

SENATE BILL NO. 327

May 21, 2025, Introduced by Senators DALEY, ALBERT, HOITENGA, DAMOOSE, BELLINO, THEIS, VICTORY, NESBITT, HUIZENGA, HAUCK, LAUWERS and WEBBER and referred to Committee on Government Operations.

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending section 36104e (MCL 324.36104e), as added by 2023 PA
230.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 36104e. (1) As used in this section:
- 2 (a) "Amended development rights agreement" means a development
- 3 rights agreement that includes the conditions required to allow a
- 4 solar facility to be installed and operated on all or a portion of
- 5 the land subject to the agreement.

1 (b) "Deferment period" means the period of time beginning when
2 construction of the solar facility commences and ending when the
3 solar facility is completely removed.

4 (c) "Electric provider" means either of the following:

5 (i) An electric provider as defined in section 5 of the clean
6 and renewable energy and energy waste reduction act, 2008 PA 295,
7 MCL 460.1005.

8 (ii) A merchant plant as defined in section 10g of 1939 PA 3,
9 MCL 460.10g.

10 (d) "Landowner" means a person that meets both of the
11 following requirements:

12 (i) Has a freehold estate in land coupled with possession and
13 enjoyment or, if land is subject to a land contract, is the vendee.

14 (ii) Has signed a development rights agreement with the state
15 land use agency, and, if the land is subject to a land contract,
16 the vendor.

17 (e) "NRCS" means the United States Department of Agricultural
18 Natural Resource Conservation Service.

19 (f) "Solar agreement" means an agreement entered into by the
20 landowner and the solar facility owner or operator to authorize the
21 installation and operation of a solar facility on all or a portion
22 of the land and that contains all conditions specifically
23 identified in this section as the responsibility of the solar
24 facility owner or operator.

25 (g) "Solar facility" means a facility, owned by an electric
26 provider, for the generation of electricity using solar
27 photovoltaic cells.

28 (h) "Solar facility site" means the land subject to a solar
29 agreement.

1 (2) A solar facility is a permitted use under a development
2 rights agreement if all of the following conditions are met:

3 (a) Before the solar facility became a permitted use, the land
4 was subject to a development rights agreement.

5 (b) The land subject to the development rights agreement was
6 divided under section 36110(4), if only a portion of the land was
7 to be subject to a solar agreement.

8 (c) After any ~~split~~**division** required by subdivision (b), the
9 landowner and state land use agency amend the resulting development
10 rights agreement applicable to the solar facility site.

11 (d) The amended development rights agreement applicable to the
12 proposed solar facility site extends the existing development
13 rights agreement beyond the original termination date for an amount
14 of time equal to the length of the deferment period. However, the
15 deferment period shall not exceed 90 years minus the remaining term
16 of the development rights agreement. ~~A-Neither a landowner may-nor~~
17 **the department shall** enter into a subsequent amended development
18 rights agreement to provide for an additional deferment period.

19 (e) At least 60 days have elapsed since the development rights
20 agreement was recorded.

21 (f) The solar facility site is designed, planted, and
22 maintained with groundcover that achieves a score of at least 76 on
23 the Michigan Pollinator Habitat Planning Scorecard for Solar Sites
24 developed by the Michigan State University Department of Entomology
25 or is designed, planted, and maintained in compliance with NRCS
26 Cover Standard 327.

27 (g) A bond or irrevocable letter of credit payable to this
28 state is maintained during the deferment period as financial
29 assurance for the decommissioning of the solar facility and the

1 return of the land to agricultural use. The amount of the financial
2 surety shall be calculated by a licensed professional engineer.
3 Every 3 years, or as the department considers necessary, the amount
4 of the bond or irrevocable letter of credit shall be adjusted as
5 necessary to ensure that the financial assurance is sufficient for
6 the purposes of this subdivision.

7 (h) The solar facility site is designed, established, and
8 maintained in a manner that ensures the land can be returned to
9 agricultural use at the end of the deferment period.

10 (i) The land is returned to normal agricultural operations and
11 use by the first growing season following the end of the deferment
12 period.

13 (3) Under the solar agreement, the electric provider may
14 assume responsibility for compliance with subsection (2)(f), (g),
15 or (h). Under the solar agreement, the electric provider shall
16 assume responsibility for maintenance of any agricultural drain, as
17 defined in section 30103 or 30305, that is privately owned and
18 necessary for exemption from regulation under part 301 or 303,
19 respectively.

20 (4) When the deferment period ends, the solar facility is no
21 longer a permitted use.

22 (5) The landowner shall not claim a tax credit under section
23 36109 during the deferment period. If a landowner relinquishes the
24 development rights agreement under sections 36111 and 36111a at any
25 time during the deferment period, the past 7 years of tax credits
26 are payable. The past 7 years of tax credits are calculated from
27 the time the amended development rights agreement is recorded and
28 shall be held until the land is returned to agricultural production
29 at the end of the deferment period.

1 (6) After the effective date of the amendatory act that added
2 this subsection, a development rights agreement shall not be
3 amended to make a solar facility a permissible use under the
4 development rights agreement.