

# Legislative Analysis



## MAPLE SYRUP PRODUCTION

Mitchell Bean, Director  
Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 5677**  
**Sponsor: Rep. David Palsrok**

**House Bill 5679**  
**Sponsor: Rep. Howard Walker**

**House Bill 5678**  
**Sponsor: Rep. Kevin Elsenheimer**

**House Bill 5680**  
**Sponsor: Rep. Joel Sheltroun**

**Committee: Agriculture**

**Complete to 2-20-08**

## A PRELIMINARY SUMMARY OF HOUSE BILLS 5677-5680 AS INTRODUCED 1-31-08

House Bill 5677 would amend the Natural Resources and Environmental Protection Act (NREPA) to include maple syrup production in the definition of "agricultural use." (MCL 324.36101)

House Bill 5678 would amend the General Property Tax Act to specifically include maple syrup production in the definition of "agricultural operations" in the section of the act that exempts personal property used in agricultural operations from property taxes. (MCL 211.9)

House Bill 5679 would amend the Food Law of 2000 to specifically include maple syrup production in the definition of "food processing plant." Such a plant is a "food establishment" for purposes of regulation by the Department of Agriculture under the Food Law. (MCL 289.1107)

House Bill 5680 would amend the General Property Tax Act to include maple syrup production in the definition of "agricultural operations" in the section of the act that defines the classification of real property. Under that section, agricultural real property includes parcels used partially or wholly for agricultural operations, with or without buildings. Under the GPTA, for example, agricultural real property is exempt from the local school operating taxes that commercial and industrial firms pay (in the same way that owner-occupied homes are exempt). (MCL 211.34c)

### **FISCAL IMPACT:**

It appears that the bills would exempt the equipment used to produce maple syrup from the personal property tax, and would reclassify the real property used for the production of maple syrup to agricultural use, which exempts it from the 18-mill non-homestead levy.

With respect to the loss of personal property taxes, the State would lose the 6-mill State Education (SET) levy, local schools would lose the 18-mill non-homestead levy, and local units of government (including counties) would lose generating operating, police, fire, etc. levies. Because the School Aid Fund (SAF) provides the difference between the amount of revenue collected for schools and the foundation allowance, the SAF would have to offset this loss of revenue.

Exempting real property from the 18-mills would again reduce funding for local schools. Again, the SAF would need to make up the difference.

Legislative Analyst: Chris Couch  
Fiscal Analyst: Jim Stansell

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