

“PAID” AD

- Grand Rapids



PROMOTING THE QUALIFIED FOREST ACT

- Assume already familiar with Act
- DNR web site (search for qualified forest)

Gerald Grossman ACF & CF
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About Me

Education:

BS Univ. of MI

MS MSU

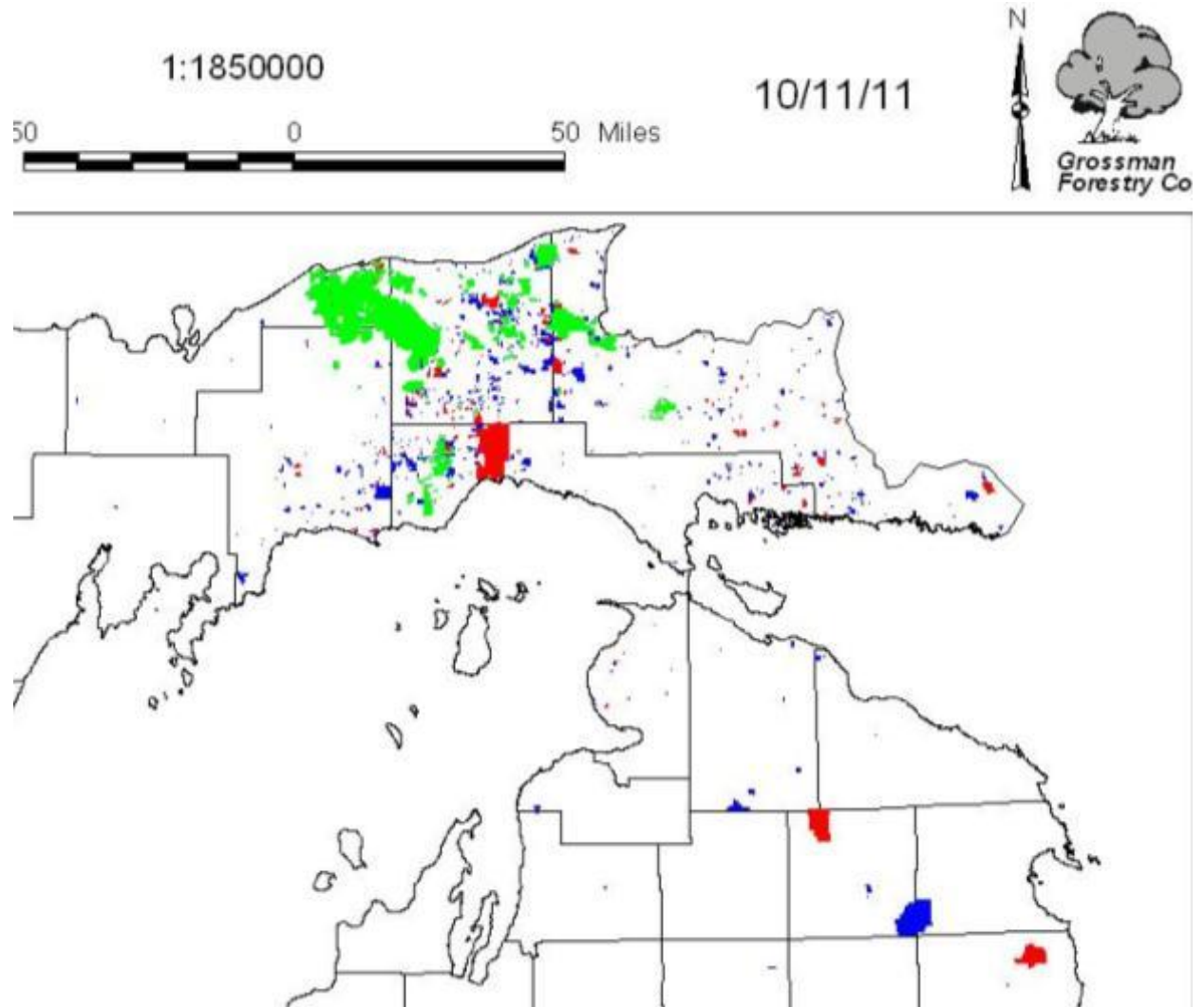
MBA MSU

President

Grossman
Forestry Co.
