

SUBSTITUTE FOR
HOUSE BILL NO. 4969

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending sections 51102, 51103, 51108, 51113, and 51115 (MCL
324.51102, 324.51103, 324.51108, 324.51113, and 324.51115),
sections 51102 and 51115 as added by 1995 PA 57, sections 51103 and
51113 as amended by 2006 PA 383, and section 51108 as amended by
2008 PA 299, and by adding part 514.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 51102. The department shall establish and maintain
2 commercial forests and may promulgate and enforce rules as
3 necessary to accomplish the intent and purpose of this part. ~~All~~
4 ~~expenses incurred and staff employed to implement this part shall~~
5 ~~be with the approval of the state administrative board.~~

6 Sec. 51103. (1) The owner of at least **160 ACRES, COMPOSED OF**

1 **PARCELS OF NOT LESS THAN 40 contiguous acres or a survey unit—UNITS**
2 **consisting of 1/4 of 1/4 of a section of forestland located within**
3 **this state may apply to the department to have that forestland**
4 **determined to be a commercial forest under this part. HOWEVER, THE**
5 **OWNER OF AT LEAST 40 CONTIGUOUS ACRES OR A SURVEY UNIT CONSISTING**
6 **OF 1/4 OF 1/4 OF A SECTION OF FORESTLAND LOCATED WITHIN THIS STATE**
7 **THAT WAS COMMERCIAL FORESTLAND UNDER THIS PART ON THE EFFECTIVE**
8 **DATE OF THE 2011 AMENDMENTS TO THIS SECTION MAY REMAIN AS**
9 **COMMERCIAL FORESTLAND AS LONG AS THE LAND IS OTHERWISE IN**
10 **COMPLIANCE WITH THIS PART.** For purposes of this subsection,
11 "contiguous" means land that touches at any point. Even if portions
12 of commercial forestland are contiguous only at a point, the
13 privilege of hunting and fishing **AS PROVIDED IN SECTION 51113** shall
14 not be denied for any portion of the land. ~~as provided in section~~
15 ~~51113.~~ The existence of a public or private road, a railroad, or a
16 utility right-of-way that separates any part of the land does not
17 make the land noncontiguous.

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

20 (a) Producing not less than 20 cubic feet per acre per year of
21 forest growth upon maturity.

22 (b) Producing tree species that have economic or commercial
23 value.

24 (c) Producing a commercial stand of timber within a reasonable
25 period of time.

26 (3) An application for classification as commercial forest
27 shall be submitted on a form prescribed by the department. The

1 application shall be postmarked or delivered not later than April 1
2 to be eligible for approval as commercial forest for the following
3 tax year. In addition to any information that the department may
4 reasonably require by rule, the applicant shall provide all of the
5 following to the department:

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

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

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

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

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

20 (a) The application, hearing, determination, declassification,
21 and prosecution process.

22 (b) The requirements of the forest management plan.

23 (5) Not later than 3 months after the effective date of the
24 ~~2006-2011~~ amendatory act that amended this section, the department
25 shall notify each county and township and all owners of forestland
26 that is classified as commercial forest under this part, **WHO ARE ON**
27 **RECORD WITH THE DEPARTMENT**, of the amendments to this part that

1 were enacted in ~~2006-2011~~.

2 ~~—— (6) If an applicant is unable to secure the services of a~~
3 ~~registered forester or a natural resources professional to prepare~~
4 ~~a forest management plan, the department upon request shall prepare~~
5 ~~the forest management plan on behalf of the owner of the forestland~~
6 ~~and charge the owner a forest management plan fee not to exceed the~~
7 ~~actual cost of preparing the forest management plan.~~

8 (6) ~~(7)~~ After an owner certifies to the department that a
9 forest management plan has been prepared and is in effect, a
10 violation of that forest management plan is a violation of this
11 part.

12 (7) **FOREST MANAGEMENT PLANS THAT HAVE BEEN SUBMITTED TO THE**
13 **DEPARTMENT OR THE LOCAL TAX COLLECTING UNIT ARE EXEMPT FROM**
14 **DISCLOSURE UNDER THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL**
15 **15.231 TO 15.246.**

16 Sec. 51108. (1) An owner of a commercial forest may withdraw
17 his or her land, in whole or in part, from the operation of this
18 part upon application to the department and payment of the
19 withdrawal application fee and penalty, as provided in this
20 section.

21 (2) Except as otherwise provided by this section, upon
22 application to the department to withdraw commercial forestland
23 from the operation of this part, the applicant shall forward to the
24 department a withdrawal application fee in the amount of \$1.00 per
25 acre with a minimum withdrawal application fee of \$200.00 per
26 application and a maximum withdrawal application fee of \$1,000.00
27 per application.

1 (3) Except as otherwise provided in this section, an
2 application to withdraw commercial forestland from the operation of
3 this part shall be granted upon the payment to the township
4 treasurer in which the commercial forestland is located of a
5 penalty. ~~For applications to withdraw commercial forestland filed~~
6 ~~on or after September 27, 2007 in which the withdrawal penalty has~~
7 ~~not been paid before the effective date of the amendatory act that~~
8 ~~added subdivision (d), the~~ **THE** withdrawal penalty shall be
9 calculated in the following manner:

10 (a) Multiply the number of acres of commercial forestland
11 withdrawn from the operation of this part by 1 of the following:

12 (i) For 2007, 1/2 of the valuation per acre for the county in
13 which the forestland is located.

14 (ii) Beginning in 2008, and for each subsequent year, the
15 number described in subparagraph (i) adjusted annually by the
16 inflation rate for each year after 2007.

17 (b) Multiply the product of the calculation in subdivision (a)
18 by the average millage rate levied by all townships, excluding
19 villages, in the county in which the property is located.

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

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

26 (i) 0.2, if the commercial forestland is located in Luce
27 county.

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

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

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

(v) 0.6, if the commercial 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 commercial forestland is located in Antrim, Baraga, Mason, or Menominee county.

(vii) 0.8, if the commercial 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)

1 for each county.

2 (5) UNTIL 1 YEAR AFTER THE EFFECTIVE DATE OF THE 2011
3 AMENDATORY ACT THAT AMENDED THIS SECTION, THE OWNER OF COMMERCIAL
4 FORESTLAND IS NOT SUBJECT TO A WITHDRAWAL PENALTY IF ALL OF THE
5 FOLLOWING OCCUR:

6 (A) THE OWNER OF COMMERCIAL FORESTLAND WITHDRAWS HIS OR HER
7 LAND FROM THE OPERATION OF THIS PART AS PROVIDED IN THIS SECTION.

8 (B) THE FORMER COMMERCIAL FORESTLAND IS PLACED ON THE
9 ASSESSMENT ROLL IN THE LOCAL TAX COLLECTING UNIT IN WHICH THE
10 FORMER COMMERCIAL FORESTLAND IS LOCATED.

11 (C) THE OWNER OF THE FORMER COMMERCIAL FORESTLAND CLAIMS AND
12 IS GRANTED AN EXEMPTION FOR THAT LAND FROM THE TAX LEVIED BY A
13 LOCAL SCHOOL DISTRICT FOR SCHOOL OPERATING PURPOSES UNDER SECTION
14 7JJ OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.7JJ[1].
15 THE OWNER SHALL SUBMIT TO THE DEPARTMENT A COPY OF THE RECORDED
16 RECEIPT OF TAX EXEMPTION ON A FORM PROVIDED BY THE DEPARTMENT BY
17 DECEMBER 31 OF THE YEAR IN WHICH THE LAND IS WITHDRAWN FROM THIS
18 PART.

