House
Legislative
Analysis
Section

House Office Building, 9 South
Lansing, Michigan 48909
Phone: 517/373-6466

TAX FARMLAND ON AG. USE VALUE AND IMPOSE RECAPTURE TAX

Senate Bill 1246 with House committee amendments
Sponsor: Sen. George A. McManus, Jr.
Senate Committee: Farming, Agribusiness and Food Systems
House Committee: Agriculture and Resource Management

House Joint Resolution R (Substitute H-1)
Sponsor: Rep. Judson Gilbert II

House Bill 5779 as introduced
Sponsor: Rep. Michael Green

House Bill 5780 (Substitute H-1)
Sponsor: Rep. Jim Howell

Committee: Agriculture and Resource Management

Second Analysis (6-7-00)

THE APPARENT PROBLEM:

There is a longstanding -- and ever increasing -- concern in some quarters over the loss of farmland in Michigan, and an interrelated concern about the steady conversion of farmland and other open spaces to new residential, commercial, and industrial uses. The state loses 75,000 acres of farmland each year and has lost over one million acres over the past 15 years, according to the Michigan Land Use Institute. The state lost over 1,000 farmers in the 1990's. Sometimes this issue is subsumed under the general problem of "urban sprawl", which connotes the exodus of residents and businesses from already developed and populated communities to neighboring undeveloped rural areas. From the point of view of farmers and other owners of agricultural property, however, the issue is better understood as stemming from the low profits associated with agricultural production and the way in which high property values and high property taxes make it that much harder for them to stay on the farm and so increase the pressure to sell land for development.

This is not a new problem: the state enacted a Farmland and Open Space Preservation Act in 1974, over a quarter of a century ago, to provide tax benefits to farmers who promise not to develop their land. Yet the problem persists and takes on new features over time. Reportedly, farming in Michigan is in serious difficulty today. Farmers are receiving the lowest prices for their products since the Depression, according to a report from the Senate Agricultural Preservation Task Force. And the state's farmers pay some of the highest property taxes in the nation, double the national average, according to one knowledgeable source. One problem is that agricultural land is taxed based on its market value, and in areas where residential and commercial development are nearby, the market value is the land's value as developable land and not as farmland. This leads to higher taxes than would otherwise be the case. Reportedly, only two other states tax farmland this way; the rest tax farmland based on its agricultural use. Another problem stems from Proposal A of 1994, which put in place the state's new school financing system. While Proposal A cut taxes for farmers substantially, it also reduced the benefits of being in the farmland preservation program. (And since PA 116 lien proceeds go towards a farmland development rights program, reduced

participation in that program will reduce funding for development rights.)

Proposal A also established an assessment cap, whereby a parcel's assessment cannot increase from one year to the next by more than five percent or the rate of inflation, whichever is lower. This also has benefitted farmers, but the assessment cap comes off when property is transferred, and the taxable value of property then "pops up" to be based on market values. This means, for example, a young farmer buying agricultural land from a retiring farmer faces a dramatic leap in property values, and taxes, just as he or she begins operations.

In his state of the state address in January of this year, Governor Engler endorsed a recommendation from the September 1999 report of the Senate Agricultural Preservation Task Force that agricultural land be based on its current (agricultural) use and not on its so-called highest and best use (as developable land). The governor's proposed budget for fiscal year 2001 anticipated the loss of revenues from such a change. Legislation to implement this and other farmland preservation recommendations has been developed.

THE CONTENT OF THE BILLS AND THE JOINT RESOLUTION:

The proposed legislation, in brief, would:

• Require agricultural property to be assessed based on agricultural use value rather than true cash value (or market value), beginning with taxes levied in 2001;

• Prevent the assessment cap (which limits how much a parcel's assessment can increase from year to year) from being lifted when agricultural property was sold, if the land was to continue to be used for agriculture;

• Require the payment of a "recapture tax" (beginning January 1, 2003) when agricultural property was converted to a non-agricultural use, with the tax defined as "the benefit received on that property" from preferential taxation. Generally speaking, the tax would be in an amount equal to the difference between the amount of taxes that would have been due if the property had not been agricultural property and the amount of taxes that were due, going back not more than seven years. The tax would be collected by the county treasurer and then transmitted to the state treasurer, who would credit the proceeds to the Agricultural Preservation Fund.

