

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT (EXCERPT)

Act 451 of 1994

TAX INCENTIVES

PART 511

COMMERCIAL FORESTS

324.51101 Definitions.

Sec. 51101. As used in this part:

(a) "Ad valorem general property tax" means taxes levied under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

(b) "Commercial forest" or "commercial forestland" means forestland that is determined to be a commercial forest under section 51104.

(c) "Declassify" or "declassification" means the removal of the commercial forest designation pursuant to section 51116.

(d) "Forestland" means a tract of land that may include nonproductive land that is intermixed with productive land that is an integral part of a managed forest and that meets all the following:

(i) Does not have material natural resources other than those resources suitable for forest growth or the potential for forest growth.

(ii) Is not used for agricultural, mineral extraction except as provided in section 51113, grazing, industrial, developed recreational, residential, resort, commercial, or developmental purposes.

(iii) The owner agrees to develop, maintain, and actively manage the land as a commercial forest through planting, natural reproduction, or other silvicultural practices.

(e) "Forest management plan" means a written plan prepared and signed by a registered forester or a natural resources professional that prescribes measures to optimize production, utilization, and regeneration of forest resources. The forest management plan shall include schedules and timetables for the various silvicultural practices used on commercial forestlands, including, but not limited to, timber harvesting and regeneration.

(f) "Fund" means the commercial forest fund created under section 51112.

(g) "Natural resources professional" means a person who is acknowledged by the department as having the education, knowledge, experience, and skills to identify, schedule, and implement appropriate forest management practices needed to achieve the purposes of this part on land subject to or to be subject to this part.

(h) "Owner" means a person who holds title to the surface estate of forestland subject to this part. However, if land is purchased on a land contract, the owner includes the person who holds the land contract vendee's interest and does not include the person who holds the land contract vendor's interest.

(i) "Personal use" means use for any noncommercial purpose.

(j) "Registered forester" means a person registered under part 535.

(k) "Silvicultural practices" means the management and manipulation of forest vegetation for the protection, growth, and enhancement of forest products.

History: Add. 1995, Act 57, Imd. Eff. May 24, 1995;—Am. 2006, Act 383, Imd. Eff. Sept. 27, 2006;—Am. 2018, Act 116, Eff. July 25, 2018.

Popular name: Act 451

Popular name: NREPA

324.51102 Commercial forest; scope and authority of department; rules.

Sec. 51102. The department shall establish and maintain commercial forests and may promulgate and enforce rules as necessary to accomplish the purpose of this part.

History: Add. 1995, Act 57, Imd. Eff. May 24, 1995;—Am. 2013, Act 48, Imd. Eff. June 6, 2013.

Popular name: Act 451

Popular name: NREPA

324.51103 Commercial forest; application for classification; "contiguous" defined; requirements for eligibility; application form; postmark or delivery date; providing certain information and fee to department; brochure; notification; certification that forest management plan prepared and in effect; violation; exemption from disclosure.

Sec. 51103. (1) The owner of at least 40 contiguous acres or a survey unit consisting of 1/4 of 1/4 of a

section of forestland located within this state may apply to the department to have that forestland classified as a commercial forest under this part. For purposes of this subsection, "contiguous" means land that touches at any point. Even if portions of commercial forestland are contiguous only at a point, the privilege of hunting and fishing as provided in section 51113 shall not be denied for any portion of the land. The existence of a public or private road, a railroad, or a utility right-of-way that separates any part of the land does not make the land noncontiguous.

(2) To be eligible for classification as a commercial forest, forestland shall be capable of all of the following:

- (a) Producing not less than 20 cubic feet per acre per year of forest growth upon maturity.
- (b) Producing tree species that have economic or commercial value.
- (c) Producing a commercial stand of timber within a reasonable period of time.

(3) An application for classification as commercial forest shall be submitted on a form prescribed by the department. The application shall be postmarked or delivered not later than April 1 to be eligible for classification as commercial forest for the following tax year. In addition to any information that the department may reasonably require by rule, the applicant shall provide all of the following to the department:

(a) A nonrefundable application fee in the amount of \$1.00 per acre or fraction of an acre, but not less than \$200.00 and not more than \$1,000.00. The department shall remit the application fee to the state treasurer for deposit into the fund.

(b) A legal description and the amount of acreage considered for classification as a commercial forest.

(c) A statement certifying that a forest management plan covering the forestland has been prepared and is in effect.

(d) A statement certifying that the owner of the forestland owns the timber rights to the timber standing on the forestland.

(4) The department shall prepare and distribute to any person desiring to apply for classification of forestland as commercial forest under this part a brochure that lists and explains, in simple, nontechnical terms, all of the following:

- (a) The application, hearing, determination, declassification, and prosecution process.
- (b) The requirements of the forest management plan.

(5) Not later than 3 months after the effective date of the 2013 amendatory act that amended this section, the department shall notify each county and township and all owners of forestland that is classified as commercial forest under this part, who are on record with the department, of the amendments to this part that were enacted in 2013.

(6) After an owner certifies to the department that a forest management plan has been prepared and is in effect, a violation of that forest management plan is a violation of this part.

(7) A forest management plan that has been submitted to the department or the local tax collecting unit is exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

History: Add. 1995, Act 57, Imd. Eff. May 24, 1995;—Am. 2006, Act 383, Imd. Eff. Sept. 27, 2006;—Am. 2013, Act 48, Imd. Eff. June 6, 2013.

