

Agricultural Assessments

Down to Earth

October 27, 2010

Mark Twentyman



Tonight's Topics

- The Agricultural Districts Law
- Is my land eligible?
- How do I apply?
- When and Where to apply
- What to expect
- Conversions

The Agricultural Districts Law

- Article 25AA –
Agriculture and Markets
- Enacted in 1971 and
since then almost
continually revised due
to the changing nature of
the farm industry.



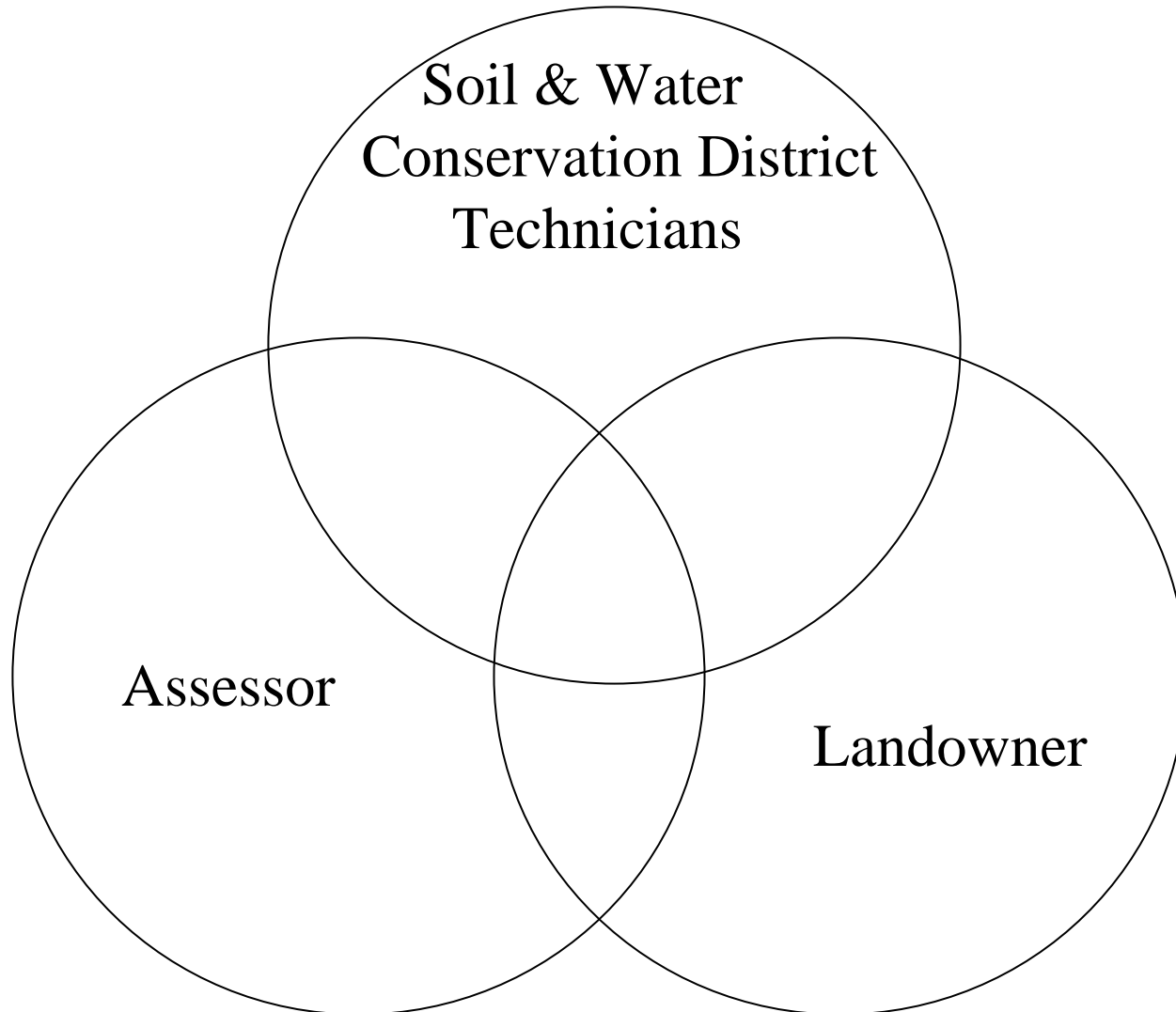
The Agricultural Districts Law

- More than property tax benefits
- Farm protection from restrictive ordinances
- protection from nuisance suits
- Gov't funded acquisition



Agricultural Assessment Program

Local Level



Important Points About Agricultural Assessment

1. The Agricultural Assessment Program is voluntary, on the landowners part.
2. The Agricultural Assessment Program pertains only to eligible agricultural land.
3. **The Agricultural Assessment Program does not replace the regular assessing function.**

Important points ...

