

SENATE BILL NO. 771

October 22, 1997, Introduced by Senators SCHUETTE, NORTH
and BULLARD and referred to the Committee on Agriculture
and Forestry.

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
(MCL 324.101 to 324.90106) by adding part 362.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 PART 362 AGRICULTURAL SECURITY AREAS

2 SEC. 36201. AS USED IN THIS PART:

3 (A) "AGRICULTURAL SECURITY AREA" OR "AREA" MEANS A UNIT OF
4 500 OR MORE ACRES OF LAND USED FOR THE PRODUCTION OF AGRICULTURAL
5 PRODUCTS UNDER THE OWNERSHIP OF 1 OR MORE ENTITIES AND DESIGNATED
6 AS AN AGRICULTURAL SECURITY AREA UNDER THIS PART.

7 (B) "AGRICULTURAL USE" MEANS THE PRODUCTION OF PLANTS AND
8 ANIMALS USEFUL TO HUMANS, INCLUDING FORAGES AND SOD CROPS; GRAINS
9 AND FEED CROPS; DAIRY AND DAIRY PRODUCTS; LIVESTOCK, INCLUDING
10 BREEDING AND GRAZING; FRUITS; VEGETABLES; CHRISTMAS TREES; AND

1 OTHER SIMILAR USES AND ACTIVITIES ON SUBSTANTIALLY UNDEVELOPED
2 LAND.

3 (C) "DESCRIPTION OF THE PROPOSED AREA" MEANS A COMPLETE AND
4 ACCURATE LIST OF THE NAME OF EACH OWNER OF EACH PARCEL OF LAND TO
5 BE INCLUDED IN THE PROPOSED AGRICULTURAL SECURITY AREA, THE TAX
6 PARCEL NUMBER OR ACCOUNT NUMBER OF EACH PARCEL AND THE NUMBER OR
7 ACCOUNT NUMBER OF ACRES, INCLUDING PARTIAL ACRES, TO THE NEAREST
8 THOUSANDTH, CONTAINED IN EACH PARCEL. THE DESCRIPTION SHALL USE
9 COUNTY TAX MAP REFERENCES FOR DETERMINING BOUNDARIES OF EACH
10 PARCEL, AND A SURVEY OF PARCELS IS NOT REQUIRED, EXCEPT WHEN AN
11 INDIVIDUAL PARCEL INCLUDED IN THE AGRICULTURAL SECURITY AREA REP-
12 RESENTS LESS THAN THE ENTIRE AMOUNT OF CONTIGUOUS LAND CONTAINED
13 IN THE PROPERTY OF AN OWNER.

14 (D) "DEVELOPMENT" MEANS AN ACTIVITY THAT MATERIALLY ALTERS
15 OR AFFECTS THE EXISTING CONDITIONS OR USE OF ANY LAND.

16 (E) "DEVELOPMENT RIGHTS" MEANS THE RIGHT TO CONSTRUCT A
17 BUILDING OR STRUCTURE, TO IMPROVE LAND, OR TO EXTRACT MINERALS
18 INCIDENTAL TO A PERMITTED USE OR AS IS SET FORTH IN AN INSTRUMENT
19 RECORDED UNDER THIS PART.

20 (F) "DEVELOPMENT RIGHTS AGREEMENT" MEANS A RESTRICTIVE COVE-
21 NANT, EVIDENCED BY AN INSTRUMENT IN WHICH THE OWNER AND THE
22 STATE, FOR A TERM OF YEARS, AGREE TO JOINTLY HOLD THE RIGHT TO
23 DEVELOP THE LAND AS MAY BE EXPRESSLY RESERVED IN THE INSTRUMENT,
24 AND THAT CONTAINS A COVENANT RUNNING WITH THE LAND, FOR A TERM OF
25 YEARS, NOT TO DEVELOP, EXCEPT AS THIS RIGHT IS EXPRESSLY RESERVED
26 IN THE INSTRUMENT.

1 (G) "FARMLAND" MEANS 1 OR MORE OF THE FOLLOWING:

2 (i) A FARM OF 40 OR MORE ACRES, IN 1 OWNERSHIP, WHICH HAS
3 BEEN DEVOTED PRIMARILY TO AN AGRICULTURAL USE.

4 (ii) A FARM OF 5 ACRES OR MORE BUT LESS THAN 40 ACRES, IN 1
5 OWNERSHIP, WITH 51% OR MORE OF THE LAND AREA DEVOTED TO AN AGRI-
6 CULTURAL USE, THAT HAS PRODUCED A GROSS ANNUAL INCOME FROM AGRI-
7 CULTURE OF \$200.00 OR MORE PER YEAR PER ACRE OF CLEARED AND TIL-
8 LABLE LAND.

9 (iii) A FARM DESIGNATED BY THE DEPARTMENT OF AGRICULTURE AS
10 A SPECIALTY FARM IN 1 OWNERSHIP THAT HAS PRODUCED A GROSS ANNUAL
11 INCOME FROM AN AGRICULTURAL USE OF \$2,000.00 OR MORE.

12 (H) "GOVERNING BODY" MEANS 1 OF THE FOLLOWING:

13 (i) THE LEGISLATIVE BODY OF A CITY OR VILLAGE.

14 (ii) THE TOWNSHIP BOARD OF A TOWNSHIP HAVING A ZONING ORDI-
15 NANCE IN EFFECT AS PROVIDED BY LAW.

16 (iii) THE COUNTY BOARD OF COMMISSIONERS IN ALL OTHER AREAS.

17 (I) "LOCAL GOVERNMENTAL UNIT" MEANS A COUNTY, CITY, VILLAGE,
18 OR TOWNSHIP.

19 (J) "OWNER" MEANS A PERSON HAVING A FREEHOLD ESTATE IN LAND
20 COUPLED WITH POSSESSION AND ENJOYMENT. IF LAND IS SUBJECT TO A
21 LAND CONTRACT, OWNER MEANS THE VENDEE IN AGREEMENT WITH THE
22 VENDOR.

23 (K) "PERMITTED USE" MEANS ANY USE CONTAINED WITHIN A DEVEL-
24 OPMENT RIGHTS AGREEMENT ESSENTIAL TO THE FARMING OPERATION OR
25 THAT DOES NOT ALTER THE OPEN SPACE CHARACTER OF THE LAND.

26 (L) "PERSON" INCLUDES AN INDIVIDUAL, PARTNERSHIP,
27 CORPORATION, ASSOCIATION, GOVERNMENTAL ENTITY OR OTHER LEGAL

1 ENTITY, OR 2 OR MORE PERSONS HAVING A JOINT OR COMMON INTEREST IN
2 THE LAND.

3 (M) "PLANNING COMMISSION" MEANS A PLANNING COMMISSION OR
4 AGENCY OF A LOCAL GOVERNMENTAL UNIT THAT HAS BEEN DESIGNATED BY
5 THE LOCAL GOVERNING BODY TO ESTABLISH AND FOSTER A COMPREHENSIVE
6 PLAN FOR LAND MANAGEMENT AND DEVELOPMENT WITHIN THE LOCAL GOVERN-
7 MENTAL UNIT.

