

New York State Department of Agriculture and Markets

Agricultural Districts

(Dept. of Agriculture and Markets)

and

Agricultural Assessment

(Dept. of Taxation and Finance)

What is a “Farm Operation”?

Defined by AML §301(11) as:

“...the **land and on-farm buildings, equipment**, manure processing and handling facilities, **and practices which contribute to the production, preparation and marketing** of ‘crops, livestock and livestock products’ as a **commercial enterprise**, including:

- a) ‘commercial horse boarding operation,’
- b) ‘timber operation,’
- c) ‘compost, mulch or other biomass crops,’ and
- d) ‘commercial equine operation’ as defined...”

May consist of one or more parcels of owned or rented land and parcels may be contiguous or noncontiguous to each other.

What is Land Used in Agricultural Production?

Defined in part as:

1. Not less than seven acres of land used as a single operation in preceding two years for the production for sale of crops, livestock or livestock products – avg. gross sales of \$10,000 or more. **or**
2. Less than seven acres of land used as a single operation in the preceding two years for the production for sale of crops, livestock or livestock products - avg. gross sales of \$50,000 or more.
3. Includes other land uses, such as CHB, Equine, set-aside land...

Does not include land or portions thereof used for processing or retail merchandising of such crops, livestock or livestock products.

Gross Sales Value

1. Form 1040, Schedule F – not required to file with the assessor.
2. May submit other evidence to demonstrate gross sales.
3. May submit other proof, such as:
 - a. Schedule F
 - b. Bookkeeping records
 - c. Bills of sale
 - d. Receipts, other financial records
 - e. Any combination of the above
4. Assessor must be satisfied that the eligibility requirements are met.
5. Financial records should remain confidential and the assessor must protect the documents from unauthorized disclosure.

Reported on 2013 Assessment Rolls

<u>Property</u>	<u>No. of Parcels</u>	<u>% of Value Exempted</u>
• Agricultural District	71,478	31.25
• Not in Agr. District	9,771	32.54
• 480-a	5,831	42.48

Treatment of Rented Land

Rented land that satisfies the requirements for eligibility:

- a. 7+ acres in production, average \$10,000 gross sales
 - b. < 7 acres in production, average \$50,000+ gross sales
 - c. can consist of more than one parcel, but a single owner
 - d. Farmed for last 2 years
- Agricultural land, support land and up to 50 acres of farm woodland per parcel qualifies for an agricultural assessment.
 - No rental agreement required.

Treatment of Rented Land

Rented Land that does not satisfy the requirements for eligibility:

- a. 7+ acres in production – can consist of more than one parcel, but a single owner
 - b. Farmed for last 2 years
 - c. Meets the \$10,000 average sales requirement based upon farmers income
 - d. Written rental agreement for five or more years
- **Only land in production qualifies for an agricultural assessment**

Commercial Horse Boarding Vs. Equine Operation

1. Horse Boarding and Equine Operations
 - a. At least seven acres
 - b. Boarding at least ten horses
 - I. Horse boarding - receives \$10,000 or more in gross receipts annually from fees generated through boarding and/or through the production for sale of crops, livestock and livestock products.
 - II. Equine Operation - receives \$10,000 or more in gross receipts annually from fees generated through, but not limited to, riding lessons, trail riding activities or training of horses and/or through the production for sale of crops, livestock and livestock products.
2. Start-up – statute states that in their first or second year of operation, may qualify for an agricultural assessment if the operation consists of at least seven acres, stables at least ten horses and generates \$10,000 in gross receipts.

Commercial Horse Boarding Vs. Equine Operation

1. Land that qualifies for an agricultural assessment:
 - a. Trails through woods?
 - b. Support land? What is it?
 - c. Sale of horses/livestock (look at net sales).
 - d. Manure composting as defined in AML §301(16) – AML §301(9)(g) allows up to \$5,000 from the sale of “compost, mulch or other organic biomass crops” to count towards eligibility criteria for gross sales.
2. Horse Riding Arenas – RP 483 Form
 - a. Hard roofed vs. poly roofed structure
 - b. BCNYS treatment
 - c. Timing concerning the filing of the RP 483 form

New Farm Operation

- Land that is owned or rented by a farm operation in its first or second year of agricultural production
 - Income rules met.
 - Acreage rules met.
- Commercial Horse Boarding and Equine Operations
 - 10 horses at end of first to qualify for assessment in year two,
 - \$10,000 in gross receipts,
 - 7 acres of land, and/or
 - Sale of crops/livestock/livestock products count toward \$10k sales
- Land beneath a structure where crops, livestock or livestock products are produced.

Treatment of Farm Woodland

1. Annual sales vs. long term crop. Statute [AML §301(3)] states “...land used for the production of woodland products **intended for sale...**”
2. 50 acres per parcel where a portion of the parcel must be used for agricultural production.
3. Silvopasture.
4. Maple syrup production – maple sap is a “crop” as defined in AML §301(2)(f).
5. Woody biomass – short rotation woody crops (not farm woodland).
6. Compost, mulch or other organic biomass crops, not to exceed \$5,000 of gross sales requirement.

Maple Syrup and Maple Sap

1. Maple sap is a crop as defined in the AML.
2. AML §301(9)(d) allows for the sale of maple syrup processed from maple sap produced on land used in agricultural production.
3. Assessor has difficulty in distinguishing between farm woodland and sugarbush – must determine land in production.
4. Sap trees vs. timber trees (both maples – mixed use)

Apiaries

1. AML §301(2)(j) “apiary products includes honey, beeswax, royal jelly, bee pollen, propolis, package bees, nucs and queens.
2. Land used in agricultural production means...”production for sale of crops, livestock and livestock products...” [AML §301(4)]
3. AML §301(4)(k) land used to support an apiary products operation [defined in AML §301(16)] means:
 - a. Not less than 7 acres nor more than 10 acres (where bee hives are located and maintained to produce, harvest and store apiary products for sale) and \$10,000 or
 - b. Less than 7 acres and \$50,000 in gross receipts,

Apiaries (continued)

- c. Includes land beneath a structure where apiary products are produced, harvested and stored for sale and
- d. A buffer area maintained by the operation between the operation and adjacent landowners.

Rented land associated with an apiary products operation is not eligible for an agricultural assessment.

Silvopasture – Added to AML §301(4) and effective 1/20/15

Silvopasture is considered land used in agricultural production and included as agricultural land on the revised APD-1 Form

AML §301(4)(m) – Land used in silvopasturing shall be limited to up to ten fenced acres per large livestock, including cattle, horses and camelids, and up to five fenced acres per small livestock, such as sheep, hogs, goats and poultry. For the purposes of this subdivision, “silvopasturing” shall mean the intentional combination of trees, forages and livestock managed as a single integrated practice for the collective benefit of each, including the planting of appropriate grasses and legume forages among trees for sound grazing and livestock husbandry.

Helpful to Landowners

1. Informing landowners of the agricultural assessment program – ORPTS has helpful brochures on:
 - a. The agricultural assessment program and procedure to file for an agricultural assessment.
 - b. Forms – links to agricultural assessment forms.
 - c. Information on exempt structures including specialized agricultural equipment – greenhouses (RPT Form 483(c)).
2. Assessors may provide notification of renewals RP 305r Form.
3. Prompt notification of denial – stamped self addressed envelope provided by landowner.