



# SENATE BILL No. 1065

July 3, 1996, Introduced by Senators SCHUETTE, GOUGEON, CISKY, ROGERS, STEIL, EMMONS, MC MANUS, NORTH, STILLE, GAST, SHUGARS and KOIVISTO and referred to the Committee on Agriculture and Forestry.

A bill to amend Act No. 451 of the Public Acts of 1994, entitled

"Natural resources and environmental protection act,"

as amended, being sections 324.101 to 324.90106

of the Michigan Compiled Laws, by adding part 362.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 451 of the Public Acts of 1994, as  
2 amended, being sections 324.101 to 324.90106 of the Michigan  
3 Compiled Laws, is amended by adding part 362 to read as follows:

### 4 PART 362 AGRICULTURAL SECURITY AREAS

5 SEC. 36201. AS USED IN THIS PART:

6 (A) "AGRICULTURAL SECURITY AREA" OR "AREA" MEANS A UNIT OF  
7 500 OR MORE ACRES OF LAND USED FOR THE PRODUCTION OF AGRICULTURAL  
8 PRODUCTS UNDER THE OWNERSHIP OF 1 OR MORE ENTITIES AND DESIGNATED  
9 AS AN AGRICULTURAL SECURITY AREA UNDER THIS PART.

1 (B) "AGRICULTURAL USE" MEANS SUBSTANTIALLY UNDEVELOPED LAND  
2 DEVOTED TO THE PRODUCTION OF PLANTS AND ANIMALS USEFUL TO HUMANS,  
3 INCLUDING FORAGES AND SOD CROPS; GRAINS AND FEED CROPS; DAIRY AND  
4 DAIRY PRODUCTS; LIVESTOCK, INCLUDING BREEDING AND GRAZING;  
5 FRUITS; VEGETABLES; CHRISTMAS TREES; AND OTHER SIMILAR USES AND  
6 ACTIVITIES.

7 (C) "DESCRIPTION OF THE PROPOSED AREA" MEANS A COMPLETE AND  
8 ACCURATE LIST OF THE NAME OR NAMES OF THE OWNER OR OWNERS OF EACH  
9 PARCEL OF LAND TO BE INCLUDED IN THE PROPOSED AGRICULTURAL SECUR-  
10 ITY AREA, THE TAX PARCEL NUMBER OR ACCOUNT NUMBER OF EACH PARCEL  
11 AND THE NUMBER OR ACCOUNT NUMBER OF ACRES, INCLUDING PARTIAL  
12 ACRES, TO THE NEAREST THOUSANDTH, CONTAINED IN EACH PARCEL. THE  
13 DESCRIPTION SHALL USE COUNTY TAX MAP REFERENCES FOR DETERMINING  
14 BOUNDARIES OF EACH PARCEL, AND A SURVEY OF PARCELS SHALL NOT BE  
15 REQUIRED, EXCEPT WHEN AN INDIVIDUAL PARCEL INCLUDED IN THE AGRI-  
16 CULTURAL SECURITY AREA REPRESENTS LESS THAN THE ENTIRE AMOUNT OF  
17 CONTIGUOUS LAND CONTAINED IN THE PROPERTY OF AN OWNER.

18 (D) "DEVELOPMENT" MEANS AN ACTIVITY THAT MATERIALLY ALTERS  
19 OR AFFECTS THE EXISTING CONDITIONS OR USE OF ANY LAND.

20 (E) "DEVELOPMENT RIGHTS" MEANS THE RIGHT TO CONSTRUCT A  
21 BUILDING OR STRUCTURE, TO IMPROVE LAND, OR THE EXTRACTION OF MIN-  
22 ERALS INCIDENTAL TO A PERMITTED USE OR AS IS SET FORTH IN AN  
23 INSTRUMENT RECORDED UNDER THIS PART.

24 (F) "DEVELOPMENT RIGHTS AGREEMENT" MEANS A RESTRICTIVE COVE-  
25 NANT, EVIDENCED BY AN INSTRUMENT IN WHICH THE OWNER AND THE  
26 STATE, FOR A TERM OF YEARS, AGREE TO JOINTLY HOLD THE RIGHT TO  
27 DEVELOP THE LAND AS MAY BE EXPRESSLY RESERVED IN THE INSTRUMENT,

1 AND THAT CONTAINS A COVENANT RUNNING WITH THE LAND, FOR A TERM OF  
2 YEARS, NOT TO DEVELOP, EXCEPT AS THIS RIGHT IS EXPRESSLY RESERVED  
3 IN THE INSTRUMENT.

4 (G) "FARMLAND" MEANS 1 OR MORE OF THE FOLLOWING:

5 (i) A FARM OF 40 OR MORE ACRES IN 1 OWNERSHIP, WHICH HAS  
6 BEEN DEVOTED PRIMARILY TO AN AGRICULTURAL USE.

7 (ii) A FARM OF 5 ACRES OR MORE IN 1 OWNERSHIP, BUT LESS THAN  
8 40 ACRES, WITH 51% OR MORE OF THE LAND AREA DEVOTED TO AN AGRI-  
9 CULTURAL USE, THAT HAS PRODUCED A GROSS ANNUAL INCOME FROM AGRI-  
10 CULTURE OF \$200.00 PER YEAR OR MORE PER ACRE OF CLEARED AND TIL-  
11 LABLE LAND.

12 (iii) A FARM DESIGNATED BY THE DEPARTMENT OF AGRICULTURE AS  
13 A SPECIALTY FARM IN 1 OWNERSHIP THAT HAS PRODUCED A GROSS ANNUAL  
14 INCOME FROM AN AGRICULTURAL USE OF \$2,000.00 OR MORE.

15 (H) "LOCAL GOVERNING BODY" MEANS 1 OF THE FOLLOWING:

16 (i) THE LEGISLATIVE BODY OF A CITY OR VILLAGE.

17 (ii) THE TOWNSHIP BOARD OF A TOWNSHIP HAVING A ZONING ORDI-  
18 NANCE IN EFFECT AS PROVIDED BY LAW.

19 (iii) THE COUNTY BOARD OF COMMISSIONERS IN ALL OTHER AREAS.

20 (I) "LOCAL GOVERNMENTAL UNIT" MEANS A COUNTY, CITY, VILLAGE,  
21 OR TOWNSHIP.

22 (J) "OWNER" MEANS A PERSON HAVING A FREEHOLD ESTATE IN LAND  
23 COUPLED WITH POSSESSION AND ENJOYMENT. IF LAND IS SUBJECT TO A  
24 LAND CONTRACT, OWNER MEANS THE VENDEE IN AGREEMENT WITH THE  
25 VENDOR.

1 (K) "PERMITTED USE" MEANS ANY USE CONTAINED WITHIN A  
2 DEVELOPMENT RIGHTS AGREEMENT ESSENTIAL TO THE FARMING OPERATION  
3 OR THAT DOES NOT ALTER THE OPEN SPACE CHARACTER OF THE LAND.

4 (L) "PERSON" INCLUDES AN INDIVIDUAL, PARTNERSHIP, CORPORA-  
5 TION, ASSOCIATION, GOVERNMENTAL ENTITY OR OTHER LEGAL ENTITY, OR  
6 2 OR MORE PERSONS HAVING A JOINT OR COMMON INTEREST IN THE LAND.

7 (M) "PLANNING COMMISSION" MEANS A PLANNING COMMISSION OR  
8 AGENCY OF A LOCAL GOVERNMENTAL UNIT THAT HAS BEEN DESIGNATED BY  
9 THE LOCAL GOVERNING BODY TO ESTABLISH AND FOSTER A COMPREHENSIVE  
10 PLAN FOR LAND MANAGEMENT AND DEVELOPMENT WITHIN THE LOCAL GOVERN-  
11 MENTAL UNIT.