1990 -

FCS Certified = 195,000

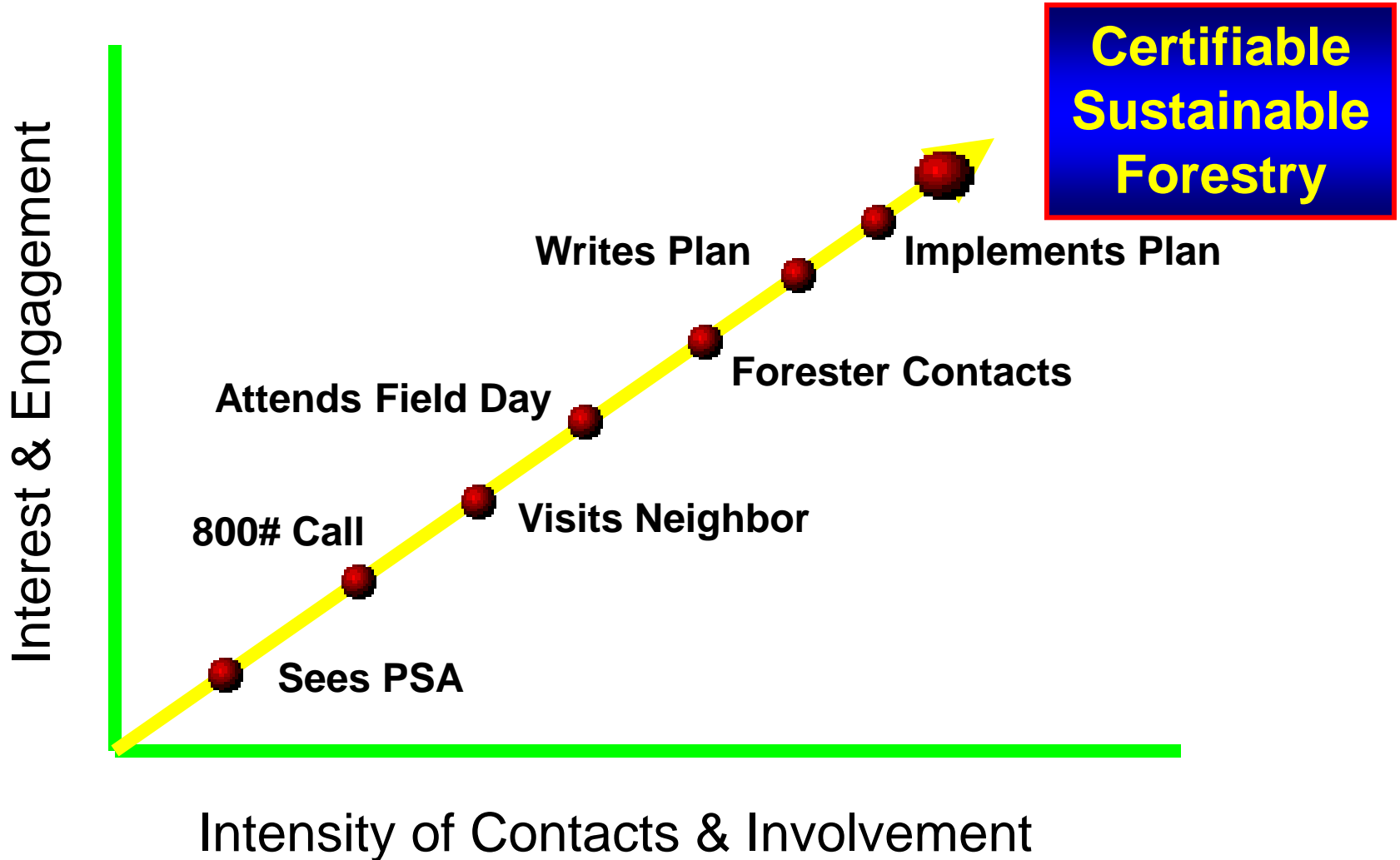
AFF Certified = 114,800



About the Expert

- **Shirley Businski**
Commercial Forest Program Leader
Forest, Mineral & Fire Management
Department of Natural Resources
517-373-1277
businskis@michigan.gov
- **DNR web site (search for qualified forest)**
 - Everything you need.