8 (N) "PROPERTY TAXES" MEANS GENERAL AD VALOREM TAXES LEVIED
9 AFTER JANUARY 1, 1974, ON LANDS AND STRUCTURES IN THIS STATE,
10 INCLUDING COLLECTION FEES, BUT NOT INCLUDING SPECIAL ASSESSMENTS,
11 PENALTIES, OR INTEREST.

12 (O) "STATE INCOME TAX ACT" MEANS THE INCOME TAX ACT OF 1967,
13 1967 PA 281, MCL 206.1 TO 206.532, AND IN EFFECT DURING THE PAR-
14 TICULAR YEAR OF THE REFERENCE TO THE ACT.

15 (P) "SUBSTANTIALLY UNDEVELOPED" MEANS ESSENTIALLY UNIMPROVED
16 EXCEPT FOR A DWELLING, BUILDING, STRUCTURE, ROAD, OR OTHER
17 IMPROVEMENT THAT IS INCIDENTAL TO AGRICULTURAL USE OR OPEN SPACE
18 USE.

19 SEC. 36202. (1) ONE OR MORE OWNERS OF LAND USED FOR AGRI-
20 CULTURAL PRODUCTION MAY SUBMIT A PROPOSAL TO THE LOCAL GOVERNING
21 BODY FOR THE CREATION OF AN AGRICULTURAL SECURITY AREA WITHIN
22 THAT LOCAL GOVERNMENTAL UNIT, IF THE OWNER OR OWNERS OWN 500 OR
23 MORE ACRES OF CONTIGUOUS OR ADJACENT FARMLAND PROPOSED TO BE
24 INCLUDED IN THE AREA AND PROPOSE TO ENTER INTO DEVELOPMENT RIGHTS
25 AGREEMENTS COVERING AT LEAST 70% OF THE ACREAGE.

26 (2) A PROPOSAL FOR CREATION OF AN AGRICULTURAL SECURITY AREA
27 SHALL BE SUBMITTED IN THE MANNER AND FORM AS MAY BE PRESCRIBED BY

1 THE GOVERNING BODY OF THE LOCAL GOVERNMENTAL UNIT WHERE THE
2 PROPOSED AREA IS SITUATED AND SHALL INCLUDE ALL OF THE
3 FOLLOWING:

4 (A) A DESCRIPTION OF THE PROPOSED AREA, INCLUDING THE BOUND-
5 ARIES OF THE AREA.

6 (B) THE DURATION OF THE PROPOSED AREA, WHICH SHALL BE AT
7 LEAST 10 YEARS.

8 (3) IF THE LAND INCLUDED IN A PROPOSAL FOR AN AGRICULTURAL
9 SECURITY AREA IS SITUATED IN MORE THAN 1 LOCAL GOVERNMENTAL UNIT,
10 THE PROPOSAL SHALL BE SUBMITTED TO, AND APPROVAL OF THE PROPOSAL
11 SHALL BE SOUGHT FROM, THE GOVERNING BODY OF EACH LOCAL GOVERNMEN-
12 TAL UNIT AFFECTED. THE GOVERNING BODIES MAY COOPERATE IN THE
13 REVIEW OF A PROPOSED AGRICULTURAL SECURITY AREA AND MAY PROVIDE
14 JOINT PUBLIC NOTICES AND A JOINT PUBLIC HEARING ON THE SECURITY
15 AREA. A REJECTION BY A GOVERNING BODY SHALL EXCLUDE THAT PORTION
16 OF THE PROPOSAL THAT IS SITUATED WITHIN THE LOCAL GOVERNMENTAL
17 UNIT. HOWEVER, THE REJECTION SHALL NOT PRECLUDE THE APPROVAL OF
18 THE REMAINING PORTION OF THE PROPOSAL AS AN AGRICULTURAL SECURITY
19 AREA BY THE GOVERNING BODIES OF THE OTHER AFFECTED LOCAL GOVERN-
20 MENTAL UNITS, PROVIDED THAT THE TOTAL ACREAGE APPROVED IS AT
21 LEAST 250 ACRES, UNLESS OTHERWISE APPROVED BY THE LOCAL GOVERNING
22 BODY, AND THAT THE APPROVED PORTION MEETS ALL OTHER REQUIREMENTS
23 IMPOSED UNDER THIS PART FOR AGRICULTURAL SECURITY AREAS.

24 (4) PARTICIPATION IN THE AGRICULTURAL SECURITY AREA SHALL BE
25 AVAILABLE ON A VOLUNTARY BASIS TO LANDOWNERS WITHIN THE JURISDIC-
26 TION OF THE GOVERNING BODY INCLUDING THOSE NOT AMONG THE ORIGINAL
27 PETITIONERS. WHILE INCLUDED IN AN AGRICULTURAL SECURITY AREA,

1 LAND SHALL REMAIN SUBSTANTIALLY UNDEVELOPED, IN ACCORDANCE WITH
2 THE INTENT AND PROVISIONS OF THIS PART. THE DELETION OF LAND
3 FROM THE AGRICULTURAL SECURITY AREA SHALL ONLY OCCUR AT THE TER-
4 MINATION OF THE AGRICULTURAL SECURITY AREA IS SUBJECT TO REVIEW
5 BY THE GOVERNING BODY OR UPON SUBMISSION TO THE CLERK OF THE
6 LOCAL GOVERNING BODY OF A PETITION SIGNED BY 2/3 OF THE OWNERS OF
7 LAND IN THE AGRICULTURAL SECURITY AREA AND BY THE OWNERS OF 2/3
8 OF THE ACREAGE OF LAND IN THE AGRICULTURAL SECURITY AREA. THE
9 ADDITION OF LAND TO THE AGRICULTURAL SECURITY AREA MAY OCCUR ONCE
10 EACH YEAR AT THE ANNIVERSARY DATE OF THE CREATION OF THE AGRICUL-
11 TURAL SECURITY AREA. A PROPOSAL FOR AN ADDITION, AND THE
12 APPROVAL OR DISAPPROVAL THEREOF, SHALL FOLLOW ALL THE PROCEDURES
13 AND REQUIREMENTS OF THIS SECTION FOR PROPOSAL, CONSIDERATION, AND
14 DECISION AS TO APPROVAL OR DISAPPROVAL OF THE ORIGINAL AGRICUL-
15 TURAL SECURITY AREA. IF THE LAND COMPRISING THE ADDITIONAL PRO-
16 POSAL COULD BE ADDED TO MORE THAN 1 EXISTING AGRICULTURAL SECUR-
17 ITY AREA, OR LIES IN MORE THAN 1 TOWNSHIP, THE PROPOSAL SHALL BE
18 CONSIDERED AS AN ADDITION TO THE AGRICULTURAL SECURITY AREA WHICH
19 WAS FIRST APPROVED. LAND ADDED TO AN EXISTING AGRICULTURAL
20 SECURITY AREA SHALL BE REVIEWED AT THE SAME TIME AS ALL OTHER
21 LAND IN THE AGRICULTURAL SECURITY AREA.

