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BILL ANALYSIS

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Senate Bill 699 (as introduced 11-5-25)
Sponsor: Senator Sue Shink
Committee: Natural Resources and Agriculture

Date Completed: 11-5-25

CONTENT

The bill would amend Part 362 (Agricultural Preservation Fund) of the Natural Resources and Environmental Protection Act to increase, from $1.4 million to $2.1 million, the maximum amount of money that the Michigan Department of Agriculture and Rural Development (MDARD) and the Board of the Agricultural Preservation Fund may spend annually on administrative costs to implement Part 361 (Farmland and Open Space Preservation).

The Fund is spent to pay for costs associated with Part 361, which governs development rights agreements, the purchasing of development rights on farmland, agricultural conservation easements, and other methods to preserve agricultural land in Michigan. Part 361 is administered by MDARD.

The Act allows the Fund to be spent to pay administrative costs associated with implementing the requirements under Part 361. After those expenditures have been made, money in the Fund is spent to provide grants to local units of government to purchase agricultural conservation easements, a type of land conveyance in which the owner relinquishes to the public development rights to the land in exchange for a tax benefit. The Board of the Fund directs these grants. After all administrative costs and grants have been paid for, if the amount of money in the Fund exceeds $5.0 million, the Fund may be spent on direct purchases of development rights to farmland and agricultural conservation easements. The Board of the Fund directs this effort.

The bill would increase, from $1.4 million to $2.1 million, the maximum amount of money that MDARD and the Board of the Fund could spend annually on administrative costs to implement Part 361.

MCL 324.36202

Legislative Analyst: Alex Krabill

FISCAL IMPACT

The bill would allow MDARD to increase its annual expenditure from the Fund from a maximum of $1.4 million to a maximum of $2.1 million for the purpose of administering the Farmland and Open Space Preservation Program. These additional restricted revenues would be available from the Fund, which has a current balance of $10.0 million.

Fiscal Analyst: Bruce R. Baker

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