

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 <input type="checkbox"/> Township <input type="checkbox"/> City <input type="checkbox"/> Village	5. County of Property
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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: _____

Instructions

This form must be filed when there is a transfer of real property or one of the following types of personal property:

- buildings on leased land.
- leasehold improvements (as defined in MCL Section 211.8(h)).
- leasehold estates (as defined in MCL Section 211.8(i) and (j)).

Transfer of ownership means the conveyance of title to or a present interest in property, including the beneficial use of the property. It includes, but is not limited to, the following conveyances:

- deed.
- land contract.
- transfer into a trust, *unless* the sole beneficiary is the settlor (creator of the trust), the settlor's spouse, or both.
- transfer from a trust, *unless* the distributee is the sole present beneficiary, the spouse of the sole present beneficiary, or both.
- changes in the sole present beneficiary of a trust, *unless* the change only adds or substitutes the spouse of the sole present beneficiary.
- distributions by a will or intestate succession, *unless* to the decedent's spouse.
- leases, if the total duration of the lease is more than 35 years, including the initial term and all options for renewal, or if the lease grants the lessee the right to purchase the property at the end of the lease for not more than 80 percent of the property's projected true cash value at the end of the lease. This only applies to the portion of the property subject to the lease described above.
- transfers of more than a 50 percent interest in the ownership of a business, *unless* the ownership is gained through the normal public trading of shares of stock.
- transfers of property held as a tenancy in common, except the portion of the property not subject to the ownership interest conveyed.
- a conveyance of an ownership interest in a cooperative housing corporation, except that portion of the property not subject to the ownership interest conveyed.

For complete descriptions of qualifying transfers, please refer to MCL Section 211.27a(6)(a - j).

Excerpts from Michigan Compiled Laws (MCL), Chapter 211

Section 211.27a(10)

" . . . the buyer, grantee, or other transferee of the property shall notify the appropriate assessing office in the local unit of government in which the property is located of the transfer of ownership of the property within 45 days of the transfer of ownership, on a form prescribed by the state tax commission that states the parties to the transfer, the date of the transfer, the actual consideration for the transfer, and the property's parcel identification number or legal description."

Section 211.27(5)

"Beginning December 31, 1994, the purchase price paid in a transfer of property is not the presumptive true cash value of the property transferred. In determining the true cash value of transferred property, an assessing officer shall assess that property using the same valuation method used to value all other property of that same classification in the assessing jurisdiction."