19 (6) IF A TRANSFER OF TITLE CAUSES COMMERCIAL FORESTLAND TO NO
20 LONGER MEET THE MINIMUM ACREAGE REQUIREMENTS OF THIS PART OR THE
21 ACCESS REQUIREMENTS DESCRIBED IN SECTION 51113(1), THE COMMERCIAL
22 FORESTLAND SHALL BE WITHDRAWN FROM THIS PART. HOWEVER, THE OWNER OF
23 COMMERCIAL FORESTLAND IS NOT SUBJECT TO A WITHDRAWAL PENALTY IF THE
24 OWNER COMPLIES WITH ALL OF THE CONDITIONS DESCRIBED IN SUBSECTION
25 (5) (A) TO (C).

26 (7) ~~(5)~~—An application to withdraw commercial forestland from
27 the operation of this part that meets 1 or more of the following

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

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

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

8 (c) Commercial forestland that has been condemned for public
9 use.

10 (8) AN APPLICATION TO WITHDRAW COMMERCIAL FORESTLAND FROM THE
11 OPERATION OF THIS PART THAT MEETS ALL OF THE FOLLOWING REQUIREMENTS
12 SHALL BE GRANTED WITHOUT PAYMENT OF THE WITHDRAWAL APPLICATION FEE
13 OR PENALTY UNDER THIS SECTION:

14 (A) EVIDENCE IS SUBMITTED TO THE DEPARTMENT THAT THE LAND MET
15 THE LEGAL REQUIREMENTS TO BE EXEMPT FROM AD VALOREM PROPERTY TAX ON
16 TAX DAY FOR THE TAX YEAR IN WHICH THE LIST APPLICATION WAS
17 SUBMITTED AND APPROVED AND THAT THE LAND WOULD HAVE MET THE LEGAL
18 REQUIREMENTS TO BE EXEMPT FROM AD VALOREM PROPERTY TAX ON TAX DAY
19 FOR EACH YEAR THAT THE LAND WAS SUBJECT TO THE OPERATION OF THIS
20 PART, IF THE LAND HAD NOT BEEN SUBJECT TO THE OPERATION OF THIS
21 PART. AS USED IN THIS SUBSECTION, "TAX DAY" MEANS THAT TERM AS
22 PROVIDED IN SECTION 2 OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206,
23 MCL 211.2.

24 (B) THE APPLICATION TO WITHDRAW IS SUBMITTED TO THE DEPARTMENT
25 BY THE SAME LANDOWNER THAT OWNED THE LAND ON TAX DAY FOR THE TAX
26 YEAR IN WHICH THE LIST APPLICATION WAS SUBMITTED AND THAT SUBMITTED
27 THE APPLICATION FOR DETERMINATION UNDER SECTION 51103.

1 (C) REIMBURSEMENT IS MADE BY THE LANDOWNER TO THE STATE
2 TREASURER FOR THE SPECIFIC TAX THAT WAS PAID BY THE STATE TREASURER
3 TO THE COUNTY TREASURER, AS PROVIDED IN SECTION 51106(1), FOR EACH
4 TAX YEAR THE LAND WAS COMMERCIAL FORESTLAND.

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

12 (10) ~~(7)~~—If an application to withdraw commercial forestland
13 is granted, the department shall immediately notify the applicant,
14 the supervisor of the township, and the register of deeds of the
15 county in which the lands are located of the action and shall file
16 with those officials a list of the lands withdrawn.

17 (11) ~~(8)~~—As used in this section:

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

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

23 Sec. 51113. (1) Except as provided in this section, the owner
24 of a commercial forest shall not use that land in a manner that is
25 prejudicial to its development as a commercial forest, use the land
26 for agricultural, mineral extraction except as provided in this
27 section, grazing, industrial, developed recreational, residential,

1 resort, commercial, or developmental purposes, or deny the general
2 public the privilege of hunting and fishing on commercial
3 forestland unless the land is closed to hunting or fishing, or
4 both, by order of the department or by an act of the legislature.

5 IF THE DEPARTMENT DETERMINES THAT THE OWNER OF COMMERCIAL FOREST
6 HAS TAKEN AN ACTION THAT HAS THE EFFECT OF DENYING OR INHIBITING
7 ACCESS TO THE COMMERCIAL FOREST FOR PUBLIC HUNTING AND FISHING,
8 EXCEPT AS SPECIFICALLY PROVIDED IN THIS PART, THE DEPARTMENT MAY
9 REQUIRE WITHDRAWAL OF THE LAND AS COMMERCIAL FOREST UNDER THIS PART
10 UNLESS THE OWNER CORRECTS THAT ACTION AND ALLOWS ACCESS TO THE
11 COMMERCIAL FOREST FOR PUBLIC HUNTING AND FISHING. IF, ON THE
12 EFFECTIVE DATE OF THE 2011 AMENDMENTS TO THIS SECTION, THERE IS NOT
13 ACCESS TO COMMERCIAL FORESTLAND AND THE LACK OF ACCESS IS NOT THE
14 CONSEQUENCE OF AN ACTION TAKEN BY THE OWNER OF COMMERCIAL
15 FORESTLAND, THE COMMERCIAL FOREST MAY REMAIN AS COMMERCIAL
16 FORESTLAND IF ALL OF THE FOLLOWING APPLY:

17 (A) THERE IS NOT A TRANSFER OF TITLE FOR THE PARCEL OF
18 COMMERCIAL FORESTLAND, OTHER THAN AS A PART OF A LARGER SALE OF
19 10,000 OR MORE ACRES.

20 (B) THE LANDOWNER HAS NOT TAKEN AN ACTION FOLLOWING
21 ACQUISITION OF THE COMMERCIAL FORESTLAND THAT HAS THE EFFECT OF
22 DENYING OR INHIBITING ACCESS TO THE COMMERCIAL FORESTLAND TO THE
23 PUBLIC FOR HUNTING AND FISHING.

24 (C) THE COMMERCIAL FORESTLAND IS OTHERWISE IN COMPLIANCE WITH
25 THIS PART.

26 (2) Exploration for minerals shall be permitted on land listed
27 under this part. Except as provided in subsections (3) and (4),

1 before the removal of any commercial mineral deposits, the owner
2 shall withdraw the portion of the commercial forestland directly
3 affected by the removal pursuant to section 51108. The withdrawal
4 of commercial forestland due to mineral removal as provided in this
5 section and section 51108 shall not cause the remaining portion of
6 the commercial forestland to be withdrawn due to insufficient
7 acreage of the remaining commercial forestland.

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

15 (a) The owner of a commercial forest for personal use if the
16 owner of the commercial forest is also the owner of the sand and
17 gravel deposits.

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

22 (c) ~~This~~ **FOR SALE TO THIS** state, a local unit of government, **A**
23 **FEDERAL GOVERNMENT AGENCY**, or a county road commission, for
24 governmental use, **OR A CONTRACTOR OR OTHER AGENT UNDERTAKING**
25 **CONSTRUCTION, MAINTENANCE, OR A PROJECT FOR 1 OF THESE GOVERNMENTAL**
26 **ENTITIES.**

27 (4) Upon application to and approval by the department,

1 deposits of oil and gas may be removed from the commercial forest
2 without affecting the land's status as a commercial forest.

3 Sec. 51115. (1) The transfer of title of forestland subject to
4 this part ~~shall~~**DOES** not affect that forestland's status as a
5 commercial forest if the forestland continues to meet all of the
6 eligibility requirements under this part. If the purchaser desires
7 to withdraw his or her forestland from this part, the purchaser
8 shall withdraw that forestland pursuant to section 51108. If the
9 forestland's eligibility to be a commercial forest is affected by
10 the transfer of title, the department shall determine which
11 forestlands may remain under this part and which forestlands must
12 be withdrawn or declassified.

