



COMMERCIAL FOREST SUMMARY

(Parts 511 and 512 of Act 451, P.A. 1994, as amended)

The Commercial Forest (CF) program is intended to provide an incentive to private landowners to retain and manage forestland for long-term timber production. It is a voluntary program; participating landowners may withdraw from the program at any time.

Benefits to the Landowners

- Landowners do not pay ad valorem general property taxes. Instead, the landowners pay a specific tax of \$1.25 per acre annually. The State of Michigan pays an additional \$1.25 per acre on behalf of the landowner to the county annually.

General Information

- Listed land must be devoted to commercial forest management.
- A minimum of 40 contiguous forested acres must be available for listing.
- The landowner must have a forest management plan written by a registered forester or natural resources professional that describes how the listed land will be managed and that schedules treatments such as reforestation and timber harvesting.
- Cutting, harvesting and the removal of forest products is allowed, if prescribed in forest management plan and upon prior written notice to the Michigan DNR.
- Newly planted trees must have survived through two growing seasons before the planted land can be considered for listing.
- Deposits of oil and gas may be removed upon application to and approval by the Michigan DNR.
- While exploration of minerals is permitted, an owner must withdraw that portion of forestland affected by removal of any commercial mineral.
- Sand and gravel may be removed from CF land under limited circumstances after application to and approval by the Michigan DNR.
- Listed land must be open to the public for fishing, hunting and trapping. Land listed in CF with an approved sustainable forest conservation easement is also open to the public for non-motorized recreational use.

Some Restrictions/Limitations

- 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.
- The public is limited to foot access for the specific purposes of fishing, hunting and trapping, and in those instances where the land also has an approved sustainable forest conservation easement, foot access for other recreational use.

How to Apply

- Application forms are available from the Michigan DNR and on the DNR web site: www.michigan.gov/dnr.
- Landowners should discuss their land with a Michigan DNR Forester before applying to list the land.
- A complete application must be postmarked not later than **April 1**, to be considered for listing the following tax year.
- A non-refundable application fee must be submitted with the list application form. The fee for listing 200 acres or less is \$200. The fee for listing 201 acres or more is \$1.00 per acre or fraction of an acre, up to a maximum of \$1,000.
- Landowners must provide a written forest management plan and certify such a plan exists and is in effect.
- Landowners must certify to ownership of timber rights.
- Landowners must provide a copy of the recorded deed or recorded land contract evidencing ownership of the land to be listed.

Timber Management

- Landowners must notify the Michigan DNR in writing 30 days 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. A violation of the plan is also a violation of the statute.

Conservation Easement

Landowners with CF listed land also subject to a sustainable forest conservation easement approved by the Michigan DNR pay a specific tax of \$1.10 per acre annually.

- Section 2140, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA), defines a conservation easement as an interest in land that provides limitation on the use of land or a body of water or requires or prohibits certain acts on or with respect to the land or body of water, whether or not the interest is stated in the form of a restriction, easement, covenant, or condition in a deed, will, or other instrument executed by or on behalf of the owner of the land or body of water or in an order of taking, which interest is appropriate to retaining or maintaining the land or body of water, including improvements on the land or body of water, predominantly in its natural, scenic, or open condition, or in an agricultural, farming, open space, or forest use, or similar use or condition. A sustainable forest conservation easement must be granted in perpetuity to the State of Michigan, a political subdivision of the State of Michigan, or a charitable organization that meets the requirements of the internal revenue code and must be certified under a sustainable forestry certification program that uses independent third party auditors and is recognized by the Michigan DNR.
- Applications must be postmarked no later than April 1 to be considered for listing the following tax year. A non-refundable application fee must be submitted with the application form. The fee for listing 200 acres or less is \$200. The fee for listing 201 acres or more is \$2.00 per acre or fraction of an acre, up to a maximum of \$1,000.
- Landowners must submit a copy of the sustainable forest conservation easement with their application.
- CF forestland subject to an approved sustainable forest conservation easement is open to the public for non-motorized recreational use.
- Landowners with a sustainable forest conservation easement under the CF statute must comply with all requirements of the CF statute.

How to Withdraw

- Application forms are available from the Michigan DNR and on the DNR web site at www.michigan.gov/dnr.
- A withdrawal application fee must be submitted with the application form. The fee for withdrawing 200 acres or less is \$200. The fee for withdrawing 201 acres or more is \$1.00 per acre, up to a maximum of \$1,000.
- A withdrawal penalty will be assessed. Using the formula in statute, the Michigan DNR will calculate the withdrawal penalty and instruct the landowner to pay the withdrawal penalty to the township treasurer, after receipt and processing of the application.

Other Information

- If the landowner's CF specific tax is not paid on listed lands each year, those lands may be sold at tax sale and the Michigan DNR may remove the land from the program.
- Any document that transfers title to CF land must state that the land is subject to the CF statute.
- When title transfers occur on CF land, the landowner must notify the Michigan DNR, in writing, within 30 days of the ownership change, by providing the Michigan DNR with a copy of the recorded deed or recorded land contract transferring title.
- The only buildings allowed on listed land are those used exclusively for commercial forest management purposes.

Violations of the Statute

Violations of the statute may be misdemeanors or felonies subject to fine and/or imprisonment. Harvesting, cutting or removing forest products in violation of the statute (and having a value of more than \$2,500.00) is a felony subject to fine and/or imprisonment.

This is a brief summary of the CF statute. The statute, applications and all forms are available upon request and on the Michigan DNR web site at www.michigan.gov/dnr.

All requests for applications or information should be directed to:

**FOREST RESOURCES DIVISION
MICHIGAN DEPARTMENT OF NATURAL RESOURCES
PO BOX 30452
LANSING MI 48909-7952
TELEPHONE (517) 284-5900**