Pathways to Sustainability



Forest Management Plan

**A quality forest management
plan is critical**

Clichés:

- **Nobody plans to fail, they fail to plan.**
- **Decisions you make today will greatly impact your future.**
- **If you are flying in a plane you will land, but will you land where you want to? Or how you want to?**

QF

- Current status
 - Eligibility
 - Benefits to landowner
 - Cost to landowner
 - Application process
 - Selling QF
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- Society costs and benefits
 - Possible revisions

Current Status

Sum of # Acres	Year				
Region	2008	2009	2010	2011 (blank)	Grand Total
LP	1,218	414	772	556	2,960
NLP	13,706	8,205	5,869	4,934	32,715
UP	13,109	9,687	4,856	5,346	32,998
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Grand Total	28,034	18,306	11,497	10,836	68,672

Sum of ACRES	
Region	Total
NLP	39,888
SLP	6,365
UP	2,172,915
Grand Total	2,219,168

ELIGIBILITY

- 20 or more contiguous acres – 320 maximum per township per ownership .
- 80% or more in productive forest capable of growing 20 cubic feet per acre per year or more.
- No buildings or structures.
- An approved forest management plan.
- No public access required.

BENEFIT TO LANDOWNER

- Similar to QA
 - Does not pay “18 mils” for schools.
 - Does not “uncap” when transfer
 - Provided new owner keeps in Act.
- No public access required.

Cost to landowner

- Must have quality forest management plan
 - Utilize Forest Stewardship Program
- Must agree to follow the plan
 - Plan becomes MANDATORY
- Application costs
 - Management plan cost
 - Property tax ID splits and costs
 - Application fee and cost
- Annual report to DNR
- Withdraw costs

- Withdraw penalties (be sure in for the long haul).
 - Current SEV x mils x 7 if one or more timber harvests have taken place
 - Current SEV x mils x 14 if no timber harvests have taken place.

Application process

- Start with Forest Stewardship Plan
 - Include current and proposed tax ID parcels.
- Send in application along with fee and copies of management plan.
 - To DNR by October 1.
 - DNR process by December 31 and send to assessor.
 - Assessor process during the winter for tax role changes in next tax year (received from DNR by December 31, 2011, for tax year 2012).

Selling QF

- Not for everyone or every tract.
- Boil down to key points:
 - Have a quality DNR approved forest management plan
 - Enrolled property will not pay 18+- local school millage.
 - Property taxes on enrolled property will remain "capped" when sold or transferred.
 - No public access required.
 - 20 to 320 acres per ownership per township.
 - 80% productive forest.
 - Stocked with forest products.
 - No buildings or structures.
 - Penalties for withdraw = current SEV x mills x 7 if one or more timber harvests have taken place **or** current SEV x mills x 14 if no timber harvests have taken place.

Society costs & benefits

- Reduction in tax revenue
 - Under current funding effects all k-12 students essentially the same (slightly variable) – 1.5 million k-12 students+-.
- Encourages forest management plans and requires plans to be implemented.
 - Increases private investment in forests?

POSSIBLE REVISIONS

- Hard to speculate BUT:
 - HB 4970, HB 5969, HB 4302
- Amy Trotter with MUCC has put together a summary: search for “tax break for forest management amy trotter”
- You may already be aware, but the Qualified Forest Properties bills are up in Committee on Tuesday at or after 3 PM.

More Information

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Questions?



Thank you!
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