paid pursuant to subsection (2) to the state treasurer for deposit into the fund. The penalty received by the township treasurer under subsection (3) shall be distributed by the township treasurer in the same proportions to the various funds as

1 the ad valorem general property tax is allocated in the township,
2 except as provided by section 51109(2).

3 (6) ~~-(7)-~~ If an application to withdraw commercial forestland
4 is granted, the department shall immediately notify the applicant,
5 the supervisor of the township, and the register of deeds of the
6 county in which the lands are located of the action and shall file
7 with those officials a list of the lands withdrawn.

8 Sec. 51113. (1) Except as provided in this section, the owner
9 of a commercial forest shall not use that land in a manner that is
10 prejudicial to its development as a commercial forest, use the land
11 for agricultural, mineral extraction except as provided in this
12 section, grazing, industrial, developed recreational, residential,
13 resort, commercial, or developmental purposes, or deny the general
14 public the privilege of hunting and fishing on commercial
15 forestland unless the land is closed to hunting or fishing, or
16 both, by order of the department or by an act of the legislature.

17 **FOR LAND CLASSIFIED AS COMMERCIAL FOREST UNDER THIS PART ON OR**
18 **AFTER MARCH 30, 1995, THE OWNER OF THE COMMERCIAL FORESTLAND SHALL**
19 **PROVIDE TO THE DEPARTMENT DOCUMENTATION THAT HE OR SHE WILL PROVIDE**
20 **ACCESS TO THE GENERAL PUBLIC FOR HUNTING AND FISHING AS REQUIRED**
21 **UNDER THIS SECTION. THE DOCUMENTATION SHALL INCLUDE 1 OR MORE OF**
22 **THE FOLLOWING:**

23 (A) IF THE PUBLIC ACCESS WILL BE PROVIDED THROUGH LAND OWNED
24 BY THE OWNER OF THE COMMERCIAL FORESTLAND, A STATEMENT CERTIFYING
25 THE AREA OR AREAS THROUGH WHICH THE GENERAL PUBLIC MAY ACCESS THE
26 COMMERCIAL FORESTLAND.

27 (B) IF THE PUBLIC ACCESS WILL BE PROVIDED THROUGH LAND OWNED

1 BY A PERSON OTHER THAN THE OWNER OF THE COMMERCIAL FORESTLAND, A
2 COPY OF AN EASEMENT THAT GRANTS RIGHTS TO THE GENERAL PUBLIC TO
3 ACCESS THE COMMERCIAL FORESTLAND.

4 (C) IF THE PUBLIC ACCESS WILL BE PROVIDED THROUGH PUBLIC LAND
5 ACCESSIBLE TO THE GENERAL PUBLIC, A STATEMENT IDENTIFYING THOSE
6 PUBLIC LANDS THROUGH WHICH THE GENERAL PUBLIC MAY ACCESS THE
7 COMMERCIAL FORESTLAND.

8 (D) IF PORTIONS OF COMMERCIAL FORESTLAND ARE CONTIGUOUS ONLY
9 AT A POINT, DOCUMENTATION OF PUBLIC ACCESS SHALL BE PROVIDED FOR
10 EACH PORTION OF LAND AS PROVIDED IN SUBDIVISIONS (A) TO (C).

11 (2) FOR LAND CLASSIFIED AS COMMERCIAL FOREST UNDER THIS PART
12 ON OR AFTER MARCH 30, 1995, IF THE LOCATION OF THE PUBLIC ACCESS TO
13 THE COMMERCIAL FORESTLAND FOR HUNTING OR FISHING CHANGES BY AN ACT
14 OF THE OWNER, THE OWNER OF THE COMMERCIAL FORESTLAND SHALL PROVIDE
15 TO THE DEPARTMENT AN UPDATE TO THE DOCUMENTATION UNDER SUBSECTION
16 (1).

17 (3) FAILURE OF AN OWNER OF COMMERCIAL FORESTLAND TO MAINTAIN
18 ACCESS TO THE GENERAL PUBLIC FOR HUNTING AND FISHING AS PROVIDED IN
19 THIS SECTION IS A VIOLATION OF THIS PART AND SUBJECTS THE
20 COMMERCIAL FORESTLAND TO DECLASSIFICATION UNDER SECTION 51116.

