

# SENATE BILL No. 482

September 11, 2013, Introduced by Senator JANSEN and referred to the Committee on Regulatory Reform.

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 7jj (MCL 211.7jj[1]), as added by 2006 PA 378.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 7jj. (1) Except as otherwise limited in this subsection,  
2 qualified forest property is exempt from the tax levied by a local  
3 school district for school operating purposes to the extent  
4 provided under section 1211 of the revised school code, 1976 PA  
5 451, MCL 380.1211, according to the provisions of this section. The  
6 amount of qualified forest property in this state that is eligible  
7 for the exemption under this section is limited as follows:

8       (a) In the fiscal year ending September 30, 2008, 300,000  
9 acres.

1 (b) In the fiscal year ending September 30, 2009, 600,000  
2 acres.

3 (c) In the fiscal year ending September 30, 2010, 900,000  
4 acres.

5 (d) In the fiscal year ending September 30, 2011 and each  
6 fiscal year thereafter, 1,200,000 acres.

7 (2) To claim an exemption under subsection (1), the owner of  
8 qualified forest property shall file an affidavit claiming the  
9 exemption and an approved forest management plan or a certificate  
10 provided by a third-party certifying organization with the local  
11 tax collecting unit by December 31. An owner may claim an exemption  
12 under this section for not more than 320 acres of qualified forest  
13 property in each local tax collecting unit. If an exemption is  
14 granted under this section for less than 320 acres in a local tax  
15 collecting unit, an owner of that property may subsequently claim  
16 an exemption for additional property in that local tax collecting  
17 unit if that additional property meets the requirements of this  
18 section.

19 (3) The affidavit shall be on a form prescribed by the  
20 department of treasury and shall require the person submitting the  
21 affidavit to attest that the property for which the exemption is  
22 claimed is qualified forest property and will be managed according  
23 to the approved forest management plan.

24 (4) The assessor shall determine if the property is qualified  
25 forest property based on a recommendation from the department of  
26 natural resources and confirmation that the acreage limitation set  
27 forth in subsection (1) has not been reached and if so shall exempt

1 the property from the collection of the tax as provided in  
2 subsection (1) until December 31 of the year in which the property  
3 is no longer qualified forest property.

4 (5) Not more than 90 days after all or a portion of the  
5 exempted property is no longer qualified forest property, the owner  
6 shall rescind the exemption for the applicable portion of the  
7 property by filing with the local tax collecting unit a rescission  
8 form prescribed by the department of treasury. An owner who fails  
9 to file a rescission as required by this subsection is subject to a  
10 penalty of \$5.00 per day for each separate failure beginning after  
11 the 90 days have elapsed, up to a maximum of \$1,000.00. This  
12 penalty shall be collected under 1941 PA 122, MCL 205.1 to 205.31,  
13 and shall be deposited in the general fund of this state.

14 (6) An owner of property that is qualified forest property on  
15 December 31 for which an exemption was not on the tax roll may file  
16 an appeal with the July or December board of review under section  
17 53b in the year the exemption was claimed or the immediately  
18 succeeding year. An owner of property that is qualified forest  
19 property on May 1 for which an exemption was denied by the assessor  
20 in the year the affidavit was filed may file an appeal with the  
21 July board of review for summer taxes or, if there is not a summer  
22 levy of school operating taxes, with the December board of review  
23 under section 53b.

24 (7) If the assessor of the local tax collecting unit believes  
25 that the property for which an exemption has been granted is not  
26 qualified forest property based on a recommendation from the  
27 department of natural resources, the assessor may deny or modify an

1 existing exemption by notifying the owner in writing at the time  
2 required for providing a notice under section 24c. A taxpayer may  
3 appeal the assessor's determination to the board of review meeting  
4 under section 30. A decision of the board of review may be appealed  
5 to the residential and small claims division of the Michigan tax  
6 tribunal.

7 (8) If property for which an exemption has been granted under  
8 this section is not qualified forest property, the property that  
9 had been subject to that exemption shall be immediately placed on  
10 the tax roll by the local tax collecting unit if the local tax  
11 collecting unit has possession of the tax roll or by the county  
12 treasurer if the county has possession of the tax roll as though  
13 the exemption had not been granted. A corrected tax bill shall be  
14 issued for each tax year being adjusted by the local tax collecting  
15 unit if the local tax collecting unit has possession of the tax  
16 roll or by the county treasurer if the county has possession of the  
17 tax roll.

18 (9) If property for which an exemption has been granted under  
19 this section is converted by a change in use and is no longer  
20 qualified forest property, the property is subject to the qualified  
21 forest property recapture tax levied under the qualified forest  
22 property recapture tax act. An owner of qualified forest property  
23 shall inform a prospective buyer of that qualified forest property  
24 that the qualified forest property is subject to the recapture tax  
25 provided in the qualified forest property recapture tax act, if the  
26 qualified forest property is converted by a change in use.