13 **(2) IF THE FORESTLAND'S ELIGIBILITY IS AFFECTED BY THE**
14 **TRANSFER OF TITLE BECAUSE THE FORESTLAND DOES NOT MEET THE MINIMUM**
15 **ACREAGE REQUIRED BY THIS PART AND THE OWNER OF THE FORESTLAND DOES**
16 **NOT MEET THE REQUIREMENTS OF SECTION 51108(6), THEN THE FORESTLAND**
17 **SHALL BE WITHDRAWN PURSUANT TO SECTION 51108(3).**

18 **(3)** ~~(2)~~—A document that transfers any interest in commercial
19 forestlands shall state on the face of the document that "this
20 property is subject to part 511, the commercial forest part of the
21 natural resources and environmental protection act". Failure to
22 comply with this subsection does not affect the status of the land
23 as commercial forestland.

24 **(4)** ~~(3)~~—Not later than 30 days after the **COUNTY EQUALIZATION**
25 **OFFICE RECEIVES NOTICE OF A** transfer of title or the transfer of
26 any interest in **A** land contract concerning the commercial
27 forestland, the ~~owner~~**COUNTY EQUALIZATION OFFICE** shall notify the

1 department in writing of the transfer or ownership change.

2 PART 514 QUALIFIED FOREST PROPERTIES

3 SEC. 51401. AS USED IN THIS PART:

4 (A) "COMMERCIAL HARVEST" MEANS A HARVEST CONDUCTED BY A
5 COMMERCIAL LOGGER, WITH A MINIMUM OF 5 CORDS OF WOOD PER ACRE.

6 (B) "CONVERTED BY A CHANGE IN USE" MEANS THAT TERM AS DEFINED
7 IN THE QUALIFIED FOREST PROPERTY RECAPTURE TAX ACT.

8 (C) "DEPARTMENT" MEANS THE DEPARTMENT OF NATURAL RESOURCES.

9 (D) "ENERGY CROP" MEANS SHORT ROTATION WOODY CROPS SUCH AS
10 HYBRID POPLAR AND WILLOW, WHICH MAY BE ELIGIBLE FOR DESIGNATION AS
11 QUALIFIED FOREST PROPERTY IF THEY ARE ESTABLISHED ON NONSTOCKED
12 FORESTLAND WITH LESS THAN 10% FOREST COVER OR PREVIOUSLY CLEARED
13 LAND, AND THE WOODY CROPS ARE PLANTED AT 4,000 TO 6,000 STEMS OR
14 CUTTINGS PER ACRE.

15 (E) "FOREST MANAGEMENT PLAN" MEANS THE PLAN DESCRIBED IN
16 SECTION 51414 FOR SUSTAINABLE FOREST MANAGEMENT.

17 (F) "FOREST PRODUCTS" INCLUDES, BUT IS NOT LIMITED TO, TIMBER,
18 PULPWOOD-RELATED PRODUCTS, AND ENERGY CROPS.

19 (G) "FUND" MEANS THE QUALIFIED FOREST FUND CREATED IN SECTION
20 51418.

21 (H) "GENERAL PROPERTY TAX ACT" MEANS THE GENERAL PROPERTY TAX
22 ACT, 1893 PA 206, MCL 211.1 TO 211.155.

23 (I) "HARVEST RECORDS" MEANS A REPORT OF TIMBER PRODUCTS
24 HARVEST THAT IS COMPLETED AT TIME OF HARVEST AND SUBMITTED TO THE
25 DEPARTMENT AND INCLUDES, BUT IS NOT LIMITED TO, VOLUME OF TIMBER
26 HARVESTED.

27 (J) "OWNER" MEANS ALL LEGAL OWNERS OF THE QUALIFIED FOREST

1 PROPERTY.

2 (K) "PRODUCTIVE FOREST" MEANS REAL PROPERTY CAPABLE OF GROWING
3 NOT LESS THAN 20 CUBIC FEET OF WOOD PER ACRE PER YEAR. HOWEVER, IF
4 PROPERTY HAS BEEN CONSIDERED PRODUCTIVE FOREST, AN ACT OF GOD THAT
5 NEGATIVELY AFFECTS THAT PROPERTY SHALL NOT RESULT IN THAT PROPERTY
6 NOT BEING CONSIDERED PRODUCTIVE FOREST.

7 (I) "QUALIFIED FOREST PROPERTY" MEANS A PARCEL OF REAL PROPERTY
8 THAT MEETS ALL OF THE CONDITIONS AS DESCRIBED IN SECTION 51416.

9 (M) "QUALIFIED FOREST PROPERTY RECAPTURE TAX ACT" MEANS THE
10 QUALIFIED FOREST PROPERTY RECAPTURE TAX ACT, 2006 PA 379, MCL
11 211.1031 TO 211.1036.

12 (N) "QUALIFIED FORESTER" MEANS A REGISTERED FORESTER, A
13 FORESTER CERTIFIED BY THE SOCIETY OF AMERICAN FORESTERS, A FOREST
14 STEWARDSHIP PLAN WRITER, OR OTHER FORESTER QUALIFIED BY THE STATE
15 FORESTER AND POSTED ON THE DEPARTMENT'S INTERNET WEBSITE.

16 (O) "TAX EXEMPTION" MEANS A TAX EXEMPTION FOR QUALIFIED FOREST
17 PROPERTY AS PROVIDED FOR IN THIS PART AND THE GENERAL PROPERTY TAX
18 ACT.

19 SEC. 51402. AN OWNER OF PRODUCTIVE FOREST THAT MEETS THE
20 QUALIFICATIONS UNDER THIS PART AND SUBMITS THE INFORMATION REQUIRED
21 UNDER SECTION 51403 MAY APPLY TO HAVE HIS OR HER PROPERTY
22 DESIGNATED AS A QUALIFIED FOREST PROPERTY AND RECEIVE AN EXEMPTION
23 FROM PROPERTY TAXES AS ALLOWED UNDER THE GENERAL PROPERTY TAX ACT.

24 SEC. 51403. (1) AN OWNER OF PRODUCTIVE FOREST PROPERTY THAT
25 WISHES TO HAVE THE PROPERTY DESIGNATED AS QUALIFIED FOREST PROPERTY
26 SHALL SUBMIT AN APPLICATION TO THE LOCAL TAX COLLECTING UNIT ON A
27 FORM PROVIDED BY THE DEPARTMENT. THE OWNER SHALL PROVIDE A COPY OF

1 THE APPLICATION TO THE DEPARTMENT. THE SUBMITTAL TO THE DEPARTMENT
2 SHALL BE ACCOMPANIED BY A PROGRAM FEE OF \$200.00. PROGRAM FEES
3 COLLECTED UNDER THIS SECTION SHALL BE FORWARDED TO THE STATE
4 TREASURER FOR DEPOSIT INTO THE FUND. THE APPLICATION SHALL CONTAIN
5 ALL OF THE FOLLOWING:

6 (A) A SIGNED STATEMENT FROM A QUALIFIED FORESTER WHO PREPARED
7 A FOREST MANAGEMENT PLAN FOR THE FOREST PROPERTY, ON A FORM CREATED
8 BY THE DEPARTMENT, INDICATING THAT THE PLAN MEETS THE REQUIREMENTS
9 OF THIS PART, THAT THE PROPERTY MEETS THE REQUIREMENTS OF THIS
10 PART, AND THAT ANY BUILDING ON THE PROPERTY MEETS THE REQUIREMENT
11 OF SECTION 51417.

12 (B) A SIGNED STATEMENT FROM THE OWNER OF THE PROPERTY WHO IS
13 APPLYING FOR THE TAX EXEMPTION INDICATING THAT HE OR SHE
14 UNDERSTANDS THE REQUIREMENTS OF THIS PART, AGREES TO MEET THE
15 REQUIREMENTS OF THIS PART, AGREES TO FOLLOW HIS OR HER FOREST
16 MANAGEMENT PLAN, AND IS THE OWNER OF THE PROPERTY.