12 (N) "PROPERTY TAXES" MEANS GENERAL AD VALOREM TAXES LEVIED  
13 AFTER JANUARY 1, 1974, ON LANDS AND STRUCTURES IN THIS STATE,  
14 INCLUDING COLLECTION FEES, BUT NOT INCLUDING SPECIAL ASSESSMENTS,  
15 PENALTIES, OR INTEREST.

16 (O) "STATE INCOME TAX ACT" MEANS THE INCOME TAX ACT OF 1967,  
17 ACT NO. 281 OF THE PUBLIC ACTS OF 1967, BEING SECTIONS 206.1 TO  
18 206.532 OF THE MICHIGAN COMPILED LAWS, AND IN EFFECT DURING THE  
19 PARTICULAR YEAR OF THE REFERENCE TO THE ACT.

20 (P) "SUBSTANTIALLY UNDEVELOPED" MEANS ESSENTIALLY UNIMPROVED  
21 EXCEPT FOR A DWELLING, BUILDING, STRUCTURE, ROAD, OR OTHER  
22 IMPROVEMENT THAT IS INCIDENTAL TO AGRICULTURAL AND OPEN SPACE  
23 USES.

24 SEC. 36202. (1) ONE OR MORE OWNERS OF LAND USED FOR AGRI-  
25 CULTURAL PRODUCTION MAY SUBMIT A PROPOSAL TO THE LOCAL GOVERNING  
26 BODY FOR THE CREATION OF AN AGRICULTURAL SECURITY AREA WITHIN  
27 THAT LOCAL GOVERNMENTAL UNIT, IF THE OWNER OR OWNERS OWN 500 OR

1 MORE ACRES OF CONTIGUOUS OR ADJACENT FARMLAND PROPOSED TO BE  
2 INCLUDED IN THE AREA AND PROPOSE TO ENTER INTO DEVELOPMENT RIGHTS  
3 AGREEMENTS COVERING AT LEAST 70% OF THE ACREAGE.

4 (2) A PROPOSAL FOR CREATION OF AN AGRICULTURAL SECURITY AREA  
5 SHALL BE SUBMITTED IN THE MANNER AND FORM AS MAY BE PRESCRIBED BY  
6 THE GOVERNING BODY OF THE LOCAL GOVERNMENTAL UNIT WHERE THE PRO-  
7 POSED AREA IS SITUATED AND SHALL INCLUDE ALL OF THE FOLLOWING:

8 (A) A DESCRIPTION OF THE PROPOSED AREA, INCLUDING THE BOUND-  
9 ARIES OF THE AREA.

10 (B) THE DURATION OF THE PROPOSED AREA, WHICH SHALL BE AT  
11 LEAST 10 YEARS.

12 (3) IF THE LAND INCLUDED IN A PROPOSAL FOR AN AGRICULTURAL  
13 SECURITY AREA IS SITUATED IN MORE THAN 1 LOCAL GOVERNMENTAL UNIT,  
14 THE PROPOSAL SHALL BE SUBMITTED TO, AND APPROVAL OF THE PROPOSAL  
15 SHALL BE SOUGHT FROM, THE GOVERNING BODY OF EACH LOCAL GOVERNMEN-  
16 TAL UNIT AFFECTED. THE GOVERNING BODIES MAY COOPERATE IN THE  
17 REVIEW OF A PROPOSED AGRICULTURAL SECURITY AREA AND MAY PROVIDE  
18 JOINT PUBLIC NOTICES AND A JOINT PUBLIC HEARING ON THE SECURITY  
19 AREA. A REJECTION BY A GOVERNING BODY SHALL EXCLUDE THAT PORTION  
20 OF THE PROPOSAL THAT IS SITUATED WITHIN THE LOCAL GOVERNMENTAL  
21 UNIT. HOWEVER, THE REJECTION SHALL NOT PRECLUDE THE APPROVAL OF  
22 THE REMAINING PORTION OF THE PROPOSAL AS AN AGRICULTURAL SECURITY  
23 AREA BY THE GOVERNING BODY OF THE OTHER AFFECTED LOCAL GOVERNMEN-  
24 TAL UNITS, PROVIDED THAT THE TOTAL ACREAGE APPROVED IS AT LEAST  
25 250 ACRES, UNLESS OTHERWISE APPROVED BY THE LOCAL GOVERNING BODY,  
26 AND THAT THE APPROVED PORTION MEETS ALL OTHER REQUIREMENTS  
27 IMPOSED UNDER THIS PART FOR AGRICULTURAL SECURITY AREAS.

1 (4) PARTICIPATION IN THE AGRICULTURAL SECURITY AREA SHALL BE  
2 AVAILABLE ON A VOLUNTARY BASIS TO LANDOWNERS WITHIN THE JURISDIC-  
3 TION OF THE GOVERNING BODY INCLUDING THOSE NOT AMONG THE ORIGINAL  
4 PETITIONERS. WHILE INCLUDED IN AN AGRICULTURAL SECURITY AREA,  
5 LAND SHALL REMAIN SUBSTANTIALLY UNDEVELOPED, IN ACCORDANCE WITH  
6 THE INTENT AND PROVISIONS OF THIS PART. THE DELETION OF LAND  
7 FROM THE AGRICULTURAL SECURITY AREA SHALL ONLY OCCUR AT THE TER-  
8 MINATION OF THE AGRICULTURAL SECURITY AREA IS SUBJECT TO REVIEW  
9 BY THE GOVERNING BODY OR UPON SUBMISSION TO THE CLERK OF THE  
10 LOCAL GOVERNING BODY OF A PETITION SIGNED BY 2/3 OF THE OWNERS OF  
11 LAND IN THE AGRICULTURAL SECURITY AREA AND BY THE OWNERS OF 2/3  
12 OF THE ACREAGE OF LAND IN THE AGRICULTURAL SECURITY AREA. THE  
13 ADDITION OF LAND TO THE AGRICULTURAL SECURITY AREA MAY OCCUR ONCE  
14 EACH YEAR AT THE ANNIVERSARY DATE OF THE CREATION OF THE AGRICUL-  
15 TURAL SECURITY AREA. A PROPOSAL FOR AN ADDITION, AND THE  
16 APPROVAL OR DISAPPROVAL THEREOF, SHALL FOLLOW ALL THE PROCEDURES  
17 AND REQUIREMENTS OF THIS SECTION FOR PROPOSAL, CONSIDERATION, AND  
18 DECISION AS TO APPROVAL OR DISAPPROVAL OF THE ORIGINAL AGRICUL-  
19 TURAL SECURITY AREA. IF THE LAND COMPRISING THE ADDITIONAL PRO-  
20 POSAL COULD BE ADDED TO MORE THAN 1 EXISTING AGRICULTURAL SECUR-  
21 ITY AREA, OR LIES IN MORE THAN 1 TOWNSHIP, THE PROPOSAL SHALL BE  
22 CONSIDERED AS AN ADDITION TO THE AGRICULTURAL SECURITY AREA WHICH  
23 WAS FIRST APPROVED. LAND ADDED TO AN EXISTING AGRICULTURAL  
24 SECURITY AREA SHALL BE REVIEWED AT THE SAME TIME AS ALL OTHER  
25 LAND IN THE AGRICULTURAL SECURITY AREA.

