





## Introduction

The State Legislature initially enacted the New York Agricultural Districts Law in 1971 to protect and promote the availability of land for farming purposes. Subsequent amendments have broadened its scope. The law provides a locally initiated mechanism for the creation of agricultural districts. The formation of agricultural districts is intended to counteract the impact which non-farm development can have upon the continuation of farm businesses.

Briefly, agricultural districts provide the framework to limit unreasonable local regulation on farm practices, to modify public agencies' ability to acquire farmland through eminent domain, and to modify the right to advance public funds to construct facilities that encourage development. The law also requires state agencies to modify their administrative regulations and procedures to encourage the continuation of farm businesses. Right to Farm provisions provide protection from private nuisance suits for land in agricultural districts and parcels receiving agricultural assessments outside districts.

Benefit assessments, special ad valorem levies, or other rates and fees for the finance of improvements such as water, sewer or non-farm drainage may not be imposed upon land used in agricultural production and within an agricultural district unless such charges were imposed prior to the formation of the agricultural district.

The Agricultural Districts Law also provides for reduced property tax bills for land in agricultural production by limiting the assessment of such land to its prescribed agricultural assessment value. Owners whose land satisfies the eligibility requirements may apply for an agricultural assessment.

## Does farmland automatically receive an agricultural assessment?

**No.** Landowners must file an application (form [RP-305](#) or [RP-305-r](#)) with the assessor to receive an agricultural assessment for their parcels. Landowners must apply annually for an agricultural assessment, and the farmland must satisfy certain gross sales and acreage eligibility requirements.

## Can land outside an agricultural district qualify for an agricultural assessment?

**Yes.** The requirements and application procedure are the same. However, land located outside of an established agricultural district which receives an agricultural assessment will continue to be encumbered with an obligation to remain in agricultural use for a period of eight years (land within an agricultural district is encumbered for five years) or be subject to a payment for conversion to nonagricultural use.

## How is eligibility determined?

Eligibility is determined by the assessor or board of assessors with whom the application is filed. If denied, the applicant has the right to an administrative review by the Board of Assessment Review.

The following eligibility requirements must be met:

- Land generally must consist of *seven or more acres* that were *used in the preceding two years* for the production for sale of crops, livestock, or livestock products.
- The annual *gross sales* of agricultural products generally *must average \$10,000* or more for the preceding two years. If an agricultural enterprise *is less than seven acres, it may qualify if average annual gross sales equal \$50,000 or more.* (See rented land and exceptions to gross sales requirements.) Land that supports a commercial horse boarding operation may qualify for an agricultural assessment if the following eligibility requirements are met:
  - at least seven acres of land supports the commercial horse boarding operation;
  - the operation boards at least ten horses regardless of ownership; and
  - the operation receives \$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.*

- A start-up operation may qualify based on its annual gross sales of agricultural products in the operation's first or second year. Such annual sales must amount to at least \$10,000, if the start-up operation has seven or more acres, or to at least \$50,000, if the start-up operation has less than seven acres in agricultural production.
- A start-up commercial horse boarding operation may also qualify based on annual boarding fees of \$10,000 or more in its first or second year.

## What land can be included?

Agricultural assessment is limited to land used in agricultural production, defined to include cropland, pasture, orchards, vineyards, sugarcorn, support land, and crop acreage either set aside or retired under Federal supply management or soil conservation programs. Up to 50 acres of farm woodland is eligible for an agricultural assessment per eligible tax parcel. Land and water used for aquacultural production are eligible, as is land under a structure within which crops, livestock or livestock products are produced. Land visibly associated with the owner's residence is ineligible.

## What if a farm includes several tax parcels?

Since farm operations often encompass more than one parcel, eligibility is determined by combining separately assessed parcels that are farmed together as a single operation. However, a separate application for each separately assessed parcel must be made. A single operation is one distinct agricultural business enterprise.

## Can rented land qualify for an agricultural assessment?

**Yes.** Land rented for agricultural purposes may receive an agricultural assessment. If the rented land satisfies the basic eligibility requirements described above, it is eligible for agricultural assessment. In addition, if the rented land does not satisfy the average gross sales value requirement, but does satisfy the other requirements, it may still be eligible if it is farmed, under a written rental agreement of at least five years, with other farmland that satisfies all eligibility requirements. The applicant must substantiate the existence and the term of the rental agreement by providing the assessor with either a copy of the lease or an affidavit confirming that such an agreement exists (application [RP-305-c](#)). A start-up farm operation may include rented land.

## How is the gross sales value determined?

*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 to satisfy the average gross sales value requirement. 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. When the farm woodland is eligible, proceeds from the sale of woodland products may be included in the computation of average gross sales value but only to a maximum of \$2,000. The commercial horse boarding receipts can be generated either through the boarding of horses or through the production for sale of crops, livestock, and livestock products or through both.

## Are there any exceptions to the gross sales requirement?

**Yes.** Agricultural lands affected by natural disasters or continued adverse weather conditions may continue to be eligible. County Cornell Cooperative Extension staff must certify such natural disaster or weather condition destroyed the agricultural production and, as a result, the average gross sales value for the preceding two years was less than the minimum required for eligibility. The landowner must document the extent of damage and the gross sales value the land can produce under normal conditions on the application form [RP-305-b](#). No minimum gross sales value is required for crop acreage either set aside or retired under Federal supply management or soil conservation programs.

## Does the agricultural assessment program apply to buildings?

**No.** Agricultural assessment applies only to land and any posts, wires and trellises used to support vines or trees for the production of fruit on eligible land. The program does not apply to farm buildings, residences, and other improvements. Farm buildings and structures may qualify for property tax benefits under Real Property Tax Law Sections [483](#), [483-a](#), [483-b](#), [483-c](#). See Farm Building Exemptions brochure for details. However, land under farm buildings and structures that produce qualified crops, livestock or livestock products may in certain circumstance receive an agricultural assessment.