17 (C) THE LEGAL DESCRIPTION AND PARCEL IDENTIFICATION NUMBER OF
18 THE PROPERTY OR OF THE PARCEL ON WHICH THE PROPERTY IS LOCATED.

19 (D) IF THERE IS A BUILDING ON THE PROPERTY, A MAP THAT SHOWS
20 THE LOCATION AND SIZE OF THE BUILDING AND A LISTING OF THE
21 AMENITIES DESCRIBED IN SECTION 51417.

22 (E) THE TOTAL AMOUNT OF ACREAGE BEING APPLIED FOR A TAX
23 EXEMPTION.

24 (2) THE LOCAL TAX COLLECTING UNIT SHALL DESIGNATE THE PROPERTY
25 AS QUALIFIED FOREST PROPERTY AND SHALL APPLY THE TAX EXEMPTION TO
26 THE PROPERTY IF THE APPLICATION CONTAINS THE INFORMATION REQUIRED
27 IN SUBSECTION (1). THE LOCAL TAX COLLECTING UNIT IS NOT REQUIRED TO

1 APPLY A TAX EXEMPTION IF THE OWNER OF THE PROPERTY IS DIFFERENT
2 FROM THE APPLICANT WHO SUBMITTED THE APPLICATION OR THE PARCEL
3 NUMBER OR DESCRIPTION DOES NOT MATCH THE PARCEL NUMBER OR
4 DESCRIPTION ON THE LOCAL TAX COLLECTING UNIT'S RECORDS.

5 (3) WHEN THE OWNER HAS RECEIVED THE TAX EXEMPTION FROM THE
6 LOCAL TAX COLLECTING UNIT, THE OWNER SHALL FILE A RECEIPT OF THE
7 TAX EXEMPTION WITH THE APPROPRIATE REGISTER OF DEEDS ON A FORM
8 PROVIDED BY THE DEPARTMENT AND SEND A COPY OF THE RECORDED FORM TO
9 THE LOCAL TAX COLLECTING UNIT AND TO THE DEPARTMENT.

10 SEC. 51404. FOR THE 10-YEAR ENROLLMENT PERIOD OF THE CURRENT
11 TAX EXEMPTION, THE OWNER SHALL RETAIN THE CURRENT MANAGEMENT PLAN,
12 THE SIGNED STATEMENT FROM THE QUALIFIED FORESTER UNDER SECTION
13 51403(1)(A), AUDITS OF THE FOREST MANAGEMENT PLAN, HARVEST RECORDS,
14 RECORDED COPY OF RECEIPT OF THE TAX EXEMPTION, AND A MAP THAT SHOWS
15 THE LOCATION AND SIZE OF ANY BUILDINGS AND A LISTING OF THE
16 AMENITIES AS DESCRIBED IN SECTION 51417. THE OWNER SHALL MAKE THE
17 DOCUMENTS AVAILABLE TO THE DEPARTMENT AND TO THE LOCAL TAX
18 COLLECTING UNIT UPON REQUEST.

19 SEC. 51405. (1) IN ORDER TO CONTINUE TO RECEIVE A TAX
20 EXEMPTION, THE OWNER SHALL SUBMIT TO THE DEPARTMENT AND THE LOCAL
21 TAX COLLECTING UNIT A REASSESSMENT APPLICATION 10 YEARS AFTER THE
22 DATE OF ENROLLMENT. THE SUBMITTAL TO THE DEPARTMENT SHALL BE
23 ACCOMPANIED BY A PROGRAM FEE OF \$200.00. PROGRAM FEES COLLECTED
24 UNDER THIS SECTION SHALL BE FORWARDED TO THE STATE TREASURER FOR
25 DEPOSIT INTO THE FUND. THE APPLICATION SHALL BE ON A FORM PROVIDED
26 BY THE DEPARTMENT AND SHALL CONTAIN A SIGNED STATEMENT FROM A
27 QUALIFIED FORESTER THAT AN AUDIT HAS BEEN CONDUCTED OF THE FOREST

1 MANAGEMENT PLAN AND THAT THE PROPERTY IS BEING MANAGED ACCORDING TO
2 THE PLAN, THAT THE PLAN IS CURRENT, THAT THE PROPERTY CONTINUES TO
3 MEET THE REQUIREMENTS OF THIS PART, THAT ANY BUILDING ON THE
4 PROPERTY MEETS THE REQUIREMENT OF SECTION 51417, AND THAT HARVEST
5 REPORTS HAVE BEEN SUBMITTED AS APPROPRIATE.

6 (2) IF AN OWNER FAILS TO SUBMIT A REASSESSMENT APPLICATION 10
7 YEARS AFTER THE DATE OF ENROLLMENT, THE LOCAL TAX COLLECTING UNIT
8 SHALL NOTIFY THE OWNER, IN WRITING, THAT THE OWNER MUST SUBMIT A
9 REASSESSMENT APPLICATION WITHIN 60 DAYS OF THE DATE OF THE NOTICE
10 OR THE TAX EXEMPTION WILL EXPIRE. IF THE LOCAL TAX COLLECTING UNIT
11 DOES NOT RECEIVE A REASSESSMENT APPLICATION WITHIN THIS 60-DAY
12 PERIOD, THE LOCAL TAX COLLECTING UNIT SHALL REMOVE THE PROPERTY TAX
13 EXEMPTION FROM THE PROPERTY ACCORDING TO THE REQUIREMENTS OF THE
14 QUALIFIED FOREST PROPERTY RECAPTURE TAX ACT AND SHALL NOTIFY THE
15 STATE TREASURER THAT THE OWNER IS LIABLE FOR THE RECAPTURE TAX
16 UNDER THE QUALIFIED FOREST PROPERTY RECAPTURE TAX ACT.

17 SEC. 51406. THE OWNER SHALL HAVE AN AUDIT OF THE
18 IMPLEMENTATION OF HIS OR HER FOREST MANAGEMENT PLAN EVERY 10 YEARS
19 AFTER THE DATE OF ENROLLMENT TO DETERMINE IF MANAGEMENT ACTIVITIES
20 ARE BEING CONDUCTED ACCORDING TO THE PLAN AND THAT THE PLAN AND THE
21 PROPERTY STILL MEET THE REQUIREMENTS OF THIS PART. THE AUDIT SHALL
22 BE CONDUCTED BY A QUALIFIED FORESTER.

23 SEC. 51407. (1) WITHIN 45 DAYS OF THE AUDIT UNDER SECTION
24 51406, THE QUALIFIED FORESTER SHALL REPORT ON A FORM PROVIDED BY
25 THE DEPARTMENT TO THE LOCAL TAXING UNIT, THE DEPARTMENT, AND THE
26 DEPARTMENT OF TREASURY IF THE AUDIT REVEALS ANY OF THE FOLLOWING:

27 (A) THE PROPERTY IS NOT BEING MANAGED ACCORDING TO THE FOREST

1 MANAGEMENT PLAN INCLUDING HARVESTING AND THINNING AS DIRECTED BY
2 THE PLAN.

3 (B) THE FOREST MANAGEMENT PLAN WAS NOT PRODUCED AS REQUIRED BY
4 THIS PART IN ORDER TO RECEIVE A TAX EXEMPTION.

5 (C) THE FOREST MANAGEMENT PLAN IS NOT CURRENT AS REQUIRED BY
6 THIS PART.

7 (D) AN AUDIT WAS NOT CONDUCTED IN THE TIME FRAMES REQUIRED BY
8 THIS PART.

9 (E) A BUILDING EXISTS ON THE PROPERTY IN VIOLATION OF
10 ELIGIBILITY REQUIREMENTS UNDER THIS PART.

