

# SENATE BILL No. 912

December 1, 2005, Introduced by Senators VAN WOERKOM, JELINEK, GARCIA, BIRKHOLZ, STAMAS, JOHNSON, ALLEN and GILBERT and referred to the Committee on Agriculture, Forestry and Tourism.

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 53b (MCL 211.53b), as amended by 2003 PA 105,  
and by adding section 7jj; and to repeal acts and parts of acts.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 7JJ. (1) QUALIFIED FOREST PROPERTY IS EXEMPT FROM THE TAX  
2        LEVIED BY A LOCAL SCHOOL DISTRICT FOR SCHOOL OPERATING PURPOSES TO  
3        THE EXTENT PROVIDED UNDER SECTION 1211 OF THE REVISED SCHOOL CODE,  
4        1976 PA 451, MCL 380.1211, ACCORDING TO THE PROVISIONS OF THIS  
5        SECTION.

6        (2) TO CLAIM AN EXEMPTION UNDER SUBSECTION (1), THE OWNER OF  
7        QUALIFIED FOREST PROPERTY SHALL FILE AN AFFIDAVIT CLAIMING THE  
8        EXEMPTION WITH THE LOCAL TAX COLLECTING UNIT BY MAY 1.

9        (3) THE AFFIDAVIT SHALL BE ON A FORM PRESCRIBED BY THE  
10       DEPARTMENT OF TREASURY AND SHALL REQUIRE THE PERSON SUBMITTING THE

1 AFFIDAVIT TO ATTEST THAT THE PROPERTY FOR WHICH THE EXEMPTION IS  
2 CLAIMED IS QUALIFIED FOREST PROPERTY.

3 (4) THE ASSESSOR SHALL DETERMINE IF THE PROPERTY IS QUALIFIED  
4 FOREST PROPERTY AND IF SO SHALL EXEMPT THE PROPERTY FROM THE  
5 COLLECTION OF THE TAX AS PROVIDED IN SUBSECTION (1) UNTIL DECEMBER  
6 31 OF THE YEAR IN WHICH THE PROPERTY IS NO LONGER QUALIFIED FOREST  
7 PROPERTY.

8 (5) NOT MORE THAN 90 DAYS AFTER ALL OR A PORTION OF THE  
9 EXEMPTED PROPERTY IS NO LONGER QUALIFIED FOREST PROPERTY, THE OWNER  
10 SHALL RESCIND THE EXEMPTION FOR THE APPLICABLE PORTION OF THE  
11 PROPERTY BY FILING WITH THE LOCAL TAX COLLECTING UNIT A RESCISSION  
12 FORM PRESCRIBED BY THE DEPARTMENT OF TREASURY. AN OWNER WHO FAILS  
13 TO FILE A RESCISSION AS REQUIRED BY THIS SUBSECTION IS SUBJECT TO A  
14 PENALTY OF \$5.00 PER DAY FOR EACH SEPARATE FAILURE BEGINNING AFTER  
15 THE 90 DAYS HAVE ELAPSED, UP TO A MAXIMUM OF \$1,000.00. THIS  
16 PENALTY SHALL BE COLLECTED UNDER 1941 PA 122, MCL 205.1 TO 205.31,  
17 AND SHALL BE DEPOSITED IN THE GENERAL FUND OF THIS STATE. THIS  
18 PENALTY MAY BE WAIVED BY THE DEPARTMENT OF TREASURY.

19 (6) AN OWNER OF PROPERTY THAT IS QUALIFIED FOREST PROPERTY ON  
20 MAY 1 FOR WHICH AN EXEMPTION WAS NOT ON THE TAX ROLL MAY FILE AN  
21 APPEAL WITH THE JULY OR DECEMBER BOARD OF REVIEW UNDER SECTION 53B  
22 IN THE YEAR THE EXEMPTION WAS CLAIMED OR THE IMMEDIATELY SUCCEEDING  
23 YEAR. AN OWNER OF PROPERTY THAT IS QUALIFIED FOREST PROPERTY ON MAY  
24 1 FOR WHICH AN EXEMPTION WAS DENIED BY THE ASSESSOR IN THE YEAR THE  
25 AFFIDAVIT WAS FILED MAY FILE AN APPEAL WITH THE JULY BOARD OF  
26 REVIEW FOR SUMMER TAXES OR, IF THERE IS NOT A SUMMER LEVY OF SCHOOL  
27 OPERATING TAXES, WITH THE DECEMBER BOARD OF REVIEW UNDER SECTION

1 53B.

2 (7) IF THE ASSESSOR OF THE LOCAL TAX COLLECTING UNIT BELIEVES  
3 THAT THE PROPERTY FOR WHICH AN EXEMPTION HAS BEEN GRANTED IS NOT  
4 QUALIFIED FOREST PROPERTY, THE ASSESSOR MAY DENY OR MODIFY AN  
5 EXISTING EXEMPTION BY NOTIFYING THE OWNER IN WRITING AT THE TIME  
6 REQUIRED FOR PROVIDING A NOTICE UNDER SECTION 24C. A TAXPAYER MAY  
7 APPEAL THE ASSESSOR'S DETERMINATION TO THE BOARD OF REVIEW MEETING  
8 UNDER SECTION 30. A DECISION OF THE BOARD OF REVIEW MAY BE APPEALED  
9 TO THE RESIDENTIAL AND SMALL CLAIMS DIVISION OF THE MICHIGAN TAX  
10 TRIBUNAL.

