



## Splitting a Farmland Agreement

To split an agreement, the request must meet one of the following:

- At least 40 acres in size and 51% agricultural use
- At least five acres, but less than 40 acres, with a minimum 51% devoted to agricultural use, and producing a gross annual income of \$200 or more per tillable acre

(Note: Land enrolled in the Conservation Reserve Program is considered to meet the gross income requirement.)

Requests are submitted to the Farmland Preservation Office and must include:

- Farmland agreement number of the parcel to be split
- Legal descriptions for each parcel that will be placed in a separate agreement
- Number of acres in each parcel
- For parcels at least five acres but less than 40 acres, provide the number of tillable acres in each parcel, and the gross annual income per tillable acre

New agreements will be sent to the landowner for signing and recording.

## Other Options for Releasing Land from a Farmland Agreement Prior to the Agreement Expiration

A Farmland agreement may be terminated prior to the expiration date of the agreement, if approved by the local unit of government and the State of Michigan, and when one of the following criteria are met:

- The farmland is not economically viable
- Surrounding land usage restricts farming
- Natural irreversible change occurs to the land, which restricts farming
- A court order restricts farming
- Public interest is served by the release (portions of agreements may be released due to public interest)

### To Make Your Request

- Complete a termination application.
- Submit the termination application to the local unit of government for approval. If they approve, the application is forwarded to MDARD for review.
- If the application is denied, the applicant may appeal to MDARD.
- The local government may waive its right to review the application and forward it directly to MDARD.

### Required Repayments

If the parcel is approved for release, the requestor must repay the last seven years of tax credits received, plus 6% simple interest on the parcel being removed. MDARD will notify the landowner of the repayment amount.

Program forms are available at  
[www.michigan.gov/farmland](http://www.michigan.gov/farmland)



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# TRANSFERRING, SPLITTING, & RELEASING FARMLAND AGREEMENTS



*Farmland and Open Space  
Preservation Program*





The **Farmland and Open Space Preservation Program** protects farmland through agreements that limit development and provide tax incentives.

### **Selling Land Enrolled in a Farmland Agreement**

The agreement remains on the land, and all land under the agreement must be sold to the new owner.

### **Transferring Your Agreement**

To transfer an agreement, send the following information to the Farmland Preservation Office:

- Farmland agreement number
- Copy of the deed, land contract, or death certificate
- Address of the new owner (if different from the deed)
- Signed statement from the purchaser declaring the purchaser will honor all conditions and restrictions in the agreement and will assume responsibilities for all payback and/or penalties provided by law

Farmland Development Rights agreements (P.A. 116) are restrictive covenants that run with the land and are binding on all successors and assigns. Acquiring a parcel of land subject to a P.A. 116 agreement will require the new owner to comply with the terms and conditions of the existing recorded agreement and to notify MDARD of the change of ownership before the new owner will be eligible for farmland tax credits.



## **Releasing Land from Your Agreement due to Death or Disability**

A request must be made within three years of the date of death or disability.

### **Release Due to Death**

A request to release land due to death can be for a single agreement, multiple agreements, or for a parcel up to two acres with a pre-existing structure. The person who becomes owner through survivorship or inheritance submits a copy of the death certificate with the request.

### **Release Due to Disability**

A request for disability terminates all land enrolled under the disabled person's name OR just a parcel up to two acres with a pre-existing structure. An owner requesting a disability termination submits a signed statement from a physician indicating the type and severity of the disability and whether the condition represents total and permanent disability.

### **Partial Release Due to Death or Disability**

A parcel up to two acres with at least one structure that predates the start of the original agreement may be released from the program due to death or disability. To request a partial release of land, submit the following to the Farmland Preservation Office:

- Farmland agreement number
- Death certificate or physician's statement (see Release Due to Disability above)
- Legal description of the parcel to be released
- Listing of the taxable value of the parcel for the past seven years on letterhead from the local assessor
- Letter from the assessor indicating at least one structure was present prior to the beginning of the agreement

### **Required Repayment**

To complete the release of the parcel, the requester must repay a prorated share of the last seven years of tax credits received on the parcel being removed. MDARD will notify the landowner of the repayment amount.



## **Releasing a Parcel with Pre-existing Structures from an Agreement**

A parcel up to two acres may be released from an agreement. To request the release, submit the following to the Farmland Preservation Office:

- Farmland agreement number
- Resolution of approval from the local government
- Legal description of the parcel to be released
- Listing of the taxable value of the parcel for the past seven years on letterhead from the local assessor

## **Releasing a Parcel to Allow an Essential Farm Employee to Build a House**

A parcel up to two acres may be released. To request the release, submit the following to the Farmland Preservation Office:

- Farmland agreement number
- Resolution of approval from the local unit of government
- Legal description of the parcel to be released
- Listing of the taxable value of the parcel for the past seven years from the local assessor
- Documents that show the farm employee meets the requirements for being essential to the farm (W-2, Schedule F, or payroll records)

### **Required Repayment**

To complete the release of the parcel, the requester must repay the last seven years of tax credits received, plus 6% simple interest on the parcel being removed. MDARD will notify the landowner of the repayment amount.