11 (F) ALL OR A PORTION OF THE PROPERTY HAS BEEN CONVERTED BY A
12 CHANGE IN USE SO THAT IT DOES NOT MEET THE REQUIREMENTS OF THIS
13 PART.

14 (G) A HARVEST OCCURRED WITHOUT A HARVEST RECORD BEING
15 SUBMITTED TO THE DEPARTMENT.

16 (H) A COPY OF THE RECEIPT OF TAX EXEMPTION WAS NOT FILED WITH
17 THE REGISTER OF DEEDS OR A RECORDED COPY WAS NOT PROVIDED TO THE
18 LOCAL TAX COLLECTING UNIT AND THE DEPARTMENT.

19 (2) THE QUALIFIED FORESTER SHALL PROVIDE THE OWNER 30 DAYS TO
20 PROVIDE DOCUMENTATION OF ACTIONS TAKEN TO RESOLVE ANY ISSUES OF
21 NONCOMPLIANCE BEFORE REPORTING ANY VIOLATIONS AS REQUIRED IN
22 SUBSECTION (1).

23 (3) IF A VIOLATION UNDER THIS SECTION IS REPORTED TO THE LOCAL
24 TAX COLLECTING UNIT, THE LOCAL TAX COLLECTING UNIT SHALL RESCIND
25 THE TAX EXEMPTION ON THE PROPERTY AND NOTIFY THE DEPARTMENT OF
26 TREASURY AND THE DEPARTMENT.

27 (4) THE STATE TREASURER SHALL LEVY THE RECAPTURE TAX AND

1 PENALTY, IF APPLICABLE, ON THE PROPERTY OWNER AS DESCRIBED IN THE
2 QUALIFIED FOREST PROPERTY RECAPTURE TAX ACT AND THE GENERAL
3 PROPERTY TAX ACT.

4 SEC. 51408. (1) THE DEPARTMENT MAY AT ANY TIME CONDUCT AN
5 AUDIT OF ANY QUALIFIED FOREST PROPERTY RECEIVING A TAX EXEMPTION
6 AND SHALL BE PROVIDED ACCESS TO THE PROPERTY FOR THIS PURPOSE BY
7 THE OWNER UPON REQUEST. THE DEPARTMENT SHALL NOTIFY THE OWNER AT
8 LEAST 45 DAYS PRIOR TO CONDUCTING THE AUDIT. THE OWNER SHALL SUBMIT
9 THE REQUIRED DOCUMENTS WITHIN 30 DAYS OF RECEIPT OF THE REQUEST OF
10 THE DEPARTMENT. A COPY OF THE COMPLETED AUDIT SHALL BE RETURNED TO
11 THE OWNER WHO SHALL RETAIN THE AUDIT IN HIS OR HER RECORDS.

12 (2) WITHIN 45 DAYS OF THE AUDIT, THE DEPARTMENT SHALL REPORT
13 TO THE LOCAL TAX COLLECTING UNIT, THE DEPARTMENT, AND THE
14 DEPARTMENT OF TREASURY IF THE AUDIT REVEALS ANY OF THE VIOLATIONS
15 DESCRIBED IN SECTION 51407(1).

16 (3) THE DEPARTMENT SHALL PROVIDE THE OWNER 30 DAYS TO PROVIDE
17 DOCUMENTATION OF ACTIONS TAKEN TO RESOLVE ANY ISSUES OF
18 NONCOMPLIANCE BEFORE REPORTING ANY VIOLATIONS AS REQUIRED IN
19 SUBSECTION (2).

20 (4) IF A VIOLATION AS DESCRIBED IN SECTION 51407(1) IS
21 REPORTED TO THE TAXING UNIT, THE TAXING UNIT SHALL RESCIND THE TAX
22 EXEMPTION ON THE PROPERTY AND NOTIFY THE DEPARTMENT OF TREASURY AND
23 THE DEPARTMENT.

24 (5) IF THE TAX EXEMPTION IS RESCINDED UNDER SUBSECTION (4),
25 THE STATE TREASURER SHALL LEVY THE RECAPTURE TAX AND PENALTY, IF
26 APPLICABLE, ON THE PROPERTY OWNER AS DESCRIBED IN THE QUALIFIED
27 FOREST PROPERTY RECAPTURE TAX ACT AND THE GENERAL PROPERTY TAX ACT.

1 (6) IN PERFORMING AUDITS OF PROPERTIES, THE DEPARTMENT SHALL
2 TAKE INTO CONSIDERATION WHETHER THE PROPERTY HAS BEEN THIRD-PARTY
3 CERTIFIED OR IS ENROLLED IN THE TREE FARM PROGRAM PURSUANT TO AFF
4 CURRENT STANDARDS OF SUSTAINABILITY FOR FOREST CERTIFICATION
5 THROUGH THE AMERICAN TREE FARM SYSTEM.

6 SEC. 51409. IF A BUILDING IS PLACED ON THE PROPERTY AFTER A
7 TAX EXEMPTION IS PROVIDED, THE OWNER SHALL IMMEDIATELY NOTIFY THE
8 LOCAL TAX COLLECTING UNIT ON A FORM PROVIDED BY THE LOCAL TAX
9 COLLECTING UNIT AND CREATED BY THE DEPARTMENT. INCLUDED IN THE
10 NOTIFICATION SHALL BE A COPY OF A MAP THAT SHOWS THE LOCATION AND
11 SIZE OF THE BUILDING AND A LISTING OF THE AMENITIES AS DESCRIBED IN
12 SECTION 51417. THE LOCAL TAX COLLECTING UNIT SHALL DETERMINE IF THE
13 BUILDING IS ALLOWED UNDER SECTION 51417 AND SHALL MAKE THE
14 NECESSARY CHANGES TO THE ASSESSMENT OF THE PROPERTY, WHICH CHANGES
15 SHALL BE EFFECTIVE FOR THE IMMEDIATELY SUCCEEDING TAX YEAR.

16 SEC. 51410. (1) IF ALL OR A PORTION OF THE PROPERTY IS
17 CONVERTED BY A CHANGE IN USE, THE OWNER SHALL IMMEDIATELY NOTIFY
18 THE LOCAL TAX COLLECTING UNIT, THE DEPARTMENT, AND THE DEPARTMENT
19 OF TREASURY ON A FORM CREATED BY THE DEPARTMENT.

20 (2) UPON RECEIPT OF NOTICE UNDER SUBSECTION (1), THE LOCAL TAX
21 COLLECTING UNIT SHALL IMMEDIATELY RESCIND THE TAX EXEMPTION FOR THE
22 PROPERTY AND SHALL PLACE THE PROPERTY ON THE TAX ROLL FOR THE
23 IMMEDIATELY SUCCEEDING TAX YEAR.

24 (3) UPON RECEIPT OF NOTICE UNDER SUBSECTION (1), THE STATE
25 TREASURER SHALL IMMEDIATELY BEGIN COLLECTION OF THE RECAPTURE TAX
26 AND PENALTY, IF APPLICABLE, AS PROVIDED FOR IN THE QUALIFIED FOREST
27 PROPERTY RECAPTURE TAX ACT AND THE GENERAL PROPERTY TAX ACT.

1 SEC. 51411. THE OWNER SHALL REPORT ANY HARVEST CONDUCTED ON
2 THE PROPERTY TO THE DEPARTMENT AND TO THE LOCAL TAX COLLECTING UNIT
3 ON A FORM PROVIDED BY THE DEPARTMENT. THE HARVEST REPORT SHALL
4 CONTAIN THE VOLUME OF TIMBER HARVESTED FROM THE PROPERTY, THE NAME
5 AND CONTACT INFORMATION OF THE PERSON CONDUCTING THE HARVEST, THE
6 NUMBER OF ACRES ON WHICH THE HARVEST OCCURRED, AND THE DATE OF THE
7 HARVEST. THE REPORT SHALL BE SUBMITTED TO THE DEPARTMENT WITHIN 30
8 DAYS AFTER THE HARVEST WAS COMPLETED. THE OWNER SHALL RETAIN ALL
9 HARVEST RECORDS DURING THE 10-YEAR ENROLLMENT PERIOD OF THE CURRENT
10 TAX EXEMPTION.