22 SEC. 36203. (1) UPON THE RECEIPT OF A PROPOSAL FOR CREATION
23 OF AN AGRICULTURAL SECURITY AREA, THE GOVERNING BODY SHALL
24 ACKNOWLEDGE RECEIPT OF THE PROPOSAL AT THE NEXT REGULAR OR SPE-
25 CIAL MEETING AND SHALL PUBLISH A NOTICE OF THE PROPOSAL IN A
26 NEWSPAPER HAVING GENERAL CIRCULATION WITHIN THE PROPOSED

1 AGRICULTURAL SECURITY AREA. THE NOTICE SHALL CONTAIN THE
2 FOLLOWING INFORMATION:

3 (A) A STATEMENT THAT A PROPOSAL FOR AN AGRICULTURAL SECURITY
4 AREA HAS BEEN FILED WITH THE GOVERNING BODY PURSUANT TO THIS
5 PART.

6 (B) A STATEMENT THAT THE PROPOSAL WILL BE ON FILE OPEN TO
7 PUBLIC INSPECTION IN THE OFFICE OF THE LOCAL GOVERNMENTAL UNIT.

8 (C) A STATEMENT THAT ANY LOCAL GOVERNMENTAL UNIT ENCOMPASS-
9 ING OR ADJACENT TO THE PROPOSED AREA, OR ANY LANDOWNER WHO OWNS
10 LAND PROPOSED TO BE INCLUDED WITHIN THE PROPOSED AREA, OR ANY
11 LANDOWNER WITH LANDS ADJACENT TO OR NEAR THE PROPOSED AREA WHO
12 WISHES THE LANDS TO BE INCLUDED OR NOT INCLUDED IN THE AREA, MAY
13 PROPOSE MODIFICATIONS OF THE PROPOSED AREA IN THE FORM AND MANNER
14 AS MAY BE PRESCRIBED BY THE GOVERNING BODY. THE STATEMENT SHALL
15 INDICATE THAT OBJECTIONS TO THE PROPOSAL, AND PROPOSED MODIFICA-
16 TIONS TO THE PROPOSAL, MUST BE FILED WITH THE GOVERNING BODY AND
17 THE PLANNING COMMISSION BY NOT MORE THAN 15 DAYS AFTER THE DATE
18 OF PUBLICATION OF THE NOTICE.

19 (D) A STATEMENT THAT AT THE TERMINATION OF THE 15-DAY PERIOD
20 UNDER SUBDIVISION (C), THE PROPOSAL AND PROPOSED MODIFICATIONS
21 WILL BE SUBMITTED TO THE PLANNING COMMISSION AND SUBSEQUENTLY A
22 PUBLIC HEARING WILL BE HELD ON THE PROPOSAL, PROPOSED MODIFICA-
23 TIONS, AND RECOMMENDATIONS OF THE PLANNING COMMISSION.

24 (2) THE GOVERNING BODY SHALL, UPON THE TERMINATION OF THE
25 15-DAY PERIOD PROVIDED IN SUBSECTION (1), REFER SUCH PROPOSAL AND
26 PROPOSED MODIFICATIONS TO THE PLANNING COMMISSION. THE PLANNING
27 COMMISSION SHALL HAVE UP TO 60 DAYS TO REVIEW THE PROPOSAL AND

1 PROPOSED MODIFICATIONS AND REPORT TO THE GOVERNING BODY THE
2 POTENTIAL EFFECT OF THE PROPOSAL AND PROPOSED MODIFICATIONS UPON
3 THE LOCAL GOVERNMENTAL UNIT'S PLANNING POLICIES AND OBJECTIVES.
4 THE FAILURE OF THE PLANNING COMMISSION TO SUBMIT A REPORT WITHIN
5 60 DAYS SHALL BE CONSIDERED TO CONSTITUTE APPROVAL OF THE PRO-
6 POSED AGRICULTURAL SECURITY AREA BY THE PLANNING COMMISSION. THE
7 FOLLOWING FACTORS AND EVALUATION CRITERIA SHALL BE CONSIDERED BY
8 THE PLANNING COMMISSION:

9 (A) THE REQUIREMENT THAT LAND PROPOSED FOR INCLUSION IN AN
10 AGRICULTURAL SECURITY AREA HAVE AT LEAST 50% OF SOILS WHICH ARE
11 CONDUCIVE TO AGRICULTURE.

12 (B) THE REQUIREMENT THAT USE OF LAND PROPOSED FOR INCLUSION
13 IN AN AGRICULTURAL SECURITY AREA BE COMPATIBLE WITH LOCAL GOVERN-
14 MENTAL UNIT COMPREHENSIVE PLANS.

15 (C) THE EXTENT AND NATURE OF FARM IMPROVEMENTS, ANTICIPATED
16 TRENDS IN AGRICULTURAL ECONOMIC AND TECHNOLOGICAL CONDITIONS, AND
17 ANY OTHER MATTER THAT MAY BE RELEVANT.

18 (3) THE GOVERNING BODY SHALL HOLD A PUBLIC HEARING REGARDING
19 THE PROPOSED AGRICULTURAL SECURITY AREA UPON RECEIPT OF THE
20 REPORTS FROM THE PLANNING COMMISSION OR UPON EXPIRATION OF THE
21 60-DAY PERIOD AS PROVIDED IN SUBSECTION (2). PURSUANT TO THE
22 OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275, A HEARING
23 NOTICE SHALL BE PUBLISHED IN A NEWSPAPER HAVING A GENERAL CIRCU-
24 LATION WITHIN THE PROPOSED AREA. IN ADDITION, NOTICE SHALL BE
25 GIVEN IN WRITING TO LANDOWNERS WHOSE LAND IS INCLUDED IN PROPOSED
26 MODIFICATIONS OR IS WITHIN THE PROPOSED AGRICULTURAL SECURITY

1 AREA. THE NOTICE SHALL CONTAIN ALL OF THE FOLLOWING
2 INFORMATION:

3 (A) A STATEMENT OF THE TIME, DATE, AND PLACE OF THE PUBLIC
4 HEARING.

5 (B) A DESCRIPTION OF THE PROPOSED AREA, ANY PROPOSED ADDI-
6 TIONS OR DELETIONS, AND ANY RECOMMENDATIONS OF THE PLANNING COM-
7 MISSION OR ADVISORY COMMITTEE.

8 (C) A STATEMENT THAT THE PUBLIC HEARING WILL BE HELD CON-
9 CERNING THE ORIGINAL PROPOSAL, ANY WRITTEN AMENDMENTS PROPOSED
10 DURING THE REVIEW PERIOD, AND ANY RECOMMENDATIONS PROPOSED BY THE
11 PLANNING COMMISSION.

