

**SUBSTITUTE FOR
HOUSE BILL NO. 4913**

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending section 51108 (MCL 324.51108), as amended by 2008 PA
299.

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
10 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. For applications to withdraw commercial forestland filed
8 on or after September 27, 2007 in which the withdrawal penalty has
9 not been paid before ~~the effective date of the amendatory act that~~
10 ~~added subdivision (d),~~ **OCTOBER 8, 2008**, the withdrawal penalty
11 shall be calculated in the following manner:

12 (a) Multiply the number of acres of commercial forestland
13 withdrawn from the operation of this part by 1 of the following:

14 (i) For 2007, 1/2 of the valuation per acre for the county in
15 which the forestland is located.

16 (ii) Beginning in 2008, and for each subsequent year, the
17 number described in subparagraph (i) adjusted annually by the
18 inflation rate for each year after 2007.

19 (b) Multiply the product of the calculation in subdivision (a)
20 by the average millage rate levied by all townships, excluding
21 villages, in the county in which the property is located.

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24 property withdrawn from the operation of this part has been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

26 (d) Multiply the product of the calculation in subdivision (c)
27 by the following:

1 (i) 0.2, if the commercial forestland is located in Luce
2 county.

3 (ii) 0.3, if the commercial forestland is located in Grand
4 Traverse, Manistee, Ottawa, or Wexford county.

5 (iii) 0.4, if the commercial forestland is located in
6 Charlevoix, Chippewa, Emmet, Gladwin, Leelanau, Midland, Oscoda, or
7 Tuscola county.

8 (iv) 0.5, if the commercial forestland is located in Cheboygan,
9 Delta, Mackinac, Oceana, Otsego, or Schoolcraft county.

10 (v) 0.6, if the commercial forestland is located in Alcona,
11 Alger, Allegan, Alpena, Arenac, Barry, Bay, Benzie, Berrien,
12 Branch, Calhoun, Cass, Clare, Clinton, Crawford, Dickinson, Eaton,
13 Genesee, Gogebic, Gratiot, Hillsdale, Houghton, Huron, Ingham,
14 Ionia, Iosco, Iron, Isabella, Jackson, Kalamazoo, Kalkaska, Kent,
15 Lapeer, Lenawee, Livingston, Macomb, Marquette, Mecosta, Monroe,
16 Montcalm, Montmorency, Muskegon, Newaygo, Oakland, Ogemaw, Osceola,
17 Presque Isle, Roscommon, Saginaw, St. Clair, St. Joseph, Sanilac,
18 Shiawassee, Van Buren, Washtenaw, or Wayne county.

19 (vi) 0.7, if the commercial forestland is located in Antrim,
20 Baraga, Mason, or Menominee county.

21 (vii) 0.8, if the commercial forestland is located in Keweenaw,
22 Lake, Missaukee, or Ontonagon county.

23 (4) The department shall publish all of the following on its
24 website:

25 (a) The calculation described in subsection (3)(a)(i) for each
26 county.

27 (b) The adjusted value and the inflation rate described in

1 subsection (3) (a) (ii) for each county.

2 (c) The average millage rate described in subsection (3) (b)
3 for each county.

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

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

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

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

15 (6) AN APPLICATION TO WITHDRAW COMMERCIAL FORESTLAND FROM THE
16 OPERATION OF THIS PART THAT MEETS ALL OF THE FOLLOWING REQUIREMENTS
17 SHALL BE GRANTED WITHOUT PAYMENT OF THE WITHDRAWAL APPLICATION FEE
18 OR PENALTY UNDER THIS SECTION:

19 (A) EVIDENCE IS SUBMITTED TO THE DEPARTMENT THAT THE LAND MET
20 THE LEGAL REQUIREMENTS TO BE EXEMPT FROM AD VALOREM PROPERTY TAX ON
21 TAX DAY FOR THE TAX YEAR IN WHICH THE LIST APPLICATION WAS
22 SUBMITTED AND APPROVED AND THAT THE LAND WOULD HAVE MET THE LEGAL
23 REQUIREMENTS TO BE EXEMPT FROM AD VALOREM PROPERTY TAX ON TAX DAY
24 FOR EACH YEAR THAT THE LAND WAS SUBJECT TO THE OPERATION OF THIS
25 PART, IF THE LAND HAD NOT BEEN SUBJECT TO THE OPERATION OF THIS
26 PART. AS USED IN THIS SUBDIVISION, "TAX DAY" MEANS THAT TERM AS
27 PROVIDED IN SECTION 2.

1 (B) THE APPLICATION TO WITHDRAW IS SUBMITTED TO THE DEPARTMENT
2 BY THE SAME LANDOWNER THAT OWNED THE LAND ON TAX DAY FOR THE TAX
3 YEAR IN WHICH THE LIST APPLICATION WAS SUBMITTED AND THAT SUBMITTED
4 THE APPLICATION FOR DETERMINATION UNDER SECTION 51103.

5 (C) REIMBURSEMENT IS MADE BY THE LANDOWNER TO THE STATE
6 TREASURER FOR THE SPECIFIC TAX THAT WAS PAID BY THE STATE TREASURER
7 TO THE COUNTY TREASURER, AS PROVIDED IN SECTION 51106(1), FOR EACH
8 TAX YEAR THE LAND WAS COMMERCIAL FORESTLAND.

9 (7) ~~(6)~~—The department shall remit the withdrawal application
10 fee paid pursuant to subsection (2) to the state treasurer for
11 deposit into the fund. The penalty received by the township
12 treasurer under subsection (3) shall be distributed by the township
13 treasurer in the same proportions to the various funds as the ad
14 valorem general property tax is allocated in the township, except
15 as provided by section 51109(2).

16 (8) ~~(7)~~—If an application to withdraw commercial forestland is
17 granted, the department shall immediately notify the applicant, the
18 supervisor of the township, and the register of deeds of the county
19 in which the lands are located of the action and shall file with
20 those officials a list of the lands withdrawn.

21 (9) ~~(8)~~—As used in this section:

22 (a) "Inflation rate" means the lesser of 1.05 or the inflation
23 rate as defined in section 34d of the general property tax act,
24 1893 PA 206, MCL 211.34d.

25 (b) "Valuation" means the market value as determined by the
26 state tax commission.