11 (8) IF PROPERTY FOR WHICH AN EXEMPTION HAS BEEN GRANTED UNDER  
12 THIS SECTION IS NOT QUALIFIED FOREST PROPERTY, THE PROPERTY THAT  
13 HAD BEEN SUBJECT TO THAT EXEMPTION SHALL BE IMMEDIATELY PLACED ON  
14 THE TAX ROLL BY THE LOCAL TAX COLLECTING UNIT IF THE LOCAL TAX  
15 COLLECTING UNIT HAS POSSESSION OF THE TAX ROLL OR BY THE COUNTY  
16 TREASURER IF THE COUNTY HAS POSSESSION OF THE TAX ROLL AS THOUGH  
17 THE EXEMPTION HAD NOT BEEN GRANTED. A CORRECTED TAX BILL SHALL BE  
18 ISSUED FOR EACH TAX YEAR BEING ADJUSTED BY THE LOCAL TAX COLLECTING  
19 UNIT IF THE LOCAL TAX COLLECTING UNIT HAS POSSESSION OF THE TAX  
20 ROLL OR BY THE COUNTY TREASURER IF THE COUNTY HAS POSSESSION OF THE  
21 TAX ROLL.

22 (9) IF PROPERTY FOR WHICH AN EXEMPTION HAS BEEN GRANTED UNDER  
23 THIS SECTION IS CONVERTED BY A CHANGE IN USE AND IS NO LONGER  
24 QUALIFIED FOREST PROPERTY, THE PROPERTY IS SUBJECT TO THE QUALIFIED  
25 FOREST PROPERTY RECAPTURE TAX LEVIED UNDER THE QUALIFIED FOREST  
26 PROPERTY RECAPTURE TAX ACT.

27 (10) THE STATE TREASURER SHALL ANNUALLY PAY FROM THE GENERAL

1 FUND OF THIS STATE TO THE STATE SCHOOL AID FUND ESTABLISHED IN  
2 SECTION 11 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963, AN  
3 AMOUNT EQUAL TO THE TOTAL AMOUNT OF THE TAX EXEMPTED UNDER THIS  
4 SECTION IN EACH YEAR.

5 (11) BEGINNING IN 2008, AND EVERY 3 YEARS THEREAFTER, THE  
6 DEPARTMENT OF TREASURY SHALL PROVIDE TO THE STANDING COMMITTEES OF  
7 THE SENATE AND THE HOUSE OF REPRESENTATIVES WITH PRIMARY  
8 JURISDICTION OVER FORESTRY ISSUES A REPORT THAT INCLUDES BOTH OF  
9 THE FOLLOWING:

10 (A) THE NUMBER OF ACRES OF QUALIFIED FOREST PROPERTY IN EACH  
11 COUNTY.

12 (B) THE AMOUNT OF TIMBER PRODUCED ON QUALIFIED FOREST PROPERTY  
13 EACH YEAR.

14 (12) AS USED IN THIS SECTION:

15 (A) "APPROVED FOREST MANAGEMENT PLAN" MEANS A FOREST  
16 MANAGEMENT PLAN FOR HARVESTING, PLANTING, AND REGENERATION OF  
17 FOREST PRODUCTS THAT HAS BEEN PREPARED BY A CERTIFIED OR REGISTERED  
18 FORESTER AND THAT CONTAINS MANDATORY AND RECOMMENDED MANAGEMENT  
19 PRACTICES.

20 (B) "CERTIFIED FORESTER" MEANS A PERSON CERTIFIED AS A  
21 FORESTER BY THE SOCIETY OF AMERICAN FORESTERS.

22 (C) "CONVERTED BY A CHANGE IN USE" MEANS THAT TERM AS DEFINED  
23 IN SECTION 2 OF THE QUALIFIED FOREST PROPERTY RECAPTURE TAX ACT.

24 (D) "FOREST PRODUCTS" INCLUDES, BUT IS NOT LIMITED TO, TIMBER  
25 AND PULPWOOD-RELATED PRODUCTS.

26 (E) "QUALIFIED FOREST PROPERTY" MEANS A PARCEL OF REAL  
27 PROPERTY THAT MEETS ALL OF THE FOLLOWING CONDITIONS:

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 50 CUBIC FEET OF WOOD PER ACRE PER YEAR.

10           (ii) IS STOCKED WITH FOREST PRODUCTS.

11           (iii) HAS NO BUILDINGS OR STRUCTURES LOCATED ON THE REAL  
12 PROPERTY.

13           (iv) IS SUBJECT TO AN APPROVED FOREST MANAGEMENT PLAN.

