



MICHIGAN'S COMMERCIAL FOREST ACT

(Act 94, P.A. 1925, as amended through 1993)

SUMMARY

benefits to the landowner:

Listed forest lands do not pay ad valorem general property taxes. Instead, a specific tax of \$1.10/acre is paid annually. Owners will have a forest management plan for their listed lands.

Some Requirements:

- ❖ Listed lands must be devoted to commercial forest management.
- ❖ A minimum of 40 contiguous forested acres in one ownership must be available for listing.
- ❖ Listed land must be open to the public for hunting and fishing.
- ❖ The owner must have a forest management plan written by a registered forester or a natural resources professional that prescribes how the listed land will be managed and that schedules treatments such as reforestation and timber harvesting. This plan must be in effect on the owner's listed land.
- ❖ Listed land cannot be used for agriculture, mineral extraction, grazing, industry, developed recreation, residences, resorts, commercial purposes, or developmental purposes.
- ❖ Land managed for Christmas trees is not eligible.
- ❖ Newly planted trees must have survived through 2 growing seasons before the planted land can be considered for listing.

How to apply:

- ❖ Application forms are available from the Forest Management Division, Michigan Department of Natural Resources.
- ❖ **Landowners should discuss their land with a DNR Forester before applying to list that land.**
- ❖ Applications must be postmarked no later than June 1 to be considered for listing on January 1 of the following year.
- ❖ A non-refundable application fee of \$1.00/acre up to a maximum of \$1,000.00 must be submitted with the application.
- ❖ The landowner must certify in the application that there is a written forest management plan in effect on the land.
- ❖ The landowner must certify that he/she owns the timber rights for the timber on the land.

timber Management:

- ❖ An owner must notify the Department in writing prior to any tree cutting, tree harvesting, or tree removal on listed land.
- ❖ All timber management, tree cutting, and reforestation on listed lands must be done according to the written forest management plan in effect for those lands. Violation of this plan is also a violation of the Act.

Withdrawing land:

- ❖ An owner can withdraw listed land by applying to the DNR.

There are two (2) withdrawal payments you must make. One is the WITHDRAWAL APPLICATION FEE that you must submit with the application (see instruction below). The second payment is the WITHDRAWAL PENALTY. It will be calculated by the DNR and billed to you after the DNR receives your withdrawal application. Then the DNR will send you instructions for paying the withdrawal penalty.

CALCULATING WITHDRAWAL APPLICATION FEE

- 200 acres or less being withdrawn, withdrawal fee = \$200.00
- 201 acres or more being withdrawn, withdrawal fee = \$1.00 per acre to a maximum of \$1,000.00

- ❖ Lands listed before January 1, 1994 will be subject to a withdrawal penalty equivalent to a maximum of 7 years ad valorem taxes.
- ❖ Lands listed after January 1, 1994 will subject to a withdrawal penalty equivalent to a maximum of 15 years ad valorem taxes.

Other:

- ❖ If the owner's CFA specific tax is not paid on listed lands each year, those lands may be sold at tax sale and/or the DNR may remove the land from the Act.
- ❖ Any document that transfers title to CFA land must say that the land is subject to the Commercial Forest Act.
- ❖ When title transfers occur on Commercial Forest Act land, the owner must notify the DNR within 30 days of the ownership change.
- ❖ The only buildings allowed on listed land are those used for commercial forest management purposes.

Violations of the act:

Violations are misdemeanors subject to fine and/or imprisonment. Harvesting, cutting or removing forest products having a value of more than \$2,500.00 in violation of the Act is a felony subject to fine and/or imprisonment.

this is brief summary of the commercial forest act. the act and rules are available upon request.

For further information contact:

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