

SENATE BILL No. 653

December 9, 2015, Introduced by Senators CASPERSON and BOOHER and referred to the Committee on 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 2014 PA
146.

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11 (a) Multiply the number of acres of forestland withdrawn from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24 forestland withdrawn from the classification as commercial forest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)

by the following:

(i) 0.2, if the forestland is located in Luce ~~county~~-COUNTY.

(ii) 0.3, if the forestland is located in Grand Traverse,
Manistee, Ottawa, or Wexford ~~county~~-COUNTY.

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

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

(v) 0.6, if the 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~~-COUNTY.

(vi) 0.7, if the forestland is located in Antrim, Baraga,
Mason, or Menominee ~~county~~-COUNTY.

(vii) 0.8, if the forestland is located in Keweenaw, Lake,
Missaukee, or Ontonagon ~~county~~-COUNTY.

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

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

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

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

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

(5) ~~Until September 1, 2015, the~~ **THE** owner of forestland that is withdrawn from the classification as commercial forest under this part is not subject to a withdrawal penalty if ~~all~~ **EITHER** of the following ~~occur~~ **OCCURS**:

(A) THE FORMER COMMERCIAL FORESTLAND IS MADE SUBJECT TO THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.1 TO 211.155, AS QUALIFIED FOREST PROPERTY UNDER THAT ACT, AS A RESULT OF ALL OF THE FOLLOWING:

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

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

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

(B) THE FORMER COMMERCIAL FORESTLAND IS MADE SUBJECT TO THE TRANSITIONAL QUALIFIED FOREST PROPERTY SPECIFIC TAX ACT, AS TRANSITIONAL QUALIFIED FOREST PROPERTY UNDER THAT ACT, AS A RESULT

1 OF ALL OF THE FOLLOWING:

2 (i) THE OWNER OF THE FORESTLAND WITHDRAWS HIS OR HER
3 FORESTLAND FROM THE CLASSIFICATION AS COMMERCIAL FOREST UNDER THIS
4 PART AS PROVIDED IN THIS SECTION.

5 (ii) THE FORMER COMMERCIAL FORESTLAND IS EXEMPT FROM THE
6 COLLECTION OF GENERAL AD VALOREM PROPERTY TAXES UNDER SECTION 7VV
7 OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.7VV.

8 (iii) THE OWNER OF THE FORMER COMMERCIAL FORESTLAND APPLIES TO
9 THE DEPARTMENT, AND THE DEPARTMENT APPROVES THAT APPLICATION, FOR A
10 DETERMINATION THAT THE FORESTLAND IS TRANSITIONAL QUALIFIED FOREST
11 PROPERTY SUBJECT TO THE TRANSITIONAL QUALIFIED FOREST PROPERTY
12 SPECIFIC TAX ACT. THE OWNER SHALL SUBMIT TO THE DEPARTMENT A COPY
13 OF THE RECORDED TRANSITIONAL QUALIFIED FOREST PROPERTY AFFIDAVIT BY
14 DECEMBER 31 OF THE YEAR IN WHICH THE LAND IS WITHDRAWN FROM THIS
15 PART.

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

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

22 (b) Forestland that has been exchanged for property belonging
23 to a public body if the property received is classified as a
24 commercial forest as determined by the department.

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

26 (7) An application to withdraw forestland from the
27 classification as commercial forest under this part that meets all

1 of the following requirements shall be granted without payment of
2 the withdrawal application fee or penalty under this section:

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

13 (b) The application is submitted to the department by the same
14 landowner that owned the land on tax day for the tax year in which
15 the application was submitted and that submitted the application
16 for determination under section 51103.

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

21 (8) The department may withdraw forestland from the
22 classification as commercial forest under this part if the
23 forestland has been acquired by a federally recognized Indian tribe
24 and the associated property taxes are subsequently preempted under
25 federal law. A withdrawal under this subsection is not subject to
26 the withdrawal application fee or penalty under this section.

27 (9) The department shall remit the withdrawal application fee

1 paid pursuant to subsection (2) to the state treasurer for deposit
2 into the fund. The penalty received by the township treasurer under
3 subsection (3) shall be distributed by the township treasurer in
4 the same proportions to the various funds as the ad valorem general
5 property tax is allocated in the township, except as provided by
6 section 51109(2).

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

13 (11) As used in this section:

14 (a) "Inflation rate" means the lesser of 1.05 or the inflation
15 rate as defined in section 34d of the general property tax act,
16 1893 PA 206, MCL 211.34d.

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

19 Enacting section 1. This amendatory act does not take effect
20 unless all of the following bills of the 98th Legislature are
21 enacted into law:

22 (a) Senate Bill No. 652.

23
24 (b) Senate Bill No. 651.