

Legislative Analysis



TAX EXEMPTION FOR METHANE DIGESTERS, ETC.

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House Bill 5033

Sponsor: Rep. Richard Ball

House Committee: Agriculture

Complete to 9-19-05

A SUMMARY OF HOUSE BILL 5033 AS INTRODUCED 6-30-05

The bill would amend the General Property Tax Act to exempt from taxation methane digesters and other thermal decomposing systems used in agricultural operations.

The General Property Tax Act currently exempts from taxation property actually used in agricultural operations. Under House Bill 5033, property used in agricultural operations would include a methane digester, a methane digester electric generating system, a biomass gasification system, and a thermal depolymerization system.

A person claiming an exemption would have to submit an affidavit to the local tax collecting unit, attesting that he or she had not been found guilty of a criminal violation, or found responsible for a civil violation, under Part 31 (Water Resources Protection) of the Natural Resources and Environmental Protection Act within the one-year period immediately preceding the date the affidavit was submitted to the local tax collecting unit.

Definitions. *Methane digester* would be defined to mean a system designed to facilitate the production, recovery, and storage of biogas from the anaerobic microbial digestion of animal or food waste.

Biomass gasification system would be defined to mean an apparatus and equipment that thermally decompose agricultural, food, or animal waste at high temperatures and in an oxygen-free or a controlled oxygen-restricted environment into a gaseous fuel, and the equipment used to generate electricity or heat from the gaseous fuel or store the gaseous fuel for future generation of electricity or heat.

Thermal depolymerization system would mean apparatus and equipment that uses heat to break down natural and synthetic polymers and that can accept only organic waste.

MCL 211.9

FISCAL IMPACT:

The bill would have no fiscal impact on state or local government at the present time, because there currently are no methane digester electric generating, biomass gasification, or thermal depolymerization systems in Michigan. The bill could reduce revenue in future years as these systems become more prevalent.

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