12 (4) THE GOVERNING BODY, UPON COMPLETION OF THE PROCEDURES
13 AND CONSIDERATIONS PRESCRIBED IN SUBSECTIONS (1), (2), AND (3),
14 MAY ADOPT THE PROPOSAL OR ANY MODIFICATION OF THE PROPOSAL THE
15 GOVERNING BODY CONSIDERS APPROPRIATE, INCLUDING THE INCLUSION, TO
16 THE EXTENT FEASIBLE, OF ADJACENT VIABLE FARMLANDS IF THE LAND-
17 OWNER HAS MADE APPLICATION TO BE INCLUDED, AND, THE EXCLUSION, TO
18 THE EXTENT FEASIBLE, OF NONVIABLE FARMLAND AND NONFARMLAND. THE
19 EXISTENCE OF UTILITY FACILITIES ON THE PROPOSED AREA SHALL NOT
20 PREVENT THE CREATION OF AN AGRICULTURAL SECURITY AREA. THE
21 RIGHTS OF UTILITIES WITH RESPECT TO THE EXISTING FACILITIES SHALL
22 NOT BE DISTURBED OR AFFECTED BY THE CREATION OF THE AGRICULTURAL
23 SECURITY AREA. THE GOVERNING BODY SHALL ACT TO ADOPT OR REJECT
24 THE PROPOSAL, OR ANY MODIFICATION, NO LATER THAN 180 DAYS FROM
25 THE DATE THE PROPOSAL WAS ORIGINALLY SUBMITTED. FAILURE BY THE
26 GOVERNING BODY TO ACT WITHIN THIS 180-DAY PERIOD SHALL BE
27 CONSIDERED ADOPTION OF THE PROPOSAL WITHOUT MODIFICATION.

1 (5) WITHIN 10 DAYS OF THE GOVERNING BODY'S DECISION TO
2 REJECT OR MODIFY THE PROPOSAL, THE GOVERNING BODY SHALL SUBMIT TO
3 THE OWNER OR OWNERS OF THE LAND A WRITTEN DECISION STATING THE
4 REASONS THE PROPOSAL WAS REJECTED OR WAS MODIFIED. THE WRITTEN
5 DECISION SHALL INCLUDE A FINDING OF FACT, REVIEW OF THE EVALU-
6 ATION CRITERIA PRESCRIBED IN SUBSECTION (2), AND A DISCUSSION OF
7 REASONS FOR REJECTION OR MODIFICATION OF THE PROPOSAL.

8 (6) AN AGRICULTURAL SECURITY AREA IS CREATED UPON THE ADOP-
9 TION OF THE PROPOSAL OR ITS MODIFICATION BY THE GOVERNING BODY OR
10 UPON EXPIRATION OF THE 180-DAY PERIOD. IF THE PROPOSAL HAS
11 INCLUDED LAND SITUATED IN MORE THAN 1 LOCAL GOVERNMENTAL UNIT,
12 THE AGRICULTURAL SECURITY AREA IS CREATED UPON ADOPTION BY THE
13 LOCAL GOVERNMENTAL UNIT OR UNITS OF THE PORTION OF THE PROPOSAL
14 OR PROPOSED MODIFICATIONS AS WILL MEET THE MINIMUM ACREAGE AND
15 OTHER REQUIREMENTS OF AN AGRICULTURAL SECURITY AREA PROVIDED IN
16 THIS PART. SUBSEQUENT ADOPTION OF THE REMAINING PORTION SHALL
17 IMMEDIATELY EFFECTUATE THE PORTION AS AN AGRICULTURAL SECURITY
18 AREA.

19 (7) WITHIN 10 DAYS OF THE CREATION OF AN AGRICULTURAL SECUR-
20 ITY AREA, THE GOVERNING BODY SHALL FILE A DESCRIPTION OF THE
21 AREA, INCLUDING THE DURATION OF THE AREA, WITH THE REGISTER OF
22 DEEDS, THE PLANNING COMMISSIONS OF THE COUNTY, AND THE LOCAL GOV-
23 ERNMENTAL UNIT. RECORDING SHALL BE DONE IN A MANNER THAT IS SUF-
24 FICIENT TO GIVE NOTICE TO ALL PERSONS WHO HAVE, MAY ACQUIRE, OR
25 MAY SEEK TO ACQUIRE AN INTEREST IN LAND IN OR ADJACENT TO THE
26 CREATED AGRICULTURAL SECURITY AREA. THE LOCAL GOVERNING BODY

1 SHALL EXECUTE A DEVELOPMENT RIGHTS AGREEMENT TO ENSURE THAT THE
2 LAND WILL REMAIN SUBSTANTIALLY UNDEVELOPED.

3 (8) WITHIN 10 DAYS OF THE RECORDING OF THE AGRICULTURAL
4 SECURITY AREA, THE GOVERNING BODY SHALL NOTIFY THE DEPARTMENT
5 THAT THE AREA HAS BEEN APPROVED AND RECORDED, MODIFIED, OR
6 TERMINATED. THE NOTIFICATION SHALL BE IN WRITING AND SHALL
7 INCLUDE THE NUMBER OF LANDOWNERS, THE TOTAL ACREAGE OF THE AREA,
8 THE DATE OF APPROVAL BY THE GOVERNING BODY, THE DURATION OF THE
9 AREA, AND THE DATE OF RECORDING. THE LANDOWNER SHALL ALSO ENROLL
10 THE LAND UNDER PART 361.

11 (9) THE GOVERNING BODY SHALL REVIEW ANY AREA CREATED UNDER
12 SUBSECTION (4) AT THE EXPIRATION OF AN AGRICULTURAL SECURITY
13 AREA. IN CONDUCTING THE REVIEW, THE GOVERNING BODY SHALL ASK FOR
14 THE RECOMMENDATIONS OF THE PLANNING COMMISSION AND SHALL, NOT
15 LESS THAN 120 OR MORE THAN 180 DAYS BEFORE THE EXPIRATION OF THE
16 AGRICULTURAL SECURITY AREA, HOLD A PUBLIC HEARING AT A PLACE
17 WITHIN THE AREA OR OTHERWISE READILY ACCESSIBLE TO THE AREA.
18 PRIOR TO THE COMMENCEMENT OF THE REVIEW, NOTICE SHALL BE GIVEN BY
19 PUBLICATION IN A NEWSPAPER HAVING A GENERAL CIRCULATION WITHIN
20 THE AREA AND BY NOTICE, IN WRITING, TO ALL PERSONS OWNING LAND
21 WITHIN THE AREA THAT THE AGRICULTURAL SECURITY AREA WILL BE
22 REVIEWED IN ACCORDANCE WITH LAW. ALL THE NOTICES SHALL BE GIVEN
23 30 DAYS BEFORE THE COMMENCEMENT OF THE REVIEW. PERSONS WISHING
24 TO MODIFY THE AREA SHALL SUBMIT PROPOSED MODIFICATIONS WITHIN 30
25 DAYS OF THE DATE OF THE NOTICE. IN CONDUCTING THE REVIEW, THE
26 GOVERNING BODIES SHALL FOLLOW ALL THE PROCEDURES AND REQUIREMENTS
27 OF SUBSECTIONS (1), (2), (3), AND (4) FOR THE CONSIDERATION OF

1 THE AGRICULTURAL SECURITY AREA AND PROPOSED MODIFICATIONS TO THE
2 AREA. WITHIN 10 DAYS OF ITS ACTION OF RENEWAL, TERMINATION, OR
3 MODIFICATION, THE GOVERNING BODY SHALL FILE A NOTICE OF RENEWAL,
4 TERMINATION, OR MODIFICATION WITH THE REGISTER OF DEEDS, WHO
5 SHALL RECORD THE NOTICE IN A MANNER AND PLACE AS HAS BEEN PRO-
6 VIDED IN THE ORIGINAL RECORDING OF THE AGRICULTURAL SECURITY
7 AREA. THE GOVERNING BODY SHALL ALSO FILE A NOTICE OF RENEWAL,
8 TERMINATION, OR MODIFICATION WITH THE PLANNING COMMISSIONS OF THE
9 COUNTY AND OF THE LOCAL GOVERNMENTAL UNIT. IF THE GOVERNING BODY
10 DOES NOT ACT, OR IF A MODIFICATION OF AN AREA IS REJECTED, THE
11 AREA SHALL BE CONSIDERED TO BE NEW WITHOUT MODIFICATION.

