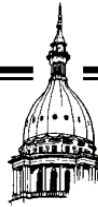




**Senate Fiscal Agency**  
P. O. Box 30036  
Lansing, Michigan 48909-7536

BILL ANALYSIS



**Telephone: (517) 373-5383**  
**Fax: (517) 373-1986**

Senate Bill 372 (as reported without amendment)  
Sponsor: Senator Bruce Caswell  
Committee: Finance

**CONTENT**

The bill would amend the General Property Tax Act to require agricultural property to be excluded from sales studies if, upon a transfer of ownership, an affidavit attesting that the property would remain agricultural had not been filed.

Specifically, the bill would require an assessor and equalization director, in finalizing sales studies for property classified under the Act as agricultural real property, to determine whether an affidavit for the property had been filed under Section 27a(7)(n). (That section prevents agricultural property from being taxed upon its State equalized valuation when there is a transfer of ownership if the transferee files an affidavit attesting that the property will remain agricultural.)

If an affidavit had not been filed, the property would have to be reviewed to determine whether classification as agricultural real property was correct or should be changed. The assessor for the local tax collecting unit where the property was located would have to contact the property owner to determine why the owner did not file an affidavit.

Unless there were convincing facts to the contrary, the sale of property classified as agricultural real property for which an affidavit under Section 27a(7)(n) had not been filed could not be included in a sales study.

MCL 211.8 & 211.27

Legislative Analyst: Suzanne Lowe

**FISCAL IMPACT**

The bill would have an indeterminate and likely negligible impact on local unit and State revenue. The bill would apply to a minimal number of agricultural properties, which would be mixed with multiple nonagricultural properties when sales studies were conducted. The magnitude and direction of any impact would depend on the specific characteristics of the agricultural property and the number and characteristics of other properties involved in a sales study.

Date Completed: 9-25-13

Fiscal Analyst: David Zin