Popular name: Act 451

Popular name: NREPA

324.51104 Forestland; evaluation; hearing; notice; conduct; approval; record.

Sec. 51104. (1) Upon receipt of the application, the forest management plan certification, the timber rights certification, and the application fee described in section 51103, the department shall evaluate the forestland offered and fix a date for a public hearing upon the eligibility of the forestland for determination as a commercial forest. The hearing shall be held in the county where the land is located not later than November 1 following receipt of the application. Applications offering lands in the same county may be heard on the same day and at the same place. The department shall publish a notice of hearing and a list of the legal descriptions of lands being considered for determination as commercial forests in a newspaper of general circulation in the county in which the land is located. The notice of hearing shall be published at least 20 days before the date of the hearing. At the time of publication, the department shall provide a copy of the notice of hearing and a list of descriptions of land in each township to be considered for determination as a commercial forest to each township supervisor in whose township the lands are located. Any person who wishes may testify as to eligibility for determination as a commercial forest of any of the described lands. The hearing shall be conducted by the department.

(2) After the hearing, if the department determines that the applicant and forestland meet the requirements of this part and determines that all valid taxes assessed against that forestland have been paid, the department shall approve the application. Upon approval of the application, the department shall immediately record a

listing certificate in the register of deeds office in the county in which the land is located with the department approval endorsed on the listing certificate and forward a copy of the listing certificate to the applicant and to the township supervisor of the township in which the land is located.

History: Add. 1995, Act 57, Imd. Eff. May 24, 1995.

Popular name: Act 451

Popular name: NREPA

324.51105 Commercial forests not subject to ad valorem general property tax; specific tax; removal from land descriptions list; separate roll; collection; return and sale for nonpayment of taxes; valuation prohibited; lands not considered in connection with equalization distribution of sums collected; distribution; commercial forestland located in renaissance zone.

Sec. 51105. (1) Commercial forests are not subject to the ad valorem general property tax after the date the township supervisor is notified by the department that the land is a commercial forest, except taxes as previously levied. Except as otherwise provided in part 512 and as provided in subsection (5), commercial forests are subject to an annual specific tax as follows:

(a) Until December 31, 2006, \$1.10 per acre.

(b) Beginning January 1, 2007 through December 31, 2011, \$1.20 per acre.

(c) Beginning January 1, 2012 and every 5 years after that date, the amount of the annual specific tax under this section shall be increased by 5 cents per acre.

(2) The supervisor of the township shall remove from the list of land descriptions assessed and taxed under the ad valorem general property tax the land descriptions certified to him or her by the department as being commercial forests and shall enter those land descriptions on a roll separate from lands assessed and taxed by the ad valorem general property tax and shall spread against these commercial forests the specific tax provided by this section.

(3) The township treasurer shall collect the specific tax at the same time and in the same manner as ad valorem general property taxes are collected and this tax is subject to the same collection charges levied for the collection of ad valorem property taxes. Commercial forests are subject to return and sale for nonpayment of taxes in the same manner, at the same time, and under the same penalties as lands returned and sold for nonpayment of taxes levied under the ad valorem general property tax laws. A valuation shall not be determined for descriptions listed as commercial forests and these lands shall not be considered by the county board of commissioners or by the state board of equalization in connection with county or state equalization for ad valorem property taxation purposes.

(4) Except as provided in section 51109(2), all sums collected pursuant to this section 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.

(5) Commercial forestland located in a renaissance zone under the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, is exempt from the annual specific tax levied under this section to the extent and for the duration provided pursuant to that act.

History: Add. 1995, Act 57, Imd. Eff. May 24, 1995;—Am. 1996, Act 451, Imd. Eff. Dec. 19, 1996;—Am. 2006, Act 382, Imd. Eff. Sept. 27, 2006.

Popular name: Act 451

Popular name: NREPA

324.51106 Acreage as commercial forestlands; certifying to state treasurer; payment to county treasurer; distribution of remaining funds; payment in full required.

Sec. 51106. (1) By November 1 of each year, the department shall certify to the state treasurer the number of acres that are commercial forestlands in each county. By December 1 of each year, the state treasurer shall transmit to the treasurer of each county in which these commercial forests are located a warrant on the state treasurer for an amount equal to \$1.30 per acre of commercial forest in the county. Beginning January 1, 2022 and every 5 years after that date, the amount of the annual payment under this section shall be increased by 5 cents per acre.

(2) From the payments received under subsection (1), the county treasurer of each county shall distribute an amount equal to 25 cents per acre for each acre of commercial forest in the county in the same proportions between the various funds as the ad valorem general property tax is distributed by the township treasurers in each township. Except as provided by section 51109(2), the county treasurer of each county shall distribute the remainder of the funds received under this section in the same manner and in the same proportion as the

ad valorem general property tax is distributed.

(3) This state shall make payment in full to each county under this section.

History: Add. 1995, Act 57, Imd. Eff. May 24, 1995;—Am. 2006, Act 382, Imd. Eff. Sept. 27, 2006;—Am. 2012, Act 604, Imd. Eff. Jan. 9, 2013;—Am. 2018, Act 239, Eff. Sept. 25, 2018.

