

MICHIGAN FAMILY FARM DEVELOPMENT ACT (EXCERPT)
Act 220 of 1982

285.252 Definitions; rules.

Sec. 2.

(1) As used in this act:

(a) "Agricultural land" means land suitable for use in farming.

(b) "Agricultural improvements" means any improvements, buildings, structures, or fixtures suitable for use in farming which are located on agricultural land. Agricultural improvements includes a single-family dwelling located on agricultural land which is or will be occupied by the beginning farmer and structures attached to or incidental to the use of the dwelling.

(c) "Authority" means the Michigan family farm development authority established in section 3.

(d) "Beginning farmer" means an individual with a low or moderate net worth who engages in farming or wishes to engage in farming.

(e) "Bonds" means bonds issued by the authority pursuant to this act.

(f) "Depreciable agricultural property" means personal property suitable for use in farming for which an income tax deduction for depreciation is allowable in computing federal income tax under the internal revenue code.

(g) "Farming" means the cultivation of land for the production of agricultural crops and includes the production of poultry and poultry products, the production of livestock including breeding and grazing, the production of grains and feeds, the production of forages and sod, the production of dairy products, the production of fruits and vegetables, the production of timber and timber products, the production of seeds and grasses, and the production of equine.

(h) "Low or moderate net worth" means an aggregate net worth of an individual and the individual's spouse and children, if any, of less than \$250,000.00.

(i) "Mortgage" means a mortgage, mortgage deed, deed of trust, or other instrument creating a first lien, subject only to title exceptions and encumbrances acceptable to the authority, including any other mortgage liens of equal standing with or subordinate to the mortgage loan retained by a seller or conveyed to a mortgage lender, on a fee interest in agricultural land and agricultural improvements.

(j) "Mortgage lender" means a state or national bank, trust company, mortgage company, national banking association, savings and loan association, life insurance company, any state or federal governmental agency or instrumentality, including the federal land bank or any of its local associations, or any other financial institution or entity authorized to make mortgage loans in this state.

(k) "Mortgage loan" means a financial obligation secured by a mortgage.

(l) "Net worth" means total assets minus total liabilities as determined in accordance with generally accepted accounting principles with appropriate exceptions and exemptions reasonably related to an equitable determination of the family's net worth.

(m) "Note" means a note issued by the authority pursuant to this act.

(n) "Secured loan" means a financial obligation secured by a lien on an interest in depreciable agricultural property.

(2) The authority may promulgate rules pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, as amended, being sections 24.201 to 24.315 of the Michigan Compiled Laws, to establish further definitions applicable to this act and clarification of the definitions in this section, as necessary to assure eligibility for funds, insurance, or guarantees available under federal law, and to carry out the purposes of this act.

History: 1982, Act 220, Imd. Eff. July 10, 1982