

**NOTICE OF INTENT TO RESCIND THE QUALIFIED AGRICULTURAL PROPERTY EXEMPTION**

This form is issued under authority of P.A. 261 of 2000.

This form may be filed by a prospective purchaser of a property which is qualified agricultural property to give notice of that person's intent to rescind the qualified agricultural property exemption on that property. This form is to be filed with the local assessor and a copy is to be delivered to the seller of the qualified agricultural property.

A property is converted by a change in use on the date that this form has been filed with the local assessor and a copy has been delivered to the seller. If the sale is not consummated within 120 days of the filing of this form with the assessor, then the property is not converted by a change in use. The seller of the property must notify the assessor if the sale is not consummated within 120 days. When a property is converted by a change in use **by the filing of this form**, the following occurs:

- 1) The seller is responsible for the recapture tax provided by the Agricultural Property Recapture Act which is due when the instruments transferring the property are recorded with the register of deeds.
- 2) The property will no longer be *qualified agricultural property* starting with the following year's assessment and will lose the exemption from the local school operating tax (unless it also qualifies as homestead property).
- 3) The taxable value of the property must be uncapped in the year after the property is converted by a change in use.

1. Enter below the property tax identification number of the property for which you intend to rescind the qualified agricultural property exemption, including hyphens.	2. ZIP Code

3. Street Address of Property	4. Name of Township/City/Village	5. County of Property
	<input type="checkbox"/> Township <input type="checkbox"/> City <input type="checkbox"/> Village	

6. Name of Property Owner (first, middle initial, last)
Name of Property Co-Owner (first, middle initial, last)

7. Name of Prospective Purchaser (first, middle initial, last)
Name of Prospective Co-Purchaser (first, middle initial, last)

**CERTIFICATION**

*I certify that I am a prospective purchaser of the property identified above and that I intend to rescind the qualified agricultural property exemption for this property and that I have delivered a copy of this notice to the seller of the property.*

Prospective Purchaser's Signature	Date
Prospective Co-Purchaser's Signature	Date

For Assessor's Use Date Filed With Assessor's Office: _____
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## EXCERPTS FROM THE AGRICULTURAL PROPERTY RECAPTURE ACT

### **Section 2. (c)**

" 'Converted by a change in use' means 1 or more of the following: (i) That due to a change in use the property is no longer qualified agricultural property as determined by the assessor of the local tax collecting unit. (ii) If, prior to a transfer of qualified agricultural property, the purchaser files a notice of intent to rescind the qualified agricultural property exemption under section 7ee of the general property tax act, 1893 PA 206, MCL 211.7ee, with the local tax collecting unit and delivers a copy of that notice to the seller of the qualified agricultural property, the property has been converted by a change in use...**If the sale is not consummated within 120 days of the filing of the notice under this subdivision or within 120 days of a subsequent filing of the notice under this subdivision, then the property is not converted by a change in use under this subdivision.**" (emphasis added)

### **Section 3. (2)**

"If a recapture tax is imposed because qualified agricultural property is converted by a change in use described under section 2(c)(i), the recapture tax is the obligation of the person who owned the property at the time the property was converted by a change in use..."

### **Section 3. (3)**

"If a recapture tax is imposed because qualified agricultural property is converted by a change in use as described in section 2(c)(ii), the recapture tax is an obligation of the person who owned the property prior to the transfer and the recapture tax is due when the instruments transferring the property are recorded with the register of deeds. The register of deeds shall not record an instrument transferring the property before the recapture tax is paid."

## EXCERPTS FROM THE GENERAL PROPERTY TAX ACT

### **Section 7dd. (e)**

" 'Qualified agricultural property' means unoccupied property and related buildings classified as agricultural, or other unoccupied property and related buildings located on that property devoted primarily to agricultural use...Related buildings include a residence occupied by a person employed in or actively involved in the agricultural use and who has not claimed a homestead exemption on other property. Property used for commercial storage, commercial processing, commercial distribution, commercial marketing, or commercial shipping operations or other commercial or industrial purposes is not qualified agricultural property. A parcel of property is devoted primarily to agricultural use only if more than 50% of the parcel's acreage is devoted to agricultural use. An owner shall not receive an exemption for that portion of the total state equalized valuation of the property that is used for a commercial or industrial purpose or that is a residence that is not a related building."

### **Section 27a. (3)**

"Upon a transfer of ownership of property after 1994, the property's taxable value for the calendar year following the year of the transfer is the property's state equalized valuation for the calendar year following the transfer."

### **Section 27a. (6)**

"...'[T]ransfer of ownership' means the conveyance of title to or a present interest in property, including the beneficial use of the property, the value of which is substantially equal to the value of the fee interest."

### **Section 27a. (7)(n)**

"Transfer of ownership" does not include the following: "A transfer of qualified agricultural property, if the person to whom the qualified agricultural property is transferred files an affidavit with the assessor of the local tax collecting unit in which the qualified agricultural property is located and with the register of deeds for the county in which the qualified agricultural property is located attesting that the qualified agricultural property shall remain qualified agricultural property... An owner of qualified agricultural property shall inform a prospective buyer of that qualified agricultural property that the qualified agricultural property is subject to the recapture tax provided in the agricultural property recapture act, if the qualified agricultural property is converted by a change in use. If property ceases to be qualified agricultural property at any time after being transferred, all of the following shall occur:

(i) The taxable value of that property shall be adjusted under subsection (3) as of the December 31 in the year that the property ceases to be qualified agricultural property.

(ii) The property is subject to the recapture tax provided for under the agricultural property recapture act."