

SENATE BILL No. 1330

May 20, 2008, Introduced by Senators BARCIA, PRUSI, KAHN, PAPPAGEORGE, ALLEN, GLEASON, HARDIMAN and BIRKHOLZ and referred to the Committee on Agriculture.

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending section 51108 (MCL 324.51108), as amended by 2006 PA
382.

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

1 acre with a minimum withdrawal application fee of \$200.00 per
2 application and a maximum withdrawal application fee of \$1,000.00
3 per application.

4 (3) Except as otherwise provided in this section, an
5 application to withdraw commercial forestland from the operation of
6 this part shall be granted upon the payment to the township
7 treasurer in which the commercial forestland is located of a
8 penalty. ~~Except as provided in subsection (4)~~ **FOR APPLICATIONS TO**
9 **WITHDRAW COMMERCIAL FORESTLAND FILED ON OR AFTER SEPTEMBER 27,**
10 **2007,** the withdrawal penalty shall be calculated in the following
11 manner:

12 (a) Multiply the number of acres of commercial forestland
13 withdrawn from the operation of this part by the average **TAXABLE**
14 value per acre for ~~comparable property acquired within the last 10~~
15 ~~years under subpart 14 of part 21, as determined by the state tax~~
16 ~~commission under section 2153~~ **TIMBER-CUTOVER REAL PROPERTY WITHIN**
17 **THE TOWNSHIP IN WHICH THE COMMERCIAL FORESTLAND IS LOCATED AS OF**
18 **DECEMBER 31, 2006 AS DETERMINED BY THE DEPARTMENT. IF THE**
19 **DEPARTMENT IS NOT ABLE TO DETERMINE THE AVERAGE TAXABLE VALUE PER**
20 **ACRE ON TIMBER-CUTOVER REAL PROPERTY WITHIN THE TOWNSHIP DUE TO THE**
21 **LACK OF SUFFICIENT QUANTITIES OF TIMBER-CUTOVER REAL PROPERTY**
22 **WITHIN THE TOWNSHIP, THE DEPARTMENT SHALL MAKE THE DETERMINATION OF**
23 **THE AVERAGE TAXABLE VALUE PER ACRE ON TIMBER-CUTOVER REAL PROPERTY**
24 **USING TIMBER-CUTOVER REAL PROPERTY IN THE COUNTY IN WHICH THE**
25 **COMMERCIAL FORESTLAND IS LOCATED. IF THE DEPARTMENT CANNOT**
26 **DETERMINE THE AVERAGE TAXABLE VALUE PER ACRE ON TIMBER-CUTOVER REAL**
27 **PROPERTY WITHIN THE COUNTY DUE TO THE LACK OF SUFFICIENT QUANTITIES**

1 OF TIMBER-CUTOVER REAL PROPERTY IN THE COUNTY, THE DEPARTMENT SHALL
2 MAKE THE DETERMINATION OF AVERAGE TAXABLE VALUE PER ACRE ON TIMBER-
3 CUTOVER REAL PROPERTY BY USING TIMBER-CUTOVER REAL PROPERTY LOCATED
4 IN THE LOWER PENINSULA IF THE COMMERCIAL FORESTLAND IS LOCATED IN
5 THE LOWER PENINSULA, AND BY USING THE TIMBER-CUTOVER REAL PROPERTY
6 IN THE UPPER PENINSULA IF THE COMMERCIAL FORESTLAND IS LOCATED IN
7 THE UPPER PENINSULA. THE AVERAGE TAXABLE VALUE PER ACRE ON TIMBER-
8 CUTOVER REAL PROPERTY DETERMINED UNDER THIS SUBDIVISION SHALL BE
9 THAT VALUE AS OF DECEMBER 31, 2006 AS PREVIOUSLY DETERMINED BY THE
10 DEPARTMENT. BEGINNING IN 2007 AND EACH YEAR AFTER 2007, THE AVERAGE
11 TAXABLE VALUE PER ACRE ON TIMBER-CUTOVER REAL PROPERTY MAY INCREASE
12 BY NOT MORE THAN THE INCREASE IN THE IMMEDIATELY PRECEDING YEAR IN
13 THE GENERAL PRICE LEVEL OR 5%, WHICHEVER IS LESS. EACH YEAR, THE
14 DEPARTMENT SHALL PUBLISH ON ITS WEBSITE THE AVERAGE TAXABLE VALUE
15 PER ACRE OF TIMBER-CUTOVER REAL PROPERTY FOR EVERY TOWNSHIP IN
16 WHICH COMMERCIAL FORESTLAND IS LOCATED AS DETERMINED UNDER THIS
17 SUBDIVISION AND SHALL ALSO PUBLISH THE FORMULA TO CALCULATE THE
18 WITHDRAWAL PENALTY DESCRIBED IN THIS SUBSECTION. AS USED IN THIS
19 SUBDIVISION:

20 (i) "GENERAL PRICE LEVEL" MEANS THAT TERM AS DEFINED IN SECTION
21 33 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963.

22 (ii) "TIMBER-CUTOVER REAL PROPERTY" MEANS REAL PROPERTY
23 CLASSIFIED AS TIMBER-CUTOVER REAL PROPERTY UNDER SECTION 34C OF THE
24 GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.3C.

25 (b) Multiply the product of the calculation in subdivision (a)
26 by the total millage rate levied by all taxing units in the local
27 tax collecting unit in which the property is located.

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

5 (D) MULTIPLY THE PRODUCT OF THE CALCULATION IN SUBDIVISION (C)
6 BY 2.

7 ~~—— (4) For a period of 1 year after the effective date of the~~
8 ~~2006 amendments to this section, the withdrawal penalty is as~~
9 ~~follows:~~

10 ~~—— (a) Subject to subdivision (b), the withdrawal penalty that~~
11 ~~was in effect immediately prior to the effective date of the 2006~~
12 ~~amendments to this section.~~

13 ~~—— (b) If all of the following occur, an owner of commercial~~
14 ~~forestland is not subject to a withdrawal penalty:~~

15 ~~—— (i) An owner of commercial forestland withdraws his or her land~~
16 ~~from the operation of this part as provided in this section.~~

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

20 ~~—— (iii) The owner of the former commercial forestland claims and~~
21 ~~is granted an exemption from the tax levied by a local school~~
22 ~~district for school operating purposes under section 7jj of the~~
23 ~~general property tax act, 1893 PA 206, MCL 211.7jj.~~

24 (4) ~~(5)~~ An application to withdraw commercial forestland from
25 the operation of this part that meets 1 or more of the following
26 requirements shall be granted without payment of the withdrawal
27 application fee or penalty under this section:

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

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

6 (c) Commercial forestland that has been condemned for public
7 use.

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

15 (6) ~~(7)~~—If an application to withdraw commercial forestland is
16 granted, the department shall immediately notify the applicant, the
17 supervisor of the township, and the register of deeds of the county
18 in which the lands are located of the action and shall file with
19 those officials a list of the lands withdrawn.