Popular name: Act 451

Popular name: NREPA

324.51107 Repealed. 2006, Act 383, Imd. Eff. Sept. 27, 2006

Compiler's note: The repealed section pertained to adjustment of annual specific tax and state payment computed by using state equalized value per acre of timber cutover lands.

Popular name: Act 451

Popular name: NREPA

324.51108 Withdrawal of forestland as commercial forest; application; fee; penalty; calculation; publication on website; withdrawal not subject to penalty; granting application without payment of fee or penalty; forestland acquired by federally recognized Indian tribe; disposition; distribution; notice to applicant, township assessor, and register of deeds; filing list of withdrawn lands; interdepartmental cooperation; definitions.

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

(2) Except as otherwise provided by this section, upon application to the department to withdraw forestland from the classification as commercial forest under 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 forestland from the classification as commercial forest under this part shall be granted upon the payment of a penalty to the treasurer of the township in which the forestland is located. The withdrawal penalty shall be calculated in the following manner:

(a) Multiply the number of acres of forestland withdrawn from the classification as commercial forest under this part by 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 average millage rate levied by all townships, excluding villages, in the county in which the forestland 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 forestland withdrawn from the classification as commercial forest under this part has been classified as commercial forest under this part.

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

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

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

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

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

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

(vii) 0.8, if the forestland is located in Keweenaw, Lake, Missaukee, or Ontonagon 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, 2021, the owner of forestland located within a township and classified as commercial forest under this part not later than September 1, 2016 may withdraw not more than 160 acres of that forestland without a withdrawal penalty, subject to the following:

(a) The owner of the former commercial forestland must have continuously owned that former commercial forestland since not later than September 1, 2016.

(b) The former commercial forestland shall be made subject to the transitional qualified forest property specific tax act, as transitional qualified forest property under that act, as a result of all of the following:

(i) 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) The former commercial forestland is exempt from the collection of general ad valorem property taxes under section 7vv of the general property tax act, 1893 PA 206, MCL 211.7vv.

(iii) The owner of the former commercial forestland submits, and obtains approval of, an application for a determination that the forestland is transitional qualified forest property under the transitional qualified forest property specific tax act. The owner shall submit to the department a copy of the executed transitional qualified forest property affidavit by November 1 of the year in which the land is withdrawn from this part.

(c) Any of the owner's remaining forestland within that township that previously qualified as commercial forest under this part must continue to qualify as commercial forest under this part or, subject to the penalty provided under subsection (3), must be withdrawn under this part.

(6) An application to withdraw forestland from the classification as commercial forest under 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) Forestland that has been donated to a public body for public use prior to withdrawal.

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

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

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

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

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

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

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

(9) 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).

(10) If an application to withdraw forestland from classification as commercial forest under this part is granted, the department shall immediately notify the applicant, the assessor 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.

(11) Not later than 30 days after the effective date of the amendatory act that added this sentence, the department of natural resources and the department of agriculture and rural development shall establish in writing a basis of interdepartmental cooperation when an owner of forestland seeks to withdraw that forestland from the classification as commercial forest without penalty under subsection (5).

(12) 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 state tax commission.

History: Add. 1995, Act 57, Imd. Eff. May 24, 1995;—Am. 2006, Act 382, Imd. Eff. Sept. 27, 2006;—Am. 2008, Act 299, Imd. Eff. Oct. 8, 2008;—Am. 2012, Act 248, Imd. Eff. July 2, 2012;—Am. 2013, Act 48, Imd. Eff. June 6, 2013;—Am. 2014, Act 146, Imd. Eff. June 4, 2014;—Am. 2016, Act 262, Imd. Eff. June 28, 2016.

Popular name: Act 451

Popular name: NREPA

324.51109 Determining proportion for disbursement of revenues and attribution of revenues; number of mills levied for local school operating purposes; distribution of revenues; "revenues" defined.

Sec. 51109. (1) For revenues disbursed after June 30, 1994, to determine the proportion for the disbursement of revenues under this part and for attribution of revenues under subsection (2)(b) for revenues collected under this part, the number of mills levied for local school district operating purposes to be used in the calculation shall equal the number of mills for local school district operating purposes levied in 1993 minus the number of mills levied under the state education tax act, Act No. 331 of the Public Acts of 1993, being sections 211.901 to 211.906 of the Michigan Compiled Laws, for the year for which the disbursement is calculated.

(2) Except as provided in subdivision (b), for revenues disbursed after June 30, 1994, the revenues collected under this part shall be distributed as follows:

(a) In the case of intermediate school districts receiving state aid under sections 56, 62, and 81 of the state school aid act of 1979, Act No. 94 of the Public Acts of 1979, being sections 388.1656 , 388.1662, and 388.1681 of the Michigan Compiled Laws, all or a portion of the amount that would otherwise be disbursed to these intermediate school districts from the following revenue sources, as determined under a formula prescribed by the department of management and budget on the basis of the tax rate utilized to compute the amount of state aid for the intermediate school district, shall be paid instead to the state treasury to the credit of the state school aid fund established by section 11 of article IX of the state constitution of 1963:

(i) Revenues from that portion of the levy of a specific tax over 15 cents per acre pursuant to section 51105.

(ii) Revenues from that portion of state payments in excess of 25 cents per acre which are made pursuant to section 51106.

(iii) Revenues from remitted withdrawal penalties and fees imposed pursuant to section 51108.