27 (10) If qualified forest property is exempt under this

1 section, an owner of that qualified forest property shall annually  
2 report to the department of natural resources on a form prescribed  
3 by the department of natural resources the amount of timber  
4 produced on that qualified forest property and whether any  
5 buildings or structures have been constructed on the qualified  
6 forest property. Beginning in 2008, and every 3 years thereafter,  
7 the department of natural resources shall provide to the standing  
8 committees of the senate and house of representatives with primary  
9 jurisdiction over forestry issues a report that includes all of the  
10 following:

11 (a) The number of acres of qualified forest property in each  
12 county.

13 (b) The amount of timber produced on qualified forest property  
14 each year.

15 (11) As used in this section:

16 (a) "Approved forest management plan" means 1 of the  
17 following:

18 (i) A forest management plan approved by the department of  
19 natural resources. An owner of property may submit a proposed  
20 forest management plan to the department of natural resources for  
21 approval. The proposed forest management plan shall include a  
22 statement signed by the owner that he or she agrees to comply with  
23 all terms and conditions contained in the approved forest  
24 management plan. The department of natural resources may charge a  
25 fee of not more than \$200.00 for the consideration of each proposed  
26 forest management plan submitted. The department of natural  
27 resources shall review and either approve or disapprove each

1 proposed forest management plan submitted. If the department of  
2 natural resources disapproves a proposed forest management plan,  
3 the department of natural resources shall indicate the changes  
4 necessary to qualify the proposed forest management plan for  
5 approval on subsequent review. At the request of the owner  
6 submitting a proposed forest management plan, the department of  
7 natural resources may agree to complete a proposed forest  
8 management plan. An owner and the department of natural resources  
9 may mutually agree to amend a proposed forest management plan or an  
10 approved forest management plan. A forest management plan submitted  
11 to the department of natural resources for approval shall not  
12 extend beyond a period of 20 years. An owner of property may submit  
13 a succeeding proposed forest management plan to the department of  
14 natural resources for approval.

15 (ii) A forest management plan certified by a third-party  
16 certifying organization.

17 (b) "Converted by a change in use" means that term as defined  
18 in section 2 of the qualified forest property recapture tax act.

19 (c) "Forest products" includes, but is not limited to, timber  
20 and pulpwood-related products.

21 (d) "Natural resources professional" ~~and "registered forester"~~  
22 ~~mean those terms~~ **MEANS THAT TERM** as defined in section 51101 of the  
23 natural resources and environmental protection act, 1994 PA 451,  
24 MCL 324.51101.

25 (e) "Proposed forest management plan" means a proposed plan  
26 for sustainable forest management that includes, but is not limited  
27 to, harvesting, planting, and regeneration of forest products on a

1 parcel of property that is prepared by a qualified forester. A  
2 proposed forest management plan shall include all of the following:

3 (i) The name and address of each owner of the property.

4 (ii) The legal description and parcel identification number of  
5 the property or of the parcel on which the property is located.

6 (iii) A statement of the owner's forest management objectives.

7 (iv) A map, diagram, or aerial photograph that identified both  
8 forested and unforested areas of the property, using conventional  
9 map symbols indicating the species, size, and density of vegetation  
10 and other major features of the property.

11 (v) A description of the forestry practices, including  
12 harvesting, thinning, and reforestation, that will be undertaken,  
13 specifying the approximate period of time before each is completed.

14 (vi) A description of soil conservation practices that may be  
15 necessary to control any soil erosion that may result from the  
16 forestry practices described pursuant to subparagraph (v).

17 (vii) A proposed forest management plan shall also include a  
18 description of activities that may be undertaken for the management  
19 of forest resources other than trees, including wildlife habitat,  
20 watersheds, and aesthetic features.

21 (f) "Qualified forest property" means a parcel of real  
22 property that meets all of the following conditions as determined  
23 by the department of natural resources:

24 (i) Is not less than 20 contiguous acres in size, of which not  
25 less than 80% is productive forest capable of producing wood  
26 products. Contiguity is not broken by a road, a right-of-way, or  
27 property purchased or taken under condemnation proceedings by a

1 public utility for power transmission lines if the 2 parcels  
2 separated by the purchased or condemned property were a single  
3 parcel prior to the sale or condemnation. As used in this  
4 subparagraph, "productive forest" means real property capable of  
5 growing not less than 20 cubic feet of wood per acre per year.  
6 However, if property has been considered productive forest, an act  
7 of God that negatively affects that property shall not result in  
8 that property not being considered productive forest.

9 (ii) Is stocked with forest products.

10 (iii) Has no buildings or structures located on the real  
11 property.

12 (iv) Is subject to an approved forest management plan.

13 (g) "Qualified forester" means natural resources professional  
14 ~~, a registered forester,~~ or a conservation district forester.

15 (h) "Third-party certifying organization" means an independent  
16 third-party organization that assesses and evaluates forest  
17 management practices according to the standards of a certification  
18 program that measures whether forest management practices are  
19 consistent with principles of sustainable forestry. Third-party  
20 certifying organization includes, but is not limited to, the forest  
21 stewardship council and the sustainable forest initiative.

22 Enacting section 1. This amendatory act does not take effect  
23 unless Senate Bill No. 481

24 of the 97th Legislature is enacted into law.