

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 59

A bill to amend 1994 PA 451, entitled  
"Natural resources and environmental protection act,"  
by amending section 51108 (MCL 324.51108), as amended by 2013 PA  
48.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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

6           (2) Except as otherwise provided by this section, upon  
7 application to the department to withdraw forestland from the  
8 classification as commercial forest under this part, the applicant

1 shall forward to the department a withdrawal application fee in the  
2 amount of \$1.00 per acre with a minimum withdrawal application fee  
3 of \$200.00 per application and a maximum withdrawal application fee  
4 of \$1,000.00 per application.

5 (3) Except as otherwise provided in this section, an  
6 application to withdraw forestland from the classification as  
7 commercial forest under this part shall be granted upon the payment  
8 of a penalty to the treasurer of the township in which the  
9 forestland is located. The withdrawal penalty shall be calculated  
10 in the following manner:

11 (a) Multiply the number of acres of forestland withdrawn from  
12 the classification as commercial forest under this part by 1 of the  
13 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 forestland 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24 forestland withdrawn from the classification as commercial forest  
25 under this part has been classified as commercial forest under this  
26 part.

27 (d) Multiply the product of the calculation in subdivision (c)

1 by the following:

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

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

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

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

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

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

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

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

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

26 (b) The adjusted value and the inflation rate described in  
27 subsection (3)(a)(ii) for each county.

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

3 (5) ~~Until 1 year after the effective date of the 2013~~  
4 ~~amendatory act that amended this section, SEPTEMBER 1, 2015,~~ the  
5 owner of forestland that is withdrawn from the classification as  
6 commercial forest under this part is not subject to a withdrawal  
7 penalty if all of the following occur:

8 (a) The owner of the forestland withdraws his or her  
9 forestland from the classification as commercial forest under this  
10 part as provided in this section.

11 (b) The former commercial forestland is placed on the  
12 assessment roll in the local tax collecting unit in which the  
13 former commercial forestland is located.

14 (c) The owner of the former commercial forestland claims and  
15 is granted an exemption for that land from the tax levied by a  
16 local school district for school operating purposes under section  
17 7jj of the general property tax act, 1893 PA 206, MCL 211.7jj[1].  
18 The owner shall submit to the department a copy of the recorded  
19 qualified forest school tax affidavit by December 31 of the year in  
20 which the land is withdrawn from this part.

21 (6) An application to withdraw forestland from the  
22 classification as commercial forest under this part that meets 1 or  
23 more of the following requirements shall be granted without payment  
24 of the withdrawal application fee or penalty under this section:

25 (a) Forestland that has been donated to a public body for  
26 public use prior to withdrawal.

27 (b) Forestland that has been exchanged for property belonging

1 to a public body if the property received is classified as a  
2 commercial forest as determined by the department.

3 (c) Forestland that has been condemned for public use.

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

8 (a) Evidence is submitted to the department that the land met  
9 the legal requirements to be exempt from ad valorem property tax on  
10 tax day for the tax year in which the list application was  
11 submitted and approved and that the land would have met the legal  
12 requirements to be exempt from ad valorem property tax on tax day  
13 for each year that the land was classified as commercial forest  
14 under this part, if the land had not been classified as commercial  
15 forest under this part. As used in this subdivision, "tax day"  
16 means that term as provided in section 2 of the general property  
17 tax act, 1893 PA 206, MCL 211.2.

18 (b) The application is submitted to the department by the same  
19 landowner that owned the land on tax day for the tax year in which  
20 the application was submitted and that submitted the application  
21 for determination under section 51103.

22 (c) The landowner reimburses the state treasurer for the  
23 specific tax that was paid by the state treasurer to the county  
24 treasurer, as provided in section 51106(1), for each tax year the  
25 land was classified as commercial forest under this part.

26 (8) The department may withdraw forestland from the  
27 classification as commercial forest under this part if the

1 forestland has been acquired by a federally recognized Indian tribe  
2 and the associated property taxes are subsequently preempted under  
3 federal law. A withdrawal under this subsection is not subject to  
4 the withdrawal application fee or penalty under this section.

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

12 (10) If an application to withdraw forestland from  
13 classification as commercial forest under this part is granted, the  
14 department shall immediately notify the applicant, the supervisor  
15 of the township, and the register of deeds of the county in which  
16 the lands are located of the action and shall file with those  
17 officials a list of the lands withdrawn.

18 (11) As used in this section:

19 (a) "Inflation rate" means the lesser of 1.05 or the inflation  
20 rate as defined in section 34d of the general property tax act,  
21 1893 PA 206, MCL 211.34d.

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