14           (v) IS SUBJECT TO A DEVELOPMENT RIGHTS AGREEMENT OR  
15 DEVELOPMENT RIGHTS EASEMENT UNDER PART 361 OF THE NATURAL RESOURCES  
16 AND ENVIRONMENTAL PROTECTION ACT, 1994 PA 451, MCL 324.36101 TO  
17 324.36117.

18           (F) "REGISTERED FORESTER" MEANS A PERSON REGISTERED AS A  
19 FORESTER UNDER ARTICLE 21 OF THE OCCUPATIONAL CODE, 1980 PA 299,  
20 MCL 339.2101 TO 339.2108.

21           Sec. 53b. (1) If there has been a clerical error or a mutual  
22 mistake of fact relative to the correct assessment figures, the  
23 rate of taxation, or the mathematical computation relating to the  
24 assessing of taxes, the clerical error or mutual mistake of fact  
25 shall be verified by the local assessing officer and approved by  
26 the board of review at a meeting held for the purposes of this  
27 section on Tuesday following the second Monday in December and, for

1 summer property taxes, on Tuesday following the third Monday in  
2 July. If there is not a levy of summer property taxes, the board of  
3 review may meet for the purposes of this section on Tuesday  
4 following the third Monday in July. If approved, the board of  
5 review shall file an affidavit within 30 days relative to the  
6 clerical error or mutual mistake of fact with the proper officials  
7 who are involved with the assessment figures, rate of taxation, or  
8 mathematical computation and all affected official records shall be  
9 corrected. If the clerical error or mutual mistake of fact results  
10 in an overpayment or underpayment, the rebate, including any  
11 interest paid, shall be made to the taxpayer or the taxpayer shall  
12 be notified and payment made within 30 days of the notice. A rebate  
13 shall be without interest. The county treasurer may deduct the  
14 rebate from the appropriate tax collecting unit's subsequent  
15 distribution of taxes. The county treasurer shall bill to the  
16 appropriate tax collecting unit the tax collecting unit's share of  
17 taxes rebated. Except as otherwise provided in subsection (6), a  
18 correction under this subsection may be made in the year in which  
19 the error was made or in the following year only.

20 (2) Action pursuant to this section may be initiated by the  
21 taxpayer or the assessing officer.

22 (3) The board of review meeting in July and December shall  
23 meet only for the purpose described in subsection (1) and to hear  
24 appeals provided for in sections 7u, 7cc, ~~and~~ 7ee, **AND 7JJ**. If an  
25 exemption under section 7u is approved, the board of review shall  
26 file an affidavit with the proper officials involved in the  
27 assessment and collection of taxes and all affected official

1 records shall be corrected. If an appeal under section 7cc, ~~or~~  
2 7ee, **OR 7JJ** results in a determination that an overpayment has been  
3 made, the board of review shall file an affidavit and a rebate  
4 shall be made at the times and in the manner provided in subsection  
5 (1). Except as otherwise provided in sections 7cc, ~~and~~ 7ee, **AND**  
6 **7JJ**, a correction under this subsection shall be made for the year  
7 in which the appeal is made only. If the board of review grants an  
8 exemption or provides a rebate for property under section 7cc, ~~or~~  
9 7ee, **OR 7JJ** as provided in this subsection, the board of review  
10 shall require the owner to execute the affidavit provided for in  
11 section 7cc, ~~or~~ 7ee, **OR 7JJ** and shall forward a copy of any  
12 section 7cc affidavits to the department of treasury.

13 (4) If an exemption under section 7cc is granted by the board  
14 of review under this section, the provisions of section 7cc(6)  
15 through (11) apply. If an exemption under section 7cc is not  
16 granted by the board of review under this section, the owner may  
17 appeal that decision in writing to the department of treasury  
18 within 35 days of the board of review's denial and the appeal shall  
19 be conducted as provided in section ~~7ee(7)~~ **7CC(8)**.

20 (5) An owner or assessor may appeal a decision of the board of  
21 review under this section regarding an exemption under section 7ee  
22 **OR 7JJ** to the residential and small claims division of the Michigan  
23 tax tribunal. An owner is not required to pay the amount of tax in  
24 dispute in order to receive a final determination of the  
25 residential and small claims division of the Michigan tax tribunal.  
26 However, interest and penalties, if any, shall accrue and be  
27 computed based on interest and penalties that would have accrued

1 from the date the taxes were originally levied as if there had not  
2 been an exemption.

3 (6) A correction under this section that grants a homestead  
4 exemption pursuant to section ~~7ee(21)~~ **7CC** may be made for the  
5 year in which the appeal was filed and the 3 immediately preceding  
6 tax years.

7 Enacting section 1. This amendatory act does not take effect  
8 unless all of the following bills of the 93rd Legislature are  
9 enacted into law:

10 (a) Senate Bill No. 913.

11  
12 (b) Senate Bill No. 914.

13  
14 Enacting section 2. Part 513 of the natural resources and  
15 environmental protection act, 1994 PA 451, MCL 324.51301 to  
16 324.51312, is repealed effective September 1, 2007.