Farmland and Open Space Preservation Program

Application for Farmland Development Rights Agreement

Requirements Checklist

INTRODUCTION

The Farmland and Open Space Preservation Program, or P.A. 116, is designed to protect farmland and open space through agreements that restrict development and provide tax incentives for program participation. A temporary restriction on the land between the state and a landowner, voluntarily entered into by a landowner, preserves the land for agriculture in exchange for certain tax benefits and exemptions for various special assessments.

The requirement for the land to be enrolled is either 40 acres or more and at least 51% in an agricultural use; or more than 5 acres but less than 40 acres and at least 51% in an agricultural use with a minimum income of $200 per acre per year.

All items listed below must be included with the new application packet prior to submitting to your local governing body for review. Applications must be approved by the local governing body on or before November 1 to be effective for the current tax year. Incomplete applications will be returned to the local governing body and landowner for additional information and may be rejected to comply with the statutory 60-day deadline from the date of receipt by Michigan Department of Agriculture and Rural Development (MDARD).

LANDOWNER CHECKLIST

- ☐ **Complete all sections of the application.**

  Applications which do not contain all required information will be returned to the landowner for completion. Incomplete applications may be rejected if required information is not provided within 60 days of receipt by MDARD.

- ☐ **Copy of recorded deed(s) or land contract(s), including signature page(s).**

  Copies must contain all pages of the recorded documents and sufficiently document the chain of title from the previous owner.

  - » If providing more than one deed or land contract, the land described in each recorded document must be under the same exact ownership (grantee names must match). If the names on the recorded documents do not match, separate applications will need to be completed.
  - » All pages from recorded document, including any recorded exhibits, must be included.
  - » If a current owner named on the deed/land contract is deceased, a copy of the death certificate must be provided.
  - » All vendors/sellers listed on a land contract must sign and date the application where indicated.

- ☐ **Verify landowner has no additional encumbrances that would impact the agreement, such as**
  - » Other conservation easements that would prevent agriculture use on the property.
  - » Other easements granted to non-MDARD entities that could impact farmland tax credit eligibility.

- ☐ **Copy of most recent property tax assessment notice or tax bill with complete tax description of property and State Equalized Value (SEV).**

  Include a statement by the applicant certifying the name of the owner of record, the legal description of the property, and all liens, covenants, and other encumbrances affecting the title to the land.

REQUIREMENTS CHECKLIST CONTINUES ON PAGE 2

☐ **Map of the farm with structures and natural features.**

A property survey or GIS image showing the property boundaries is sufficient. The map must include:

- The boundary of land cited in the application.
- A survey or accurate legal description for the property to be enrolled if less than property described in recorded deed.
- All buildings (house, barn(s), etc.); label roads and other encumbrances (such as utilities and other non-agricultural uses); label all buildings and indicate current use and who resides in residences.
- Current uses of the property (crops, pasture, forest, swamp, etc.).

NOTE: Any residential structures housing persons who are not essential to the farm operation will be excluded from the application. Residential buildings that fall within this category must have a property description for its exclusion or your application cannot be processed.

☐ **Income certification for parcels 5 acres or more but less than 40 acres in size.**

- Do not submit income tax documents.
- If available, include a letter from a CPA, tax preparer, or tax attorney attesting that you meet the minimum income requirements for enrollment.
- Complete and sign the income certification form included with this application form.

☐ **Submit complete application and checklist to the clerk of the local governing body (see below).**

Maintain a copy of your application for your records.

The clerk will issue a receipt indicating the date the application was received and send copies of the application to the reviewing agencies.

The clerk will present the application to the local governing body at their next scheduled meeting. The local governing body has 45 days from the date the application is presented to approve or reject the application.

- If the application is approved, the applicant will be notified by the local governing body within 10 days. The local governing body will forward the entire application packet to the MDARD Farmland and Open Space Preservation Office within 30 days.
- Application documentation provided to MDARD must include local governing body resolution or meeting minutes.
- If the application is rejected by the local governing body, the applicant will be notified within 10 days, stating the reason for rejection. The original application and all supporting documentation will be returned to the applicant. The applicant has 30 days to appeal the local rejection to MDARD.