12 (10) ANY PARTY IN INTEREST AGGRIEVED BY A DECISION OR ACTION
13 OF THE GOVERNING BODY RELATING TO THE CREATION, COMPOSITION, MOD-
14 IFICATION, REJECTION, OR TERMINATION OF AN AGRICULTURAL SECURITY
15 AREA MAY TAKE AN APPEAL TO THE CIRCUIT COURT, IN THE MANNER PRO-
16 VIDED BY LAW, WITHIN 30 DAYS AFTER THE DECISION OR ACTION.

17 SEC. 36204. (1) AN OWNER OF FARMLAND AND RELATED BUILDINGS
18 WITHIN AN AGRICULTURAL SECURITY AREA COVERED BY 1 OR MORE DEVEL-
19 OPMENT RIGHTS AGREEMENTS MEETING THE REQUIREMENTS OF THIS PART
20 WHO IS REQUIRED OR ELIGIBLE TO FILE A RETURN AS AN INDIVIDUAL OR
21 A CLAIMANT UNDER THE STATE INCOME TAX ACT MAY CLAIM A CREDIT
22 AGAINST THE STATE INCOME TAX LIABILITY FOR THE AMOUNT BY WHICH
23 THE PROPERTY TAXES ON THE LAND AND STRUCTURES USED IN THE FARMING
24 OPERATION, INCLUDING THE HOMESTEAD, RESTRICTED BY THE DEVELOPMENT
25 RIGHTS AGREEMENTS EXCEED THE FOLLOWING APPLICABLE PERCENTAGE OF
26 THE HOUSEHOLD INCOME AS DEFINED IN CHAPTER 9 OF THE INCOME TAX
27 ACT OF 1967, 1967 PA 281, MCL 206.501 TO 206.532, EXCLUDING A

1 DEDUCTION IF TAKEN UNDER SECTION 613 OF THE INTERNAL REVENUE CODE
2 OF 1986:

3 (A) SEVEN PERCENT, IF THE LENGTH OF AN AGRICULTURAL SECURITY
4 AREA DEVELOPMENT RIGHTS AGREEMENT IS NOT LESS THAN 10 YEARS, BUT
5 LESS THAN 15 YEARS.

6 (B) FIVE PERCENT, IF THE LENGTH OF AN AGRICULTURAL SECURITY
7 AREA DEVELOPMENT RIGHTS AGREEMENT IS NOT LESS THAN 15 YEARS, BUT
8 LESS THAN 20 YEARS.

9 (C) THREE AND ONE-HALF PERCENT, IF THE LENGTH OF AN AGRICUL-
10 TURAL SECURITY AREA DEVELOPMENT RIGHTS AGREEMENT IS NOT LESS THAN
11 20 YEARS.

12 (2) FOR THE PURPOSES OF THIS SECTION, ALL OF THE FOLLOWING
13 APPLY:

14 (A) A PARTNER IN A PARTNERSHIP IS CONSIDERED AN OWNER OF
15 FARMLAND AND RELATED BUILDINGS COVERED BY A DEVELOPMENT RIGHTS
16 AGREEMENT THAT ARE OWNED BY THE PARTNERSHIP. A PARTNER IS CON-
17 SIDERED TO PAY A PROPORTION OF THE PROPERTY TAXES ON THAT PROP-
18 ERTY EQUAL TO THE PARTNER'S SHARE OF OWNERSHIP OF CAPITAL OR DIS-
19 TRIBUTIVE SHARE OF ORDINARY INCOME AS REPORTED BY THE PARTNERSHIP
20 TO THE INTERNAL REVENUE SERVICE OR, IF THE PARTNERSHIP IS NOT
21 REQUIRED TO REPORT THAT INFORMATION TO THE INTERNAL REVENUE SERV-
22 ICE, AS PROVIDED IN THE PARTNERSHIP AGREEMENT OR, IF THERE IS NO
23 WRITTEN PARTNERSHIP AGREEMENT, A STATEMENT SIGNED BY ALL THE
24 PARTNERS. A PARTNER CLAIMING A CREDIT UNDER THIS SECTION BASED
25 UPON THE PARTNERSHIP AGREEMENT OR A STATEMENT SHALL FILE A COPY
26 OF THE AGREEMENT OR STATEMENT WITH HIS OR HER INCOME TAX RETURN.
27 IF THE AGREEMENT OR STATEMENT IS NOT FILED, THE DEPARTMENT OF

1 TREASURY SHALL DENY THE CREDIT. ALL PARTNERS IN A PARTNERSHIP
2 CLAIMING THE CREDIT ALLOWED UNDER THIS SECTION SHALL COMPUTE THE
3 CREDIT USING THE SAME BASIS FOR THE APPORTIONMENT OF THE PROPERTY
4 TAXES.

5 (B) A SHAREHOLDER OF A CORPORATION THAT HAS FILED A PROPER
6 ELECTION UNDER SUBCHAPTER S OF CHAPTER 1 OF SUBTITLE A OF THE
7 INTERNAL REVENUE CODE OF 1986, 26 U.S.C. 1361 TO 1379, IS CONSID-
8 ERED AN OWNER OF FARMLAND AND RELATED BUILDINGS COVERED BY A
9 DEVELOPMENT RIGHTS AGREEMENT THAT ARE OWNED BY THE CORPORATION.
10 A SHAREHOLDER IS CONSIDERED TO PAY A PROPORTION OF THE PROPERTY
11 TAXES ON THAT PROPERTY EQUAL TO THE SHAREHOLDER'S PERCENTAGE OF
12 STOCK OWNERSHIP FOR THE TAX YEAR AS REPORTED BY THE CORPORATION
13 TO THE INTERNAL REVENUE SERVICE.

14 (C) AN INDIVIDUAL IN POSSESSION OF PROPERTY FOR LIFE UNDER A
15 LIFE ESTATE WITH REMAINDER TO ANOTHER PERSON OR HOLDING PROPERTY
16 UNDER A LIFE LEASE IS CONSIDERED THE OWNER OF THAT PROPERTY IF IT
17 IS FARMLAND AND RELATED BUILDINGS COVERED BY A DEVELOPMENT RIGHTS
18 AGREEMENT UNLESS A WRITTEN AGREEMENT SIGNED BY ALL THE OWNERS AND
19 THE HOLDER OF THE LIFE ESTATE OR LIFE LEASE IS FILED WITH THE
20 RETURN, AND THE AGREEMENT APPORTIONS THE PROPERTY TAXES IN THE
21 SAME MANNER AS REVENUE AND EXPENSES.