21 (4) ~~-(2)-~~ Exploration for minerals ~~shall be~~ IS permitted on
22 land listed under this part. Except as provided in subsections ~~-(3)-~~
23 (5) and ~~-(4)-~~ (6), before the removal of any commercial mineral
24 deposits, the owner shall withdraw the portion of the commercial
25 forestland directly affected by the removal pursuant to section
26 51108. The withdrawal of commercial forestland due to mineral
27 removal as provided in this section and section 51108 shall not

1 cause the remaining portion of the commercial forestland to be
2 withdrawn due to insufficient acreage of the remaining commercial
3 forestland.

4 (5) ~~-(3)-~~ Upon application to and approval by the department,
5 sand and gravel may be removed from the commercial forest without
6 affecting the land's status as a commercial forest. The department
7 shall approve an application to remove sand and gravel deposits
8 only if the removal site is not greater than 5 acres, excluding
9 access to the removal site, and the sand and gravel are to be
10 utilized by 1 or more of the following:

11 (a) The owner of a commercial forest for personal use if the
12 owner of the commercial forest is also the owner of the sand and
13 gravel deposits.

14 (b) The owner of the sand and gravel deposits for his or her
15 personal use or for sale to the owner of the commercial forest for
16 personal use, if the owner of the commercial forest is not also the
17 owner of the sand and gravel deposits.

18 (c) This state, a local unit of government, or a county road
19 commission, for governmental use.

20 (6) ~~-(4)-~~ Upon application to and approval by the department,
21 deposits of oil and gas owned by this state may be removed from the
22 commercial forest without affecting the land's status as a
23 commercial forest.

24 Sec. 51116. ~~If an owner of a commercial forestland uses his~~
25 ~~or her commercial forest in violation of this part, fails to pay~~
26 ~~any specific tax under section 51105, fails to report to the~~
27 ~~department pursuant to section 51111, removes minerals in violation~~

~~of section 51113, or, after an owner certifies to the department~~
~~that a forest management plan has been prepared and is in effect,~~
~~fails to plant, harvest, or remove forest products in compliance~~
~~with the owner's forest management plan, the department may upon~~
~~notice to the owner and hearing declassify all or a portion of the~~
~~commercial forest. If, -at the~~ **AFTER PROVIDING NOTICE AND AN**
~~hearing, the department determines that -the~~ **A**
~~commercial -forests were~~ **FOREST WAS** used in violation of this
 part, that the owner failed to pay the specific tax pursuant to
 section 51105, that the owner failed to report to the department
 pursuant to section 51111, that minerals were removed in violation
 of section 51113, **THAT THE OWNER FAILED TO MAINTAIN PUBLIC ACCESS**
FOR HUNTING OR FISHING UNDER SECTION 51113, or, after an owner
 certifies to the department that a forest management plan has been
 prepared and is in effect, that the owner failed to plant, harvest,
 or remove forest products in compliance with the owner's forest
 management plan, then the department shall ~~declassify~~ **REMOVE THE**
COMMERCIAL FOREST DESIGNATION FOR the commercial forest, serve a
 notice of declassification of the lands upon the owner, and record
 a copy of the declassification in the office of the register of
 deeds of the county in which the lands are located. Upon
 declassification, the land is subject to the ad valorem general
 property tax. Within 30 days after the service of the
 declassification notice on the owner, the owner shall pay both of
 the following:

(a) A fee equal to the withdrawal application fee described in
 section 51108 to the department for deposit into the fund.

1 (b) An amount equal to the penalty described in section 51108
2 to the township treasurer of the township in which the land is
3 located to be distributed, except as provided in section 51109(2),
4 in the same proportions to the various funds as the ad valorem
5 general property tax is allocated in the township.

6 Enacting section 1. This amendatory act does not take effect
7 unless all of the following bills of the 93rd Legislature are
8 enacted into law:

9 (a) House Bill No. 5455.

10 (b) House Bill No. 5462.

11 (c) House Bill No. 5628.