

Agricultural Assessment Program and Agricultural District Program

What are the differences?

The **Agricultural Assessment Program** was established under Agriculture & Markets Law §305/306. It allows active farmland to receive a reduced assessment for property tax purposes – resulting in a partial reduction from real property taxes.

Farmland qualifying for this reduction in assessed value does not have to be enrolled in an Agricultural District. Any owner of at least seven acres of actively producing land which produces a minimum of \$10,000 annually, or less than seven acres of actively producing land that produces a minimum of \$50,000 annually, on average in the preceding two years, from the sale of crops, livestock or livestock products, or from commercial horse boarding may be eligible to receive an agricultural assessment. The program only applies to the land, not buildings or homesteads.

Certain start-up farm operations are eligible to receive an agricultural assessment in the first year of operation on owned or rented land if they meet the minimum acreage and sales thresholds.

Owners who rent productive land to farmers may qualify for agricultural assessment if the land independently satisfies the minimum acreage and sales requirements or is being used pursuant to a lease agreement of five or more years in conjunction with land which independently qualifies.

The Agricultural Assessment Program establishes a ceiling (maximum) value for taxable assessments on eligible farmland. The local assessor is given state-certified values each year. Any assessed value which exceeds the agricultural assessment ceiling is exempt from property taxation. Landowners must file an application annually, usually by March 1st, with the local assessor to be considered for the Agricultural Assessment program. Failure to file the application on time will result in denial of the exemption.

If land that benefited from an Agricultural Assessment is converted to non-agricultural use (within five years of the last benefit if inside an Agricultural District or within eight years if not in an Agricultural District), it may be liable for conversion payments based on the amount of taxes saved. The repayment for conversion is five times the taxes saved in the most recent year of benefit. The payment also includes a six percent interest charge, compounded annually, for each year during the last five in which the land received an agricultural assessment. An encumbrance for this potential payment runs with the land from the last year in which the parcel benefited and continues for five years in an Agricultural District, or for eight years if the land is outside a district. Owners contemplating a conversion may estimate the payment by contacting their local assessor or the Dutchess County Real Property Tax Services office. Owners must notify their assessor when a conversion of use occurs, otherwise, a further penalty may be incurred.

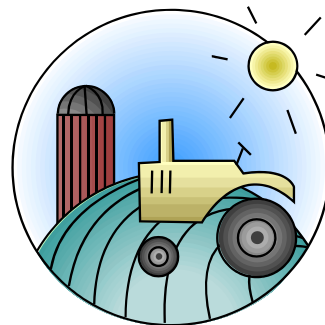
The **Agricultural District Program** was established under Agriculture & Markets Law §303. It provides agricultural landowners with several benefits and protections *not associated with property tax relief*, which encourage farmers to continue farming.

Enrollment in an Agricultural District does not automatically qualify the property for the Agricultural Assessment Program. An agricultural district is a geographic area that consists of viable agricultural lands, or, in other words, lands that are currently used for agriculture or may be used for agriculture in the future. Agricultural districts may include not just farm fields, but also residential, forested, and commercial properties that are part of an agricultural enterprise.

The Agricultural District Law protects farm operations* within an agricultural district from unreasonably restrictive local regulations unless it can be shown that public health or safety is threatened. If a question or dispute arises regarding farm practices that may threaten public health or safety, an opinion can be requested from the Commissioner of the NYS Department of Agriculture and Markets as to whether sound agricultural practices are being followed.

A full review of the agricultural districts is conducted every eight years. The last full review was in 2016, a new review will begin in 2023. Parcels can be added to the agricultural district on an annual basis. An application for inclusion must be filed with the Dutchess County Soil and Water Conservation District between April 15th and May 14th to be considered for inclusion in an agricultural district. If approved, the land remains in the agricultural district for the remainder of the eight-year period.

*In most cases, to be considered a 'farm operation' qualification for agricultural value assessment must be met.



Differences at a Glance

Agricultural Assessment Program*

- Eligibility is determined by the local assessor based on State law criteria
- Assessed agricultural land values are based on State-certified land classifications
- Property tax reduction for active farmland
- Owner must file an application annually with the local assessor; usually no later than March 1st
- Requires a minimum of 7 acres in active farm production
- Requires a minimum \$10,000 gross annual income from farming
- If less than 7 acres, a \$50,000 minimum gross income is required
- Land does not have to be in an agricultural district to qualify
- Property is annually committed to agricultural use for a minimum of 8 years if outside an agricultural district; 5 years if **in** an agricultural district
- Property is subject to payback of tax savings if the land is converted to a non-agricultural use within the commitment period
- Land in agricultural production and rented to a farmer may qualify

Agricultural District Program*

- Provides certain protections for agricultural land
- Land may or may not qualify for Agricultural Assessment Program
- Districts are reviewed every eight years (will be done in 2023). During that review, lands may be added or removed from the district.
- Outside of the 8-year review, landowners may petition for inclusion during the established annual review period, April 15th through May 14th
- Applications are received by the Dutchess County Soil and Water Conservation District, reviewed by the Dutchess County Agriculture and Farmland Protection Board, and are subject to approval by the County Legislature and the State Commissioner of Agriculture and Markets
- Contact the Dutchess County Soil and Water Conservation office or Cornell Cooperative Extension Dutchess County for information on the application process

*This overview is not a comprehensive treatment of either agricultural ceiling assessments or agricultural districts.

For Further Information:

Dutchess County Soil and Water Conservation District	(845) 677-8011	https://dutchessswcd.org
Cornell Cooperative Extension Dutchess County	(845) 677-8223	http://ccedutchess.org
Dutchess County Real Property Tax Service Agency	(845) 486-2140	https://www.dutchessny.gov
NYS Department of Agriculture and Markets		https://www.agriculture.ny.gov
NYS Department of Taxation and Finance		https://www.tax.ny.gov
Local Assessment Offices	(See individual town websites for contact information)	