(iv) Revenues from declassification penalties and fees pursuant to section 51116 .

(v) Revenues from remitted stumpage or yield tax collections made under former Act No. 94 of the Public Acts of 1925.

(b) For revenues disbursed after June 30, 1994, the amount that would otherwise be disbursed to a local school district for school operating purposes shall be paid instead to the state treasury and credited to the state school aid fund established by section 11 of article IX of the state constitution of 1963.

(3) Except as provided in subsection (2)(a), as used in this section "revenues" means all of the following:

(a) The specific tax levied pursuant to section 51105.

(b) State payments made pursuant to section 51106.

(c) Withdrawal penalties and fees imposed pursuant to section 51108.

(d) Declassification penalties and fees pursuant to section 51116.

(e) Revenue from remitted stumpage or yield tax collections made under former Act No. 94 of the Public Acts of 1925.

History: Add. 1995, Act 57, Imd. Eff. May 24, 1995;—Am. 1996, Act 585, Eff. Mar. 1, 1997.

Popular name: Act 451

Popular name: NREPA

324.51110 Cutting, harvesting, or removing forest products prohibited; exceptions.

Sec. 51110. (1) Except as provided in subsection (2), a person shall not cut, harvest, or remove forest products from a commercial forest.

(2) The owner of a commercial forest is entitled to cut or remove merchantable forest products on his or her commercial forest without withdrawing it or affecting its status as a commercial forest and without payment of a fee or penalty if the owner complies with all of the following:

(a) After an owner certifies to the department that a forest management plan has been prepared and is in

effect under section 51103 and cuts, harvests, or removes forest products in compliance with his or her forest management plan.

(b) All other requirements of this part.

History: Add. 1995, Act 57, Imd. Eff. May 24, 1995.

Popular name: Act 451

Popular name: NREPA

324.51111 Report to department.

Sec. 51111. The owner shall report to the department prior to the cutting, harvesting, or removal of forest products from the commercial forest.

History: Add. 1995, Act 57, Imd. Eff. May 24, 1995.

Popular name: Act 451

Popular name: NREPA

324.51112 Commercial forest fund.

Sec. 51112. (1) The commercial forest fund is created within the state treasury.

(2) The state treasurer shall deposit the money collected from the following sources into the fund:

(a) The application fee and forest management plan fee pursuant to section 51103.

(b) The withdrawal application fee pursuant to section 51108.

(c) The fee described in section 51116(1)(a).

(d) An amount equal to 10 cents for each acre of land enrolled under this part as certified by the department, to be appropriated each fiscal year from the general fund.

(e) Any restitution ordered by a court payable to this state for a violation of this part.

(3) In addition to the revenues described in subsection (2), the state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments.

(4) Money in the fund appropriated from the general fund shall remain in the fund at the close of the fiscal year and shall not lapse to the general fund.

(5) The department shall expend the money from the fund, upon appropriation, for enforcement, administration, and monitoring of compliance with part 512 and this part and rules promulgated under this part.

History: Add. 1995, Act 57, Imd. Eff. May 24, 1995;—Am. 2006, Act 383, Imd. Eff. Sept. 27, 2006.

Popular name: Act 451

Popular name: NREPA

324.51113 Prohibited use of forestland by owner; exception; denying or inhibiting access for public hunting or fishing; exploration for minerals; removal of commercial mineral deposits, sand and gravel, and oil and gas; exploration for wind energy development.

Sec. 51113. (1) Except as provided in this section, the owner of forestland that is classified as commercial forest shall not use that land in a manner that is prejudicial to its development as a commercial forest, use the land for agricultural, mineral extraction except as provided in this section, wind energy development except as provided in this section, grazing, industrial, developed recreational, residential, resort, commercial, or developmental purposes, or deny the general public the privilege of hunting and fishing on commercial forestland unless the land is closed to hunting or fishing, or both, by order of the department or by an act of the legislature. If the department determines that the owner of commercial forestland has taken an action that has the effect of denying or inhibiting access to the commercial forestland for public hunting and fishing, except as specifically provided in this part, the department may require withdrawal of the forestland as commercial forest under this part unless the owner corrects that action and allows access to the commercial forestland for public hunting and fishing. If there is not access to a parcel of commercial forestland and the lack of access is not the consequence of an action taken by the owner of commercial forestland, the forestland may remain as commercial forestland if all of the following apply:

(a) There is not a transfer of title for the parcel of commercial forestland, other than as a part of a larger sale of 10,000 or more acres.

(b) The landowner has not taken an action following acquisition of the commercial forestland that has the effect of denying or inhibiting access to the commercial forestland to the public for hunting and fishing.

(c) The commercial forestland is otherwise in compliance with this part.

(2) Exploration for minerals shall be permitted on forestland that is classified as commercial forest under

this part. Except as provided in subsections (3) and (4), before the removal of any commercial mineral deposits, the owner shall withdraw the portion of the commercial forestland directly affected by the removal pursuant to section 51108. The withdrawal of commercial forestland due to mineral removal as provided in this section and section 51108 does not require the remaining portion of the commercial forestland to be withdrawn due to insufficient acreage of the remaining commercial forestland.

