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PA 116 Frequently Asked Questions (June 14, 2011)

Q: Is the PA 116 program ending?

A: *The 2012 budget, as adopted by the Legislature, does not contain any provision to eliminate PA 116. At this point, no legislation has been introduced to eliminate the PA 116 program.*

Q: Will new enrollments or extensions of PA 116 Agreements occur after January 1, 2012?

A: *Currently, no legislation has been introduced and signed into law that would stop new enrollments or extensions of PA 116 Agreements.*

Q: Can Michigan residents still claim tax credits under the program?

A: *PA 116 Agreements are legally binding contracts and the State of Michigan will continue to honor those Agreements until they expire.*

Q: Can PA 116 Agreements be extended even if they do not expire for several years?

A: *Extension of PA 116 Agreements are permitted even though an Agreement does not expire for several years. All extension requests should be made in writing to the Michigan Department of Agriculture & Rural Development's Farmland Preservation Office. Agreements may be extended for a minimum of seven years or up to a maximum of 90 years from the date the Agreement started.*

Q: I've submitted a request to extend my Agreement, when will I receive the extended Agreement?

A: *A large number of requests have been received by the Farmland Preservation Program to extend Agreements. Due to reduced staffing size and operational funding, the processing of these requests has been delayed. You may call the Farmland Preservation Office at 517-373-3328 to determine if your letter was received and when the request will be processed.*

Q: Is the Administration considering a replacement for the PA 116 program?

A: *PA 116 tax credits have been discussed as part of an overall effort to eliminate tax credits and move program incentives in to the appropriations process. However, the Administration recognizes an alternative to the PA 116 program is necessary in order to continue to preserve Michigan's valuable farmland and address the higher property taxes paid by Michigan farmers as compared to other Midwest states. Any alternative to the PA 116 program will require legislative action.*

Q: Could changes to the PA 116 program have an impact on the Michigan Agricultural Preservation Fund grants to local farmland Purchase of Development Rights Programs?

A: *The Michigan Agricultural Preservation Fund is authorized under a different statute than the PA 116 Program. Any changes in the PA 116 statute would not directly affect the Agricultural Preservation Fund. However, dollars for making grants to local communities comes from repayments of landowners coming out of PA 116. Funds from repayments have been limited in recent years and any future changes to the PA 116 program may further reduce these payments.*