

# LAND USE POLICY MAKING IN MICHIGAN

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## URGENT LAND USE CONCERNS AND CONSTITUENCIES IN MICHIGAN

Preserving good agricultural land seems to be of interest to everyone except those who would profit from transferring land and using it for something else. Many organizations express concerns about rapid conversion of agricultural land to urban uses and the adverse impact of development on remaining agricultural land. In Michigan the Farm Bureau has articulated these concerns before the legislature, its main recommendations being to tax agricultural land on use value and relieve farmers of special assessments.

Maintaining open space for recreation and aesthetic purposes is a concern in Michigan, as elsewhere. Residents of Detroit, for example, desire to have access to open space to get away from the rush of the city. They may enjoy driving through open farm lands and observing the crops and livestock, but they also want to use open space more directly in recreational activities.

A third major concern is for improved environmental quality. Spokesmen for this interest argue that we must have undeveloped, open land as a "balance wheel" in a rapidly urbanizing society. Land that is free of intensive human activity contributes in many ways to a healthy and living environment.

## EXTENSION LAND USE EDUCATION COMMITTEE

In 1966 an extension committee was formed at Michigan State University to: (1) develop a land use workbook and (2) hold public study and discussion meetings with community leaders throughout Michigan.

In 1967 the committee produced a bulletin, "Land Use in Michigan." The committee worked with the extension administration and field staff in organizing workshop series throughout the state. Each series consisted of four meetings, and each meeting was staffed by two MSU specialists. The workshops brought together representatives from all major interest groups concerned with land use changes in Michigan. In most cases these people had never discussed land use issues and policies together. The field staff feared that serious conflict might break out in the meetings.

Instead, the teaching method, using facts and alternative approaches to land use problem solving, resulted in the most constructive discussions of land use policy since the county land use planning committees of the 1930's. Additional meetings were requested and discussions in these reached even greater depth and focus.

#### **GOVERNOR'S SPECIAL COMMISSION ON LAND USE**

Closely following the extended MSU land use workshops came the Special Commission on Land Use appointed by Governor Milliken. The commission consisted of eight members representing various land use interests.

The commission report, submitted to the governor in January 1972, presented twelve recommendations on the direction of future land use management policy. The report was an expression of state level concern for guiding the rate and pattern with which one land use replaces another. Recommendations called for tax reform with alternatives for the property tax providing a greater proportion of local revenues. Agricultural land would be taxed only on the agricultural value. The greater weight of land use regulation would remain at the local level, but the state would provide more guidance, support, and encouragement for land use planning and regulation.

#### **SEMINAR ON TAXATION OF AGRICULTURAL AND OTHER OPEN LAND**

At about the same time that Governor Milliken established the Land Use Commission a committee was formed at MSU to plan and sponsor a seminar on taxation of agricultural and other open land. The two-day seminar was conducted on April 1-2, 1971. The papers and discussion dealt with the history of economic and political forces contributing to the land tax problem, the nature of the property tax, and the land use picture in Michigan. Attending were members of the legislature interested in land taxation and their staff members, and key representatives from government, industry, agriculture, and special interests such as environment and recreation.

The seminar proceedings were available in time for the Land Use Commission staff to use in their deliberations and writing. Legislative tax committee staffs began using the proceedings in their work. The various alternatives in taxing agricultural land became clearer after the seminar. Also, the seminar provided an opportunity for interest groups to face each other in an objective, educational format rather than in heated legislative committee hearings.

**CONFERENCE "TOWARD AN EFFECTIVE LAND USE  
POLICY FOR MICHIGAN"**

During the legislative year 1973, Representative Phillip Mastin introduced a comprehensive land use bill into the Michigan legislature. The bill would have placed much more initiative for land use planning at the state level in a permanent state land use commission. The state would have become directly involved in zoning of "critical" areas around the state as defined in a proposed state land use plan. Hearings on the bill were useful but quickly pointed to the need for further information and study. On May 17-18, 1973, a special committee of the MSU staff held a conference on land use following the same format as the previous conference on taxation.

Just before the conference a new Office of Land Use was established in the Michigan Department of Natural Resources. The staff of the Land Use Office participated in the conference and has since had a working relationship with the MSU staff on nearly a daily basis.