LOCAL GOVERNING BODY CHECKLIST

☐ **"Local Governing Body Requirements" on page 9 must be completed by the local governing body (Township Clerk if township has zoning authority; County Clerk if county has zoning authority). Local Clerk must present to the local governing body for approval or rejection.**

☐ **Statement from the assessing officer where the property is located specifying the current fair market value of the land and structures.**

The local assessor must provide the property appraisal value on Page 10, in "Section I. Application Processing."

REQUIREMENTS CHECKLIST CONTINUES ON PAGE 3

☐ **Copy of documents demonstrating minimum income from agricultural products ($200 per acre for 2 of the last 3 years required for applications of 5 acres or more but less than 40 acres; or $2,000 gross annual income for specialty farms).**

Landowner signature on the application is required to certify the income information provided. A signed statement by a licensed professional (such as an attorney or accountant) may also be provided.

MDARD HAS 60 DAYS FROM DATE OF RECEIPT FROM LOCAL GOVERNING BODY TO APPROVE OR REJECT THE APPLICATION.

The applicant will be notified within 10 days of the date of approval or rejection by MDARD.

New applications, eligibility requirements, and instructions for completing a new application can be found online: Michigan.gov/Farmland.

CONTACT AND LEGAL INFORMATION BEGINS ON PAGE 4

Please print or type responses. Attach additional sheets as needed. Refer to the Eligibility and Instructions document before filling out this form.

ALL APPLICATIONS MUST BE APPROVED BY LOCAL GOVERNING BODY ON OR BEFORE NOVEMBER 1 TO BE EFFECTIVE FOR THE CURRENT TAX YEAR.

OFFICIAL USE ONLY

Local Governing Body

Date received: _____

Application #: _____

I. Personal Information

1. Name(s) of applicant

_____

Last First Initial

(If more than two, see #18) _____

Last First Initial

2. Entity name:

_____

3. Mailing address:

_____

Street City State Zip Code

4. Phone number: (____) ____-_____

5. Alternative telephone number (cell, work, etc.): (____) ____-_____

6. Email address: _____

II. Property Location (can be taken from the deed/land contract)

7. County: _____

8. Township, city, or village: _____

9. Section #: _____ Town #: _____

Range #: _____ Parcel # (Tax ID): _____

III. Legal Information

10. Attach a clear copy of the recorded deed or land contract. Must include all pages and must include the legal description. (See #15, #16, and #17)

11. Date of purchase from your deed: _____

NOTE: If land was transferred from yourself to your trust, a copy of the previous deed indicating whom you purchased it from is required.

CONTACT AND LEGAL INFORMATION CONTINUES ON PAGE 5

12. Attach a clear copy of the most recent tax assessment or tax bill with complete tax description of property.

13. Is there a tax lien against the land described above? ◯ Yes ◯ No

    If "Yes," please explain circumstances:

    _____

    _____

14. Does the applicant own the mineral rights? ◯ Yes ◯ No ◯ Unknown

    If owned by the applicant, are the mineral rights leased? ◯ Yes ◯ No

    Indicate who owns or is leasing rights if other than the applicant:

    _____

    Name the type(s) of mineral(s) involved: _____

15. Is land cited in the application subject to a lease agreement (other than for mineral rights) permitting use for something other than agricultural purposes? ◯ Yes ◯ No

    If "Yes," indicate to whom, for what purpose, and the number of acres involved:

    _____

16. Is land cited in the application subject to any other encumbrances (such as easements) that would prohibit agricultural use of the property, or impact the applicant's eligibility for the farmland tax credit? ◯ Yes ◯ No ◯ Unknown

    If "Yes," indicate the type of encumbrance and grantee:

    _____

17. Is land being purchased under land contract? ◯ Yes ◯ No

    If "Yes," a complete copy of the recorded land contract is required and must include the name and address of both the vendor (seller) and vendee (buyer).

    If the property is under land contract, the vendor (seller) must agree to allow the land cited in the application to be enrolled in the program. Please have the land contract seller sign below (all sellers must sign).

    Land Contract Vendor(s): I, the undersigned, understand and agree to permit the land cited in this application to be enrolled in the Farmland and Open Space Preservation Program.

    _____
    Printed Name of Land Contract Vendor (Seller)

    _____ _____
    Signature of Land Contract Vendor (Seller) Date

CONTACT AND LEGAL INFORMATION CONTINUES ON PAGE 6

18. Please check the appropriate selection(s) below. A copy of the executed document supporting your choice must be provided (trust, agreement, articles of incorporation, etc.).