• Create an Agricultural Preservation Fund in the state treasury to be used to provide grants to local units of government for the purchase of agricultural development easements (development rights);

• Transfer, as of October 1, 2000, unexpended money from lien payments under the Farmland and Open Space Preservation Act (now absorbed into the Natural Resources and Environmental Protection Act or NREPA, as Part 361) to the new Agricultural Preservation Fund and, as of that date, forward all proceeds from new lien payments under that program to the state treasurer for deposit in that fund;

• Make the Department of Agriculture rather than the Department of Natural Resources the state land use agency for the purpose of administering the development rights program in Part 361 of the NREPA.

• Exempt a greenhouse, but not the land on which it was located, and all flowering, nursery, or vegetable plants in the green house from the property tax;

• Exempt residential development property from local school operating taxes to the same extent homestead property is exempt.

Further information on the proposed legislation follows.

House Joint Resolution "R" would amend Article IX, Section 3 of the State Constitution to require the legislature to provide for an assessment system for qualified agricultural property based on agricultural use value, beginning with taxes levied in 2001. This would be an exception to the current constitutional requirement that the legislature provide for the "uniform general ad valorem taxation of real and personal property" (except for school operating taxes), and the requirement that property be assessed at 50 percent of true cash value, subject to a limitation on increases in assessments.

The resolution also would allow the legislature to provide for alternative methods of taxation for property removed from agricultural use. It would also specify that the assessment cap, which limits how much the taxable value of each parcel of property can increase from year to year, would be lifted when property assessed based on agricultural use value was removed from agricultural use (and not simply because ownership of the property was transferred, as is the case with other property). The cap limits the increase in taxable value from year to year to the increase in the

general price level (the rate of inflation) or 5 percent, whichever is lower.

The resolution would be submitted to the voters at the next general election. House Joint Resolution R is not tie-barred to the bills that follow. However, the two House bills are tie-barred to House Joint Resolution R, to Senate Bill 1246 (the recapture tax bill), and to each other. Senate Bill 1246 is tie-barred to House Joint Resolution R and House Bills 5779 and 5780.

House Bill 5779 would amend the General Property Tax Act (MCL 211.7dd et al.) to put into statute the agricultural use value concept. The bill would provide that, beginning December 31, 2000, qualified agricultural property would be assessed at 50 percent of its agricultural use value.

The bill also would provide that when ownership of qualified agricultural property was transferred while remaining qualified agricultural property, the assessment cap would not be lifted, as is usually the case.

The term "agricultural use value" would be defined to mean that value calculated using the method determined by the State Tax Commission after consultation with the Department of Agriculture. The method would have to include: 1) evidence of the productive capability of the qualified agricultural property for agricultural use, including soil characteristics; 2) the average annual net return in the immediately preceding five-year period for typical agricultural property in the county, discounted by an appropriate interest rate; and 3) the average rental income for typical agricultural property in the county. The term "qualified agricultural property" would mean property exempt from local school operating taxes under Section 7ee of the act.

Specifically, the bill would require that for taxes levied in 2000 and thereafter, the taxable value of each parcel of qualified agricultural property would be the lesser of:

– the parcel's taxable value in the immediately preceding tax year, minus any losses, multiplied by the lesser of 1.05 or the inflation rate, plus all additions;

– the parcel's current agricultural use value; and

– the taxable value the property would have had if taxable value had been determined under Section 27a (which determines how the taxable value of other kinds of property is determined).

Accordingly, the bill contains provisions that would put the notion of agricultural use value into the assessing process.

The bill would change the definition of agricultural real property found in Section 34c of the act, which delineates the various classifications of property for assessment purposes. Agricultural real property now includes parcels used partially or wholly for "agricultural operations", and that term is defined in the act to include farming in all its branches, including cultivating soil; growing and harvesting any agricultural, horticultural, or floricultural commodity; dairying; turf and tree farming; and performing any practices of a farm incident to, or in conjunction with, farming operations. The bill would instead refer to parcels used partially or wholly for "agricultural use".

The term "agricultural use" would refer to substantially undeveloped land devoted to the production of plants and animals useful to humans, including forages and sod crops; grains, feed crops, and field crops; dairy and dairy products; poultry and poultry products; livestock, including breeding and grazing of cattle, swine, captive cervidae, and similar animals; berries; herbs; flowers; seeds; grasses; nursery stock; fruits; vegetables; Christmas trees; and other similar uses and activities. Agricultural use includes property enrolled in a federal acreage set-aside program or a federal conservation program. The term does not include substantially undeveloped land the primary purpose for which is the management and harvesting of a woodlot or a commercial storage, processing, distribution, marketing, or shipping operation. (This is the definition found in the Farmland and Open Space Preservation Act.)

