

# A Comparison of the Commercial Forest Program and the Qualified Forest Program

2014

COMMERCIAL FOREST PROGRAM	QUALIFIED FOREST PROGRAM
<b>Maximum Acreage</b> No maximum acres.	<b>Maximum Acreage</b> Up to 640 acres per ownership per tax collecting unit (township)
<b>Minimum Acreage</b> Must be at least 40 contiguous acres; At least 50% productive acres; Of the productive acres, at least 75% stocked	<b>Minimum Acreage</b> Must be at least 20 acres. When 20 to 39.9 acres, 80% stocked in productive forest. When 40 to 640 acres, 50% stocked in productive forest. ( <i>Productive forest is defined as forestland that can produce 20 cubic feet per acre per year.</i> )
<b>Forest Management Plan Required</b> Plan must be written by a Registered Forester or a natural resource professional recognized by the DNR. Plan must prescribe measures to optimize production, utilization and regeneration of forest resources. Plan must describe the objectives of the landowner and be appropriate for the forest cover types.	<b>Forest Management Plan Required</b> Plan must be written by a "Qualified Forester" registered with MDARD. Plan must include measures to optimize production, utilization, and regeneration of forest resources.
<b>Forest Management Activities</b> The forest management plan must include silvicultural prescriptions and a record of silvicultural practices completed. The DNR reviews proposed harvests to be in compliance with the management plan.	<b>Forest Management Activities</b> Timber harvests called for in the management plan must be completed within three (3) years of the date of harvest called for in the plan. Harvests not completed in the time specified may result in cancelation of the affidavit and required repayment of tax benefits.
<b>Application Fee</b> 200 acres or less - \$200.00 More than 200 acres - \$1.00/acre up to \$1,000	<b>Application Fee</b> \$50.00 per Forest Management Plan
<b>Tax Benefits</b> 1. Exempt from <i>ad valorem</i> general property tax. 2. Landowner pays a specific tax to the township annually (currently \$1.25/acre/year) 3. State of Michigan annually pays an amount equal to the specific tax rate to the County Treasurers on behalf of the landowner. Payment is from the state's general fund.	<b>Tax Benefits</b> 1. Exempt from up to 18 mills of the local school operation tax: see fee to participate. 2. Taxable value remains capped.
<b>Public Access</b> Public access (foot) for hunting, fishing and trapping is required.	<b>Public Access</b> No public access is required.
<b>Structures Permitted</b> The only buildings allowed on listed land are those used exclusively for commercial forest management purposes. Permanent hunting blinds are not allowed.	<b>Structures Permitted</b> Existing structures and newly built structures are permitted on QFP land. However, the QFP tax exemption for the structures and the land beneath those structures is no longer valid.

<p><b>Annual Fee</b> There is no annual fee.</p>	<p><b>Annual Fee</b> A fee equal to 2 mills times the taxable value of the parcel under the affidavit is paid annually to the local taxing authority and is deposited into the Private Forestland Enhancement Fund, which is used to operate the Qualified Forest Program.</p>
<p><b>Repayment Upon Withdrawal</b> A withdrawal penalty must be paid to the Township Treasurer upon withdrawal from the program. The DNR calculates the withdrawal penalty based on the formula in the CF statute. The following factors are multiplied to determine the penalty amount: a) average land value for the county, b) average county millage rate c) a county factor (in statute), d) the number of years in CF (maximum of 7), e) number of acres withdrawn.</p>	<p><b>Repayment Upon Withdrawal</b> 1. From the School Tax Affidavit. If a school tax affidavit was executed and the land is removed from the program due to a change in use, the landowner would repay up to 16 mills, depending on the mills exempted under the program, times 7 years. If a harvest has not occurred the repayment is multiplied by 2. 2. Repayment Upon Release from the Taxable Value Affidavit, the landowner would repay the amount of taxes they would have paid had the taxable value not remained capped for up to the previous 10 years.</p>
<p><b>Notification of Harvests</b> The landowner must notify the DNR at least 30 days prior to the start of any harvest activity.</p>	<p><b>Notification of Harvests</b> The landowner must report to MDARD any forestry practices and harvests at the end of the year that they occur.</p>
<p><b>Program Administration</b> Michigan Department of Natural Resources 1. New List Applications 2. Withdrawal Applications 3. Ownership Changes 4. Compliance with statute including management plans, harvest notifications and public access</p>	<p><b>Program Administration</b> Michigan Department of Agriculture and Rural Development 1. Enrollment applications and Forest Management Plans 2. Tax Affidavit preparation for approved applications 3. Monitoring scheduled forest management practices.</p>
<p><b>Application Deadline</b> April 1 for benefits in the following tax year.</p>	<p><b>Application Deadline</b> September 1 for benefits in the following tax year.</p>
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