(3) Upon application to and approval by the department, sand and gravel may be removed from the commercial forestland without affecting the land's classification as a commercial forest. The department shall approve an application to remove sand and gravel deposits only if the removal site is not greater than 5 acres, excluding access to the removal site, and the sand and gravel are to be utilized by 1 or more of the following:

(a) The owner of a commercial forestland for personal use if the owner of the commercial forestland is also the owner of the sand and gravel deposits.

(b) The owner of the sand and gravel deposits for his or her personal use or for sale to the owner of the commercial forestland for personal use, if the owner of the commercial forestland is not also the owner of the sand and gravel deposits.

(c) For sale to this state, a local unit of government, a federal government agency, or a county road commission, for governmental use, or a contractor or other agent undertaking construction, maintenance, or a project for 1 of these governmental entities.

(4) Upon application to and approval by the department, deposits of oil and gas may be removed from the commercial forestland without affecting the land's classification as a commercial forest.

(5) The exploration for wind energy development is permitted on forestland classified as commercial forest under this part pursuant to this subsection. Upon application to and approval by the department, meteorological towers may be erected and wind energy exploration or development leases, easements, or license agreements may be entered into without affecting the land's classification as commercial forest. A landowner may be paid compensation for these leases, easements, and license agreements. Before any wind turbines are erected for the purpose of generating electricity for commercial purposes, the owner shall withdraw the portion of the commercial forest directly affected as follows:

(a) The actual physical footprint of each wind turbine, associated buildings, and adjacent areas that will be permanently removed from forest production shall be removed from the classification as commercial forest.

(b) Forestland under a wind energy development lease, easement, or license agreement where forest production will continue may continue to be classified as commercial forest.

(c) Forestland containing road and utility rights-of-way may continue to be classified as commercial forest.

History: Add. 1995, Act 57, Imd. Eff. May 24, 1995;—Am. 2006, Act 383, Imd. Eff. Sept. 27, 2006;—Am. 2013, Act 48, Imd. Eff. June 6, 2013.

Popular name: Act 451

Popular name: NREPA

324.51114 Applications, statements, and reports under oath; forms.

Sec. 51114. All applications, statements, reports, and information required by the department in the administration of this part shall be on forms prescribed by the department and shall be under oath.

History: Add. 1995, Act 57, Imd. Eff. May 24, 1995.

Popular name: Act 451

Popular name: NREPA

324.51115 Transfer of title; effect; withdrawal; document; notification.

Sec. 51115. (1) The transfer of title of forestland classified as commercial forest under this part does not affect that forestland's classification as a commercial forest if the forestland continues to meet all of the eligibility requirements under this part. If the purchaser desires to withdraw his or her forestland from the classification as commercial forest under this part, the purchaser shall withdraw that forestland pursuant to section 51108. If the forestland's eligibility to be classified as commercial forest is affected by the transfer of title, the department shall determine which forestlands may remain classified as commercial forest under this part and which forestlands must be withdrawn or declassified.

(2) A document that transfers any interest in commercial forestlands shall state on the face of the document that "this property is subject to part 511, the commercial forest part of the natural resources and environmental protection act". Failure to comply with this subsection does not affect the classification of the land as commercial forestland.

(3) Not later than 30 days after the county equalization office receives notice of a transfer of title or the transfer of any interest in a land contract concerning the commercial forestland, the county equalization office shall notify the department in writing of the transfer or ownership change.

History: Add. 1995, Act 57, Imd. Eff. May 24, 1995;—Am. 2013, Act 48, Imd. Eff. June 6, 2013.

Popular name: Act 451

Popular name: NREPA

324.51116 Removal of designation; declassification; notice; recording; fee.

Sec. 51116. If, after providing notice and an opportunity for a hearing, the department determines that a commercial forest was used in violation of this part, that the owner failed to pay the specific tax pursuant to section 51105, that the owner failed to report to the department pursuant to section 51111, that minerals were removed in violation of section 51113, or, after an owner certifies to the department that a forest management plan has been prepared and is in effect, that the owner failed to plant, harvest, or remove forest products in compliance with the owner's forest management plan, then the department shall remove the commercial forest designation for the commercial forest, serve a notice of declassification of the lands upon the owner, and record a copy of the declassification in the office of the register of deeds of the county in which the lands are located. Upon declassification, the land is subject to the ad valorem general property tax. Within 30 days after the service of the declassification notice on the owner, the owner shall pay both of the following:

(a) A fee equal to the withdrawal application fee described in section 51108 to the department for deposit into the fund.

(b) An amount equal to the penalty described in section 51108 to the township treasurer of the township in which the land is located to be distributed, except as provided in section 51109(2), in the same proportions to the various funds as the ad valorem general property tax is allocated in the township.

History: Add. 1995, Act 57, Imd. Eff. May 24, 1995;—Am. 2006, Act 382, Imd. Eff. Sept. 27, 2006.

Popular name: Act 451

Popular name: NREPA

324.51118 Applicability of changes in part; withdrawal; fees.

Sec. 51118. (1) Except as provided in this section, changes in the terms, fees, taxes, or other provisions of this part apply to all forestlands that are commercial forests when the changes take effect.