4. Farmland which meets the eligibility requirements will not necessarily receive an exemption.
5. **Land in this program becomes liable for penalty taxes if a conversion to a nonagricultural use occurs.**
6. **Just owning land in the country does not entitle landowner to farm exemptions . . . The country squire syndrome**

Is my land eligible?

- Key Phrase –
 - “land used in agricultural production”

“land used in agricultural production”

- Cropland
- Pasture
- Orchards and Vineyards
- Sugar bush
- Support land
- Farmland in some Federal farm programs

Eligibility . . . the Basics

Ag Assessment

- 7 Acres of agricultural land (*less than 7 Acres, if gross sales \$50,000 or more*)
- Farmed for last 2 years (start-up)
- \$10,000 average gross sales value for last 2 years.

Farm Woodland Eligibility

- Up to 50 acres of farm woodland is eligible for an agricultural assessment per eligible tax parcel.
- Woodland on a parcel subject to 5-year lease is not eligible

Eligibility

Ag Assessment – Multiple Parcels

- Separate applications must be made for each separately assessed parcel.
- Eligibility is determined by combining separately assessed parcels that are farmed together as a single operation.
- A single operation is one distinct agricultural business enterprise.

Eligibility

Ag Assessment – Land

- Land and water used for aquacultural production.
- Land under a structure within which crops, livestock or livestock products are produced.

is Rd

Lacy Rd

Benson Rd



NOT eligible

- Land around owner's residence
- Commercial
- Non – ag land i.e. gravel bank

Eligibility – Rented Land

Ag Assessment

- Must meet 7 acre minimum requirement (can be a combination of parcels of the same owner)
- Farmed for last 2 years (exclusive of woodland products)
- Rental agreement of five or more years in conjunction with land that would be eligible for an agricultural value assessment.
- Only land used for production eligible.

Eligibility - Average Gross Sales

- Gross sales value means the actual proceeds from sales of agricultural products.
- The landowner must adequately document sales for the assessor.
- Proceeds from all parcels used in a single operation may be combined.
- If a crop is grown and processed on the farm, the value of the crop before processing must be used when computing its average gross sales value.

Eligibility

Ag Assessment – Average Gross Sales

- When the farm woodland is eligible, proceeds from the sale of woodland products may be included in the average gross sales value but only to a maximum of \$2,000.
- No minimum gross sales value is required for crop acreage either set aside or retired under Federal supply management or soil conservation programs.

Proof Of Income

Burden Of Proof Rest W/ Applicant

- Business Records
- Receipts
- Check stubs
- IRS - 1040F



2278



**DAN-MAR
RANCH**
— Est. 1975 —

HORSE
BOARDING
LESSONS

Eligibility

Ag Assessment – Commercial Horse Boarding

- At least seven acres of land supports the commercial horse boarding operation.
- The commercial operation boards at least ten horses regardless of ownership.
- \$10,000 or more in gross receipts annually in the preceding two years from fees generated through the boarding of horses and/or through the production for sale of crops, livestock, and livestock products.
- Land that supports operations whose primary on site function is horse racing is not eligible.





How do I apply?

Land Classification

- 10 mineral soil and 4 organic soil groups
- Done by the county SWCD
- Assessor must verify accuracy of land mapped

Land – soil breakdown



Soil Group Worksheets

APD-1

APD-1 (Rev. 12/97)

New York State
 Department of Agriculture and Markets
 Division of Agricultural Protection and Development Services
 1 Winans Circle
 Albany, NY 12235

SECTION A: WORKSHEET INFORMATION	
Page _____ of _____	
<input type="checkbox"/> New Worksheet	<input type="checkbox"/> Revised Worksheet

