The Facts About Agricultural Assessments

 **By: *Ryan Naatz***

New York State Legislature has enacted law to protect and promote the availability of land for

farming purposes since 1971. This law provides a local mechanism for establishing and maintaining agricultural districts, as well as provides tax benefits by limiting farmland assessment values.

While prescribed rates have been pre-determine, the tax benefit, while not huge, does encourage

 the continuation of farm related practices and the preservation of agricultural open space.

**Does farmland automatically receive an agricultural assessment?**

 NO! Landowners must file a formal application with the town assessor for each parcel.

**Does farmland *need* to be in an agricultural district to receive an agricultural assessment?**

NO! However, land located outside of an agricultural district that receives an agricultural assessment obligates that property for farm related practices for a period of 8 years, instead of 5.

**What land is eligible?**

 **~** Generally, the property must be 10+ acres ( < 7acres must earn $50,000+ )

 ~ Must be used for the production of crops, livestock, or related livestock products.

Includes: cropland, pasture, orchards, vineyards, sugarbush, support land and crop land set aside/retired through a Federal Conservation Program. (Woodland/Timberland up to 50 acres)

 ~ Annual *gross* sales of agricultural products must average $10,000+

 ~ Equine? Must be 10+ acres, board 10+ horses and generate $10,000+ in boarding fees. Land that supports operations whose primary on-site function is horse racing, does not qualify.

**Does rented land qualify?**

 YES! However, the tax benefit goes to the landowner. A written agreement must be made between the farmer and landowner to qualify. The same eligibility requirements apply to these lands. Only the total “worked” land acreage will qualify.

**Does the agricultural assessment apply to buildings?**

 NO! Agricultural assessments are for land only! Farm buildings may qualify under a separate Farm Building Exemption. (Tax Law 483, 483-a, 483-b, 483-c)

**What is the process?**

 Landowner’s should contact the Soil & Water Conservation District to discuss eligibility requirements. If the property appears to qualify, an appointment (February 1-28) will be scheduled to determine “Soil Productivity.” By calculating soil type, acreage and determining a production rate for each parcel, an assessment reduction can be calculated between the soil value and full assessed value. In other words, the land’s tax rate is based on the agricultural assessment/soil productivity rather than the full assessment.

**What happens if land (rented or owned) is taken out of agricultural production?**

If land is converted to non-agricultural use (5 years for ag. districts/ 8years non-districts) a payment to

recapture the taxes forgone will be imposed. Only land that is deemed “converted” is subject. Lands that have been abandoned, left idle, put under conservation easement, or taken through eminent domain are not subject to retroactive taxes.

Conversion is considered anything that changes agricultural lands to a non-agricultural use by owner’s free will. A payment of five times the taxes saved in that year, plus an interest fee of 6% will be imposed on any conversion. If only a portion of a parcel is converted, that area will no longer be eligible and only an apportion of the agricultural assessment will affected. A payment or re-assessment will take place.