- ☐ 2 or more persons have a joint or common interest in the land
- ☐ Corporation
- ☐ Limited Liability Company
- ☐ Partnership
- ☐ Estate
- ☐ Trust
- ☐ Association

If applicable, list the following: Individual Names if more than 2 Persons, President, Vice President, Secretary, Treasurer, Trustee(s), Member(s), Partner(s), or Estate Representative(s):

Name: _____ Title: _____

Name: _____ Title: _____

Name: _____ Title: _____

Name: _____ Title: _____

(Additional names may be attached on a separate sheet)

LAND ELIGIBILITY REQUIREMENTS BEGIN ON PAGE 7

LAND ELIGIBILITY

IV. Land Eligibility Qualifications: Check one and fill out the correct section(s).

This application is for

- ◯ 40 acres or more and 51% agriculture use → Complete only Section 19 (a-g).
- ◯ 5 acres or more but less than 40 acres and 51% agriculture use and income requirement → Complete only Sections 19 and 20.
- ◯ A specialty farm of 15 acres or more → Complete only Sections 19 and 21.

19. a. Type of agricultural enterprise (e.g. livestock, cash crops, fruit, etc.):

_____

b. Total number of acres on this farm: _____

c. Total number of acres to be enrolled (if different than above): _____

d. Acreage in cultivation: _____

e. Acreage in cleared, fenced, improved pasture, or harvested grassland: _____

f. All other acres (swamp, woods, etc.): _____

g. Indicate any structures on the property (If more than one structure, indicate the number of structures):

Total: _____

NOTE: Rental houses and other non-agricultural structures are not considered a permitted use and will require a survey to exclude these uses from the application.

Description of structures (include items such as residence, barn, shed, silo, wind turbines, cell towers, etc.): _____

_____

_____

20. To qualify as agricultural land of 5 acres or more but less than 40 acres, the land must produce a gross annual income from agriculture of $200.00 per year or more per acre of cleared and tillable land.

» Supporting documentation is necessary to validate the income requirements.

» Complete and sign the income certification page included with this application form.

LAND ELIGIBILITY REQUIREMENTS CONTINUE ON PAGE 8

21. To qualify as a specialty farm, the land must be 15 acres or more in size, and produce a gross annual income from an agricultural use of $2,000 or more. If applying as a specialty farm, provide a signed affidavit attesting to the annual income earned during 2 of the prior 3 years immediately preceding the application. Complete the income certification page attached to this application.

    NOTE: A specialty farm designation by MDARD may require an on-site visit by an MDARD staff person.

22. Number of years requested to enroll in a Farmland Agreement (minimum 10 years, maximum 90 years): _____

LANDOWNER SIGNATURE REQUIRED ON PAGE 9

V. Signature(s)

23. The undersigned certifies the information contained in this application is accurate and true, and identifies the owner of record, legal description of property, and all encumbrances affecting the title of the land.
24. The undersigned certifies that there are no additional encumbrances that would impact the agreement or eligibility for the farmland tax credit including:
    a. Other conservation easements that would prevent agricultural use on the property.
    b. Other easements granted to non-MDARD entities that could impact farmland tax credit eligibility.

Printed Name of Applicant	Title
Signature of Applicant (Corporate Name, If Applicable)	Date
Printed Name of Co-owner, If Applicable	Title
Signature of Co-owner, If Applicable (Signature of Corporate Officer)	Date

ALL APPLICATIONS MUST BE APPROVED BY LOCAL GOVERNING BODY ON OR BEFORE NOVEMBER 1 IN ORDER TO BE EFFECTIVE FOR THE CURRENT TAX YEAR.

LOCAL GOVERNING BODY REQUIREMENTS ARE FOUND ON PAGE 10

RESERVED FOR LOCAL GOVERNMENT USE: COMPLETED BY CLERK

I. Application Processing

Date application received: _____ (Note: Local governing body has 45 days to take action)

◯ County ◯ Township ◯ City ◯ Village

Included documentation: ◯ Resolution ◯ Meeting Minutes

This application is ◯ Approved ◯ Rejected

***Clerk must complete verification on the next page.**

Date of approval or rejection by local governing body: _____
(If rejected, please attach statement from local governing body indicating reason(s) for rejection)

Property appraisal: $_____
Assessor certifies this is the current fair market value of the property.

