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STATE OF MICHIGAN
DEPARTMENT OF AGRICULTURE
LANSING

DON KOIVISTO
DIRECTOR

DATE: October 28, 2010

TO: Kelli Sobel, Executive Director
State Tax Commission

FROM: Gordon Wenk, Chief Deputy Director
Department of Agriculture

SUBJECT: Property Tax Assessment on Risk Mitigated Properties

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I would like to alert you to an issue:

Several cattle producers have contacted the Michigan Department of Agriculture (MDA) stating that their property is being reassessed and they are losing their agriculture tax status due to MDA Wildlife Risk Mitigation Project (WRMP) requirements. These responsible cattle producers have implemented management practices and land usage to mitigate bovine Tuberculosis (TB) transmission between wildlife and cattle. This should not impact agriculture tax status, their land is still agriculture land.

A key part of the program is keeping infected deer away from cattle; this effort has been formalized through the WRMP. Cattle producers in bovine TB affected areas have their farms evaluated by trained veterinarians to determine the risks of their cattle becoming infected by deer. In some cases, the evaluations require owners to keep cattle off land where bovine TB infected deer may frequent (i.e., swamps, forests, lowlands, and brushy areas). If these requirements are not followed, producers may not sell their cattle as risk mitigated. Sale of non-risk mitigated cattle places additional test and expense burdens on producers.

Producers are making these changes due to the disease in their area. Their actions have national and international trade implications.

As you know, bovine TB is a bacterial infection that affects humans. The disease re-emerged in Michigan in 1994 when a free-ranging white-tailed deer was found with the disease. Statewide disease surveillance of deer and cattle found more bovine TB, including two cases in humans. Since surveillance began, MDA and USDA have confirmed disease in 50 cattle herds, destroying over 4,000 head of cattle as a consequence.

MDA's Bovine Tuberculosis Eradication Program was established to prevent the spread of the disease and to eradicate bovine TB from the landscape. The program is required under Federal Law and allows Michigan producers to market cattle across the country – if they carefully follow all state and federal rules and regulations.

If bovine TB were not in Michigan, such changes would not need to be made. As citizens of Michigan, we all need to make every effort possible to eradicate disease from the landscape. By changing the tax status of these agriculture lands, government is asking producers to make a choice between disease prevention – and their pocket books. This is an unfair position in which to place Michigan cattle producers – especially when they are trying to do the right thing. I appreciate any assistance you may provide in reiterating this stance to local assessors.

If you would like more information please contact MDA's Bovine TB Program Manager James Averill at: averilli1@michigan.gov or by telephone at: 517-241-2934.

cc: Jim Bowes
James Averill
Bridget Patrick

RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF AGRICULTURE
LANSING

KEITH CREAGH
DIRECTOR

March 21, 2011

Ms. Kelli Sobel
Executive Director, State Tax Commission
430 West Allegan
P.O. Box 30471
Lansing, MI 48909

Dear Ms. Sobel:

Subject: Property Tax Assessments on Agriculture Lands with Public Health Risk

As you know, bovine Tuberculosis (TB) is a bacterial infection that affects humans and is endemic in Northeastern Lower Michigan's free-ranging white-tailed deer herd. Bovine TB has affected two humans, 51 cattle farms with over 4,043 head of cattle, and 687 white-tailed deer. The Michigan Department of Agriculture and Rural Development (MDARD) penalizes farmers with agriculture land that is unsuitable for cattle grazing (because of the potential for disease transmission from deer) by withholding verification of a risk mitigation certificate – a certificate that is required for marketing their cattle.

MDARD and Michigan Farm Bureau worked with you last fall on the issue of cattle farmers in Michigan losing agriculture tax exemption status due to implementing wildlife risk mitigation (WRM) practices. As a result of our conversations, the State Tax Commission developed a "tip" for local tax boards, titled: "State Tax Commission November 3, 2010 Tip, Topic: Agricultural Classification". We greatly appreciated your assistance with this and distribute a copy of the newsletter to producers when they receive WRM verification.

However, MDARD was recently informed that although local tax boards know about the Wildlife Risk Mitigation Project and the Tax Commission memo mentioned above, they are ignoring the information and removing the agriculture tax exemption status, even though the State of Michigan has deemed that portion of agriculture property unusable due to public health disease risks.

I look to you for further assistance in addressing this issue. Would a formal memo on Tax Commission letterhead be more helpful? Is there anything MDARD and the Tax Commission can do jointly to address this issue? Are there continuing education instructors on the landscape who do not know about this issue? To restate the October 10, 2010 memo: This is an unfair position in which to place Michigan cattle producers – especially when they are trying to do the right thing, and they have no control over free-ranging white-tailed deer. I appreciate any assistance you may provide in reiterating this stance to local assessors.

If you would like more information, please contact MDA's Bovine TB Eradication Program Coordinator, James Averill, at: averillj1@michigan.gov or by telephone at: 517-241-2934.

Sincerely,

Gordon Wenk
Chief Deputy Director