22 (D) IF A TRUST HOLDS FARMLAND AND RELATED BUILDINGS COVERED
23 BY A DEVELOPMENT RIGHTS AGREEMENT AND AN INDIVIDUAL IS TREATED
24 UNDER SECTIONS 671 TO 679 OF THE INTERNAL REVENUE CODE OF 1986,
25 AS THE OWNER OF THAT PORTION OF THE TRUST THAT INCLUDES THE FARM-
26 LAND AND RELATED BUILDINGS, THAT INDIVIDUAL IS CONSIDERED THE
27 OWNER OF THAT PROPERTY.

1 (E) AN INDIVIDUAL WHO IS THE SOLE BENEFICIARY OF A TRUST
2 THAT IS THE RESULT OF THE DEATH OF THAT INDIVIDUAL'S SPOUSE IS
3 CONSIDERED THE OWNER OF FARMLAND AND RELATED BUILDINGS COVERED BY
4 A DEVELOPMENT RIGHTS AGREEMENT AND HELD BY THE TRUST IF THE TRUST
5 CONFORMS TO ALL OF THE FOLLOWING:

6 (i) ONE HUNDRED PERCENT OF THE TRUST INCOME IS DISTRIBUTED
7 TO THE BENEFICIARY IN THE TAX YEAR IN WHICH THE TRUST RECEIVES
8 THE INCOME.

9 (ii) THE TRUST TERMS DO NOT PROVIDE THAT ANY PORTION OF THE
10 TRUST IS TO BE PAID, SET ASIDE, OR OTHERWISE USED IN A MANNER
11 THAT WOULD QUALIFY FOR THE DEDUCTION ALLOWED BY SECTION 642(c) OF
12 THE INTERNAL REVENUE CODE OF 1986.

13 (3) AN OWNER OF FARMLAND AND RELATED BUILDINGS COVERED BY 1
14 OR MORE DEVELOPMENT RIGHTS AGREEMENTS MEETING THE REQUIREMENTS OF
15 THIS PART TO WHOM SUBSECTIONS (1) AND (2) DO NOT APPLY MAY CLAIM
16 A CREDIT UNDER THE SINGLE BUSINESS TAX ACT, 1975 PA 228, MCL
17 208.1 TO 208.145, FOR THE AMOUNT BY WHICH THE PROPERTY TAXES ON
18 THE LAND AND STRUCTURES USED IN FARMING OPERATIONS RESTRICTED BY
19 THE DEVELOPMENT RIGHTS AGREEMENTS EXCEED THE APPLICABLE PERCENT-
20 TAGE UNDER SUBSECTION (1), OF THE ADJUSTED BUSINESS INCOME OF THE
21 OWNER AS DEFINED IN SECTION 36 OF THE SINGLE BUSINESS TAX ACT,
22 1975 PA 228, MCL 208.36, PLUS COMPENSATION TO SHAREHOLDERS NOT
23 INCLUDED IN ADJUSTED BUSINESS INCOME, EXCLUDING ANY DEDUCTIONS IF
24 TAKEN UNDER SECTION 613 OF THE INTERNAL REVENUE CODE OF 1986.
25 WHEN CALCULATING ADJUSTED BUSINESS INCOME FOR TAX YEARS BEGINNING
26 BEFORE 1987, FEDERAL TAXABLE INCOME SHALL NOT BE LESS THAN ZERO
27 FOR THE PURPOSES OF THIS SUBSECTION ONLY. A PARTICIPANT IS NOT

1 ELIGIBLE TO CLAIM A CREDIT AND REFUND AGAINST THE STATE SINGLE
2 BUSINESS TAX UNLESS THE PARTICIPANT DEMONSTRATES THAT THE
3 PARTICIPANT'S AGRICULTURAL GROSS RECEIPTS OF THE FARMING OPERA-
4 TION EXCEED 5 TIMES THE PROPERTY TAXES ON THE LAND FOR EACH OF 3
5 OUT OF THE 5 TAX YEARS IMMEDIATELY PRECEDING THE YEAR IN WHICH
6 THE CREDIT IS CLAIMED. THIS ELIGIBILITY REQUIREMENT DOES NOT
7 APPLY TO THOSE PARTICIPANTS WHO EXECUTED FARMLAND DEVELOPMENT
8 RIGHTS AGREEMENTS UNDER THIS PART BEFORE JANUARY 1, 1978. A PAR-
9 TICIPANT MAY COMPARE, DURING THE CONTRACT PERIOD, THE AVERAGE OF
10 THE MOST RECENT 3 YEARS OF AGRICULTURAL GROSS RECEIPTS TO PROP-
11 ERTY TAXES IN THE FIRST YEAR THAT THE PARTICIPANT ENTERED THE
12 PROGRAM UNDER THE PRESENT CONTRACT IN CALCULATING THE GROSS
13 RECEIPTS QUALIFICATION. ONCE AN ELECTION IS MADE BY THE PARTICI-
14 PANT TO COMPUTE THE BENEFIT IN THIS MANNER, ALL FUTURE CALCULA-
15 TIONS SHALL BE MADE IN THE SAME MANNER.

16 (4) IF THE FARMLAND AND RELATED BUILDINGS COVERED BY A
17 DEVELOPMENT RIGHTS AGREEMENT ARE OWNED BY MORE THAN 1 OWNER, EACH
18 OWNER IS ALLOWED TO CLAIM A CREDIT UNDER THIS SECTION BASED UPON
19 THAT OWNER'S SHARE OF THE PROPERTY TAX PAYABLE ON THE FARMLAND
20 AND RELATED BUILDINGS. THE DEPARTMENT OF TREASURY SHALL CONSIDER
21 THE PROPERTY TAX EQUALLY APPORTIONED AMONG THE OWNERS UNLESS A
22 WRITTEN AGREEMENT SIGNED BY ALL THE OWNERS IS FILED WITH THE
23 RETURN, WHICH AGREEMENT APPORTIONS THE PROPERTY TAXES IN THE SAME
24 MANNER AS ALL OTHER ITEMS OF REVENUE AND EXPENSE. IF THE PROP-
25 ERTY TAXES ARE CONSIDERED EQUALLY APPORTIONED, A HUSBAND AND WIFE
26 SHALL BE CONSIDERED 1 OWNER, AND A PERSON WITH RESPECT TO WHOM A
27 DEDUCTION UNDER SECTION 151 OF THE INTERNAL REVENUE CODE OF 1986

1 IS ALLOWABLE TO ANOTHER OWNER OF THE PROPERTY SHALL NOT BE
2 CONSIDERED AN OWNER.

3 (5) A BENEFICIARY OF AN ESTATE OR TRUST TO WHICH SUBSECTION
4 (1) DOES NOT APPLY IS ENTITLED TO THE SAME PERCENTAGE OF THE
5 CREDIT PROVIDED IN THIS SECTION AS THAT PERSON'S PERCENTAGE OF
6 ALL OTHER DISTRIBUTIONS BY THE ESTATE OR TRUST.

