



Senate Fiscal Agency  
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BILL ANALYSIS

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Senate Bill 251 (Substitute S-2 as reported by the Committee of the Whole)  
Sponsor: Senator Cameron S. Brown  
Committee: Agriculture, Forestry and Tourism

### **CONTENT**

The bill would amend the General Sales Tax Act to provide a tax exemption for methane digesters and other thermal decomposing systems used in agricultural operations.

The Act exempts from taxation property actually used in agricultural operations. Under the bill, property used in agricultural operations would include a methane digester, a methane digester electric generating system, a biomass gasification system, and a thermal depolymerization system.

A person claiming an exemption for a methane digester or a methane digester electric generating system would have to submit an affidavit to the local tax collecting unit, attesting that the methane digester or electric generating system was located on real property verified by the Department of Agriculture as meeting all applicable requirements under the Michigan Agriculture Environmental Assurance Program, and that the person had not been found guilty of a criminal violation, or found responsible for a civil violation resulting in a civil fine of \$10,000 or more, under the Natural Resources and Environmental Protection Act within a three-year period immediately preceding the date the affidavit was submitted to the local tax collecting unit.

MCL 211.9

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

The bill would have no fiscal impact on State or local government at the present time, because there are currently no methane digester electric generating, biomass gasification, or thermal depolymerization systems in Michigan. The bill could reduce revenue from what it otherwise will be in future years if technological improvements make the operation of these systems more efficient and less costly in terms of start-up capital costs. While there is no way to make a reasonable estimate on future use of these systems at this time, the fiscal impact of this bill probably would remain very small for the next few years.

Date Completed: 6-10-05

Fiscal Analyst: David Zin