(2) An owner, without penalty or payment of the withdrawal application fee pursuant to section 51108, may withdraw commercial forestland from the operation of this part if any change in the terms, fees, taxes, or other provisions of this part materially increases the burden on the owner. However, if an owner elects to withdraw his or her commercial forestlands under this subsection, the owner shall pay a fee for each acre withdrawn equal to the product of the current average ad valorem property tax per acre on timber cutover real property within the township in which the commercial forestland is located, as determined by the township assessor, multiplied by 5. If the township in which the commercial forestland is located does not contain any real property classified as timber cutover real property under the general property tax act, Act No. 206 of the Public Acts of 1893, being sections 211.1 to 211.157 of the Michigan Compiled Laws, then 1 of the following applies:

(a) If there is timber cutover real property located within the county in which the commercial forestland is located, the per acre average of the ad valorem property tax for all timber cutover real property located in the county in which the commercial forestland is located shall be used in calculating the penalty under this subsection.

(b) If there is no timber cutover real property located within the county in which the commercial forestland is located, the per acre average of the ad valorem property tax for all timber cutover real property in townships contiguous to the county in which the commercial forestland is located shall be used in calculating the penalty under this subsection.

(3) The fee described in subsection (2) shall not exceed \$100,000.00. The owner shall pay the fee described in subsection (2) before withdrawal.

(4) The owner may not withdraw commercial forestland under this section unless he or she makes application to do so within 1 year after the changes take effect. If an owner elects to withdraw commercial forestlands under this section, he or she shall withdraw all the commercial forestlands owned by him or her at the time of withdrawal.

(5) If an application to withdraw commercial forestlands under subsection (2) is initiated by an owner or by the department before changes in terms, fees, taxes, or other provisions of this part or former Act No. 94 of the Public Acts of 1925 become effective, the owner shall pay the stumpage fees, other fees, taxes, and penalties, if any, in the same manner and at the same rates as were in effect when the application was filed.

(6) The department shall remit the fees paid pursuant to this section to the township treasurer. Except as provided in section 51109(2), all fees remitted to the township treasurer under this section 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.

History: Add. 1995, Act 57, Imd. Eff. May 24, 1995.

Popular name: Act 451

Popular name: NREPA

324.51119 Representatives of department; right of entry on commercial forestlands; access to books and papers.

Sec. 51119. A duly authorized representative of the department may at any time go upon commercial forestlands to ascertain the validity of any report made pursuant to this part or otherwise determine compliance with this part. The duly authorized representative of the department may examine or cause to be examined any books, papers, records, or memorandum bearing upon the amounts of timber products cut from the commercial forestland or the owner's forest management plan.

History: Add. 1995, Act 57, Imd. Eff. May 24, 1995.

Popular name: Act 451

Popular name: NREPA

324.51120 Violation of part; penalty.

Sec. 51120. (1) Except as provided in subsection (2), a person who violates this part is guilty of a misdemeanor punishable by imprisonment for not more than 90 days or a fine of not more than \$500.00, or both.

(2) A person who harvests, cuts, or removes forest products having a value of more than \$2,500.00 in violation of this part is guilty of a felony punishable by imprisonment for not more than 3 years or a fine of not more than \$10,000.00, or both.

(3) Upon conviction for a violation of this part, the court may declassify all or a portion of the commercial forest pursuant to section 51116.

History: Add. 1995, Act 57, Imd. Eff. May 24, 1995.

Popular name: Act 451

Popular name: NREPA

PART 512

SUSTAINABLE FOREST CONSERVATION EASEMENT TAX INCENTIVES

324.51201 Owner of commercial forestland subject to sustainable forest conservation easement; specific tax; application for sustainable forest conservation easement tax incentives; form; information; cutting or removing forest products; violation; penalty; definitions.

Sec. 51201. (1) Notwithstanding section 51105, an owner of commercial forestland that is subject to a sustainable forest conservation easement is subject to an annual specific tax equal to the annual specific tax levied under section 51105 less 15 cents per acre. The specific tax described in this section shall be administered, collected, and distributed in the same manner as the specific tax levied in section 51105.

(2) An application for sustainable forest conservation easement tax incentives described in this part shall be submitted on a form prescribed by the department. The application shall be postmarked or delivered to the department not later than April 1 to be eligible for approval for the following tax year. In addition to any information that the department may reasonably require by rule, the applicant shall provide all of the following to the department:

(a) A nonrefundable application fee in the amount of \$2.00 per acre or fraction of an acre, but not less than \$200.00 and not more than \$1,000.00. The department shall remit the application fee to the state treasurer for deposit into the commercial forest fund under section 51112.

(b) A copy of the conservation easement covering the forestland.

(3) The owner of commercial forestlands subject to a sustainable forest conservation easement is entitled to cut or remove forest products on his or her commercial forestlands if the owner complies with part 511 and the requirements of the sustainable forest conservation easement.

(4) If commercial forestland subject to a sustainable forest conservation easement is used in violation of this part or the sustainable forest conservation easement, the owner in addition to any other penalties provided by law shall pay a penalty, per acre, for each year in which the violation occurs equal to the difference between the specific tax paid under this part and the specific tax that would otherwise be paid under part 511. The specific tax collected under this part shall be paid to the township treasurer in which the commercial forestland is located. The penalty shall be distributed by the township treasurer in the same manner as the

specific tax is distributed.

(5) As used in this part:

(a) "Commercial forestland" means commercial forestland that is enrolled under part 511.

(b) "Department" means the department of natural resources.

(c) "Forestland" means that term as defined in part 511.

