

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 exemption 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 land which produces a minimum of \$10,000 annually, or less than seven acres of land which 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, is 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 ceiling 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 1, 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 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 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 which consists of predominantly viable agricultural land. Districts may include land that is actively farmed, idle, forested, as well as land for residential and commercial uses.

The Agricultural District Law protects farm operations* within an agricultural district from unreasonably restrictive local regulations.

If a question or dispute arises regarding farm practices that may threaten public health or safety, an opinion can be requested from the NYS Commissioner 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 2015 / 2016. Parcels can be added 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” the qualifications for agricultural value assessment must be met.



Differences at a Glance

Agricultural Assessment Program *

- Provides property tax reduction for active farmland
- Assessed agricultural land values are based on State-certified land classifications
- Land does not have to be in an agricultural district to qualify
- Land 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, \$50,000 minimum gross income is required
- Land 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 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 (last done in 2015 - 2016)
- Annual window for inclusion available for certain types of agricultural land
- All applications for annual inclusion must be filed between April 15th and May 14th
- Landowner must apply for inclusion during the established review period
- Applications are filed with the Dutchess County Soil and Water District. They are reviewed by the Dutchess County Agriculture and Farmland Protection Board, and are subject to approval by the County Legislature and the NYS 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	http://dutchessswcd.org/
Cornell Cooperative Extension Dutchess County	(845) 677-8223	www.ccedutchess.org
Dutchess County Real Property Tax Service Agency	(845) 486-2140	www.Dutchessny.gov
NYS Department of Agriculture and Markets		www.agmkt.state.ny.us/AP/agservices/agdistricts.html
NYS Department of Taxation and Finance		www.tax.ny.gov/research/property/assess/valuation/agindex.htm
Local Assessment Offices	(See individual town web sites for contact information.)	

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