An owner of qualified agricultural property would have to inform a prospective buyer that if the property was 'converted by a change in use', it would be subject to the recapture tax provided in the Agricultural Property Recapture Act. For qualified agricultural property only, the tax statement mailed to the taxpayer or the taxpayer's agent would have to include the recapture tax that would be imposed under the Agricultural Property Recapture Act if the property was converted by a change in use.

New Exemptions. The bill would exempt a greenhouse, but not the land on which it was located, and all flowering, nursery, or vegetable plants in the greenhouse from the property tax. The term "greenhouse" would refer to a structure or enclosure consisting of a wood, fiberglass, or metal frame with a glass, plastic, acrylic, polycarbonate, polyethylene, or

similar covering, designed to regulate climatic conditions in order to germinate, grow, or store flowering, nursery, or vegetable plants.

The bill would also exempt "residential development property" from local school operating taxes to the same extent homestead property is exempt. This includes property that meets all of the following requirements: it is classified as residential real property under Section 34c; it has had a final plat recorded under the Land Division Act after the effective date of the bill or has had a condominium subdivision plan completed and a master deed for all or a portion of the real property recorded under the Condominium Act; and there is not now nor has there ever been an occupied residential dwelling unit or condominium located on the real property. The term could include property with a partially completed residential dwelling or a partially completed condominium unit, or a fully completed residential dwelling that is not and has never been occupied. The term would not include property with a residential dwelling or condominium unit used for commercial purposes or as an office, showroom, or model. (The current definition of developmental real property in the act would be deleted.)

Senate Bill 1246 would create the Agricultural Property Recapture Act to impose a recapture tax as of January 1, 2003 on property that was qualified agricultural property on that date or became qualified agricultural property after that date, and then subsequently was "converted by a change in use".

The term "converted by a change in use" would mean 1) that due to a change in use, the property was no longer qualified agricultural property under Section 7ee of the General Property Act (meaning the property no longer qualified for the exemption from local school operating taxes) as determined by the local assessor; or 2) that prior to a transfer of such property, the purchaser filed a notice of intent to rescind the exemption from local school operating taxes with the local tax collecting unit and delivered a copy of the notice to the seller of the property. The notice of intent to rescind would have to be on a form prescribed by the Department of Treasury. If the sale was not consummated within 120 days of the filing of the notice (or within 120 days of the filing of a subsequent notice), then the property would not be considered "converted by a change in use".

If a recapture tax was imposed because of the first kind of conversion described above, the person who was the owner of the property when the tax was imposed would be liable for the tax. If the tax was not paid within 90 days after being imposed, it could be collected by the county treasurer as delinquent taxes are collected. If a recapture tax was imposed because of the second kind of conversion described above, the tax would be an obligation of the person who owned the property immediately preceding the transfer (the seller), and the tax would be due when the instruments transferring the property were recorded with the register of deeds. The register of deeds could not record an instrument transferring the property before the recapture tax was paid.

The amount of the recapture tax would be the "benefit received on [the] property" and the bill says the tax could not exceed the benefit received on the property. The phrase "benefit received on [the] property" would be defined as: the sum of the number of mills levied on the property each year it was subject to assessment based on its agricultural use value, not to exceed seven years immediately preceding the year the property was converted by a change in use, multiplied by the difference each year between the true cash taxable value of the property and the property's taxable value determined under Section 27e of the General Property Tax Act. The term "true cash taxable value" would mean the taxable value the property would have had if not assessed based on agricultural value. The term "taxable value" in this context would mean the lesser of agricultural use value; the taxable value if assessed like all other property; or the previous year's taxable value increased by the rate of inflation or five percent, whichever was less. The bill also would provide for a refund of the tax under special circumstances when the property in question was exempted from property taxes.

The recapture tax would be collected by the county treasurer and deposited with the state treasurer. By the 15th of each month, the county treasurer would itemize the recapture taxes collected and transmit the taxes to the state treasurer. The county treasurer could retain the interest earned on the money while being held as reimbursement for costs. The local assessor would have to notify the county treasurer of the date property was converted by a change in use. The state treasurer would credit the proceeds of the recapture tax to the credit of the Agriculture Preservation Fund.