(d) "Sustainable forest conservation easement" means a conservation easement described in section 2140 on commercial forestland that is approved by the department and meets all of the following:

(i) Is an easement granted in perpetuity to this state, a political subdivision of this state, or a charitable organization described in section 501(c)(3) of the internal revenue code, 26 USC 501, that also meets the requirements of section 170(h)(3) of the internal revenue code, 26 USC 170.

(ii) Covers commercial forestland of 40 or more acres in size.

(iii) Provides that the forestland subject to the conservation easement or the manager of the forestland subject to the conservation easement is and continues to be certified under a sustainable forestry certification program that uses independent third party auditors and that is recognized by the department.

(iv) Provides that the forestland subject to the conservation easement provides for the nonmotorized recreational use of the forestland by members of the public.

History: Add. 2006, Act 381, Imd. Eff. Sept. 27, 2006.

Popular name: Act 451

Popular name: NREPA

PART 513 PRIVATE FORESTRY

324.51301 Definitions.

Sec. 51301. As used in this part:

(a) "Conservation district" means that term as it is defined in section 9301.

(b) "Demonstration project" means a forest improvement project designed to illustrate the implementation and impact of alternate forest practices.

(c) "Commission" means the commission of agriculture and rural development.

(d) "Department" means the department of agriculture and rural development.

(e) "Director" means the director of the department or his or her designee.

(f) "Follow-up work" means forest practices to promote the survival of seeds or seedlings or the protection or enhancement of other work previously undertaken under this part.

(g) "Forest improvement project" means any of the following:

(i) Production, processing, handling, storage, marketing, or transportation of forest resources, including sawmills, hardboard mills, power stations, warehouses, air and water pollution control equipment, and solid waste disposal facilities.

(ii) Forest practice or follow-up work.

(iii) Study, planning, or other work intended to improve forestlands or forest resources or to demonstrate means of improving forestlands or forest resources.

(h) "Forest management plan" means that term as it is defined in section 7jj of the general property tax act, 1893 PA 206, MCL 211.7jj[1].

(i) "Forest practice" means that term as it is defined in section 7jj of the general property tax act, 1893 PA 206, MCL 211.7jj[1].

(j) "Forest resources" means those products, uses, and values associated with forestland, including recreation and aesthetics, fish, forage, soil, timber, watershed, wilderness, and wildlife.

(k) "Forestland" means a tract of land that may include nonproductive land that is intermixed with productive land that is an integral part of a managed forest and the owner of which agrees to develop, maintain, and actively manage the land as a private forest through planting, natural reproduction, or other silvicultural practices. Forestland includes land from which forest tree species have been removed and have not been restocked, but does not include land converted to uses other than the growing of forest tree species or land currently zoned for uses incompatible with forest practices.

(l) "Fund" means the private forestland enhancement fund created in section 51305.

(m) "Harvest" means that term as it is defined in section 7jj of the general property tax act, 1893 PA 206, MCL 211.7jj[1].

(n) "Landowner" means a person who holds an ownership interest in nonindustrial private forestland.

(o) "Nonindustrial private forestland" means a privately owned tract of land consisting of 20 or more acres, or the timber rights in the land if the timber rights have been severed, that has the productive capacity to grow

on average not less than 20 cubic feet per acre per year and that meets either of the following conditions:

(i) For a tract of land that contains less than 40 acres, at least 80% of the land is occupied by forest tree species.

(ii) For a tract of land that contains 40 or more acres, at least 50% of the land is occupied by forest tree species.

(p) "Qualified forester" means that term as it is defined in section 7jj of the general property tax act, 1893 PA 206, MCL 211.7jj[1].

(q) "Technical assistance" means direct on-site assistance provided to individuals.

(r) "Timber" means wood growth, mature or immature, growing or dead, standing or down. Timber does not include any of the following:

(i) Christmas trees and associated greens.

(ii) Material harvested from an individual's own land and used on that land for the construction of fences or buildings or for other personal use.

(s) "Timber owner" means a person who holds an ownership interest in species of forest trees on forestland. An ownership interest includes a license or other right to harvest timber on state lands.

History: Add. 2013, Act 45, Imd. Eff. June 6, 2013.

Compiler's note: Former MCL 324.51301, which pertained to designation of tract of land as private forest reservation, was repealed by Act 378 of 2006, Eff. Sept. 1, 2007.

Popular name: Act 451

Popular name: NREPA

324.51302 Management and utilization of private forestland and private forest resources; purpose and intent of part.

Sec. 51302. (1) This part is intended to stimulate improved management and utilization of private forestland and private forest resources within this state. Economic and community development opportunities based on the private forest resource will be enhanced by ensuring adequate future high-quality timber supplies, increased employment opportunities, a diversified economy, and other economic benefits and the conservation, maintenance, and enhancement of a productive and stable forest resource system for the public benefit of present and future generations.

(2) The primary purpose of this part is to assist private landowners in understanding the value of forest resources and the potential threats to forest resources and to provide management guidance.

(3) The department may enter into cooperative agreements with the federal agencies that have been given authority by act of congress for the management of forestlands to assist landowners in management of their nonindustrial private forestlands.

History: Add. 2013, Act 45, Imd. Eff. June 6, 2013.

Compiler's note: Former MCL 324.51302, which pertained to number of trees planted on acre of land as subject to part, was repealed by Act 378 of 2006, Eff. Sept. 1, 2007.

