

"Menominee – Where the best of Michigan begins"

MENOMINEE COUNTY BOARD OF COMMISSIONERS

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Resolution 2013-09

Resolution for Equitable Tax on Commercial Forest Reserves (CFR) (PA 94 of 1925)

- WHEREAS: The State of Michigan established by PA 94 of 1925 the Commercial Forest Act to not pay ad valorem general property tax, but to instead pay a reduced specific tax on commercial forest land, currently at \$50.00 per 40 acres (\$1.25 per acre), and
- WHEREAS: The State of Michigan has control over Commercial Forest Reserve (CFR) specific tax with no local input, and
- WHEREAS: Currently local tax averages \$750.00 per 40 acres (\$18.75 per acre) compared to \$50 per 40 acres for Commercial Forest Reserve land, and
- WHEREAS: The Upper Peninsula currently has approximately 2,186,500 acres (98% of the total CFR) and the Northern Lower Peninsula has approximately 40,490 acres (1.8%) in CFR. This represents 21% of the total land in the Upper Peninsula, and added to the 42% of land currently held by State and Federal Governments, equals about 63% of the total land in the Upper Peninsula, and
- WHEREAS: This Upper Peninsula CFR land has a tax rate at less than 10% of its assessed value, and Federally and State Owned lands also receive only a small portion of true assessed value through PILT reimbursements to local and county governments, and
- WHEREAS: There is incentive to not remove land from CFR (Approximately \$4,000 to \$6,000 penalty plus increased taxes) and
- WHEREAS: State control over CFR lessens the ability of local governmental units to control revenues, and
- WHEREAS: We currently do not receive operating millage, which pays for services such as schools, township portions of road maintenance, road patrol, fire departments,

*Bernie Lang Charlie Meintz - Chairperson Larry Schei - Vice Chairperson James Furlong
Doug Krienke John Nelson Chris Plutchak Gerald Piche Jan Hafeman*

