

P.A. 262 of 2016

Act 262 amends Section 51108 of the “Natural Resources and Environmental Protection Act” (the provisions relating to withdrawal from the Commercial Forest Reserve (CFR) program) to provide for the waiver of withdrawal penalties from the CFR program if the property successfully transitions from CFR, to become Transitional Qualified Forest Property, and thereafter, at the end of 5 years, to become Qualified Forest Property.

Assessor Responsibilities:

The assessor in the tax collecting unit where TQFP is located has the following responsibilities relative the administration of the exemption:

1. Upon receipt of the recorded TQFP affidavit and a copy of the commercial forest withdrawal certificate by the assessor, the assessor shall exempt the TQFP from collection of ad valorem property taxes collected under the general property tax act, 1893 P.A. 206, as provided in section 7jj[1] of the act, for a period not to exceed 5 years.
2. The assessor shall determine annually, as of December 31, the assessed value and taxable value of each parcel of TQFP which is located within the local tax collecting unit. For purposes of this determination, the taxable value of each TQFP parcel in the first year of the exemption shall be set at an amount equal to the determined state equalized value of the parcel for that year and thereafter, the taxable value shall be determined in the manner provided for in section 27a(2) of the General Property Tax Act.
3. If notified by the Department of Agriculture and Rural Development that a parcel is no longer TQFP, or upon the expiration of the 5 year exemption period, the assessor shall immediately place the property on the tax roll.
4. If the landowner successfully completed the requirements of the TQFP program when the parcels placed on the roll, the assessor shall thereafter treat the property as Qualified Forest Property until notified otherwise by the Department of Agriculture and Rural Development. If the assessor is notified by the Department of Agriculture and Rural Development that the landowner failed to complete the requirements of the TQFP program, the assessor shall immediately remove both the TQFP and QFP exemptions.

The State Tax Commission has determined that TQFP shall remain on the ad valorem roll and is included in the equalization process, as provided in section 34 of the General Property Tax Act. Further, the State Tax Commission has also determined that at the end of the 5 year period of exemption, or upon the earlier termination of the exemption due to a change in use or other non-compliance, the assessor shall use the latest year’s Taxable Value as the prior year’s Taxable Value in computing the Capped Value of the parcel.