



**Senate Fiscal Agency**  
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BILL



ANALYSIS

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House Bill 4325 (Substitute S-2 as reported by the Committee of the Whole)

Sponsor: Representative Michelle McManus

House Committee: Agriculture and Forestry

Senate Committee: Agriculture and Forestry

## **CONTENT**

The bill would amend the Natural Resources and Environmental Protection Act's provisions on farmland and open space to revise procedures for withdrawing farmland from a development rights agreement; permit farmland owners currently enrolled in the Act to reduce the term of an agreement; and permit land subject to an agreement to be divided into parcels at least 40 acres in size. The bill would permit a portion of the farmland subject to an agreement to be relinquished under certain circumstances, and would require the State land use agency to record a lien against the portion relinquished for the amount of the allocated tax credit for the last seven years. In addition, the bill would permit the release of land from a development rights agreement if an individual essential to the operation of a farm died or became totally disabled, and would require relinquishment if the quality of the land prohibited agricultural production from being made economically viable.

The bill also would permit a local government, upon termination of a development rights agreement or easement, to impose a special assessment on land previously exempted from the assessment; permit an owner of farmland to request, by April 1, 1997, to have the agreement reduced to seven years if the land had been subject to the agreement for at least 10 years; permit an owner of farmland not subject to an agreement for at least 10 years to request, by December 31, 1996, to have the agreement reduced to 17 years from the initial year of enrollment; and, require the State land use agency to terminate an agreement upon request of a landowner who entered into or renewed a development rights agreement before April 15, 1994, and require that the requests be made by April 1, 1997. The bill also would require the establishment of a scoring system for determining farmland in which the State would acquire development rights.

MCL 342.36106 et al.

Legislative Analyst: L. Arasim

## **FISCAL IMPACT**

The fiscal impact on State and local units would depend on the amount and value of the land involved.

Date Completed: 5-7-96

Fiscal Analyst: R. Ross