

**SUBSTITUTE FOR
HOUSE BILL NO. 6133**

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending section 51108 (MCL 324.51108), as amended by 2006 PA
382.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 51108. (1) An owner of a commercial forest may withdraw
2 his or her land, in whole or in part, from the operation of this
3 part upon application to the department and payment of the
4 withdrawal application fee and penalty, as provided in this
5 section.

6 (2) Except as otherwise provided by this section, upon
7 application to the department to withdraw commercial forestland
8 from the operation of this part, the applicant shall forward to the

department a withdrawal application fee in the amount of \$1.00 per acre with a minimum withdrawal application fee of \$200.00 per application and a maximum withdrawal application fee of \$1,000.00 per application.

(3) Except as otherwise provided in this section, an application to withdraw commercial forestland from the operation of this part shall be granted upon the payment to the township treasurer in which the commercial forestland is located of a penalty. ~~Except as provided in subsection (4)~~ **FOR APPLICATIONS TO WITHDRAW COMMERCIAL FORESTLAND FILED ON OR AFTER SEPTEMBER 27, 2007 IN WHICH THE WITHDRAWAL PENALTY HAS NOT BEEN PAID BEFORE THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SUBDIVISION (D),** the withdrawal penalty shall be calculated in the following manner:

(a) Multiply the number of acres of commercial forestland withdrawn from the operation of this part by ~~the average value per acre for comparable property acquired within the last 10 years under subpart 14 of part 21, as determined by the state tax commission under section 2153.~~ **1 OF THE FOLLOWING:**

(i) **FOR 2007, 1/2 OF THE VALUATION PER ACRE FOR THE COUNTY IN WHICH THE FORESTLAND IS LOCATED.**

(ii) **BEGINNING IN 2008, AND FOR EACH SUBSEQUENT YEAR, THE NUMBER DESCRIBED IN SUBPARAGRAPH (i) ADJUSTED ANNUALLY BY THE INFLATION RATE FOR EACH YEAR AFTER 2007.**

(b) Multiply the product of the calculation in subdivision (a) by the ~~total~~ **AVERAGE** millage rate levied by all ~~taxing units~~ **TOWNSHIPS, EXCLUDING VILLAGES,** in the ~~local tax collecting unit~~ **COUNTY** in which the property is located.

(c) Multiply the product of the calculation in subdivision (b) by the number of years, to a maximum of 7 years, in which the property withdrawn from the operation of this part has been designated as commercial forestland under this part.

(D) MULTIPLY THE PRODUCT OF THE CALCULATION IN SUBDIVISION (C) BY THE FOLLOWING:

(i) 0.2, IF THE COMMERCIAL FORESTLAND IS LOCATED IN LUCE COUNTY.

(ii) 0.3, IF THE COMMERCIAL FORESTLAND IS LOCATED IN GRAND TRAVERSE, MANISTEE, OTTAWA, OR WEXFORD COUNTY.

(iii) 0.4, IF THE COMMERCIAL FORESTLAND IS LOCATED IN CHARLEVOIX, CHIPPEWA, EMMET, GLADWIN, LEELANAU, MIDLAND, OSCODA, OR TUSCOLA COUNTY.

(iv) 0.5, IF THE COMMERCIAL FORESTLAND IS LOCATED IN CHEBOYGAN, DELTA, MACKINAC, OCEANA, OTSEGO, OR SCHOOLCRAFT COUNTY.

(v) 0.6, IF THE COMMERCIAL FORESTLAND IS LOCATED IN ALCONA, ALGER, ALLEGAN, ALPENA, ARENAC, BARRY, BAY, BENZIE, BERRIEN, BRANCH, CALHOUN, CASS, CLARE, CLINTON, CRAWFORD, DICKINSON, EATON, GENESEE, GOGEBIC, GRATIOT, HILLSDALE, HOUGHTON, HURON, INGHAM, IONIA, IOSCO, IRON, ISABELLA, JACKSON, KALAMAZOO, KALKASKA, KENT, LAPEER, LENAWEE, LIVINGSTON, MACOMB, MARQUETTE, MECOSTA, MONROE, MONTCALM, MONTMORENCY, MUSKEGON, NEWAYGO, OAKLAND, OGEMAW, OSCEOLA, PRESQUE ISLE, ROSCOMMON, SAGINAW, ST. CLAIR, ST. JOSEPH, SANILAC, SHIAWASSEE, VAN BUREN, WASHTENAW, OR WAYNE COUNTY.

(vi) 0.7, IF THE COMMERCIAL FORESTLAND IS LOCATED IN ANTRIM, BARAGA, MASON, OR MENOMINEE COUNTY.

(vii) 0.8, IF THE COMMERCIAL FORESTLAND IS LOCATED IN KEWEENAW,

1 LAKE, MISSAUKEE, OR ONTONAGON COUNTY.

2 ~~—— (4) For a period of 1 year after the effective date of the~~
 3 ~~2006 amendments to this section, the withdrawal penalty is as~~
 4 ~~follows:~~

5 ~~—— (a) Subject to subdivision (b), the withdrawal penalty that~~
 6 ~~was in effect immediately prior to the effective date of the 2006~~
 7 ~~amendments to this section.~~

8 ~~—— (b) If all of the following occur, an owner of commercial~~
 9 ~~forestland is not subject to a withdrawal penalty:~~

10 ~~—— (i) An owner of commercial forestland withdraws his or her land~~
 11 ~~from the operation of this part as provided in this section.~~

12 ~~—— (ii) The former commercial forestland is placed on the~~
 13 ~~assessment roll in the local tax collecting unit in which the~~
 14 ~~former commercial forestland is located.~~

15 ~~—— (iii) The owner of the former commercial forestland claims and~~
 16 ~~is granted an exemption from the tax levied by a local school~~
 17 ~~district for school operating purposes under section 7jj of the~~
 18 ~~general property tax act, 1893 PA 206, MCL 211.7jj.~~

19 (4) THE DEPARTMENT SHALL PUBLISH ALL OF THE FOLLOWING ON ITS
 20 WEBSITE:

21 (A) THE CALCULATION DESCRIBED IN SUBSECTION (3) (A) (i) FOR EACH
 22 COUNTY.

23 (B) THE ADJUSTED VALUE AND THE INFLATION RATE DESCRIBED IN
 24 SUBSECTION (3) (A) (ii) FOR EACH COUNTY.

25 (C) THE AVERAGE MILLAGE RATE DESCRIBED IN SUBSECTION (3) (B)
 26 FOR EACH COUNTY.

27 (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.

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

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

(8) AS USED IN THIS SECTION:

(A) "INFLATION RATE" MEANS THE LESSER OF 1.05 OR THE INFLATION RATE AS DEFINED IN SECTION 34D OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.34D.

(B) "VALUATION" MEANS THE MARKET VALUE AS DETERMINED BY THE

1 STATE TAX COMMISSION.