



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



BILL ANALYSIS

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

House Bill 5677 (as reported without amendment)
Sponsor: Representative David Palsrok
House Committee: Agriculture
Senate Committee: Agriculture

CONTENT

The bill would amend Part 361 (Farmland and Open Space Preservation) of the Natural Resources and Environmental Protection Act to include maple syrup production within the definition of "agricultural use".

Under Part 361, the owner of farmland may enroll in a farmland development rights agreement, which entitles the owner to a tax credit in exchange for keeping the land in agricultural production for the term of the agreement. Part 361 also permits the State to purchase development rights of unique or critical land or farmland that does not necessitate the purchase of the land itself. The definition of "farmland" in Part 361 includes land that is devoted to or derives income from agricultural use, and meets other criteria.

Currently, "agricultural use" means 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 use in a Federal acreage set-aside program or conservation reserve program. The term does not include the management and harvesting of a woodlot.

MCL 324.36101

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bill would reduce State and local property tax revenue and increase State School Aid Fund expenditures by an unknown amount, depending upon the specific characteristics of the property affected by the bill. Broadening the definition of "agricultural use" would increase the value of property exempt from local school operating taxes and School Aid Fund expenditures would need to increase in order to maintain per pupil funding guarantees.

Date Completed: 12-4-08

Fiscal Analyst: David Zin