7 (6) IF THE ALLOWABLE AMOUNT OF THE CREDIT CLAIMED EXCEEDS
8 THE STATE INCOME TAX OR THE STATE SINGLE BUSINESS TAX OTHERWISE
9 DUE FOR THE TAX YEAR OR IF THERE IS NO STATE INCOME TAX OR THE
10 STATE SINGLE BUSINESS TAX DUE FOR THE TAX YEAR, THE AMOUNT OF THE
11 CLAIM NOT USED AS AN OFFSET AGAINST THE STATE INCOME TAX OR THE
12 STATE SINGLE BUSINESS TAX, AFTER EXAMINATION AND REVIEW, SHALL BE
13 APPROVED FOR PAYMENT TO THE CLAIMANT PURSUANT TO 1941 PA 122, MCL
14 205.1 TO 205.31. THE TOTAL CREDIT ALLOWABLE UNDER THIS PART AND
15 CHAPTER 9 OF THE INCOME TAX ACT OF 1967, MCL 206.501 TO 206.532,
16 OR THE SINGLE BUSINESS TAX ACT, 1975 PA 228, MCL 208.1 TO
17 208.145, SHALL NOT EXCEED THE TOTAL PROPERTY TAX DUE AND PAYABLE
18 BY THE CLAIMANT IN THAT YEAR. THE AMOUNT THE CREDIT EXCEEDS THE
19 PROPERTY TAX DUE AND PAYABLE SHALL BE DEDUCTED FROM THE CREDIT
20 CLAIMED UNDER THIS PART.

21 (7) FOR PURPOSES OF AUDIT, REVIEW, DETERMINATION, APPEALS,
22 HEARINGS, NOTICES, ASSESSMENTS, AND ADMINISTRATION RELATING TO
23 THE CREDIT PROGRAM PROVIDED BY THIS SECTION, THE INCOME TAX ACT
24 OF 1967, 1967 PA 281, MCL 206.1 TO 206.532, OR THE SINGLE BUSI-
25 NESS TAX ACT, 1975 PA 228, MCL 208.1 TO 208.145, APPLIES ACCORD-
26 ING TO WHICH TAX THE CREDIT IS CLAIMED AGAINST. IF AN INDIVIDUAL
27 IS ALLOWED TO CLAIM A CREDIT UNDER SUBSECTIONS (1) AND (2) BASED

1 UPON PROPERTY OWNED OR HELD BY A PARTNERSHIP, S CORPORATION, OR
2 TRUST, THE DEPARTMENT OF TREASURY MAY REQUIRE THAT THE INDIVIDUAL
3 FURNISH TO THE DEPARTMENT OF TREASURY A COPY OF A TAX RETURN, OR
4 PORTION OF A TAX RETURN, AND SUPPORTING SCHEDULES THAT THE PART-
5 NERSHIP, S CORPORATION, OR TRUST FILES UNDER THE INTERNAL REVENUE
6 CODE.

7 (8) THE DEPARTMENT OF TREASURY SHALL ACCOUNT SEPARATELY FOR
8 PAYMENTS UNDER THIS PART AND NOT COMBINE THEM WITH OTHER CREDIT
9 PROGRAMS. A PAYMENT MADE TO A CLAIMANT FOR A CREDIT CLAIMED
10 UNDER THIS PART SHALL BE ISSUED BY 1 OR MORE WARRANTS MADE OUT TO
11 THE COUNTY TREASURER IN EACH COUNTY IN WHICH THE CLAIMANT'S PROP-
12 erty IS LOCATED AND THE CLAIMANT, UNLESS A COPY OF THE RECEIPT
13 SHOWING PAYMENT OF THE PROPERTY TAXES THAT BECAME A LIEN IN THE
14 YEAR FOR WHICH THE CREDIT IS CLAIMED, OR THAT BECAME A LIEN IN
15 THE YEAR BEFORE THE YEAR FOR WHICH THE CREDIT IS CLAIMED, IS
16 ATTACHED TO THE INCOME TAX OR SINGLE BUSINESS TAX RETURN FILED BY
17 THE CLAIMANT. IF A COPY OF THE RECEIPT IS ATTACHED TO THE
18 RETURN, THE PAYMENT SHALL BE MADE DIRECTLY TO THE CLAIMANT. A
19 WARRANT MADE OUT TO A CLAIMANT AND A COUNTY TREASURER SHALL BE
20 USED FIRST TO PAY DELINQUENT PROPERTY TAXES, INTEREST, PENALTIES,
21 AND FEES ON PROPERTY RESTRICTED BY THE DEVELOPMENT RIGHTS
22 AGREEMENT. IF THE WARRANT EXCEEDS THE AMOUNT OF DELINQUENT
23 TAXES, INTEREST, PENALTIES, AND FEES, THE COUNTY TREASURER SHALL
24 REMIT THE EXCESS TO THE CLAIMANT.

25 SEC. 36205. (1) THIRTY DAYS BEFORE THE RECORDING OF A LIEN
26 UNDER THIS SECTION, THE DEPARTMENT SHALL NOTIFY THE OWNER OF THE
27 FARMLAND SUBJECT TO THE DEVELOPMENT RIGHTS AGREEMENT OF THE

1 AMOUNT OF THE LIEN, INCLUDING INTEREST, IF ANY. IF THE LIEN
2 AMOUNT IS PAID BEFORE 30 DAYS AFTER THE OWNER IS NOTIFIED, THE
3 LIEN SHALL NOT BE RECORDED. THE LIEN MAY BE PAID AND DISCHARGED
4 AT ANY TIME AND IS PAYABLE TO THE STATE BY THE OWNER OF RECORD AT
5 THE TIME THE LAND OR ANY PORTION OF IT IS SOLD BY THE OWNER OF
6 RECORD, OR IF THE LAND IS CONVERTED TO A USE PROHIBITED BY THE
7 FORMER DEVELOPMENT RIGHTS AGREEMENT. THE LIEN SHALL BE DIS-
8 CHARGED UPON RENEWAL OR REENTRY IN A DEVELOPMENT RIGHTS AGREE-
9 MENT, EXCEPT THAT A SUBSEQUENT LIEN SHALL NOT BE LESS THAN THE
10 LIEN DISCHARGED.

11 (2) UPON THE TERMINATION OF AN AGRICULTURAL SECURITY AREA,
12 THE DEPARTMENT SHALL RECORD A LIEN AGAINST THE PROPERTY FORMERLY
13 SUBJECT TO THE DEVELOPMENT RIGHTS AGREEMENT FOR THE TOTAL AMOUNT
14 OF CREDIT RECEIVED BY THE OWNER FOR THE LAST 7 YEARS FOR THAT
15 PROPERTY UNDER SECTION 36204 PLUS INTEREST AT THE RATE OF 6% PER
16 ANNUM FROM THE TIME THE CREDIT WAS RECEIVED UNTIL THE LIEN IS
17 PLACED ON THE PROPERTY. IN ADDITION, THE CURRENT FAIR MARKET
18 VALUE OF THE DEVELOPMENT RIGHTS SHALL BE DETERMINED AT THE TIME
19 OF RELINQUISHMENT AND A LIEN SHALL BE PLACED ON THE PROPERTY
20 EQUAL TO 50% OF THE TRUE CASH VALUE OF THE DEVELOPMENT RIGHTS
21 MULTIPLIED BY THE PROPERTY TAX MILLAGE RATE MULTIPLIED BY 7.

22 (3) UPON TERMINATION OF AN AGRICULTURAL SECURITY AREA DEVEL-
23 OPMENT RIGHTS AGREEMENT, THE LOCAL GOVERNING BODY SHALL NOTIFY
24 THE DEPARTMENT OF TREASURY FOR THEIR RECORDS.