House Bill 5780 would amend the Natural Resources and Environmental Protection Act (MCL 324.36101 et al.) to create a new Part 362 establishing an Agricultural Preservation Fund within the state treasury. The state treasurer could receive money or other assets from any source for deposit in the fund, including gifts, bequests, and other donations. The

treasurer would direct the investment of the fund and credit interest and earnings from investments to the fund. The bill would specify that expenditures of money in the fund "are consistent with the state's interest in preserving farmland and are declared to be for an important public purpose." Money in the fund could be spent, upon appropriation, as follows:

– Not more than $700,000 annually for the administrative costs of the Department of Agriculture and Agricultural Preservation Fund Board. However, if deposits into the fund during any given fiscal year exceeded $8.75 million, up to 8 percent of the deposits could be expended for administrative costs.

– After expenditures for administrative costs, money in the fund could be used to provide grants to local units of government for the purchase of agricultural conservation easements. An agricultural conservation easement would mean a conveyance, by a written instrument, in which, subject to permitted uses, the owner relinquished to the public in perpetuity his or her development rights and made a covenant running with the land not to undertake development.

— After the first two kinds of expenditures, if the amount of money remaining in the fund exceeded $10 million, money in the fund could be used for the acquisition of development rights under Section 36111b, which deals with the purchase of development rights of "unique and critical" land areas (as well as farmland). A unique and critical land area is defined as agricultural and open space lands identified by the state land use agency as an area that should be preserved.

The department would be required to establish a grant program to provide grants to eligible local units of government for the purchase of agricultural conservation easements. A local unit would be eligible to submit a grant application if the unit 1) had adopted a development rights ordinance providing for a purchase-of-development-rights program under the County Zoning Act, the Township Zoning Act, or the City and Village Zoning Act; and 2) had adopted within the previous 10 years a comprehensive land use plan that included a plan for agricultural preservation. The purchase-of-development-rights program would have to contain an application procedure, the criteria for a scoring system for parcel selections within the local unit of government, and a method to establish the price to be paid for development rights, which could include an appraisal, bidding, or formula-based process.

A grant application would be submitted on a form prescribed by the department and would have to include at a minimum a list of parcels proposed for acquisition of agricultural conservation easements, the size and location of each parcel, the amount of local matching funds, and the estimated acquisition value of the easements. The department would forward the applications to the Agricultural Preservation Fund board.

The Agricultural Preservation Fund board would consist of the director of the Department of Agriculture; the director of the Department of Natural Resources; and five individuals appointed by the governor. The director of the Department of Agriculture could appoint two additional members with knowledge and expertise in agriculture, land use, or local government, as nonvoting members.An application submitted to the board would have to be evaluated according to selection criteria established by the board. The criteria would have to place a priority on the acquisition of easements on the following: farmland that had a productive capacity suited for the production of feed, food, and fiber; farmland that would complement and was part of a documented, long-range effort or plan for land preservation by the local unit of government in which it was located; farmland that was located within an area that complemented other land protection efforts by creating a block of farmland that was subject to an agricultural conservation easement under the bill or a development rights agreement under Part 361 or for which development rights had been acquired under Part 361; farmland in which the applicant or other person contributed a portion of the money for or provided other consideration toward the cost of the easement and the amount of that contribution; and other factors considered important by the board.

After reviewing grant applications, the board would determine which grants should be awarded and the amount of the grants. The board would have to notify the department of its decisions and submit a report to the commission of agriculture. The board could establish a maximum amount per acre that could be spent using money from the fund for the purchase of easements. The department would distribute the grants to local units and would condition the receipt of a grant on the department's approval of the easements being acquired.

In reviewing permitted uses contained within an easement, the department would have to consider whether: the permitted uses adversely affected the productivity of farmland; the permitted uses materially

altered or negatively affected the existing conditions or use of the land; the permitted uses resulted in a material alteration of an existing structure to a nonagricultural use; and the permitted uses conformed with all applicable federal, state, and local laws and ordinances.

The department could accept contributions of all or a portion of the development rights to one or more parcels of land as part of a transaction for the purchase of an agricultural conservation easement.

A local unit that purchased an easement with money from a grant could purchase the easement through an installment purchase agreement under terms negotiated by the local unit of government.

An easement acquired under this part would be held jointly by the state and local unit of government. However, the state could delegate enforcement authority of one or more agricultural easements to the local units. An easement acquired under this part could be transferred to the owner of the property subject to the easement if 1) the state and local unit holding the easement agreed to the transfer and the terms of the transfer; and 2) the property owner agreed to pay to the fund the fair market value of the easement as of the date of the transfer, but not less than the original purchase amount.