26 SEC. 36203. (1) UPON THE RECEIPT OF A PROPOSAL FOR CREATION  
27 OF AN AGRICULTURAL SECURITY AREA, THE GOVERNING BODY SHALL

1 ACKNOWLEDGE RECEIPT OF THE PROPOSAL AT THE NEXT REGULAR OR  
2 SPECIAL MEETING AND SHALL PUBLISH A NOTICE OF THE PROPOSAL IN A  
3 NEWSPAPER HAVING GENERAL CIRCULATION WITHIN THE PROPOSED AGRICUL-  
4 TURAL SECURITY AREA. THE NOTICE SHALL CONTAIN THE FOLLOWING  
5 INFORMATION:

6 (A) A STATEMENT THAT A PROPOSAL FOR AN AGRICULTURAL SECURITY  
7 AREA HAS BEEN FILED WITH THE GOVERNING BODY PURSUANT TO THIS  
8 PART.

9 (B) A STATEMENT THAT THE PROPOSAL WILL BE ON FILE OPEN TO  
10 PUBLIC INSPECTION IN THE OFFICE OF THE LOCAL GOVERNMENTAL UNIT.

11 (C) A STATEMENT THAT ANY LOCAL GOVERNMENTAL UNIT ENCOMPASS-  
12 ING OR ADJACENT TO THE PROPOSED AREA, OR ANY LANDOWNER WHO OWNS  
13 LAND PROPOSED TO BE INCLUDED WITHIN THE PROPOSED AREA, OR ANY  
14 LANDOWNER WITH LANDS ADJACENT TO OR NEAR THE PROPOSED AREA WHO  
15 WISHES THE LANDS TO BE INCLUDED OR NOT INCLUDED IN THE AREA, MAY  
16 PROPOSE MODIFICATIONS OF THE PROPOSED AREA IN THE FORM AND MANNER  
17 AS MAY BE PRESCRIBED BY THE GOVERNING BODY. THE STATEMENT SHALL  
18 INDICATE THAT OBJECTIONS TO THE PROPOSAL, AND PROPOSED MODIFICA-  
19 TIONS TO THE PROPOSAL, MUST BE FILED WITH THE GOVERNING BODY AND  
20 THE PLANNING COMMISSION WITHIN 15 DAYS OF THE DATE OF PUBLICATION  
21 OF THE NOTICE.

22 (D) A STATEMENT THAT AT THE TERMINATION OF THE 15-DAY PERIOD  
23 UNDER SUBDIVISION (C), THE PROPOSAL AND PROPOSED MODIFICATIONS  
24 WILL BE SUBMITTED TO THE PLANNING COMMISSION AND SUBSEQUENTLY A  
25 PUBLIC HEARING WILL BE HELD ON THE PROPOSAL, PROPOSED MODIFICA-  
26 TIONS, AND RECOMMENDATIONS OF THE PLANNING COMMISSION.

1           (2) THE GOVERNING BODY SHALL, UPON THE TERMINATION OF THE  
2 15-DAY PERIOD PROVIDED IN SUBSECTION (1), REFER SUCH PROPOSAL AND  
3 PROPOSED MODIFICATIONS TO THE PLANNING COMMISSION. THE PLANNING  
4 COMMISSION SHALL HAVE UP TO 60 DAYS TO REVIEW THE PROPOSAL AND  
5 PROPOSED MODIFICATIONS AND REPORT TO THE GOVERNING BODY THE  
6 POTENTIAL EFFECT OF THE PROPOSAL AND PROPOSED MODIFICATIONS UPON  
7 THE LOCAL GOVERNMENTAL UNIT'S PLANNING POLICIES AND OBJECTIVES.  
8 THE FAILURE OF THE PLANNING COMMISSION TO SUBMIT A REPORT WITHIN  
9 60 DAYS SHALL BE CONSIDERED TO CONSTITUTE APPROVAL OF THE PRO-  
10 POSED AGRICULTURAL SECURITY AREA BY THE PLANNING COMMISSION. THE  
11 FOLLOWING FACTORS AND EVALUATION CRITERIA SHALL BE CONSIDERED BY  
12 THE PLANNING COMMISSION:

13           (A) LAND PROPOSED FOR INCLUSION IN AN AGRICULTURAL SECURITY  
14 AREA SHALL HAVE AT LEAST 50% OF SOILS WHICH ARE CONDUCIVE TO  
15 AGRICULTURE.

16           (B) USE OF LAND PROPOSED FOR INCLUSION IN AN AGRICULTURAL  
17 SECURITY AREA SHALL BE COMPATIBLE WITH LOCAL GOVERNMENTAL UNIT  
18 COMPREHENSIVE PLANS.

19           (C) ADDITIONAL FACTORS TO BE CONSIDERED ARE THE EXTENT AND  
20 NATURE OF FARM IMPROVEMENTS, ANTICIPATED TRENDS IN AGRICULTURAL  
21 ECONOMIC AND TECHNOLOGICAL CONDITIONS, AND ANY OTHER MATTER THAT  
22 MAY BE RELEVANT.

23           (3) THE GOVERNING BODY SHALL HOLD A PUBLIC HEARING REGARDING  
24 THE PROPOSED AGRICULTURAL SECURITY AREA UPON RECEIPT OF THE  
25 REPORTS FROM THE PLANNING COMMISSION OR UPON EXPIRATION OF THE  
26 60-DAY PERIOD AS PROVIDED IN SUBSECTION (2). PURSUANT TO THE  
27 OPEN MEETINGS ACT, ACT NO. 267 OF THE PUBLIC ACTS OF 1976, BEING

1 SECTIONS 15.261 TO 15.275 OF THE MICHIGAN COMPILED LAWS, A  
2 HEARING NOTICE SHALL BE PUBLISHED IN A NEWSPAPER HAVING A GENERAL  
3 CIRCULATION WITHIN THE PROPOSED AREA. IN ADDITION, NOTICE SHALL  
4 BE GIVEN IN WRITING TO LANDOWNERS WHOSE LAND IS INCLUDED IN PRO-  
5 POSED MODIFICATIONS OR IS WITHIN THE PROPOSED AGRICULTURAL SECUR-  
6 ITY AREA. THE NOTICE SHALL CONTAIN ALL OF THE FOLLOWING  
7 INFORMATION:

8 (A) A STATEMENT OF THE TIME, DATE, AND PLACE OF THE PUBLIC  
9 HEARING.

10 (B) A DESCRIPTION OF THE PROPOSED AREA, ANY PROPOSED ADDI-  
11 TIONS OR DELETIONS, AND ANY RECOMMENDATIONS OF THE PLANNING COM-  
12 MISSION OR ADVISORY COMMITTEE.

13 (C) A STATEMENT THAT THE PUBLIC HEARING WILL BE HELD CON-  
14 CERNING THE ORIGINAL PROPOSAL, ANY WRITTEN AMENDMENTS PROPOSED  
15 DURING THE REVIEW PERIOD, AND ANY RECOMMENDATIONS PROPOSED BY THE  
16 PLANNING COMMISSION.

17 (4) THE GOVERNING BODY, UPON COMPLETION OF THE PROCEDURES  
18 AND CONSIDERATIONS PRESCRIBED IN SUBSECTIONS (1), (2), AND (3),  
19 MAY ADOPT THE PROPOSAL OR ANY MODIFICATION OF THE PROPOSAL THE  
20 GOVERNING BODY CONSIDERS APPROPRIATE, INCLUDING THE INCLUSION, TO  
21 THE EXTENT FEASIBLE, OF ADJACENT VIABLE FARMLANDS IF THE LAND-  
22 OWNER HAS MADE APPLICATION TO BE INCLUDED, AND, THE EXCLUSION, TO  
23 THE EXTENT FEASIBLE, OF NONVIABLE FARMLAND AND NONFARMLAND. THE  
24 EXISTENCE OF UTILITY FACILITIES ON THE PROPOSED AREA SHALL NOT  
25 PREVENT THE CREATION OF AN AGRICULTURAL SECURITY AREA. THE  
26 RIGHTS OF UTILITIES WITH RESPECT TO THE EXISTING FACILITIES SHALL  
27 NOT BE DISTURBED OR AFFECTED BY THE CREATION OF THE AGRICULTURAL

1 SECURITY AREA. THE GOVERNING BODY SHALL ACT TO ADOPT OR REJECT  
2 THE PROPOSAL, OR ANY MODIFICATION, NO LATER THAN 180 DAYS FROM  
3 THE DATE THE PROPOSAL WAS ORIGINALLY SUBMITTED. FAILURE BY THE  
4 GOVERNING BODY TO ACT WITHIN THIS 180-DAY PERIOD SHALL BE CONSID-  
5 ERED ADOPTION OF THE PROPOSAL WITHOUT MODIFICATION.

6 (5) WITHIN 10 DAYS OF THE GOVERNING BODY'S DECISION TO  
7 REJECT OR MODIFY THE PROPOSAL, THE GOVERNING BODY SHALL SUBMIT TO  
8 THE OWNER OR OWNERS OF THE LAND A WRITTEN DECISION STATING THE  
9 REASONS THE PROPOSAL WAS NOT ADOPTED OR WAS MODIFIED. THE WRIT-  
10 TEN DECISION SHALL INCLUDE A FINDING OF FACT, REVIEW OF THE EVAL-  
11 UATION CRITERIA PRESCRIBED IN SUBSECTION (2), AND A DISCUSSION OF  
12 REASONS FOR REJECTION OR MODIFICATION OF THE PROPOSAL.

13 (6) AN AGRICULTURAL SECURITY AREA IS CREATED UPON THE ADOP-  
14 TION OF THE PROPOSAL OR ITS MODIFICATION BY THE GOVERNING BODY OR  
15 UPON EXPIRATION OF THE 180-DAY PERIOD. IF THE PROPOSAL HAS  
16 INCLUDED LAND SITUATED IN MORE THAN 1 LOCAL GOVERNMENTAL UNIT,  
17 THE AGRICULTURAL SECURITY AREA IS CREATED UPON ADOPTION BY THE  
18 LOCAL GOVERNMENTAL UNIT OR UNITS OF THE PORTION OF THE PROPOSAL  
19 OR PROPOSED MODIFICATIONS AS WILL MEET THE MINIMUM ACREAGE AND  
20 OTHER REQUIREMENTS OF AN AGRICULTURAL SECURITY AREA PROVIDED IN  
21 THIS PART. SUBSEQUENT ADOPTION OF THE REMAINING PORTION SHALL  
22 IMMEDIATELY EFFECTUATE THE PORTION AS AN AGRICULTURAL SECURITY  
23 AREA.

24 (7) WITHIN 10 DAYS OF THE CREATION OF AN AGRICULTURAL SECUR-  
25 ITY AREA, THE GOVERNING BODY SHALL FILE A DESCRIPTION OF THE  
26 AREA, INCLUDING THE DURATION OF THE AREA, WITH THE REGISTER OF  
27 DEEDS, THE PLANNING COMMISSIONS OF THE COUNTY, AND THE LOCAL

1 GOVERNMENTAL UNIT. RECORDING SHALL BE DONE IN A MANNER THAT IS  
2 SUFFICIENT TO GIVE NOTICE TO ALL PERSONS WHO HAVE, MAY ACQUIRE,  
3 OR MAY SEEK TO ACQUIRE AN INTEREST IN LAND IN OR ADJACENT TO THE  
4 CREATED AGRICULTURAL SECURITY AREA. THE LOCAL GOVERNING BODY  
5 SHALL EXECUTE A DEVELOPMENT RIGHTS AGREEMENT TO ENSURE THAT THE  
6 LAND WILL REMAIN SUBSTANTIALLY UNDEVELOPED.

7 (8) WITHIN 10 DAYS OF THE RECORDING OF THE AGRICULTURAL  
8 SECURITY AREA, THE GOVERNING BODY SHALL NOTIFY THE DEPARTMENT  
9 THAT THE AREA HAS BEEN APPROVED AND RECORDED, MODIFIED, OR  
10 TERMINATED. THE NOTIFICATION SHALL BE IN WRITING AND SHALL  
11 INCLUDE THE NUMBER OF LANDOWNERS, THE TOTAL ACREAGE OF THE AREA,  
12 THE DATE OF APPROVAL BY THE GOVERNING BODY, THE DURATION OF THE  
13 AREA, AND THE DATE OF RECORDING. THE LANDOWNER SHALL ALSO ENROLL  
14 THE LAND UNDER PART 361.

15 (9) THE GOVERNING BODY SHALL REVIEW ANY AREA CREATED UNDER  
16 SUBSECTION (4) AT THE EXPIRATION OF AN AGRICULTURAL SECURITY  
17 AREA. IN CONDUCTING THE REVIEW, THE GOVERNING BODY SHALL ASK FOR  
18 THE RECOMMENDATIONS OF THE PLANNING COMMISSION AND SHALL, NOT  
19 LESS THAN 120 OR MORE THAN 180 DAYS BEFORE THE EXPIRATION OF THE  
20 AGRICULTURAL SECURITY AREA, HOLD A PUBLIC HEARING AT A PLACE  
21 WITHIN THE AREA OR OTHERWISE READILY ACCESSIBLE TO THE AREA.  
22 PRIOR TO THE COMMENCEMENT OF THE REVIEW, NOTICE SHALL BE GIVEN BY  
23 PUBLICATION IN A NEWSPAPER HAVING A GENERAL CIRCULATION WITHIN  
24 THE AREA AND BY NOTICE, IN WRITING, TO ALL PERSONS OWNING LAND  
25 WITHIN THE AREA THAT THE AGRICULTURAL SECURITY AREA WILL BE  
26 REVIEWED IN ACCORDANCE WITH LAW. ALL THE NOTICES SHALL BE GIVEN  
27 30 DAYS BEFORE THE COMMENCEMENT OF THE REVIEW. PERSONS WISHING

1 TO MODIFY THE AREA SHALL SUBMIT PROPOSED MODIFICATIONS WITHIN 30  
2 DAYS OF THE DATE OF THE NOTICE. IN CONDUCTING THE REVIEW, THE  
3 GOVERNING BODIES SHALL FOLLOW ALL THE PROCEDURES AND REQUIREMENTS  
4 OF SUBSECTIONS (1), (2), (3), AND (4) FOR THE CONSIDERATION OF  
5 THE AGRICULTURAL SECURITY AREA AND PROPOSED MODIFICATIONS TO THE  
6 AREA. WITHIN 10 DAYS OF ITS ACTION OF RENEWAL, TERMINATION, OR  
7 MODIFICATION, THE GOVERNING BODY SHALL FILE A NOTICE OF RENEWAL,  
8 TERMINATION, OR MODIFICATION WITH THE REGISTER OF DEEDS, WHO  
9 SHALL RECORD THE NOTICE IN A MANNER AND PLACE AS HAS BEEN PRO-  
10 VIDED IN THE ORIGINAL RECORDING OF THE AGRICULTURAL SECURITY  
11 AREA. THE GOVERNING BODY SHALL ALSO FILE A NOTICE OF RENEWAL,  
12 TERMINATION, OR MODIFICATION WITH THE PLANNING COMMISSIONS OF THE  
13 COUNTY AND OF THE LOCAL GOVERNMENTAL UNIT. IF THE GOVERNING BODY  
14 DOES NOT ACT, OR IF A MODIFICATION OF AN AREA IS REJECTED, THE  
15 AREA SHALL BE CONSIDERED TO BE NEW WITHOUT MODIFICATION.

16 (10) ANY PARTY IN INTEREST AGGRIEVED BY A DECISION OR ACTION  
17 OF THE GOVERNING BODY RELATING TO THE CREATION, COMPOSITION, MOD-  
18 IFICATION, REJECTION, OR TERMINATION OF AN AGRICULTURAL SECURITY  
19 AREA MAY TAKE AN APPEAL TO THE CIRCUIT COURT, IN THE MANNER PRO-  
20 VIDED BY LAW, WITHIN 30 DAYS AFTER THE DECISION OR ACTION.

21 SEC. 36204. (1) AN OWNER OF FARMLAND AND RELATED BUILDINGS  
22 WITHIN AN AGRICULTURAL SECURITY AREA COVERED BY 1 OR MORE DEVEL-  
23 OPMENT RIGHTS AGREEMENTS MEETING THE REQUIREMENTS OF THIS PART  
24 WHO IS REQUIRED OR ELIGIBLE TO FILE A RETURN AS AN INDIVIDUAL OR  
25 A CLAIMANT UNDER THE STATE INCOME TAX ACT MAY CLAIM A CREDIT  
26 AGAINST THE STATE INCOME TAX LIABILITY FOR THE AMOUNT BY WHICH  
27 THE PROPERTY TAXES ON THE LAND AND STRUCTURES USED IN THE FARMING

1 OPERATION, INCLUDING THE HOMESTEAD, RESTRICTED BY THE DEVELOPMENT  
2 RIGHTS AGREEMENTS EXCEED THE FOLLOWING APPLICABLE PERCENTAGE OF  
3 THE HOUSEHOLD INCOME AS DEFINED IN CHAPTER 9 OF THE STATE INCOME  
4 TAX ACT, ACT NO. 281 OF THE PUBLIC ACTS OF 1967, BEING SECTIONS  
5 206.501 TO 206.532 OF THE MICHIGAN COMPILED LAWS, EXCLUDING A  
6 DEDUCTION IF TAKEN UNDER SECTION 613 OF THE INTERNAL REVENUE CODE  
7 OF 1986, 26 U.S.C. 613:

8 (A) SEVEN PERCENT, IF THE LENGTH OF AN AGRICULTURAL SECURITY  
9 AREA DEVELOPMENT RIGHTS AGREEMENT IS NOT LESS THAN 10 YEARS, BUT  
10 LESS THAN 15 YEARS.

11 (B) FIVE PERCENT, IF THE LENGTH OF AN AGRICULTURAL SECURITY  
12 AREA DEVELOPMENT RIGHTS AGREEMENT IS NOT LESS THAN 15 YEARS, BUT  
13 LESS THAN 20 YEARS.

14 (C) THREE AND ONE-HALF PERCENT, IF THE LENGTH OF AN AGRICUL-  
15 TURAL SECURITY AREA DEVELOPMENT RIGHTS AGREEMENT IS NOT LESS THAN  
16 20 YEARS.

17 (2) FOR THE PURPOSES OF THIS SECTION, ALL OF THE FOLLOWING  
18 APPLY:

19 (A) A PARTNER IN A PARTNERSHIP IS CONSIDERED AN OWNER OF  
20 FARMLAND AND RELATED BUILDINGS COVERED BY A DEVELOPMENT RIGHTS  
21 AGREEMENT THAT ARE OWNED BY THE PARTNERSHIP. A PARTNER IS CON-  
22 SIDERED TO PAY A PROPORTION OF THE PROPERTY TAXES ON THAT PROP-  
23 erty EQUAL TO THE PARTNER'S SHARE OF OWNERSHIP OF CAPITAL OR DIS-  
24 TRIBUTIVE SHARE OF ORDINARY INCOME AS REPORTED BY THE PARTNERSHIP  
25 TO THE INTERNAL REVENUE SERVICE OR, IF THE PARTNERSHIP IS NOT  
26 REQUIRED TO REPORT THAT INFORMATION TO THE INTERNAL REVENUE  
27 SERVICE, AS PROVIDED IN THE PARTNERSHIP AGREEMENT OR, IF THERE IS

1 NO WRITTEN PARTNERSHIP AGREEMENT, A STATEMENT SIGNED BY ALL THE  
2 PARTNERS. A PARTNER CLAIMING A CREDIT UNDER THIS SECTION BASED  
3 UPON THE PARTNERSHIP AGREEMENT OR A STATEMENT SHALL FILE A COPY  
4 OF THE AGREEMENT OR STATEMENT WITH HIS OR HER INCOME TAX RETURN.  
5 IF THE AGREEMENT OR STATEMENT IS NOT FILED, THE DEPARTMENT OF  
6 TREASURY SHALL DENY THE CREDIT. ALL PARTNERS IN A PARTNERSHIP  
7 CLAIMING THE CREDIT ALLOWED UNDER THIS SECTION SHALL COMPUTE THE  
8 CREDIT USING THE SAME BASIS FOR THE APPORTIONMENT OF THE PROPERTY  
9 TAXES.

10 (B) A SHAREHOLDER OF A CORPORATION THAT HAS FILED A PROPER  
11 ELECTION UNDER SUBCHAPTER S OF CHAPTER 1 OF THE INTERNAL REVENUE  
12 CODE OF 1986, 26 U.S.C. 1361 TO 1379, IS CONSIDERED AN OWNER OF  
13 FARMLAND AND RELATED BUILDINGS COVERED BY A DEVELOPMENT RIGHTS  
14 AGREEMENT THAT ARE OWNED BY THE CORPORATION. A SHAREHOLDER IS  
15 CONSIDERED TO PAY A PROPORTION OF THE PROPERTY TAXES ON THAT  
16 PROPERTY EQUAL TO THE SHAREHOLDER'S PERCENTAGE OF STOCK OWNERSHIP  
17 FOR THE TAX YEAR AS REPORTED BY THE CORPORATION TO THE INTERNAL  
18 REVENUE SERVICE.

19 (C) AN INDIVIDUAL IN POSSESSION OF PROPERTY FOR LIFE UNDER A  
20 LIFE ESTATE WITH REMAINDER TO ANOTHER PERSON OR HOLDING PROPERTY  
21 UNDER A LIFE LEASE IS CONSIDERED THE OWNER OF THAT PROPERTY IF IT  
22 IS FARMLAND AND RELATED BUILDINGS COVERED BY A DEVELOPMENT RIGHTS  
23 AGREEMENT UNLESS A WRITTEN AGREEMENT SIGNED BY ALL THE OWNERS AND  
24 THE HOLDER OF THE LIFE ESTATE OR LIFE LEASE IS FILED WITH THE  
25 RETURN, AND THE AGREEMENT APPORTIONS THE PROPERTY TAXES IN THE  
26 SAME MANNER AS REVENUE AND EXPENSES.

1 (D) IF A TRUST HOLDS FARMLAND AND RELATED BUILDINGS COVERED  
2 BY A DEVELOPMENT RIGHTS AGREEMENT AND AN INDIVIDUAL IS TREATED  
3 UNDER SUBPART E OF SUBCHAPTER J OF CHAPTER 1 OF THE INTERNAL REV-  
4 ENUE CODE OF 1986, 26 U.S.C. 671 TO 679, AS THE OWNER OF THAT  
5 PORTION OF THE TRUST THAT INCLUDES THE FARMLAND AND RELATED  
6 BUILDINGS, THAT INDIVIDUAL IS CONSIDERED THE OWNER OF THAT  
7 PROPERTY.

8 (E) AN INDIVIDUAL WHO IS THE SOLE BENEFICIARY OF A TRUST  
9 THAT IS THE RESULT OF THE DEATH OF THAT INDIVIDUAL'S SPOUSE IS  
10 CONSIDERED THE OWNER OF FARMLAND AND RELATED BUILDINGS COVERED BY  
11 A DEVELOPMENT RIGHTS AGREEMENT AND HELD BY THE TRUST IF THE TRUST  
12 CONFORMS TO ALL OF THE FOLLOWING:

13 (i) ONE HUNDRED PERCENT OF THE TRUST INCOME IS DISTRIBUTED  
14 TO THE BENEFICIARY IN THE TAX YEAR IN WHICH THE TRUST RECEIVES  
15 THE INCOME.

16 (ii) THE TRUST TERMS DO NOT PROVIDE THAT ANY PORTION OF THE  
17 TRUST IS TO BE PAID, SET ASIDE, OR OTHERWISE USED IN A MANNER  
18 THAT WOULD QUALIFY FOR THE DEDUCTION ALLOWED BY SECTION 642(c) OF  
19 THE INTERNAL REVENUE CODE OF 1986, 26 U.S.C. 642.

20 (3) AN OWNER OF FARMLAND AND RELATED BUILDINGS COVERED BY 1  
21 OR MORE DEVELOPMENT RIGHTS AGREEMENTS MEETING THE REQUIREMENTS OF  
22 THIS PART TO WHOM SUBSECTIONS (1) AND (2) DO NOT APPLY MAY CLAIM  
23 A CREDIT UNDER THE SINGLE BUSINESS TAX ACT, ACT NO. 228 OF THE  
24 PUBLIC ACTS OF 1975, BEING SECTIONS 208.1 TO 208.145 OF THE  
25 MICHIGAN COMPILED LAWS, FOR THE AMOUNT BY WHICH THE PROPERTY  
26 TAXES ON THE LAND AND STRUCTURES USED IN FARMING OPERATIONS  
27 RESTRICTED BY THE DEVELOPMENT RIGHTS AGREEMENTS EXCEED THE

1 APPLICABLE PERCENTAGE UNDER SUBSECTION (1), OF THE ADJUSTED  
2 BUSINESS INCOME OF THE OWNER AS DEFINED IN SECTION 36 OF ACT  
3 NO. 228 OF THE PUBLIC ACTS OF 1975, BEING SECTION 208.36 OF THE  
4 MICHIGAN COMPILED LAWS, PLUS COMPENSATION TO SHAREHOLDERS NOT  
5 INCLUDED IN ADJUSTED BUSINESS INCOME, EXCLUDING ANY DEDUCTIONS IF  
6 TAKEN UNDER SECTION 613 OF THE INTERNAL REVENUE CODE OF 1986, 26  
7 U.S.C. 613. WHEN CALCULATING ADJUSTED BUSINESS INCOME FOR TAX  
8 YEARS BEGINNING BEFORE 1987, FEDERAL TAXABLE INCOME SHALL NOT BE  
9 LESS THAN ZERO FOR THE PURPOSES OF THIS SUBSECTION ONLY. A PAR-  
10 TICIPANT IS NOT ELIGIBLE TO CLAIM A CREDIT AND REFUND AGAINST THE  
11 STATE SINGLE BUSINESS TAX UNLESS THE PARTICIPANT DEMONSTRATES  
12 THAT THE PARTICIPANT'S AGRICULTURAL GROSS RECEIPTS OF THE FARMING  
13 OPERATION EXCEED 5 TIMES THE PROPERTY TAXES ON THE LAND FOR EACH  
14 OF 3 OUT OF THE 5 TAX YEARS IMMEDIATELY PRECEDING THE YEAR IN  
15 WHICH THE CREDIT IS CLAIMED. THIS ELIGIBILITY REQUIREMENT DOES  
16 NOT APPLY TO THOSE PARTICIPANTS WHO EXECUTED FARMLAND DEVELOPMENT  
17 RIGHTS AGREEMENTS UNDER THIS PART BEFORE JANUARY 1, 1978. A PAR-  
18 TICIPANT MAY COMPARE, DURING THE CONTRACT PERIOD, THE AVERAGE OF  
19 THE MOST RECENT 3 YEARS OF AGRICULTURAL GROSS RECEIPTS TO PROP-  
20 ERTY TAXES IN THE FIRST YEAR THAT THE PARTICIPANT ENTERED THE  
21 PROGRAM UNDER THE PRESENT CONTRACT IN CALCULATING THE GROSS  
22 RECEIPTS QUALIFICATION. ONCE AN ELECTION IS MADE BY THE PARTICI-  
23 PANT TO COMPUTE THE BENEFIT IN THIS MANNER, ALL FUTURE CALCULA-  
24 TIONS SHALL BE MADE IN THE SAME MANNER.

25 (4) IF THE FARMLAND AND RELATED BUILDINGS COVERED BY A  
26 DEVELOPMENT RIGHTS AGREEMENT ARE OWNED BY MORE THAN 1 OWNER, EACH  
27 OWNER IS ALLOWED TO CLAIM A CREDIT UNDER THIS SECTION BASED UPON

1 THAT OWNER'S SHARE OF THE PROPERTY TAX PAYABLE ON THE FARMLAND  
2 AND RELATED BUILDINGS. THE DEPARTMENT OF TREASURY SHALL CONSIDER  
3 THE PROPERTY TAX EQUALLY APPORTIONED AMONG THE OWNERS UNLESS A  
4 WRITTEN AGREEMENT SIGNED BY ALL THE OWNERS IS FILED WITH THE  
5 RETURN, WHICH AGREEMENT APPORTIONS THE PROPERTY TAXES IN THE SAME  
6 MANNER AS ALL OTHER ITEMS OF REVENUE AND EXPENSE. IF THE PROP-  
7 ERTY TAXES ARE CONSIDERED EQUALLY APPORTIONED, A HUSBAND AND WIFE  
8 SHALL BE CONSIDERED 1 OWNER, AND A PERSON WITH RESPECT TO WHOM A  
9 DEDUCTION UNDER SECTION 151 OF THE INTERNAL REVENUE CODE OF 1986,  
10 26 U.S.C. 151, IS ALLOWABLE TO ANOTHER OWNER OF THE PROPERTY  
11 SHALL NOT BE CONSIDERED AN OWNER.

12 (5) A BENEFICIARY OF AN ESTATE OR TRUST TO WHICH SUBSECTION  
13 (1) DOES NOT APPLY IS ENTITLED TO THE SAME PERCENTAGE OF THE  
14 CREDIT PROVIDED IN THIS SECTION AS THAT PERSON'S PERCENTAGE OF  
15 ALL OTHER DISTRIBUTIONS BY THE ESTATE OR TRUST.

16 (6) IF THE ALLOWABLE AMOUNT OF THE CREDIT CLAIMED EXCEEDS  
17 THE STATE INCOME TAX OR THE STATE SINGLE BUSINESS TAX OTHERWISE  
18 DUE FOR THE TAX YEAR OR IF THERE IS NO STATE INCOME TAX OR THE  
19 STATE SINGLE BUSINESS TAX DUE FOR THE TAX YEAR, THE AMOUNT OF THE  
20 CLAIM NOT USED AS AN OFFSET AGAINST THE STATE INCOME TAX OR THE  
21 STATE SINGLE BUSINESS TAX, AFTER EXAMINATION AND REVIEW, SHALL BE  
22 APPROVED FOR PAYMENT TO THE CLAIMANT PURSUANT TO ACT NO. 122 OF  
23 THE PUBLIC ACTS OF 1941, BEING SECTIONS 205.1 TO 205.31 OF THE  
24 MICHIGAN COMPILED LAWS. THE TOTAL CREDIT ALLOWABLE UNDER THIS  
25 PART AND CHAPTER 9 OF THE STATE INCOME TAX ACT OR THE SINGLE  
26 BUSINESS TAX ACT, ACT NO. 228 OF THE PUBLIC ACTS OF 1975, SHALL  
27 NOT EXCEED THE TOTAL PROPERTY TAX DUE AND PAYABLE BY THE CLAIMANT

1 IN THAT YEAR. THE AMOUNT THE CREDIT EXCEEDS THE PROPERTY TAX DUE  
2 AND PAYABLE SHALL BE DEDUCTED FROM THE CREDIT CLAIMED UNDER THIS  
3 PART.

4 (7) FOR PURPOSES OF AUDIT, REVIEW, DETERMINATION, APPEALS,  
5 HEARINGS, NOTICES, ASSESSMENTS, AND ADMINISTRATION RELATING TO  
6 THE CREDIT PROGRAM PROVIDED BY THIS SECTION, THE STATE INCOME TAX  
7 ACT OR SINGLE BUSINESS TAX ACT, ACT NO. 228 OF THE PUBLIC ACTS OF  
8 1975, APPLIES ACCORDING TO WHICH TAX THE CREDIT IS CLAIMED  
9 AGAINST. IF AN INDIVIDUAL IS ALLOWED TO CLAIM A CREDIT UNDER  
10 SUBSECTIONS (1) AND (2) BASED UPON PROPERTY OWNED OR HELD BY A  
11 PARTNERSHIP, S CORPORATION, OR TRUST, THE DEPARTMENT OF TREASURY  
12 MAY REQUIRE THAT THE INDIVIDUAL FURNISH TO THE DEPARTMENT OF  
13 TREASURY A COPY OF A TAX RETURN, OR PORTION OF A TAX RETURN, AND  
14 SUPPORTING SCHEDULES THAT THE PARTNERSHIP, S CORPORATION, OR  
15 TRUST FILES UNDER THE INTERNAL REVENUE CODE.

16 (8) THE DEPARTMENT OF TREASURY SHALL ACCOUNT SEPARATELY FOR  
17 PAYMENTS UNDER THIS PART AND NOT COMBINE THEM WITH OTHER CREDIT  
18 PROGRAMS. A PAYMENT MADE TO A CLAIMANT FOR A CREDIT CLAIMED  
19 UNDER THIS PART SHALL BE ISSUED BY 1 OR MORE WARRANTS MADE OUT TO  
20 THE COUNTY TREASURER IN EACH COUNTY IN WHICH THE CLAIMANT'S PROP-  
21 ERTY IS LOCATED AND THE CLAIMANT, UNLESS A COPY OF THE RECEIPT  
22 SHOWING PAYMENT OF THE PROPERTY TAXES THAT BECAME A LIEN IN THE  
23 YEAR FOR WHICH THE CREDIT IS CLAIMED, OR THAT BECAME A LIEN IN  
24 THE YEAR BEFORE THE YEAR FOR WHICH THE CREDIT IS CLAIMED, IS  
25 ATTACHED TO THE INCOME TAX OR SINGLE BUSINESS TAX RETURN FILED BY  
26 THE CLAIMANT. IF A COPY OF THE RECEIPT IS ATTACHED TO THE  
27 RETURN, THE PAYMENT SHALL BE MADE DIRECTLY TO THE CLAIMANT. A

1 WARRANT MADE OUT TO A CLAIMANT AND A COUNTY TREASURER SHALL BE  
2 USED FIRST TO PAY DELINQUENT PROPERTY TAXES, INTEREST, PENALTIES,  
3 AND FEES ON PROPERTY RESTRICTED BY THE DEVELOPMENT RIGHTS  
4 AGREEMENT. IF THE WARRANT EXCEEDS THE AMOUNT OF DELINQUENT  
5 TAXES, INTEREST, PENALTIES, AND FEES, THE COUNTY TREASURER SHALL  
6 REMIT THE EXCESS TO THE CLAIMANT.

7 SEC. 36205. (1) THIRTY DAYS BEFORE THE RECORDING OF A LIEN  
8 UNDER THIS SECTION, THE DEPARTMENT SHALL NOTIFY THE OWNER OF THE  
9 FARMLAND SUBJECT TO THE DEVELOPMENT RIGHTS AGREEMENT OF THE  
10 AMOUNT OF THE LIEN, INCLUDING INTEREST, IF ANY. IF THE LIEN  
11 AMOUNT IS PAID BEFORE 30 DAYS AFTER THE OWNER IS NOTIFIED, THE  
12 LIEN SHALL NOT BE RECORDED. THE LIEN MAY BE PAID AND DISCHARGED  
13 AT ANY TIME AND IS PAYABLE TO THE STATE BY THE OWNER OF RECORD AT  
14 THE TIME THE LAND OR ANY PORTION OF IT IS SOLD BY THE OWNER OF  
15 RECORD, OR IF THE LAND IS CONVERTED TO A USE PROHIBITED BY THE  
16 FORMER DEVELOPMENT RIGHTS AGREEMENT. THE LIEN SHALL BE DIS-  
17 CHARGED UPON RENEWAL OR REENTRY IN A DEVELOPMENT RIGHTS AGREE-  
18 MENT, EXCEPT THAT A SUBSEQUENT LIEN SHALL NOT BE LESS THAN THE  
19 LIEN DISCHARGED.

20 (2) UPON THE TERMINATION OF AN AGRICULTURAL SECURITY AREA,  
21 THE DEPARTMENT SHALL RECORD A LIEN AGAINST THE PROPERTY FORMERLY  
22 SUBJECT TO THE DEVELOPMENT RIGHTS AGREEMENT FOR THE TOTAL AMOUNT  
23 OF CREDIT RECEIVED BY THE OWNER FOR THE LAST 7 YEARS FOR THAT  
24 PROPERTY UNDER SECTION 36204 PLUS INTEREST AT THE RATE OF 6% PER  
25 ANNUM FROM THE TIME THE CREDIT WAS RECEIVED UNTIL THE LIEN IS  
26 PLACED ON THE PROPERTY. IN ADDITION, THE CURRENT FAIR MARKET  
27 VALUE OF THE DEVELOPMENT RIGHTS SHALL BE DETERMINED AT THE TIME

1 OF RELINQUISHMENT AND A LIEN SHALL BE PLACED ON THE PROPERTY  
2 EQUAL TO 50% OF THE TRUE CASH VALUE OF THE DEVELOPMENT RIGHTS  
3 MULTIPLIED BY THE PROPERTY TAX MILLAGE RATE MULTIPLIED BY 7.

4 (3) UPON TERMINATION OF AN AGRICULTURAL SECURITY AREA DEVEL-  
5 OPMENT RIGHTS AGREEMENT, THE LOCAL GOVERNING BODY SHALL NOTIFY  
6 THE DEPARTMENT OF TREASURY FOR THEIR RECORDS.

