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## Agriculture Preservation Fund

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### Fund Purpose

To provide grants to eligible local units of government for the purchase of agricultural conservation easements through Purchase of Development Rights programs (PDRs) to preserve farmland.

To provide funds for the state Purchase of Development Rights Program if a fund balance of greater than \$5 million remains after making grants to local units of government and providing for administrative costs.

### Fund Supervision

A 9-member board, appointed by the Governor, shall oversee the program and be responsible for the distribution of the grants. The board makeup includes:

- The Directors of the Departments of Agriculture and Natural Resources, or their designees.
- Two individuals representing agricultural interests.
- One individual representing conservation interests.
- One individual representing development interests.
- One individual representing the general public.

### Funding Source

- Proceeds from the payback of property tax credit benefits when Farmland Development Rights Agreements (PA 116 contracts) are terminated.
- Proceeds from the Agricultural Recapture Act (PA 261 of 2000)
- Any other future funding sources

### Grant Program

The Department of Agriculture shall establish a grant program. The grant application will, at a minimum, require the following information:

- A list of the parcels proposed for PDR.
- The size and location of each parcel.
- The amount of local matching funds (matching funds may be provided by the local government, a partial donation of the development rights value from the land owner or other organizations or individuals).
- The estimated acquisition value of the development rights.

The Agricultural Preservation Fund Board will establish selection criteria. The criteria will place a priority on farmland that has one or more of the following:

- Farmland that has a productive capacity suited for the production of feed, food and fiber.

- Farmland that would compliment and is part of a long-range plan for land preservation by the local unit of government in which the farmland is located.
- Farmland located in an area that would compliment other land protection efforts by creating a block of protected farmland.
- Farmland that has a greater portion or percentage of the agricultural easement value provided by the local unit of government or sources other than the Fund.
- Other factors considered important by the board.

The Agricultural Preservation Fund Board will review all applications and evaluate them according to the selection criteria established. Once evaluated, the board shall determine what grants should be awarded and the amount of the grants. The board may establish a maximum amount per acre to be paid with money from the Fund.

- A grant will require that the applicant or another person provide a portion of the cost of purchasing an agricultural conservation easement.

### **Grant Application**

Grant applications are to be submitted by eligible local units of government. The term "local unit of government" refers to counties, cities, townships and villages that have the authority to zone property as provided by law.

A local unit of government is eligible to submit a grant application if the following requirements are met:

- They have adopted a development rights ordinance providing for a PDR program in accordance with the applicable zoning act (county, township, or city and village) that contains the following:
  1. An application procedure.
  2. Criteria for a farmland parcel selection-scoring system.
  3. A method to establish the price to be paid for development rights which may include an appraisal, bidding, or formula-based process.
- They have adopted, within the last 10 years, a comprehensive land use plan that includes a plan for agricultural preservation or is included in a regional plan meeting the same requirements.

The grant application form will include:

- A list of the parcels proposed for PDR.
- Size and location for each parcel.
- Amount of local matching funds.
- Estimated value of the agricultural conservation easement.

### **More Details**

- Payments can be in installment form for purposes of leveraging local resources and helping the landowner with tax planning.

- The state and local unit of government will jointly hold the agricultural conservation easements. The state may delegate enforcement authority to the local unit of government.
- Upon agreement from both the state and local unit of government, an agricultural conservation easement may be transferred back to the property owner subject to the terms of the easement established by the local unit of government.

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