Although the Mastin land use bill has failed to pass even one house of the legislature, the study and discussions stimulated by Representative Mastin have been very helpful to the state. The state land use plan called for by both the Special Commission on Land Use and the Mastin bill is being methodically put together as a long-range project by the new Office of Land Use. The tax part of the Mastin bill has been covered in another act.

Also, the Natural Rivers Act and Shorelines Act have given the state the initiative in regulating those critical areas, although local zoning remains as an option.

**STAFF PARTICIPATION IN DEVELOPMENT OF LAND TAX LEGISLATION**

Even before 1968, the first year serious consideration was given by the Michigan legislature to a special agricultural land tax bill, the MSU staff was involved in writing publications on differential assessment and in discussions with farm groups and tax administrators. After bills were introduced the MSU staff assisted tax committees in the house and senate in studying the bills.

Early in the 1972 legislative session, the MSU staff, working with a tax administrator of long experience, drafted an agricultural land tax bill which, in the view of virtually all tax authorities in the state, would have met constitutional requirements.

The Michigan Constitution authorizes the legislature to withdraw a class of property from taxation under the general property tax act and impose a specific tax on the class. The bill would have

taxed agricultural land on a specific, diminishing scale based upon Soil Conservation Service land use capability classes.

The house tax committee gave the MSU staff the lead in study sessions with a special subcommittee. The staff invited authorities on property taxation and municipal bonding to comment on the bill. The house passed the bill, and the senate carried it over to the 1974 session. The senate tax committee then established a special committee which made fundamental changes throughout the bill. This bill passed both houses after 54 amendments were made by the joint conference committee of both houses, and it was signed into law. At no time did the MSU staff act as advocate for a bill, but only as technical assistants.

The act provides for a tax credit or rebate for the amount by which property taxes on a farm under agreement exceed 7 percent of household income as defined in a 1973 act. The farm owner agrees not to develop the land for ten years. The agreement may be for a longer period. At the end of ten years, the agreement may be terminated. All tax credits enjoyed during the last seven years of the agreement become a lien on the property. There are penalties for breaking the agreement or relinquishment prior to the ten years. Another part of the act provides for open space easements. Current use assessment is involved here, with a seven-year rollback at the end of the ten-year period. Easements may be for longer terms or perpetual. Both arrangements exempt the land owner from future special assessments.

The act is so written that the administrative rules get into the area of policy. The MSU staff is represented on the rules committee. The act is being administered by the new Office of Land Use previously mentioned. A joint educational program for officials, farm owners, and open space owners is being planned by the MSU staff and the Office of Land Use. This will involve information dissemination through a network of television programs covering the state, publications, and agent training conferences.

#### **COMMITTEE ON LAND AND WATER**

In 1973 a committee on land and water was formed within the MSU Extension Service, called CLAW. CLAW is a standing committee, designed to study land and water issues and policy and to disseminate information. Each month the committee prepares a report of state and federal land and water legislation, discussions of state government agency activities in land and water, and calendars of pertinent public hearings. Included also are summaries of useful articles on land and water and many other related items.

The report goes to county extension offices and to various state leaders in the area of land and water policy. Local extension offices often extract parts of the reports for use in their own letters and in radio and television programs. CLAW is meeting a real need in Michigan in land and water policy education.

#### FINAL IMPRESSIONS

In terms of time, the task is never finished. For example, the MSU staff worked with leaders throughout the state and with the legislature for over six years on the new land tax legislation. The legislation which finally passed will present some real difficulties. Hopefully, the major ones can be dealt with through administrative rules. But continuous study and amendment will be necessary. Legislation is the result of compromise, remember?

A small number of standing committees seems beneficial to the effort, such as CLAW. However, much room should be left for "regrouping" into special committees with immediate and specific assignments.

A reputation for skill in investigation, objectivity in education, impartial role in consulting along with basic honesty and dependability is necessary in land use policy work. Along the way some leaders may become annoyed by the work of one or more of the university team members. Shifting responsibilities around on the team helps meet this problem, but the important principle is that no team member can ever afford to look upon any state or community leader as an adversary.

In MSU extension we seem to work much more with secondary and tertiary leaders than with primary leaders. This is not necessarily bad. After all, the secondary and tertiary leaders are the "workers" in policy making. And it appears that the primary leaders not only give these workers policy guidelines but also receive much of their information from the workers. The influence runs in both directions. The workers are much closer to ordinary citizens than the primary leaders. This also has advantages.