



**House  
Legislative  
Analysis  
Section**

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**CAPTIVE CERVIDAE**

**House Bill 5747 (Substitute H-1)  
First Analysis (5-21-96)**

**Sponsor: Rep. Gary L. Randall  
Committee: Tax Policy**

***THE APPARENT PROBLEM:***

Some people recommend that the breeding and raising of captive deer and elk be treated as an agricultural operation for property tax purposes. They note that "captive cervidae" (as such animals are known) are included as livestock under the state's animal industry act. There are said to be a significant number of these enterprises in the state; the animals are bred and raised for their meat and antlers. Generally speaking, under the state's new school financing system, qualified agricultural property is subject to the 6-mill state education property tax but is exempt from the 18-mill local school operating property tax. Property classified as commercial property (or any non-homestead or non-agricultural property) must pay at least the 24 mills in school taxes. Legislation has been introduced to ensure that property used for the breeding and raising of captive cervidae is treated as agricultural rather than commercial property.

***THE CONTENT OF THE BILL:***

The bill would amend the General Property Tax Act to include breeding and grazing captive cervidae under the definition of "agricultural operations." The bill cites the definition of "captive cervidae" in the Animal Industry Act of 1987, where that term refers to members of the cervidae family, including, but not limited to, deer, elk, moose, and caribou living under the husbandry of humans.

The bill would amend the section of the act that describes what constitutes "agricultural real property." Agricultural real property is defined under the act as including parcels used partially or wholly as "farm land." The bill would replace the term "farm land" with "agricultural operations."

MCL 211.34c

***FISCAL IMPLICATIONS:***

The House Fiscal Agency reports that there would be a revenue loss to local units because the property in question could be exempt from the 18-mill local school tax (as qualified agricultural property). The revenue

loss would be offset by increased state school aid to the affected districts. The HFA cites Department of Treasury information in estimating the increased school aid fund costs at \$200,000 to \$500,000 annually. (5-13-96)

***ARGUMENTS:***

***For:***

The bill would include the breeding and raising of deer and elk as an agricultural operation and thus permit property on which such enterprises are conducted to be treated as agricultural property. This would qualify the property for the exemption from local school operating taxes afforded to qualified agricultural property (and homesteads) under the state's new school financing system.

***POSITIONS:***

The Department of Treasury supports the bill. (5-17-96)

The Michigan Farm Bureau supports the bill. (5-17-96)

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.

House Bill 5747 (5-21-96)