

AGRICULTURAL DISTRICT PROGRAMS

What are Agricultural District Programs?

Agricultural district programs allow owners of farm and ranch land to form special areas where commercial agriculture is encouraged and protected. Programs are authorized by state law but often implemented at the local level. For example, local governments may be required to review and approve landowner applications. "Agricultural districts," formed through these programs are distinct from the geographic areas or "districts" delineated by local zoning. Enrollment is voluntary and participating landowners receive a package of benefits, which varies from state to state. Minimum acreage requirements and initial terms of enrollment also vary.

There are a total of 19 agricultural district programs in 16 states. California, New Jersey and North Carolina offer farmers two levels of benefits. Minnesota and Virginia have statewide and local agricultural district programs. Minnesota's local program applies to metropolitan areas. Ohio has two statewide programs.

District Provisions

Agricultural district programs are meant to be a comprehensive response to the threats facing agriculture and the land base upon which agriculture depends. Provisions aim to:

- Protect agricultural resources.
- Increase viability.
- Create a secure climate for agriculture.

The pie chart shows the breakdown of provisions in agricultural district programs across all states by outcome. The table on the next page groups provisions in agricultural district programs by intended outcomes.

History

In 1965, California enacted the California Land Conservation Act to preserve agricultural land and open space and promote efficient urban growth patterns. The Williamson Act, as it is commonly known, allows landowners within locally designated "agricultural preserves" to sign renewable 10-year contracts with local governments. Landowners agree to restrict use of property within preserves to agriculture

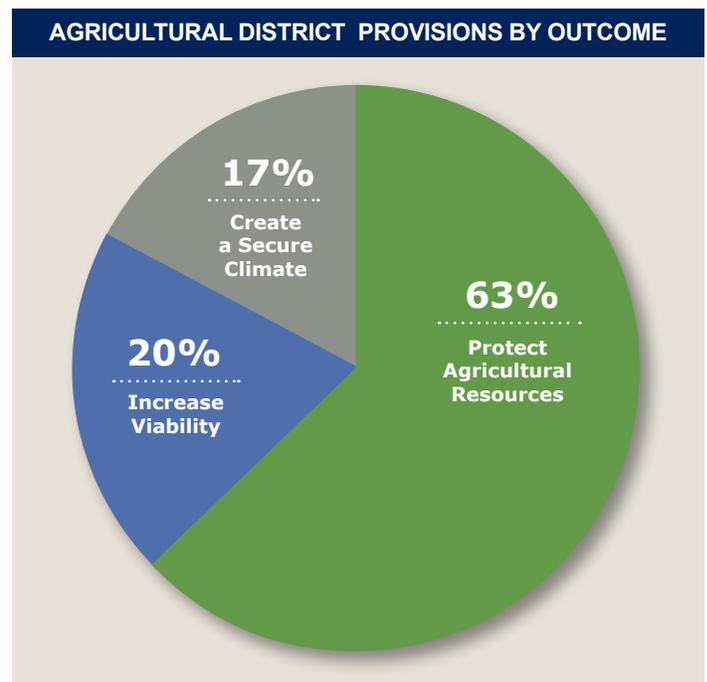
or open space for the 10-year term. In return, the land is assessed at its agricultural use value, providing participants with significant property tax relief.

The New York legislature created a comprehensive agricultural district program in 1971. Article 25 AA of the New York Agriculture and Markets Law made differential assessment available to New York farmers. The program also contained provisions that have been incorporated into other agricultural districts, including protection against unreasonable local regulations, special review of the use of eminent domain and a requirement that state agency policies support the continuation of farming in agricultural districts.

Between 1971 and 1995, 14 additional states and one region followed the examples set by California and New York. Agricultural district programs continue to evolve.