BACKGROUND INFORMATION:

Bills containing a similar proposal to that found in House Bill 5780 passed the House in the 1997-98 legislative session, House Bills 5894 and 5895. They would have created a Farmland Trust Fund. Also, House Bill 4616 of the 1997-98 legislative session would have exempted residential development property from school operating taxes as does the current House Bill 5779. That, too, passed the House.

FISCAL IMPLICATIONS:

The House Fiscal Agency reports that House Bill 5779 would reduce property taxes by about $95 million in calendar year 2001. Local government revenue would be reduced by $39.7 million and school property revenue would be reduced by $31.6 million. The state would see a reduction in state education tax revenue of $23.8 million. The state would also see an increase of $15.7 million to reimburse schools for lost local property tax revenue. (HFA fiscal note dated 5-16-00) The Senate Fiscal Agency estimates that Senate Bill 1246 would generate new tax revenue of $1 million in 2003 and about $7.1 million annually by 2009, the first time the recapture tax could be based on the maximum allowed seven years of benefits received. (SFA floor analysis dated 5-31-00) The Department of Treasury has distributed information showing similar revenue estimates, ranging from $0.8 million in 2003 to $9.3 million in 2020, based on the loss of 100,000 acres of farmland each year. (Document by the Office of Revenue and Tax Analysis dated 5-30-00)

ARGUMENTS:

For:

The legislative package would lower the tax burden on farmers and other owners of agricultural land with the intention of helping to make farming more profitable and reducing the pressure to sell farmland for development. It would do this by assessing agricultural property based on its agricultural use value and not on its development value. That is, a farm would be valued for tax purposes as if its only use was for agricultural production and not proleptically as the site of a future residential subdivision or industrial park. Currently, property is assessed at true cash value, or market value, based, generally speaking, on its "highest and best use" (subject to the constitutional assessment cap). Farmland that is close to urban and suburban communities or near to open spaces being developed is thus assessed at the value it has to those who desire to purchase it not for its farm uses but for residential, commercial, or industrial uses. This drives up the value of agricultural land. farmland specialists say.

Since the passage of Proposal A, which created the new state school funding system, there has been an assessment cap which limits how much a parcel's assessment can increase from year to year to the rate of inflation or five percent, whichever is less. This cap is lifted when property is transferred. The assessment cap has reportedly led to dramatic differences between the taxable value of farmland and its state equalized value

(based on market value). While this has kept taxes lower than they would otherwise be, it means that if a young farmer wants to purchase a farm from a retiring farmer, the assessed value of the property -- and the taxes on the property -- will "pop up" dramatically upon transfer of the land. This package of bills would eliminate the "pop-up" when land is transferred and kept in agricultural use.

Against:

If coupled with a meaningful recapture tax, the proposed resolution and House bills could have beneficial effects on efforts to preserve farmland and green spaces and to assist farmers in staying on the land. Unfortunately, the recapture tax contained in Senate Bill 1246 is inadequate to the task. As a result, the package could have the opposite effect, say some preservationists, and encourage developers to purchase agricultural land because of the low holding costs created by the reduction in property taxes. The package would actually increase land speculation thanks to taxpayer-provided subsidies. As written now, the package essentially provides a no-interest tax deferral for farmers. Furthermore, the new preservation fund is supposed to be funded from recapture fees (among other sources), and if the fee is minor, there will not be enough resources put into farmland protection programs. Several organizations have proposed a recapture fee of 20 percent of market value when agricultural land is converted to non-agricultural uses. Another has proposed basing the fee on the difference between the assessment at agricultural use value and the state equalized valuation (SEV) of the property, which is generally higher than taxable value. Without a meaningful recapture fee, important allies in the effort to promote the preservation of farmland will likely oppose the ballot proposal necessary to change the constitution.

Response:

Some people oppose any recapture tax when agricultural property is developed. It is a matter of property rights and the ability of property owners to do what they want with their own land. It is one thing to provide assistance to farmers through tax policy, but yet another to penalize those who want to develop land to meet consumer demand for housing or to provide economic benefits through the construction of commercial and industrial facilities. This proposal is essentially a tax reduction for farmers to help them stay on the land. It should not become a punish-the-developer package. If there has to be some recapture, it should be modest. Moreover, the recapture tax should be paid by those who have received the benefits (farmers selling their land for development). In any case, it is not good tax policy to determine the recapture tax based on the needs of the preservation fund. Rather, a fair fee should be established first, with the fund as beneficiary of whatever results.

