



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 4083 (Substitute S-1 as reported)
Sponsor: Representative Dale Sheltroun
House Committee: Agriculture and Resource Management
Senate Committee: Agriculture, Forestry and Tourism

CONTENT

The bill would amend Part 361 (Farmland and Open Space Preservation) of the Natural Resources and Environmental Protection Act to require the State to subordinate its interest in a recorded farmland development rights agreement (FDRA), or an open space development rights easement, to a subsequently recorded mortgage lien, lease, or interest, under certain conditions.

The State would have to subordinate its interest in an FDRA or an open space easement if both of the following conditions were present: 1) the parcel met the requirements of Section 36111(2)(a) for relinquishment from an FDRA of farmland containing existing structures; and 2) the land owner requesting the subordination was an individual essential to the operation of the farm as defined in Section 36110(5).

(Under Section 36111(2)(a), if approved by the local governing body and the Michigan Department of Agriculture, the State may relinquish from an FDRA land containing structures that were present before the agreement was recorded. Not more than two acres may be relinquished unless additional land area is needed to encompass all of the buildings on the parcel; in that case, up to five acres may be relinquished. If the area of the parcel is less than the minimum size required by local zoning, it may not be relinquished unless the local zoning board of appeals grants a variance.

Section 36110(5) defines "individual essential to the operation of the farm" as a co-owner, partner, shareholder, farm manager, or family member, who, to a material extent, cultivates, operates, or manages farmland under the Act. An individual is considered involved to a material extent if he or she has a financial interest equal to or greater than half the cost of producing the crops, livestock, or products, and inspects, advises and consults with the owner on production activities; or the individual works 1,040 hours or more annually in activities connected with production of the farming operation.)

MCL 324.36103

Legislative Analyst: Claire Layman

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 5-30-03

Fiscal Analyst: Craig Thiel