



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 480 (as introduced 9-12-23)
Sponsor: Senator Kevin Hertel
Committee: Local Government

Date Completed: 9-25-23

CONTENT

The bill would amend Section 108 of the Land Division Act to do the following:

- **Increase, from four to 20, the number of parcels that the first 10 acres of a parent parcel or tract could be divided into.**
- **Allow a municipality to authorize the further partitioning of land into more parcels or tracts than allowed under Section 108 if the land met specified requirements and had not been farmland for the preceding three years.**

Section 108 of the Land Division Act prescribes platting requirements for divisions of parcels or tracts. Among other division requirements, Section 108 requires that the first 10 acres or fraction thereof of a parent parcel or parent tract (a parcel or tract before it is split) be divided into four or fewer separate parcels. Under the bill, the first ten acres of a parent parcel or tract or fraction thereof could be divided into 20 or fewer separate parcels.

(The Act defines "plat" as a map or chart of a subdivision of land. "Parcel" means a contiguous area or acreage of land. "Tract" means two or more parcels that share a common property line and are under the same ownership. Therefore, platting requirements for divisions of parcels or tracts concern the requirements for mapping or charting the splitting up of a unit of land, be that a parcel or tract.)

Additionally, the bill would allow a municipality to authorize by ordinance the further partitioning or splitting of a parcel or tract into a greater number of parcels or tracts than otherwise authorized by Section 108 if a parcel or tract created by an exempt split or division had not at any time during the preceding three years been farmland (see **BACKGROUND**).

("Exempt split" means the partitioning or splitting of a parcel or tract of land by the proprietor thereof or by his or her heirs, executors, administrators, legal representatives, successors, or assignees that does not result in one or more parcels of less than 40 acres or the equivalent.)

A parcel or tract created by a municipal ordinance as described above could not be further partitioned or split without being subject to the platting requirements of the Act.

MCL 560.108

BACKGROUND

As used in the Natural Resources and Environmental Protection Act (NREPA), "farmland" means one or more of the following:

- A farm of 40 or more acres in one ownership, with 51% or more of the land area devoted to an agricultural use.

- A farm of between five and 40 acres in one ownership, with 51% or more of the land area devoted to an agricultural use, that has produced a gross annual income from agriculture of \$200 year or more per acre of cleared and tillable land.
- A farm designated by the Department of Agriculture and Rural Development as a specialty farm in one ownership that has produced a gross annual income from an agricultural use of \$2,000 or more; specialty farms include greenhouses, equine breeding and grazing, the breeding and grazing of Cervidae (deer), pheasants, and other game animals, bees and bee products, mushrooms, aquaculture, and other similar uses and activities.
- Parcels of land in one ownership that are not contiguous but that constitute an integral part of a farming operation being conducted on land otherwise qualifying as farmland qualify under NREPA.

Legislative Analyst: Alex Krabill

FISCAL IMPACT

This bill would have an indeterminate fiscal impact on the State and local governmental units. The bill would increase the parceling of property. If these individual parcels generate more tax revenue collectively than as part of the original parcel this would lead to a positive fiscal impact for the State and the local government unit; however, if individually the parcels generate less tax revenue collectively than as part of the original parcel this would lead to a negative fiscal impact for the State and the local government unit.

Fiscal Analyst: Bobby Canell

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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.