25 (4) THE PROCEEDS FROM LIEN PAYMENTS MADE UNDER THIS PART
26 SHALL BE USED FOR THE PURCHASE OF DEVELOPMENTAL RIGHTS UNDER
27 SECTION 36111.

1 SEC. 36206. THE DEVELOPMENT RIGHTS HELD BY THE LOCAL
2 GOVERNING BODY AS EXPRESSED IN AN AGRICULTURAL SECURITY AREA
3 DEVELOPMENT RIGHTS AGREEMENT ARE EXEMPT FROM AD VALOREM TAXATION.

4 SEC. 36207. (1) EVERY LOCAL GOVERNMENTAL UNIT WITHIN WHICH
5 AN AGRICULTURAL SECURITY AREA IS CREATED SHALL ENCOURAGE THE CON-
6 TINUITY AND VIABILITY OF AGRICULTURE WITHIN AN AREA.

7 (2) A LAW OR ORDINANCE OF A LOCAL GOVERNMENTAL UNIT SHALL
8 NOT RESTRICT A FARM OPERATION CONDUCTED USING GENERALLY ACCEPTED
9 AGRICULTURAL AND MANAGEMENT PRACTICES AS DEFINED UNDER THE
10 MICHIGAN RIGHT TO FARM ACT, 1981 PA 93, MCL 286.471 TO 286.474,
11 WITHIN AN AGRICULTURAL SECURITY AREA AS PERMITTED BY THIS PART IF
12 THE FARM OPERATION DOES NOT BEAR A DIRECT RELATIONSHIP TO THE
13 PUBLIC HEALTH AND SAFETY.

14 (3) IT SHALL BE THE POLICY OF ALL STATE AGENCIES TO ENCOUR-
15 AGE THE MAINTENANCE OF VIABLE FARMING IN AGRICULTURAL SECURITY
16 AREAS, AND THEIR ADMINISTRATIVE REGULATIONS AND PROCEDURES SHALL
17 BE MODIFIED TO THIS END INsofar AS IS CONSISTENT WITH THE PROMO-
18 TION OF PUBLIC HEALTH AND SAFETY, WITH THE PROVISIONS OF ANY FED-
19 ERAL STATUTES, STANDARDS, CRITERIA, RULES, REGULATIONS, OR POLI-
20 CIES, AND ANY OTHER REQUIREMENTS OF FEDERAL AGENCIES, INCLUDING
21 PROVISIONS APPLICABLE ONLY TO OBTAINING FEDERAL GRANTS, LOANS, OR
22 OTHER FUNDING.

23 (4) THE GOVERNING BODY SHALL CONSIDER THE IMPACT OF PROPOSED
24 DEVELOPMENTS UPON ADJACENT AGRICULTURAL OPERATIONS INCLUDED IN AN
25 AGRICULTURAL SECURITY AREA ESTABLISHED UNDER THIS PART AND
26 ENCOURAGE DESIGNS WHICH WILL MINIMIZE THE IMPACT OF DEVELOPMENT
27 UPON ADJACENT AGRICULTURAL OPERATIONS AND INCORPORATE ALTERNATIVE

1 DEVELOPMENT OPTIONS INCLUDING, BUT NOT LIMITED TO, BUFFER STRIPS,
2 BARRIER OR BERM CONSTRUCTION, SETBACK REQUIREMENTS, AND CLUSTER
3 OR PLANNED UNIT DEVELOPMENT OPTIONS. HOWEVER, THE LOCAL GOVERN-
4 ING BODY SHALL NOT REDUCE THE INTENSITY OF DEVELOPMENT AS PERMIT-
5 TED UNDER A LOCAL ZONING ORDINANCE.

6 (5) A PERSON SHALL NOT SELL A PARCEL OF LAND THAT IS LOCATED
7 WITHIN 1 MILE OF AN AGRICULTURAL SECURITY AREA UNLESS THE DEED
8 CONTAINS SUBSTANTIALLY THE FOLLOWING NOTICE:

9 "THIS PROPERTY IS LOCATED IN THE VICINITY OF A FARM OR FARM
10 OPERATION. GENERALLY ACCEPTED AGRICULTURAL AND MANAGEMENT PRAC-
11 TICES MAY BE UTILIZED BY THE FARM OR FARM OPERATION AND MAY GEN-
12 ERATE USUAL AND ORDINARY NOISE, DUST, ODORS, AND OTHER ASSOCIATED
13 CONDITIONS, AND THESE PRACTICES ARE PROTECTED BY THE MICHIGAN
14 RIGHT TO FARM ACT, 1981 PA 93, MCL 286.471 TO 286.474. THE
15 SELLER IS NOT REQUIRED TO DISCLOSE WHETHER GENERALLY ACCEPTED
16 AGRICULTURAL AND MANAGEMENT PRACTICES ARE BEING UTILIZED."

17 SEC. 36208. PUBLICLY FUNDED, OWNED, AND MAINTAINED PROJECTS
18 REQUIRING EMINENT DOMAIN BY ANY AGENCY OF THIS STATE OF LAND
19 INCLUDED IN AN AGRICULTURAL SECURITY AREA ESTABLISHED UNDER SEC-
20 TION 36202 SHALL INCLUDE A REVIEW BY THE DEPARTMENT OF AGRICUL-
21 TURE BEFORE THE LAND IS RELINQUISHED FROM THE AGREEMENTS AND
22 POWERS OF CONDEMNATION ARE EXERCISED. THE GOVERNING BODY EXER-
23 CISING POWERS OF EMINENT DOMAIN SHALL SUBMIT TO THE DEPARTMENT OF
24 AGRICULTURE AN ASSESSMENT OF THE IMPACT OF THE PROJECT UPON AGRI-
25 CULTURAL LANDS. THE DEPARTMENT OF AGRICULTURE SHALL SEEK THE
26 ASSISTANCE OF MICHIGAN STATE UNIVERSITY, THE NATURAL RESOURCES
27 CONSERVATION SERVICE OF THE UNITED STATES DEPARTMENT OF

1 AGRICULTURE, AND OTHER PROFESSIONAL AND INDUSTRY ORGANIZATIONS
2 AND REVIEW AND ASSESS THE IMPACT OF THE PROPOSED PROJECT. THIS
3 REVIEW SHALL DO THE FOLLOWING:

4 (A) EXAMINE THE EFFECT THE PROPOSED CONDEMNATION WOULD HAVE
5 UPON THE PRESERVATION AND ENHANCEMENT OF AGRICULTURE OR COMMUNITY
6 RESOURCES WITHIN THE AREA.

7 (B) ENSURE THAT THERE ARE NO OTHER REASONABLE AND PRUDENT
8 ALTERNATIVES TO THE UTILIZATION OF THE PROTECTED AGRICULTURAL
9 LANDS FOR THE PROJECT.

10 (C) SUGGEST ANY MODIFICATION TO THE STATE-FUNDED DEVELOPMENT
11 PROJECT WHICH ENSURES THE INTEGRITY OF THE PROTECTED AGRICULTURAL
12 LANDS AGAINST ANY NONFARM ENCROACHMENT.