11 SEC. 51412. (1) AN OWNER MAY CLAIM A TAX EXEMPTION FROM
12 PROPERTY TAXES FOR NOT MORE THAN 640 ACRES OF QUALIFIED FOREST
13 PROPERTY IN EACH LOCAL TAX COLLECTING UNIT.

14 (2) THE LOCAL TAX COLLECTING UNIT SHALL EXEMPT QUALIFIED
15 FOREST PROPERTY FROM THE COLLECTION OF THE TAX AS PROVIDED IN THE
16 GENERAL PROPERTY TAX ACT UNTIL THE PROPERTY IS NO LONGER QUALIFIED
17 FOREST PROPERTY.

18 SEC. 51413. THE DEPARTMENT SHALL POST ON ITS INTERNET WEBSITE
19 EACH CALENDAR YEAR THE ANNUAL VOLUME OF TIMBER HARVESTED ON
20 QUALIFIED FOREST PROPERTIES. THE REPORT SHALL BE BASED UPON THE
21 HARVEST REPORTS RECEIVED FROM OWNERS.

22 SEC. 51414. (1) THE OWNER SHALL HAVE A CURRENT FOREST
23 MANAGEMENT PLAN PREPARED BY A QUALIFIED FORESTER. A FOREST
24 MANAGEMENT PLAN SHALL CONTAIN ALL OF THE FOLLOWING:

25 (A) THE NAME, ADDRESS, AND DATED SIGNATURE OF EACH OWNER OF
26 THE PROPERTY.

27 (B) THE EXPIRATION DATE OF THE PLAN.

1 (C) THE LEGAL DESCRIPTION AND PARCEL IDENTIFICATION NUMBER OF
2 THE PROPERTY OR OF THE PARCEL ON WHICH THE PROPERTY IS LOCATED.

3 (D) A STATEMENT OF THE OWNER'S FOREST MANAGEMENT OBJECTIVES,
4 WHICH MUST INCLUDE COMMERCIAL TIMBER PRODUCTION.

5 (E) A MAP, DIAGRAM, OR AERIAL PHOTOGRAPH THAT IDENTIFIES BOTH
6 FORESTED AND UNFORESTED AREAS OF THE PROPERTY, USING CONVENTIONAL
7 MAP SYMBOLS INDICATING THE SPECIES, SIZE, AND DENSITY OF VEGETATION
8 AND OTHER MAJOR FEATURES OF THE PROPERTY.

9 (F) A NARRATIVE DESCRIPTION OF EACH MANAGEMENT UNIT THAT
10 INCLUDES ALL OF THE FOLLOWING:

11 (i) ACREAGE, COVER TYPE, STAND DENSITY, MEASURED BY BASAL AREA
12 OR TREES PER ACRE, AND AGE OF MAIN STAND.

13 (ii) A MEASURE OF THE SITE QUALITY AND PRODUCTIVITY THAT SHOWS
14 THAT THE STAND IS CAPABLE OF GROWING 20 CUBIC FEET PER ACRE PER
15 YEAR, SUCH AS SITE INDEX OR VOLUME GROWTH PER ACRE PER YEAR.

16 (iii) A DESCRIPTION OF THE SILVICULTURAL PRACTICES SUCH AS
17 SHELTERWOOD, SEED TREE, OR SELECTION EMPLOYED TO ACHIEVE THE UNIT
18 OBJECTIVE AND PROMOTE SUCCESSFUL REGENERATION.

19 (G) A DESCRIPTION OF THE FORESTRY PRACTICES, INCLUDING
20 HARVESTING, THINNING, AND REFORESTATION, THAT WILL BE UNDERTAKEN,
21 SPECIFYING THE APPROXIMATE PERIOD OF TIME BEFORE EACH IS COMPLETED.

22 (H) A DESCRIPTION OF ACTIVITIES THAT MAY BE UNDERTAKEN FOR THE
23 MANAGEMENT OF FOREST RESOURCES OTHER THAN TREES, INCLUDING WILDLIFE
24 HABITAT, WATERSHEDS, AND AESTHETIC FEATURES.

25 (I) A SUMMARY TABLE OR SPREADSHEET OF ALL STANDS LISTING THEIR
26 PRESCRIBED PRACTICES, APPROXIMATE TREATMENT SCHEDULE, AND DATES OF
27 ACCOMPLISHMENT.

1 (J) A DESCRIPTION OF SOIL CONSERVATION PRACTICES THAT MAY BE
2 NECESSARY TO CONTROL ANY SOIL EROSION THAT MAY RESULT FROM THE
3 PRACTICES DESCRIBED PURSUANT TO SUBDIVISIONS (G), (H), AND (I).

4 (K) A HARVEST SCHEDULE THAT INCLUDES A COMMERCIAL HARVEST
5 WITHIN 30 YEARS OF RECEIPT OF THE TAX EXEMPTION. HOWEVER, FOR AN
6 OWNER TRANSFERRING COMMERCIAL FORESTLAND UNDER PART 511 TO
7 QUALIFIED FOREST PROPERTY UNDER THIS PART, IF A QUALIFIED FORESTER
8 DETERMINES THAT MORE THAN 30 YEARS IS NEEDED FOR A VIABLE
9 COMMERCIAL HARVEST, THE HARVEST SCHEDULE MAY EXTEND BEYOND 30
10 YEARS, BUT SHALL INCLUDE A COMMERCIAL HARVEST WITHIN 40 YEARS OF
11 RECEIPT OF THE TAX EXEMPTION.

12 (2) A FOREST MANAGEMENT PLAN SHALL INCLUDE A STATEMENT SIGNED
13 BY A QUALIFIED FORESTER AND NOTARIZED BY A NOTARY PUBLIC THAT THE
14 PLAN WAS PREPARED BY THE QUALIFIED FORESTER.

15 (3) ONCE A COMMERCIAL HARVEST HAS OCCURRED, THE FOREST
16 MANAGEMENT PLAN FOR QUALIFIED FOREST PROPERTY SHALL BE UPDATED TO
17 MANAGE THE PROPERTY FOR COMMERCIAL TIMBER HARVESTS COMMENSURATE
18 WITH THE FOREST COVER ON THE PROPERTY.

19 (4) IF QUALIFIED FOREST PROPERTY IS NEGATIVELY IMPACTED BY
20 WEATHER, DISEASE, OR OTHER ACT OF GOD, A REVISED FOREST MANAGEMENT
21 PLAN SHALL BE WRITTEN IN ACCORDANCE WITH THIS PART. HOWEVER, A
22 REVISED FOREST MANAGEMENT PLAN PREPARED UNDER THIS SUBSECTION MAY
23 EXTEND THE HARVEST DATE BEYOND THE REQUIREMENT IN SUBSECTION (1) (K)
24 BY AN AMOUNT OF TIME THAT IS APPROVED BY THE DEPARTMENT.

25 SEC. 51415. IN ORDER FOR AN OWNER TO RECEIVE A TAX EXEMPTION,
26 THE OWNER SHALL AGREE TO ALL OF THE FOLLOWING:

27 (A) CONDUCTING OF FOREST MANAGEMENT PRACTICES AS PRESCRIBED BY

1 THE FOREST MANAGEMENT PLAN ACCORDING TO THE TIME FRAMES CONTAINED
2 IN THE PLAN.

3 (B) SUBJECT TO SECTION 51414(1)(K) OR (4), CONDUCTING OF A
4 FOREST THINNING OR HARVEST AS PRESCRIBED BY THE FOREST MANAGEMENT
5 PLAN WITHIN 30 YEARS AFTER THE RECEIPT OF THE TAX EXEMPTION.
6 SUBSEQUENT FOREST MANAGEMENT PLANS SHALL PROVIDE FOR COMMERCIAL
7 HARVESTS COMMENSURATE WITH THE FOREST COVER ON THE PROPERTY.