In 1992, amendments to the New York law reconstituted and strengthened local agricultural advisory committees, added new right-to-farm protections and required local

CONTINUED ON PAGE 4



PROVISIONS OF AGRICULTURAL

PROVISIONS	NUMBER OF PROGRAMS WITH PROVISION	CA Agricultural Preserves & Farmland Security Zones	DE Agricultural Preservation Districts	IL Agricultural Areas	IA Agricultural Areas	KY Agricultural Districts	MA Agricultural Incentive Areas	MN State Agricultural Preserves
PROTECT AGRICULTURAL RESOURCES	Limits non-farm development	14	▲	▲	▲	▲	▲	▲
	Limits use of eminent domain ¹	12	▲				▲	▲
	Encourages coordination with local planning ²	12	▲			▲	▲	▲
	Assesses penalty for early withdrawal and/or non-farm development	10	▲	▲				▲
	Requires sound conservation practices ³	7			▲			▲
	Limits public investment for non-farm development ⁴	5						
	Requires agricultural impact statement for public projects	5						▲
	Protects from siting of public facilities or improvements (e.g., schools and solid waste management facilities)	4	▲					▲
	Limits local government's ability to annex land	4	△				▲	▲
	Provides soil and water conservation cost sharing for farmers	3					▲	
	Allows landowners to participate in state easement purchase program	2		▲				
	Includes right of first refusal	2						▲
INCREASE VIABILITY	Limits special assessments	12	△		▲	▲	▲	▲
	Makes landowners automatically eligible for differential assessment ⁵	4	▲				▲	
	Allows landowners to receive property tax credit	2						▲
	Prioritizes enrolled land in water rights allocation	2				▲		
	Authorizes local governments to offer property tax exemptions on new or expanded farm buildings	2						
	Makes landowners eligible for state income tax credit	1						
	Limits rate of property tax increases	1						
	Exempts land enrolled in districts from real estate transfer, school, county property and all applicable ad valorem taxes	1		▲				
CREATE SECURE CLIMATE	Allows farmers to earn up to 25 percent of gross sales from non-farm products while retaining exemption from local zoning regulations	1						
	Calls for state agency policies to support districts or farming in districts ⁶	6			▲	▲		
	Requires notification for new landowners in, or adjacent to, districts	3		▲				
	Enables farmers to recover legal fees if he/she wins nuisance lawsuit	3		▲		▲		
	Gives farmers in districts extra protection from nuisance suits	3						
	Requires mediation for land use disputes	2				▲		
	Requires landowner consent prior to adoption of more restrictive zoning	2						
	Indemnifies landowners against claims arising from agricultural laborer housing	1	▲					
Requires buffer strips for development adjacent to districts	1		▲					
Initial term of enrollment (in years)		10 or 20*	10	10	3	5	2	8
Minimum acreage requirement ⁷		100	200	350 or 100 ^	300	250		

NOTES

- ▲ Provision included in program.
- △ Benefit provided only to landowners who sign FSZ contracts in CA, enrollees in EVADs in NC, and participants in "municipally approved" districts in NJ.
- * Contracts are 10 years for agricultural preserves and 20 years for FSZs in CA. In addition, local governments may allow farmers to have 10% shorter contracts (9 or 18 years) in return for receiving 10% more in property taxes from land in agricultural preserves or FSZs.
- Minimum acreage requirement established by local entity.
- ^ If the county population is less than 600,000 people, 350 acres is the required. If the county population is more than 600,000 people, only 100 acres is required.
- 1 The degree of protection varies significantly from state to state. NJ prohibits eminent domain in municipally approved programs unless the Governor declares that the action is necessary; PA, UT and VA can prohibit eminent domain, subject to review by state and/or local officials; CA, KY, MN-State, MN-Metro, NC, NJ (non-municipal program), NY, OH and TN cannot prohibit eminent domain, but may require prior notification, agricultural impact statements, alternative proposals, and/or public hearings. VA also requires an agricultural impact statement.
- 2 Coordination with local planning varies among states. CA, MN-Metro, MN-State, and WI require plans (i.e., comprehensive or agricultural land preservation) to be eligible to establish districts, and zoning or other "official controls" to protect farmland. MA, NJ, NY, PA, UT, VA and VA-Local involve planning bodies in the development and approval of districts. VA also calls for local governments to consider districts in the context of local planning documents and policies.

