

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT (EXCERPT)
Act 451 of 1994

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Indian tribe; disposition; distribution; notice to applicant, township assessor, and register of deeds; filing list of withdrawn lands; interdepartmental cooperation; definitions.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(a) Multiply the number of acres of forestland withdrawn from the classification as commercial forest under this part by 1 of the following: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product of the calculation in subdivision (b) by the number of years, to a maximum of 7 years, in which the forestland withdrawn from the classification as commercial forest under this part has been classified as commercial forest under this part.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

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