

Act No. 48
Public Acts of 2013
Approved by the Governor
June 5, 2013
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**STATE OF MICHIGAN
97TH LEGISLATURE
REGULAR SESSION OF 2013**

Introduced by Rep. Foster

ENROLLED HOUSE BILL No. 4069

AN ACT to amend 1994 PA 451, entitled "An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to protect the people's right to hunt and fish; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, assessments, and donations; to provide certain appropriations; to prescribe penalties and provide remedies; and to repeal acts and parts of acts," 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 2012 PA 248.

The People of the State of Michigan enact:

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.

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.

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 1 year after the effective date of the 2013 amendatory act that amended this section, the owner of forestland that is withdrawn from the classification as commercial forest under this part is not subject to a withdrawal penalty if all of the following occur:

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

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

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department a copy of the recorded qualified forest school tax affidavit by December 31 of the year in which the land is withdrawn from this part.

(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 supervisor 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) 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.

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.

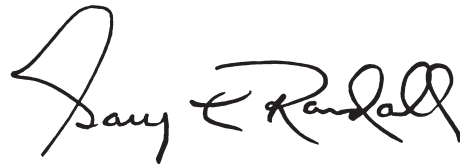
Sec. 51115. (1) The transfer of title of forestland classified as commercial forest under this part does not affect that forestland's classification as a commercial forest if the forestland continues to meet all of the eligibility requirements under this part. If the purchaser desires to withdraw his 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.

Enacting section 1. This amendatory act takes effect June 1, 2013.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor