



Senate Fiscal Agency  
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BILL ANALYSIS

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Senate Bill 955 (Substitute S-2 as reported)  
Sponsor: Senator Cameron S. Brown  
Committee: Agriculture, Forestry and Tourism

### **CONTENT**

The bill would amend the General Property Tax Act to exempt from taxation methane digesters and other thermal decomposing systems used in agricultural operations.

The Act exempts from taxation property actually used in agricultural operations and farm implements held for sale or resale by retail servicing dealers for use in agricultural production. The bill would include a methane digester, a methane digester electric generating system, a biomass gasification system, and a thermal depolymerization system as property used in agricultural operations.

A person claiming an exemption for a methane digester or a methane digester electric generating system would have to submit an affidavit to the local tax collecting unit, attesting that he or she had not been found guilty of a criminal violation under, or found responsible for a civil violation under, Part 31 (Water Resources Protection) of the Natural Resources and Environmental Protection Act within a one-year period immediately preceding the date the affidavit was submitted to the local tax collecting unit.

MCL 21.142g

Legislative Analyst: Claire Layman

### **FISCAL IMPACT**

This bill would have no fiscal impact on State or local government at the present time, because there are currently no methane digester electric generating, biomass gasification, or thermal depolymerization systems in Michigan. There could be a fiscal impact in future years if technological improvements make the operation of these systems more efficient and less costly in terms of start-up capital costs. While there is no way to make a reasonable estimate on future use of these systems at this time, the fiscal impact of this bill would probably remain very small for the next few years.

Date Completed: 5-28-04

Fiscal Analyst: Jay Wortley