

**SUBSTITUTE FOR
SENATE BILL NO. 686**

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending section 36110 (MCL 324.36110), as amended by 2016 PA
265.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 36110. (1) Land subject to a development rights agreement
2 or easement may be sold without penalty under sections 36111,
3 36112, and 36113, if the use of the land by the successor in title
4 complies with ~~the provisions contained in the~~ development rights
5 agreement or easement. The seller shall notify the governmental
6 authority having jurisdiction over the development rights of the
7 change in ownership.
8 (2) If the owner of land subject to a development rights

1 agreement or easement dies or becomes totally and permanently
 2 disabled or ~~when-if~~ an individual essential to the operation of the
 3 farm dies or becomes totally and permanently disabled, the land may
 4 be relinquished from the program under this part and is subject to
 5 a lien pursuant to sections 36111(11), 36112(7), and 36113(7). A
 6 request for relinquishment under this section shall be made within
 7 3 years ~~from~~**after** the date of death or disability. A request for
 8 relinquishment under this subsection shall be made only by the
 9 owner in case of a disability or, in case of death, the person who
 10 becomes the owner through survivorship or inheritance.

11 (3) If an owner of land subject to a development rights
 12 agreement becomes totally and permanently disabled or dies, land
 13 containing structures that were present before the recording of the
 14 development rights agreement may be relinquished from the
 15 agreement, upon request of the disabled agreement holder or upon
 16 request of the person who becomes an owner through survivorship or
 17 inheritance, and upon approval of the local governing body and the
 18 state land use agency. Not more than 2 acres may be relinquished
 19 under this subsection unless additional land area is needed to
 20 encompass all of the buildings located on the parcel, in which case
 21 not more than 5 acres may be relinquished. If the **size of the**
 22 parcel proposed to be relinquished is less ~~in area than the minimum~~
 23 ~~parcel size~~**than that** required by local zoning, the parcel ~~may~~
 24 **shall** not be relinquished unless a variance is obtained from the
 25 local zoning board of appeals to allow for the smaller parcel size.
 26 The portion of the farmland relinquished from the development
 27 rights agreement under this subsection is subject to a lien
 28 pursuant to section 36111(11).

29 **(4) If approved by the local governing body and the state land**

1 use agency, not more than 1 acre of land, as determined by a
 2 professional surveyor licensed in this state, may be relinquished
 3 from an agricultural conservation easement or development rights
 4 agreement. If the size of the parcel proposed to be relinquished is
 5 less than that required by local zoning, the parcel shall not be
 6 relinquished unless a variance is obtained from the local zoning
 7 board of appeals to allow for the smaller parcel size.

8 (5) ~~(4)~~—The land described in a development rights agreement
 9 may be divided into smaller parcels of land and ~~continued under~~
 10 **remains subject to** the same terms and conditions as the original
 11 development rights agreement. The smaller parcels created by the
 12 division must meet the minimum requirements for being enrolled
 13 under this ~~act-part~~ or be 40 acres or more in size. Farmland may be
 14 divided once under this subsection without **payment of a fee by to**
 15 the state land use agency. The state land use agency may charge a
 16 reasonable fee not greater than the state land use agency's actual
 17 cost of dividing the agreement for all subsequent divisions of that
 18 farmland. When a division of a development rights agreement is made
 19 under this subsection and is executed and recorded, the state land
 20 use agency shall notify the applicant, the local governing body and
 21 its assessing office, all reviewing agencies, and the department of
 22 treasury.

23 (6) ~~(5)~~—As used in this section, "individual essential to the
 24 operation of the farm" means a co-owner, partner, shareholder, farm
 25 manager, or family member, who, to a material extent, cultivates,
 26 operates, or manages farmland under this part. An individual is
 27 considered involved to a material extent if ~~that-the~~ individual
 28 does 1 or more of the following:

29 (a) Has a financial interest equal to or greater than 1/2 the

1 cost of producing the crops, livestock, or products and inspects
2 and advises and consults with the owner on production activities.

3 (b) Works 1,040 hours or more annually in activities connected
4 with production of the farming operation.

5 **(7)** ~~(6)~~—The state land use agency shall not charge a fee to
6 process a change of ownership under subsection (1). ~~or a division~~
7 ~~under subsection (4).~~

8 Enacting section 1. This amendatory act does not take effect
9 unless all of the following bills of the 103rd Legislature are
10 enacted into law:

11 (a) Senate Bill No. 685.

12 (b) Senate Bill No. 687.

13 (c) Senate Bill No. 688.

14 (d) Senate Bill No. 689.

15 (e) Senate Bill No. 690.

16 (f) Senate Bill No. 699.