8 (C) AN AUDIT BY A QUALIFIED FORESTER EVERY 10 YEARS AS
9 PROVIDED FOR IN SECTION 51406.

10 (D) ALLOWING THE DEPARTMENT TO ENTER HIS OR HER PROPERTY TO
11 CONDUCT AN AUDIT AS PROVIDED FOR IN SECTION 51408.

12 (E) SUBMITTING AND RETAINING NECESSARY FOREST MANAGEMENT
13 PLANS, REPORTS, AUDITS, AND SIGNED STATEMENTS AS DESCRIBED IN
14 SECTION 51404.

15 SEC. 51416. IN ORDER FOR A PROPERTY TO BE CONSIDERED FOR A TAX
16 EXEMPTION, THE PROPERTY SHALL MEET ALL OF THE FOLLOWING
17 REQUIREMENTS:

18 (A) EXCEPT AS PROVIDED IN SUBDIVISION (D), IS NOT LESS THAN 10
19 CONTIGUOUS ACRES IN SIZE, OF WHICH NOT LESS THAN 80% IS PRODUCTIVE
20 FOREST CAPABLE OF PRODUCING FOREST PRODUCTS. CONTIGUITY IS NOT
21 BROKEN BY A ROAD, A RIGHT-OF-WAY, OR PROPERTY PURCHASED OR TAKEN
22 UNDER CONDEMNATION PROCEEDINGS BY A PUBLIC UTILITY FOR POWER
23 TRANSMISSION LINES IF THE 2 PARCELS SEPARATED BY SALE OR
24 CONDEMNATION WERE A SINGLE PARCEL PRIOR TO THE SALE OR
25 CONDEMNATION.

26 (B) HAS NO BUILDINGS LOCATED ON THE REAL PROPERTY EXCEPT AS
27 PROVIDED IN SECTION 51417.

1 (C) IS SUBJECT TO A FOREST MANAGEMENT PLAN AS DESCRIBED IN
2 SECTION 51414.

3 (D) IF THE PROPERTY HAS A BUILDING AS PROVIDED IN SECTION
4 51417, THE PROPERTY SHALL BE NOT LESS THAN 20 ACRES IN SIZE.

5 SEC. 51417. (1) EXCEPT AS PROVIDED IN THIS SECTION, A BUILDING
6 DEVELOPED FOR HUMAN RESIDENCE IS NOT ALLOWED ON QUALIFIED FOREST
7 PROPERTY. ANY BUILDING CONTAINING 5 OR MORE OF THE FOLLOWING
8 CHARACTERISTICS IS CONSIDERED DEVELOPED FOR HUMAN RESIDENCE AND THE
9 PARCEL OF PROPERTY ON WHICH THE BUILDING IS SITUATED, INCLUDING THE
10 SEPTIC SYSTEM, IS NOT ELIGIBLE FOR A TAX EXEMPTION:

11 (A) THE BUILDING IS 800 SQUARE FEET OR MORE IN TOTAL AREA
12 USING EXTERIOR DIMENSIONS OF LIVING SPACE INCLUDING EACH LEVEL, BUT
13 EXCLUDING PORCHES, DECKS, OR UNINSULATED SCREEN PORCHES.

14 (B) THE BUILDING CONTAINS INDOOR PLUMBING INCLUDING WATER AND
15 SEWER PIPED TO EITHER A MUNICIPAL OR SEPTIC SYSTEM.

16 (C) THE BUILDING HAS A FULL OR PARTIAL BASEMENT.

17 (D) THE BUILDING HAS ELECTRICAL SERVICE BY CONNECTION TO THE
18 LINES OF A POWER COMPANY.

19 (E) THE BUILDING HAS CENTRAL HEATING OR COOLING, INCLUDING
20 ELECTRIC, WOOD, BIOFUELS, OR GAS FURNACE OR OTHER HEATER WITH A
21 CIRCULATION SYSTEM.

22 (F) THE BUILDING IS INSULATED USING PRODUCTS DESIGNED FOR THAT
23 PURPOSE.

24 (G) THE BUILDING HAS TELEPHONE SERVICE LINKED TO A LANDLINE.

25 (H) THE BUILDING IS ATTACHED TO OR HAS A SEPARATE GARAGE, NOT
26 INCLUDING BUILDINGS FOR VEHICLES USED PRIMARILY FOR WORK OR
27 RECREATION ON THE PROPERTY.

1 (2) ANY BUILDING CONTAINING FEWER THAN 5 CHARACTERISTICS
2 LISTED IN SUBSECTION (1) IS ELIGIBLE TO BE INCLUDED ON THE
3 PROPERTY. HOWEVER, THE BUILDING AND 1 ACRE OF PROPERTY SHALL NOT
4 RECEIVE THE TAX EXEMPTION.

5 SEC. 51418. (1) THE QUALIFIED FOREST FUND IS CREATED WITHIN
6 THE STATE TREASURY.

7 (2) THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM
8 ANY SOURCE FOR DEPOSIT INTO THE FUND. THE STATE TREASURER SHALL
9 DIRECT THE INVESTMENT OF THE FUND. THE STATE TREASURER SHALL CREDIT
10 TO THE FUND INTEREST AND EARNINGS FROM FUND INVESTMENTS.

11 (3) MONEY IN THE FUND AT THE CLOSE OF THE FISCAL YEAR SHALL
12 REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.

13 (4) THE DEPARTMENT SHALL BE THE ADMINISTRATOR OF THE FUND FOR
14 AUDITING PURPOSES.

15 (5) THE DEPARTMENT SHALL EXPEND MONEY FROM THE FUND, UPON
16 APPROPRIATION, ONLY TO ADMINISTER THIS PART INCLUDING TO SUPPORT
17 DATA MANAGEMENT AND FOREST PROPERTY AUDITS UNDER THIS PART.

18 SEC. 51419. (1) WITHIN 90 DAYS AFTER THE EFFECTIVE DATE OF
19 THIS PART, THE DEPARTMENT SHALL PROVIDE WRITTEN NOTICE OF THE 2011
20 AMENDMENTS TO THIS PART TO ALL OWNERS OF FOREST PROPERTY RECEIVING
21 A TAX EXEMPTION UNDER SECTION 7JJ OF THE GENERAL PROPERTY TAX ACT,
22 1893 PA 206, MCL 211.7JJ[1], ON THE EFFECTIVE DATE OF THIS PART WHO
23 ARE ON RECORD WITH THE DEPARTMENT. AN OWNER OF FOREST PROPERTY
24 RECEIVING A TAX EXEMPTION UNDER SECTION 7JJ OF THE GENERAL PROPERTY
25 TAX ACT, 1893 PA 206, MCL 211.7JJ[1], ON THE EFFECTIVE DATE OF THIS
26 PART SHALL BE REQUIRED TO MEET THE HARVESTING REQUIREMENTS OF THIS
27 PART WITHIN 30 YEARS FROM THE EFFECTIVE DATE OF THIS PART AND,

1 WITHIN 180 DAYS AFTER THE EFFECTIVE DATE OF THIS PART, SHALL
2 PROVIDE TO THE DEPARTMENT AND THE LOCAL TAXING UNIT A SIGNED
3 STATEMENT FROM A QUALIFIED FORESTER AS DESCRIBED IN SECTION
4 51403(1)(A).