7 (4) THE PROCEEDS FROM LIEN PAYMENTS MADE UNDER THIS PART  
8 SHALL BE USED FOR THE PURCHASE OF DEVELOPMENTAL RIGHTS UNDER SEC-  
9 TION 36110.

10 SEC. 36206. THE DEVELOPMENT RIGHTS HELD BY THE LOCAL GOV-  
11 ERNING BODY AS EXPRESSED IN AN AGRICULTURAL SECURITY AREA DEVEL-  
12 OPMENT RIGHTS AGREEMENT ARE EXEMPT FROM AD VALOREM TAXATION.

13 SEC. 36207. (1) EVERY LOCAL GOVERNMENTAL UNIT WITHIN WHICH  
14 AN AGRICULTURAL SECURITY AREA IS CREATED SHALL ENCOURAGE THE CON-  
15 TINUITY AND VIABILITY OF AGRICULTURE WITHIN AN AREA.

16 (2) A LAW OR ORDINANCE OF A LOCAL GOVERNMENTAL UNIT SHALL  
17 NOT RESTRICT A FARM OPERATION CONDUCTED USING GENERALLY ACCEPTED  
18 MANAGEMENT PRACTICES AS DEFINED UNDER THE MICHIGAN RIGHT TO FARM  
19 ACT, ACT NO. 93 OF THE PUBLIC ACTS OF 1981, BEING SECTIONS  
20 286.471 TO 286.474 OF THE MICHIGAN COMPILED LAWS, WITHIN AN AGRI-  
21 CULTURAL SECURITY AREA AS PERMITTED BY THIS PART IF THE FARM  
22 OPERATION DOES NOT BEAR A DIRECT RELATIONSHIP TO THE PUBLIC  
23 HEALTH AND SAFETY.

24 (3) IT SHALL BE THE POLICY OF ALL STATE AGENCIES TO ENCOUR-  
25 AGE THE MAINTENANCE OF VIABLE FARMING IN AGRICULTURAL SECURITY  
26 AREAS, AND THEIR ADMINISTRATIVE REGULATIONS AND PROCEDURES SHALL  
27 BE MODIFIED TO THIS END INSOFAR AS IS CONSISTENT WITH THE

1 PROMOTION OF PUBLIC HEALTH AND SAFETY, WITH THE PROVISIONS OF ANY  
2 FEDERAL STATUTES, STANDARDS, CRITERIA, RULES, REGULATIONS, OR  
3 POLICIES, AND ANY OTHER REQUIREMENTS OF FEDERAL AGENCIES, INCLUD-  
4 ING PROVISIONS APPLICABLE ONLY TO OBTAINING FEDERAL GRANTS,  
5 LOANS, OR OTHER FUNDING.

6 (4) THE LOCAL GOVERNING BODY SHALL CONSIDER THE IMPACT OF  
7 PROPOSED DEVELOPMENTS UPON ADJACENT AGRICULTURAL OPERATIONS  
8 INCLUDED IN AN AGRICULTURAL SECURITY AREA ESTABLISHED UNDER THIS  
9 SECTION AND ENCOURAGE DESIGNS WHICH WILL MINIMIZE THE IMPACT OF  
10 DEVELOPMENT UPON ADJACENT AGRICULTURAL OPERATIONS AND INCORPORATE  
11 ALTERNATIVE DEVELOPMENT OPTIONS INCLUDING, BUT NOT LIMITED TO,  
12 BUFFER STRIPS, BARRIER OR BERM CONSTRUCTION, SETBACK REQUIRE-  
13 MENTS, AND CLUSTER OR PLANNED UNIT DEVELOPMENT OPTIONS. HOWEVER,  
14 THE LOCAL GOVERNING BODY SHALL NOT REDUCE THE INTENSITY OF DEVEL-  
15 OPMENT AS PERMITTED UNDER A LOCAL ZONING ORDINANCE.

16 (5) A PERSON SHALL NOT SELL A PARCEL OF LAND THAT IS LOCATED  
17 WITHIN 1 MILE OF AN AGRICULTURAL SECURITY AREA UNLESS THE DEED  
18 CONTAINS SUBSTANTIALLY THE FOLLOWING NOTICE:

19 "THIS PROPERTY IS LOCATED IN THE VICINITY OF A FARM OR FARM  
20 OPERATION. GENERALLY ACCEPTED AGRICULTURAL AND MANAGEMENT PRAC-  
21 TICES MAY BE UTILIZED BY THE FARM OR FARM OPERATION AND MAY GEN-  
22 ERATE USUAL AND ORDINARY NOISE, DUST, ODORS, AND OTHER ASSOCIATED  
23 CONDITIONS, AND THESE PRACTICES ARE PROTECTED BY THE MICHIGAN  
24 RIGHT TO FARM ACT, ACT NO. 93 OF THE PUBLIC ACTS OF 1981, BEING  
25 SECTIONS 286.471 TO 286.474 OF THE MICHIGAN COMPILED LAWS. THE  
26 SELLER IS NOT REQUIRED TO DISCLOSE WHETHER GENERALLY ACCEPTED  
27 AGRICULTURAL AND MANAGEMENT PRACTICES ARE BEING UTILIZED."

1           SEC. 36208. PUBLICLY FUNDED, OWNED, AND MAINTAINED PROJECTS  
2 REQUIRING EMINENT DOMAIN BY ANY AGENCY OF THIS STATE OF LAND COV-  
3 ERED BY A DEVELOPMENT RIGHTS AGREEMENT UNDER THIS PART, OF LAND  
4 INCLUDED IN AN AGRICULTURAL SECURITY AREA ESTABLISHED UNDER SEC-  
5 TION 36202 SHALL INCLUDE A REVIEW BY THE DEPARTMENT OF AGRICUL-  
6 TURE BEFORE THE LAND IS RELINQUISHED FROM THE AGREEMENTS AND  
7 POWERS OF CONDEMNATION ARE EXERCISED. THE GOVERNING BODY EXER-  
8 CISING POWERS OF EMINENT DOMAIN SHALL SUBMIT TO THE DEPARTMENT OF  
9 AGRICULTURE AN ASSESSMENT OF THE IMPACT OF THE PROJECT UPON AGRI-  
10 CULTURAL LANDS. THE DEPARTMENT OF AGRICULTURE SHALL SEEK THE  
11 ASSISTANCE OF MICHIGAN STATE UNIVERSITY, THE NATURAL RESOURCES  
12 CONSERVATION SERVICE OF THE UNITED STATES DEPARTMENT OF AGRICUL-  
13 TURE, AND OTHER PROFESSIONAL AND INDUSTRY ORGANIZATIONS AND  
14 REVIEW AND ASSESS THE IMPACT OF THE PROPOSED PROJECT. THIS  
15 REVIEW SHALL DO THE FOLLOWING:

16           (A) EXAMINE THE EFFECT THE PROPOSED CONDEMNATION WOULD HAVE  
17 UPON THE PRESERVATION AND ENHANCEMENT OF AGRICULTURE OR COMMUNITY  
18 RESOURCES WITHIN THE AREA.

19           (B) ENSURE THAT THERE ARE NO OTHER REASONABLE AND PRUDENT  
20 ALTERNATIVES TO THE UTILIZATION OF THE PROTECTED AGRICULTURAL  
21 LANDS FOR THE PROJECT.

22           (C) SUGGEST ANY MODIFICATION TO THE STATE-FUNDED DEVELOPMENT  
23 PROJECT WHICH ENSURES THE INTEGRITY OF THE PROTECTED AGRICULTURAL  
24 LANDS AGAINST ANY NONFARM ENCROACHMENT.