DISTRICT PROGRAMS AS OF 2016

MN-Metro Metropolitan Agricultural Preserves	NJ Eight-Year Program Non-Municipal & Municipally Approved	NY Agricultural Districts	NC Voluntary Agricultural Districts & Enhanced Voluntary Agricultural Districts	OH Agricultural Districts	OH Agricultural Security Areas	PA Agricultural Security Areas	TN Agricultural Districts	UT Agriculture Protection Area	VA Agricultural Districts	VA Local Agricultural Districts	WI Farmland Preservation Agreements in Agricultural Enterprise Areas
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40	■	250	■	10	500	250	250	■	200	20	

- In NJ conservation plans are required for participants to receive grants for soil and water conservation projects. NC mandates conservation plans for highly erodible land. WI requires conservation plans for for district eligibility as well as tax credit eligibility. All other states require conservation practices--OH calls for best management practices--but do not stipulate development of a plan.
- The degree of protection varies. NJ prohibits public investment in municipally approved programs unless the Governor declares that the action is necessary; NY, OH's Agricultural Districts program and VA require prior notification, agricultural impact statements, alternative proposals, and/or public hearings. OH's Agricultural Security Areas program prevents local governments from financing projects that promote non-farm development.
- In CA, farmers who sign a FSZ contract receive additional property tax relief.
- IL, NY, PA, UT, and VA. support agriculture in districts by requiring agencies to modify existing rules and policies that may restrict farming. UT also prohibits state agencies from enacting unreasonably restrictive rules and policies.
- Both OH programs and PA have sales requirements for land parcels smaller than 10 acres. MA Requires sales of \$500 + \$5/acre for every additional acre over 5 acres. CA has sales requirements for all fruit, nut, and unprocessed plant production.

CONTINUED FROM PAGE 1

governments to recognize the intent of the agricultural district program when making local land use decisions. In 1998, New York State added a nuisance disclaimer to its district law and a requirement that enrolled farmers adopt sound conservation practices.

A 1994 amendment to California's Williamson Act made it more difficult for local governments to acquire land for public use in agricultural preserves. In 1998, California passed a new law that authorized the creation of Farmland Security Zones (FSZs). Farmers who elect to sign a 20-year FSZ contract receive expanded district benefits, including a 35 percent reduction in property tax assessments (on top of values calculated under the Williamson Act contracts) and protection from annexation and school sitings on agricultural land.

In 1997, Utah added provisions requiring that landowners adjacent to districts sign a nuisance disclaimer; in 1998, local planning and minimum acreage requirements were added.

In 1998, the Iowa State Supreme Court ruled that the right-to-farm provision contained within Iowa's agricultural district program constituted a taking of property rights without compensation. The Court held that the provision, which immunized farms in agricultural districts from nuisance law-suits, amounted to an interest in, or easement on, adjacent land without payment of just compensation. Iowa still maintains an agricultural district program, but the right-to-farm features have been eliminated.

Kentucky placed limitations on special assessments on land enrolled in districts in 2000. Virginia's state district law also was amended in 2000 to include significant consequences for early withdrawal from the program.

Ohio and North Carolina authorized new benefits and protections to supplement existing provisions. As of 2005, Ohio has operated a second, stand-alone program, known as agricultural security areas. The same year, North

Carolina lawmakers amended the existing program to offer landowners the option of establishing Enhanced Voluntary Agricultural Districts (EVADs).

The Maryland legislature voted to eliminate agricultural districts from the Maryland Agricultural Land Preservation Foundation (MALPF) Program in 2007. All MALPF districts were terminated by June 30, 2012. Maryland counties have the ability to create local agricultural districts. Wisconsin initiated a program in 2009 to become the most recent state to adopt agricultural districts.

Functions & Purposes

Agricultural district programs are intended to be comprehensive responses to the challenges facing farmers in developing communities.

To protect agricultural resources, some agricultural district programs protect farmland from annexation and eminent domain. Many also require that state agencies limit construction of infrastructure, such as roads and sewers, in agricultural districts. Two states offer participants eligibility for purchase of agricultural conservation easement programs, and two states include a right of first refusal in district agreements to ensure that land will continue to be available for agriculture. Some states encourage local planning by: limiting district authorization to jurisdictions with comprehensive or farmland protection plans, requiring the adoption of land use regulations to protect farmland, involving planning bodies in the development and approval of districts, and limiting non-farm development in and around agricultural districts.

To increase viability, programs offer automatic eligibility for differential tax assessment, property tax credits and/or tax exemptions.

Agricultural district programs help create a more secure climate for agriculture by preventing local governments from passing laws that restrict farm practices and by enhancing protection from private nuisance lawsuits.

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