

New Laws Regarding PA 116 Will Increase Staff, Speed Up Processing

Over the past three years, the Farmland and Open Space Program (PA 116) in the Michigan Department of Agriculture and Rural Development (MDARD) has been operating with limited staff due to a reduction in operational funds. As a result, there have been delays in processing PA 116 Agreements. Fortunately, on June 27, 2016, Governor Snyder signed into law three pieces of legislation (Public Acts 265, 266 and 267 of 2016) that will provide a sustainable funding source for the program and allow for the replacement of some of the staff lost in 2013. These bills, which take effect on September 26, 2016, also make several changes to the PA 116 law that will streamline processes for landowners.

If you are a participant in the PA 116 program, here are some of the changes in the law that may impact you:

1. The \$25 fee for the processing of transfers and splits of PA 116 Agreements is no longer required for requests submitted on and after September 26, 2016.
2. The landowner will be responsible for recording PA 116 Agreements and Relinquishments at the County Register of Deeds for any requested changes that are received by our office on and after September 26, 2016. This change will reduce the time you would typically wait for a copy of the recorded version of your Agreement or Relinquishment by approximately six or more weeks.
3. MDARD will record PA 116 Agreements and Relinquishments for requests that have been received prior to September 26, 2016.
4. MDARD will continue to be responsible for recording Liens and Discharge of Liens.

In addition to the legislative changes the PA 116, staff has also worked with the Governor's Office of Good Government on a Lean Process Initiative to help streamline work flow. The program has also worked on data management improvements to increase efficiencies. The new legislative changes, coupled with the Lean Process Initiative and data management improvements, should dramatically improve the service to our customers.

During the three-year time period of reduced staff, a significant backlog occurred in several areas of the program, such as transfers of PA 116 Agreements. With new staff in the program, the nearly three-year backlog should be completed within the next 12 to 18 months. One of the goals while processing the backlog is to ensure that program participants don't lose their opportunity to claim the tax credit under the program. All requests will continue to be processed in the order received. Once the backlog has been completed, new requests should be completed within 60 days of being received.

We have appreciated your patience over the past three years, and we look forward to serving you more efficiently in the future.

For more information about the program, call 517-284-5663, email MDARD-PA116@michigan.gov or visit www.michigan.gov/PA116.