Popular name: Act 451

Popular name: NREPA

324.51303 Repealed. 2006, Act 378, Eff. Sept. 1, 2007.

Compiler's note: The repealed section pertained to number of forest trees planted on tract of private forest reservation to assure spacing of 6 feet by 6 feet.

Popular name: Act 451

Popular name: NREPA

324.51304 Repealed. 2006, Act 378, Eff. Sept. 1, 2007.

Compiler's note: The repealed section pertained to receipt of benefit if landowner permits cattle, horses, hogs, or goats to pasture upon private forest reservation.

Popular name: Act 451

Popular name: NREPA

324.51305 Private forestland enhancement fund.

Sec. 51305. (1) The private forestland enhancement fund is created within the state treasury.

(2) The state treasurer may receive money or other assets from any source for deposit into the fund, including general fund/general purpose appropriations, gifts, grants, and bequests. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments.

(3) Money in the fund at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund.

(4) The department shall be the administrator of the fund for auditing purposes.

(5) The department shall expend money from the fund, upon appropriation, only for 1 or more of the following purposes:

(a) Direct assistance.

(b) Indirect assistance.

(c) Administrative costs.

(6) The department shall establish criteria and procedures for approving proposed expenditures from the fund.

(7) The department of treasury shall, before November 1 of each year, notify the department of the balance in the fund at the close of the preceding fiscal year.

(8) As used in this section:

(a) "Administrative costs" includes, but is not limited to, costs incurred in administering the qualified forest program developed in section 7jj of the general property tax act, 1893 PA 206, MCL 211.7jj[1].

(b) "Direct assistance" includes, but is not limited to, programs that will provide for any of the following:

(i) Programs devoted to nonindustrial private forestland to encourage the judicious management of forestlands to maximize economic and ecological value.

(ii) Incentive and cost-share programs to assist landowners.

(iii) Programs that enhance investment of private and federal funds in sustainable forest management.

(iv) Other programs established pursuant to this part.

(c) "Indirect assistance" includes, but is not limited to, programs that will provide for any of the following:

(i) Public education and demonstration programs on sustainable management of private forestland for increasing value for wildlife habitat or timber management, or both.

(ii) Educational programs.

(iii) Technical assistance programs.

(iv) The promotion of on-site evaluation systems and management practices.

History: Add. 2013, Act 45, Imd. Eff. June 6, 2013.

Compiler's note: Former MCL 324.51305, which pertained to stocking forest trees under rules of department, was repealed by Act 378 of 2006, Eff. Sept. 1, 2007.

Popular name: Act 451

Popular name: NREPA

324.51306 List of qualified foresters; preparation; maintenance; registration; removal; publication on department's website.

Sec. 51306. (1) The department shall prepare and maintain a list of qualified foresters in the state.

(2) An individual who wishes to be included on the list of qualified foresters shall submit a registration to the department on a form prepared by the department. The registration form shall include all of the following:

(a) The category of qualified forester for which the individual meets the necessary requirements.

(b) The continuing education required for the individual to maintain his or her status as a qualified forester, including the date on which the continuing education is required to be completed.

(c) A place for an individual to certify with his or her signature that he or she meets the requirements of a qualified forester and is current with any continuing education that is required.

(d) A place to designate whether the individual is submitting a new registration or a renewal of registration.

(3) An individual may update his or her registration at any time by submitting a renewal of registration.

(4) An individual who no longer meets the requirements to be considered a qualified forester shall notify the department in writing, and the department shall remove the individual from the list of qualified foresters.

(5) The department shall publish the list of qualified foresters on the department's website.

History: Add. 2013, Act 45, Imd. Eff. June 6, 2013.

Compiler's note: Former MCL 324.51306, which pertained to complete restocking of private forest reservation with forest trees, was repealed by Act 378 of 2006, Eff. Sept. 1, 2007.

Popular name: Act 451

Popular name: NREPA

324.51307 Repealed. 2006, Act 378, Eff. Sept. 1, 2007.

Compiler's note: The repealed section pertained to varieties of forest trees.

Popular name: Act 451

Popular name: NREPA

324.51308 Repealed. 2006, Act 378, Eff. Sept. 1, 2007.

Compiler's note: The repealed section pertained to record of private forest reservations to be kept by county treasurer.

Popular name: Act 451

Popular name: NREPA

324.51309 Repealed. 2006, Act 378, Eff. Sept. 1, 2007.

Compiler's note: The repealed section pertained to record of private forest reservations to be kept by township supervisor or assessor.

Popular name: Act 451

Popular name: NREPA

324.51310 Repealed. 2006, Act 378, Eff. Sept. 1, 2007.

Compiler's note: The repealed section pertained to form of application and contract to be filed with county treasurer and form of notice by the treasurer to supervisor or assessing officer.

Popular name: Act 451

Popular name: NREPA

324.51311 Repealed. 2006, Act 378, Eff. Sept. 1, 2007.

Compiler's note: The repealed section pertained to examination of private forest reservations by supervisor or assessor when real estate is assessed for taxation.

Popular name: Act 451

Popular name: NREPA

324.51312 Repealed. 2006, Act 378, Eff. Sept. 1, 2007.

Compiler's note: The repealed section pertained to taxes levied and fees collected after 1993.

Popular name: Act 451

Popular name: NREPA