5 (2) IF AN OWNER OF PROPERTY RECEIVING A TAX EXEMPTION AS
6 QUALIFIED FOREST PROPERTY UNDER SECTION 7JJ OF THE GENERAL PROPERTY
7 TAX ACT, 1893 PA 206, MCL 211.7JJ[1], ON THE EFFECTIVE DATE OF THIS
8 PART DOES NOT WISH TO CONDUCT A COMMERCIAL HARVEST, OR THE PROPERTY
9 IS NOT CAPABLE OF PRODUCTION OF A COMMERCIAL HARVEST AS REQUIRED BY
10 THIS SECTION, OR IF THE REQUIREMENTS OF THIS PART CAUSE MATERIAL
11 BURDEN TO THE LANDOWNER, THE LANDOWNER MAY PETITION TO REMOVE THE
12 TAX EXEMPTION FROM THE PROPERTY WITHIN 180 DAYS AFTER THE EFFECTIVE
13 DATE OF THIS PART. THE PETITION SHALL BE ON A FORM CREATED BY THE
14 DEPARTMENT AND SHALL BE SENT TO THE DEPARTMENT AND THE LOCAL TAX
15 COLLECTING UNIT. UPON RECEIPT OF THAT PETITION, THE LOCAL TAX
16 COLLECTING UNIT SHALL RESCIND THE TAX EXEMPTION AND PLACE THE
17 PROPERTY ON THE TAX ROLL. THE PROPERTY OWNER SHALL NOT BE CHARGED
18 THE RECAPTURE TAX AND PENALTY AS DESCRIBED IN THE QUALIFIED FOREST
19 PROPERTY RECAPTURE TAX ACT AND THE GENERAL PROPERTY TAX ACT.

20 SEC. 51420. (1) A LANDOWNER THAT ACQUIRES PROPERTY THAT IS
21 RECEIVING A TAX EXEMPTION SHALL DO EITHER OF THE FOLLOWING WITHIN
22 60 DAYS OF TRANSFER OF TITLE:

23 (A) CERTIFY TO THE DEPARTMENT AND THE LOCAL TAXING UNIT THAT
24 THE LANDOWNER IS ASSUMING THE PREVIOUS LANDOWNER'S FOREST
25 MANAGEMENT PLAN AND WILL MANAGE THE LAND ACCORDING TO THAT PLAN.

26 (B) PROVIDE TO THE DEPARTMENT AND THE LOCAL TAXING UNIT THE
27 SIGNED STATEMENTS DESCRIBED IN SECTION 51403(1)(A) AND (B).

1 (2) IF A LANDOWNER FAILS TO COMPLY WITH THE REQUIREMENTS OF
2 SUBSECTION (1), THE LOCAL TAX COLLECTING UNIT SHALL RESCIND THE TAX
3 EXEMPTION AND PLACE THE PROPERTY ON THE TAX ROLL. THE PROPERTY
4 OWNER SHALL BE CHARGED THE RECAPTURE TAX AND PENALTY AS DESCRIBED
5 IN THE QUALIFIED FOREST PROPERTY RECAPTURE TAX ACT AND THE GENERAL
6 PROPERTY TAX ACT.

7 (3) TRANSFER OF TITLE DOES NOT CHANGE THE REQUIREMENT THAT A
8 HARVEST BE CONDUCTED WITHIN 30 YEARS OF THE DATE THAT THE PROPERTY
9 INITIALLY RECEIVED THE TAX EXEMPTION.

10 SEC. 51421. (1) A PERSON CLAIMING AN EXEMPTION UNDER THIS PART
11 SHALL NOT DO ANY OF THE FOLLOWING:

12 (A) MAKE A FALSE OR FRAUDULENT AFFIDAVIT CLAIMING AN EXEMPTION
13 OR A FALSE STATEMENT ON AN AFFIDAVIT CLAIMING A TAX EXEMPTION.

14 (B) AID, ABET, OR ASSIST ANOTHER IN AN ATTEMPT TO WRONGFULLY
15 OBTAIN A TAX EXEMPTION.

16 (C) MAKE OR PERMIT TO BE MADE FOR HIMSELF OR HERSELF OR FOR
17 ANY OTHER PERSON A FALSE AFFIDAVIT CLAIMING A TAX EXEMPTION OR A
18 FALSE STATEMENT ON AN AFFIDAVIT CLAIMING A TAX EXEMPTION, EITHER IN
19 WHOLE OR IN PART.

20 (D) FAIL TO RESCIND A TAX EXEMPTION AFTER THE PROPERTY SUBJECT
21 TO THAT EXEMPTION IS NO LONGER ELIGIBLE TO RECEIVE THE TAX
22 EXEMPTION.

23 (2) A PERSON WHO VIOLATES A PROVISION OF SUBSECTION (1) WITH
24 THE INTENT TO WRONGFULLY OBTAIN OR ATTEMPT TO OBTAIN A TAX
25 EXEMPTION UNDER THIS PART IS GUILTY OF A MISDEMEANOR PUNISHABLE BY
26 IMPRISONMENT FOR NOT MORE THAN 1 YEAR AND PUNISHABLE BY A FINE OF
27 NOT MORE THAN \$5,000.00 OR PUBLIC SERVICE OF NOT MORE THAN 1,500

1 HOURS, OR BOTH.

2 (3) IN ADDITION TO THE PENALTIES PROVIDED IN SUBSECTION (2), A
3 PERSON WHO KNOWINGLY SWEARS TO OR VERIFIES AN AFFIDAVIT CLAIMING A
4 TAX EXEMPTION UNDER THIS PART, OR AN AFFIDAVIT CLAIMING A TAX
5 EXEMPTION UNDER THIS PART THAT CONTAINS A FALSE OR FRAUDULENT
6 STATEMENT, WITH THE INTENT TO AID, ABET, OR ASSIST IN DEFRAUDING
7 THIS STATE OR A POLITICAL SUBDIVISION OF THIS STATE, IS GUILTY OF
8 PERJURY, A MISDEMEANOR PUNISHABLE BY IMPRISONMENT FOR NOT MORE THAN
9 1 YEAR AND PUNISHABLE BY A FINE OF NOT MORE THAN \$5,000.00 OR
10 PUBLIC SERVICE OF NOT MORE THAN 1,500 HOURS, OR BOTH.

11 (4) A PERSON WHO DOES NOT VIOLATE A PROVISION OF SUBSECTION
12 (1), BUT WHO KNOWINGLY VIOLATES ANY OTHER PROVISION OF THIS PART
13 WITH THE INTENT TO DEFRAUD THIS STATE OR A POLITICAL SUBDIVISION OF
14 THIS STATE, IS GUILTY OF A MISDEMEANOR PUNISHABLE BY A FINE OF NOT
15 MORE THAN \$1,000.00 OR PUBLIC SERVICE OF NOT MORE THAN 500 HOURS,
16 OR BOTH.

17 (5) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, A PERSON WHO
18 VIOLATES THIS PART IS RESPONSIBLE FOR A STATE CIVIL INFRACTION AND
19 MAY BE ORDERED TO PAY A CIVIL FINE OF NOT MORE THAN \$500.00.

20 (6) THE ATTORNEY GENERAL AND THE PROSECUTING ATTORNEY OF EACH
21 COUNTY OF THIS STATE HAVE CONCURRENT POWER TO ENFORCE THIS ACT.

22 SEC. 51422. A COURT MAY ALLOW THE DEPARTMENT TO RECOVER
23 REASONABLE COSTS AND ATTORNEY FEES INCURRED IN A PROSECUTION
24 RESULTING IN A CONVICTION FOR A VIOLATION OF THIS PART.

25 Enacting section 1. This amendatory act does not take effect
26 unless all of the following bills of the 96th Legislature are
27 enacted into law:

- 1 (a) House Bill No. 4302.
- 2 (b) House Bill No. 4970.