Parcel # (Tax ID): _____

Clerk's name: _____

Clerk's phone: (____) ____-_____ Clerk's email: _____

_____	_____	_____
Printed Name of Clerk	Signature of Clerk	Date

Assessor's name: _____

Assessor's phone: (____) ____-_____ Assessor's email: _____

_____	_____	_____
Printed Name of Assessor	Signature of Assessor	Date

LOCAL GOVERNING BODY VERIFICATION IS FOUND ON PAGE 11

II. Verification

Please verify the following:

- ☐ Upon filing an application, clerk issues receipt to the landowner indicating date received.
- ☐ Clerk notifies reviewing agencies by forwarding a copy of the application and attachments.
- ☐ If rejected, applicant is notified in writing within 10 days stating reason for rejection and the original application, attachments, etc. are returned to the applicant. Applicant then has 30 days to appeal to MDARD.
- ☐ If approved, applicant is notified within 10 days of the vote taken. Original application, board resolution or meeting minutes, and other supporting documentation (owner, size, use, and income documents if applicable), or emails to reviewing agencies for review/comment are sent to address at the bottom of the page.

PLEASE DO NOT SEND MULTIPLE COPIES OF APPLICATIONS AND/OR SEND ADDITIONAL ATTACHMENTS IN SEPARATE MAILINGS WITHOUT FIRST CONTACTING THE FARMLAND PRESERVATION OFFICE.

Please verify the following regarding Reviewing Agencies
(The application must be sent to all reviewing agencies below for comment. Copies of the emails or letters to each reviewing agency should be included with the application package provided to MDARD.)

COPY SENT TO:

- ☐ County or Regional Planning Commission
- ☐ Conservation District
- ☐ Township (if county has zoning authority)

Before forwarding to State Agency

FINAL APPLICATION MUST INCLUDE:

- ☐ Copy of local governing body meeting minutes and/or resolution of approval
- ☐ Copy of recorded deed or land contract (most recent showing current ownership)
- ☐ Copy of most recent tax bill (tax description and property assessment must be included)
- ☐ Map of farm
- ☐ Assessing office statement (fair market value)
- ☐ Copy of letters from review agencies (if available)
- ☐ Any other applicable documents (such as proof of income)

The local governing body can send completed applications to:

Mailing Address:
MDARD FARMLAND AND OPEN SPACE PRESERVATION PROGRAM
P.O. BOX 30449
LANSING, MI 48909

Email: MDARD-PA116@Michigan.gov
Phone: 517-284-5663
Fax: 517-335-3131

INCOME CERTIFICATION IS FOUND ON PAGE 12

The undersigned acknowledges their understanding of "Farmland" and applicable income requirements pursuant to MCL 324.36101(h); and

The undersigned acknowledges their understanding of the "Gross annual income" definition under Administrative Rule R 554.701.

"Specialty farm" designated by MDARD of 15 or more acres in size: **requires a gross annual income from an agriculture use of $2,000.00 or more.**

"Farmland" parcels of 5 acres or more, but less than 40 acres: **requires a gross annual income from agriculture of $200.00 per year or more per acre** of cleared and tillable land.

"Gross annual income" means an average computed from **2 of the 3 tax years immediately preceding the year of application** from the raising or harvesting of any agricultural commodities.

The undersigned certifies that the following income information is true and accurate. *Income must be earned by the applicant on the land described in the agreement. Failure to provide accurate and factual information may impact the eligibility for program enrollment and farmland income tax credit eligibility.*

Gross Income Year 1

Tax Year: _____

Income: _____

Ag Commodity Description: _____

Gross Income Year 2

Tax Year: _____

Income: _____

Ag Commodity Description: _____

Gross Income Year 3

Tax Year: _____

Income: _____

Ag Commodity Description: _____

Gross annual income (avg. of 3 tax years): _____

Applicant name: _____

Business name: _____

Address: _____

I understand that falsifying the above income information will result in a violation status for any current or future agreement where minimum income is required pursuant to MCL 324.36101(h).

_____	_____	_____
Printed Name of Applicant	Signature of Applicant	Date