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Senate Bill 725 (as introduced 10-5-11)
Sponsor: Senator John Moolenaar
Committee: Agriculture

Date Completed: 11-2-11

CONTENT

The bill would amend the General Property Tax Act to specify that property would not lose its status as qualified agricultural property or its classification as agricultural real property because the property owner or lessee implemented a wildlife risk mitigation action plan.

"Wildlife risk mitigation action plan" would be defined as a written plan consisting of one or more projects to help reduce the risks of a communicable disease spreading between wildlife and livestock that is approved by the Department of Agriculture and Rural Development under the Animal Industry Act.

"Project" would mean certain risk mitigating measures, which could include making it difficult for wildlife to access feed by storing livestock feed securely, restricting wildlife access to feeding and watering areas, and deterring or reducing wildlife presence around livestock feed by storing feed in an enclosed barn, wrapping bales or cover stacks with tarps, closing ends of bags, storing grains in animal-proof containers or bins, maintaining fences, practicing small mammal and rodent control, or feeding away from wildlife cover.

Risk mitigating measures also could include minimizing wildlife access to livestock feed and water by feeding livestock in an enclosed area, feeding in open areas near buildings and human activity, removing extra or waste feed when livestock are moved, using hay feeders to reduce waste, using artificial water systems to help keep livestock from sharing water sources with wildlife, fencing off stagnant ponds, wetlands, or areas of wildlife habitats that pose a disease risk, and keeping mineral feeders near buildings and human activity or using devices that restrict wildlife usage.

Risk mitigating measures would not be limited to those described above.

Qualified Agricultural Property

Under the Act, qualified agricultural property is exempt from the tax levied by a local school district for school operating purposes to the extent provided under Section 122 of the Revised School Code. (That section allows the board of a school district to levy up to 18 mills for school operating purposes. Certain property, including qualified agricultural property, is exempt from those mills.)

"Qualified agricultural property" means unoccupied property and related buildings classified as agricultural, or other unoccupied property and related buildings located on that property devoted primarily to agricultural use.

The bill specifies that property would not lose its status as qualified agricultural property as a result of an owner or lessee of that property implementing a wildlife risk mitigation action plan.

Agricultural Real Property

Annually, by the first Monday in March, a local assessor must classify every item of assessable property according to definitions in Section 34c of the Act. One of the classifications of assessable real property is agricultural real property, which includes parcels used partially or wholly for agricultural operations, with or without buildings. Agricultural real property includes buildings on leased land used for agricultural operations.

The bill specifies that property would not lose its classification as agricultural real property as a result of an owner or lessee of that property implementing a wildlife risk mitigation action plan.

MCL 211.7dd & 211.34c

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would prevent an increase in local unit revenue and a decrease in School Aid Fund expenditures by an unknown, but likely minimal or negligible, amount. The magnitude of the impact would depend on how many local assessors currently deny, or will choose to deny absent the bill, affected property status as qualified agricultural property, as well as the specific characteristics of the property. Under current law, to the extent that affected property no longer is assessed as qualified agricultural property, the property will pay an additional 18 mills in property tax to the local school district. Such an increase in local school district revenue reduces the School Aid Fund expenditures needed to maintain per-pupil funding guarantees.

Fiscal Analyst: David Zin

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.