

# HOUSE BILL No. 6133

May 21, 2008, Introduced by Reps. Lahti, McDowell, Sheltroun, Elsenheimer, Walker and Booher and referred to the Committee on Tourism, Outdoor Recreation and Natural Resources.

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  
9       department a withdrawal application fee in the amount of \$1.00 per

1 acre with a minimum withdrawal application fee of \$200.00 per  
2 application and a maximum withdrawal application fee of \$1,000.00  
3 per application.

4 (3) Except as otherwise provided in this section, an  
5 application to withdraw commercial forestland from the operation of  
6 this part shall be granted upon the payment to the township  
7 treasurer in which the commercial forestland is located of a  
8 penalty. ~~Except as provided in subsection (4)~~ **FOR APPLICATIONS TO**  
9 **WITHDRAW COMMERCIAL FORESTLAND FILED ON OR AFTER SEPTEMBER 27,**  
10 **2007,** the withdrawal penalty shall be calculated in the following  
11 manner:

12 (a) Multiply the number of acres of commercial forestland  
13 withdrawn from the operation of this part by the average **TAXABLE**  
14 value per acre for ~~comparable property acquired within the last 10~~  
15 ~~years under subpart 14 of part 21, as determined by the state tax~~  
16 ~~commission under section 2153~~ **TIMBER-CUTOVER REAL PROPERTY WITHIN**  
17 **THE TOWNSHIP IN WHICH THE COMMERCIAL FORESTLAND IS LOCATED AS OF**  
18 **DECEMBER 31, 2006 AS DETERMINED BY THE DEPARTMENT. IF THE**  
19 **DEPARTMENT IS NOT ABLE TO DETERMINE THE AVERAGE TAXABLE VALUE PER**  
20 **ACRE ON TIMBER-CUTOVER REAL PROPERTY WITHIN THE TOWNSHIP DUE TO THE**  
21 **LACK OF SUFFICIENT QUANTITIES OF TIMBER-CUTOVER REAL PROPERTY**  
22 **WITHIN THE TOWNSHIP, THE DEPARTMENT SHALL MAKE THE DETERMINATION OF**  
23 **THE AVERAGE TAXABLE VALUE PER ACRE ON TIMBER-CUTOVER REAL PROPERTY**  
24 **USING TIMBER-CUTOVER REAL PROPERTY IN THE COUNTY IN WHICH THE**  
25 **COMMERCIAL FORESTLAND IS LOCATED. IF THE DEPARTMENT CANNOT**  
26 **DETERMINE THE AVERAGE TAXABLE VALUE PER ACRE ON TIMBER-CUTOVER REAL**  
27 **PROPERTY WITHIN THE COUNTY DUE TO THE LACK OF SUFFICIENT QUANTITIES**

1 OF TIMBER-CUTOVER REAL PROPERTY IN THE COUNTY, THE DEPARTMENT SHALL  
2 MAKE THE DETERMINATION OF AVERAGE TAXABLE VALUE PER ACRE ON TIMBER-  
3 CUTOVER REAL PROPERTY BY USING TIMBER-CUTOVER REAL PROPERTY LOCATED  
4 IN THE LOWER PENINSULA IF THE COMMERCIAL FORESTLAND IS LOCATED IN  
5 THE LOWER PENINSULA, AND BY USING THE TIMBER-CUTOVER REAL PROPERTY  
6 IN THE UPPER PENINSULA IF THE COMMERCIAL FORESTLAND IS LOCATED IN  
7 THE UPPER PENINSULA. THE AVERAGE TAXABLE VALUE PER ACRE ON TIMBER-  
8 CUTOVER REAL PROPERTY DETERMINED UNDER THIS SUBDIVISION SHALL BE  
9 THAT VALUE AS OF DECEMBER 31, 2006 AS PREVIOUSLY DETERMINED BY THE  
10 DEPARTMENT. BEGINNING IN 2007 AND EACH YEAR AFTER 2007, THE AVERAGE  
11 TAXABLE VALUE PER ACRE ON TIMBER-CUTOVER REAL PROPERTY MAY INCREASE  
12 BY NOT MORE THAN THE INCREASE IN THE IMMEDIATELY PRECEDING YEAR IN  
13 THE GENERAL PRICE LEVEL OR 5%, WHICHEVER IS LESS. EACH YEAR, THE  
14 DEPARTMENT SHALL PUBLISH ON ITS WEBSITE THE AVERAGE TAXABLE VALUE  
15 PER ACRE OF TIMBER-CUTOVER REAL PROPERTY FOR EVERY TOWNSHIP IN  
16 WHICH COMMERCIAL FORESTLAND IS LOCATED AS DETERMINED UNDER THIS  
17 SUBDIVISION AND SHALL ALSO PUBLISH THE FORMULA TO CALCULATE THE  
18 WITHDRAWAL PENALTY DESCRIBED IN THIS SUBSECTION. AS USED IN THIS  
19 SUBDIVISION:

20 (i) "GENERAL PRICE LEVEL" MEANS THAT TERM AS DEFINED IN SECTION  
21 33 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963.

22 (ii) "TIMBER-CUTOVER REAL PROPERTY" MEANS REAL PROPERTY  
23 CLASSIFIED AS TIMBER-CUTOVER REAL PROPERTY UNDER SECTION 34C OF THE  
24 GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.3C.

25 (b) Multiply the product of the calculation in subdivision (a)  
26 by the total millage rate levied by all taxing units in the local  
27 tax collecting unit in which the property is located.

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

5 (D) MULTIPLY THE PRODUCT OF THE CALCULATION IN SUBDIVISION (C)  
6 BY 2.

7 ~~—— (4) For a period of 1 year after the effective date of the~~  
8 ~~2006 amendments to this section, the withdrawal penalty is as~~  
9 ~~follows:~~

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

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

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

17 ~~—— (ii) The former commercial forestland is placed on the~~  
18 ~~assessment roll in the local tax collecting unit in which the~~  
19 ~~former commercial forestland is located.~~

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

24 (4) ~~(5)~~—An application to withdraw commercial forestland from  
25 the operation of this part that meets 1 or more of the following  
26 requirements shall be granted without payment of the withdrawal  
27 application fee or penalty under this section:

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

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

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

8           (5) ~~(6)~~—The department shall remit the withdrawal application  
9 fee paid pursuant to subsection (2) to the state treasurer for  
10 deposit into the fund. The penalty received by the township  
11 treasurer under subsection (3) shall be distributed by the township  
12 treasurer in the same proportions to the various funds as the ad  
13 valorem general property tax is allocated in the township, except  
14 as provided by section 51109(2).

15           (6) ~~(7)~~—If an application to withdraw commercial forestland is  
16 granted, the department shall immediately notify the applicant, the  
17 supervisor of the township, and the register of deeds of the county  
18 in which the lands are located of the action and shall file with  
19 those officials a list of the lands withdrawn.