Against:

The revenue from the recapture tax should go to local units of government and not to a state fund for conservation easements and the purchase of development rights. It should go to schools, community colleges, townships, counties, etc. It is the local units who are giving up this revenue by the change in tax policy while still providing services to the benefitting property. Under the recapture proposal, many communities will be donors to the preservation fund but never get any benefit from it (plus they are required to provide matching funds even if they did receive money from the fund).

Response:

The aim is to send significant amounts of revenue to the state preservation fund in order to build a viable development rights program and save farmland. The loss of farmland is not a narrowly local issue but a regional issue. The impact from development of farmland is typically felt beyond a local unit's borders. It makes sense to attempt to amass enough dollars in the state fund to help with preservation efforts. This can't happen if the dollars go back to local units of government.

Against:

Some people oppose on principle the constitutional amendment as a means of providing preferential tax treatment to agricultural property. Property owners should be treated alike, otherwise one classification of taxpayers must make up for another. For example, representatives of assessors say that it is one thing to exempt certain properties from taxes, but another entirely to discard the principle of uniformity in assessments currently in the state constitution. The switch to agricultural use value, moreover, will add administrative burdens for assessors, who will need to track both market value and use value on agricultural parcels. It should be noted that some people believe farm assessments and taxes could be lowered without a constitutional amendment, by exempting agricultural property from property taxes and substituting a specific tax.

For:

The Agricultural Preservation Fund Program proposed in House Bill 5780 would help protect valuable farmland by providing a payout to farmers for development rights that will allow them to avoid selling land for development and keep land in agricultural production. The bill will allow local units of government to purchase development rights and establish conservation easements. This creates a a competitive, voluntary, financial alternative to development of farmland.

Response:

Some people believe the administration of the grant program should be at the county level with local involvement rather than administered at the local unit level as called for in the current version of House Bill 5780. They say this is the most successful model nationally.

For:

House Bill 5779 would provide much needed tax relief for residential developments while construction is underway and provide equity for homebuilders, by treating residential development property like homestead property (and exempting it from local school operating taxes). Since the passage of proposal A, homesteads typically pay only the new 6-mill state school property tax. Non-homestead property pays an 18-mill local school operating tax in addition to the state tax, for a total of 24 mills. (In some school districts, there are additional mills levied.) The new tax system makes the inequity more obvious between completed and occupied housing and housing under construction. The bill would remedy this by treating them the same. To the extent this reduces the cost of building homes, it could lead to lower housing prices. It should be noted that platting property is expensive, complicated, and time consuming, and so would not be undertaken just for the tax benefit.

Response:

Concern has been expressed that this change would offer an incentive to plat land that is non-agricultural open space, because then the property could be taxed at a lower rate. Furthermore, when voters approved Proposal A in 1994, they anticipated one rate for homestead property (owner-occupied primary residences) and another for non-homestead property. They did not anticipate homestead property tax rates for housing under construction and vacant developable land.

POSITIONS:

The Department of Agriculture supports the package. (5-22-00)

The Department of Treasury is in general support of the package. (5-19-00)

The Michigan Farm Bureau has indicated support for the package. (5-16-00)

The Michigan Association of Home Builders supports House Joint Resolution R and House Bill 5779 (5-19-00) and testified in support of Senate Bill 1246 (S-3) (6-6-00).

The Michigan Municipal League supports the concept of agricultural use value assessment. (5-19-00)

The Michigan Townships Association supports the concept of agricultural use value assessment with meaningful recapture. (5-19-00)

A representative of Taxpayers United testified in support of a tax cut for farmers but in opposition to a recapture tax. (6-6-00)

The Michigan Assessor's Association is opposed to House Joint Resolution R. (5-19-00)

The Michigan United Conservation Clubs testified in opposition to Senate Bill 1246. (6-6-00)

The Michigan Land Institute has urged the adoption of a credible agriculture tax recapture fee. (5-15-00)

The American Farmland Trust, Central Great Lakes Region, says it is imperative a meaningful recapture be included in the package. (5-18-00)

A representative of the Michigan Environmental Council testified in opposition to Senate Bill 1246. (6-6-00)

A representative of SEMCOG (the Southeastern Michigan Council of Governments) testified in favor of a higher recapture tax and distributing recapture tax proceeds to local units of government. (6-6-00)

Analyst: C. Couch

■This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.