

SENATE BILL No. 600

May 21, 2009, Introduced by Senators GILBERT, CROPSEY, KUIPERS, JELINEK, VAN WOERKOM, JANSEN and PAPPAGEORGE and referred to the Committee on Agriculture and Bioeconomy.

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

1 acres.

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

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

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

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

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

25 (4) The assessor shall determine if the property is qualified
26 forest property based on a recommendation from the department of
27 ~~natural resources~~**AGRICULTURE** and confirmation that the acreage

1 limitation set forth in subsection (1) has not been reached. ~~and if~~
2 ~~so~~ **IF THE PROPERTY IS QUALIFIED FOREST PROPERTY, THE ASSESSOR** shall
3 exempt the property from the collection of the tax as provided in
4 subsection (1) until December 31 of the year in which the property
5 is no longer qualified forest property.

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

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

26 (7) If the assessor of the local tax collecting unit believes
27 that the property for which an exemption has been granted is not

1 qualified forest property based on a recommendation from the
2 department of ~~natural resources~~**AGRICULTURE**, the assessor may deny
3 or modify an existing exemption by notifying the owner in writing
4 at the time required for providing a notice under section 24c. A
5 taxpayer may appeal the assessor's determination to the board of
6 review meeting under section 30. A decision of the board of review
7 may be appealed to the residential and small claims division of the
8 Michigan tax tribunal.

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

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

1 qualified forest property is converted by a change in use.

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

13 (a) The number of acres of qualified forest property in each
14 county.

15 (b) The amount of timber produced on qualified forest property
16 each year.

17 (11) As used in this section:

18 (a) "Approved forest management plan" means 1 of the
19 following:

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

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

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

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

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

25 (d) "Natural resources professional" and "registered forester"
26 mean those terms as defined in section 51101 of the natural
27 resources and environmental protection act, 1994 PA 451, MCL

1 324.51101.

2 (e) "Proposed forest management plan" means a proposed plan
3 for sustainable forest management that includes, but is not limited
4 to, harvesting, planting, and regeneration of forest products on a
5 parcel of property that is prepared by a qualified forester. A
6 proposed forest management plan shall include all of the following:

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

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

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

11 (iv) A map, diagram, or aerial photograph that ~~identified~~
12 **IDENTIFIES** both forested and unforested areas of the property,
13 using conventional map symbols indicating the species, size, and
14 density of vegetation and other major features of the property.

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

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

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

25 (f) "Qualified forest property" means a parcel of real
26 property that meets all of the following conditions as determined
27 by the department of ~~natural resources~~ **AGRICULTURE**:

1 (i) Is not less than 20 contiguous acres in size, of which not
2 less than 80% is productive forest capable of producing wood
3 products. Contiguity is not broken by a road, a right-of-way, or
4 property purchased or taken under condemnation proceedings by a
5 public utility for power transmission lines if the 2 parcels
6 separated by the purchased or condemned property were a single
7 parcel prior to the sale or condemnation. As used in this
8 subparagraph, "productive forest" means real property capable of
9 growing not less than 20 cubic feet of wood per acre per year.
10 However, if property has been considered productive forest, an act
11 of God that negatively affects that property shall not result in
12 that property not being considered productive forest.

13 (ii) Is stocked with forest products.

14 (iii) Has no buildings or structures located on the real
15 property.

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

17 (g) "Qualified forester" means natural resources professional,
18 a registered forester, or a conservation district forester.

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

26 Enacting section 1. This amendatory act does not take effect
27 unless Senate Bill No. 603

1 of the 95th Legislature is enacted into law.