SOIL GROUP WORKSHEET

SECTION B: LANDOWNER NAME AND PROPERTY IDENTIFICATION					
Landowner Name	Last	First	Middle Initial		
Mailing Address	Street/Road No. and Name		City, Town, Village	State	Zip Code
Property Location: <input type="checkbox"/> Same as Mailing Address <input type="checkbox"/> Street/Road No. and Name					
County		Town/City		Village	
Filing Status: <input type="checkbox"/> Agricultural District <input type="checkbox"/> Individual Commitment	SECTION D: PARCEL ACREAGE SUMMARY*				ACRES
SECTION C: TAX MAP & ASSESSMENT ROLL INFORMATION					(1) Agricultural Land
SWIS Code (six digits)					(2) Farm Woodland (up to 50 acres)
Tax Map Identifier section block lot					(3) Excess Farm Woodland
Roll Identifier (if different)					(4) Non-Agricultural Land
Total Parcel Acres					TOTAL ACREAGE
SECTION E: SOIL MAP BREAKDOWN OF AGRICULTURAL LAND				SECTION F:	
SOIL MAP SYMBOL	SOIL MAP UNIT NAME	SOIL GROUP	Scale: 1" = No. of Grid Points	NUMBER ACRES	AGRICULTURAL LAND SOIL GROUP SUMMARY
					Mineral Soil Group Acres
				1	a
					b
				2	a
					b
				3	a
					b
				4	a
					b
				5	a
					b
				6	a
					b
				7	
				8	
				9	
				10	
					Organic (muck) Soil Group Acres
					A
					B
					C
					D
*SEE EXPLANATION OF TERMS ON BACK					SOIL GROUP TOTAL ACRES
SECTION G: DATE AND SIGNATURES					
Jointly Reviewed and Consented:					
Landowner Signature _____			Date: _____		
Completed by: Signature _____					

Distribution: Assessor (white), State (gold, 2nd), SWCD (pink), Landowner (yellow, 4th)

When & Where to Apply

- **March 1 is the deadline to apply with local assessor**
- But need to have Soil Worksheet which takes time
- Meet with SWCD in Ghent anytime
- *Exceptions to March 1 deadline*
 - Reval, update, or annual reassessment (30 days)
 - Death, illness in family (Grievance)
 - Natural disaster (Grievance)

What to expect . . .

- Check with assessor to verify approval, approval with modification or denial
- Assessor may ask for more documentation

What are the Tax Savings?

- Cannot be predicted without soil breakdown
 - Equalization Rate
 - Tax Rates for County, Town, & School
 - Annual Agricultural assessment values

2010 Agricultural Assessment Values Per Acre

Established January 2010

**Agricultural Assessment Values Per Acre
For Computing Agricultural Assessments
For City and Town Assessment Rolls Completed in 2010
And for Village Assessment Rolls Completed in 2011**

Mineral Soil Group		Value Per Acre	Organic Soil Group (muck)	Value Per Acre
1	a	\$750	A	\$1,500
	b	668	B	975
2	a	668	C	825
	b	593	D	525
3	a	593		
	b	510	Aquaculture	\$750
4	a	510		
	b	435	Farm Woodland	\$278
5	a	435		
	b	353		
6	a	353		
	b	278		
7		278		
8		195		
9		120		
10		38		

Conversions



Conversion To Nonagricultural Use:

“An Outward or Affirmative Act
Changing the Use of The Subject
Property”

Land benefitting from
Agricultural assessment
becomes liable for "payments"
if a conversion to a non
agricultural use occurs.

A payment is triggered if the conversion takes place ...

- Within 5 years of last benefit in an Agricultural District.
 - Except when land is removed from district at 8 year review
- Within 8 years of last benefit in an Individual 8 year commitment.

Note: A year for this purpose is from taxable status to taxable status dates

Conversions are ...

Deliberate Physical changes that preclude the continuation of farming.

- Residential Development
- Commercial Development
- etc.

Conversions Are Not ...



- Land that is idled.
- Land acquired through eminent domain.
- Filing sub division maps.
- Land purchased for public use.*
- Selling land to a developer.
- Oil and Gas or Wind energy development

* State and Federal Only

Payment Calculation - (penalty tax)

- 5 times taxes saved in last year the converted land benefited from an agricultural assessment
- 6% interest (annually compounded) for each year out of the last 5 years that parcel received benefit.
- Only applies to land actually converted to a nonagricultural use.

Agricultural District Disclosure

- Required prior to sale, purchase, or exchange of real property located in an agricultural district (AML Sec. 310)
- Confirmation that disclosure was given is required in Real Property Transfer Report (Form RP-5217)

Farm Building Exemptions

- 10 Year Farm Building - 483
- Special purpose buildings – 483-a
- Historic Farm Structures – 483-b
- Temporary Greenhouses – 483-c
- Migrant Worker housing – 483-d



ORPS Web Site

- www.orps.state.ny.us
 - See [Agriculture, Farms, Land, Buildings & Forests](#) under tax policy & exemptions
- Legal opinions are available @ <http://www.orps.state.ny.us/legal/opinions/index.cfm>

ORPS Contacts

- Bob Wright
 - bob.wright@orps.state.ny.us
 - 585-343-4363
- *Legal* - Robert Mark
 - 518-474-8821
 - robert.mark@orps.state.ny.us

Thank You . . .

Questions?

