AGRICULTURAL DISTRICT

THE FARMLAND PRESERATION ACT

If you own farmland in Ohio, there's a law that can help you protect that land. It's a law that has important benefits for Ohio farmers and can help insure proper use of our state's most important resource – land. The law is Chapter 929 of the Ohio Revised Code or better known as the Farmland Preservation Act. The Ohio Farm Bureau Federation was instrumental in the construction and passage of this law, which can help landowners deal with water, sewer and electrical assessments, nuisance lawsuits and the powers of eminent domain. Farm Bureau worked with legislators and in 1982, the Ohio General Assembly forges a new law, which will help keep you farming.

The thrust of the Farmland Preservation Act is to remove outside pressures that cause farmland to be converted to other uses. The following questions and answers about the Act should help explain what the law will mean to you.

WHAT IS AN AGRICULTURAL DISTRICT?

An agricultural district is a tract, lot or parcel of land that, upon application by the landowner to the county auditor, receives an identity of being devoted to agricultural use. An individual landowner can apply to enroll his land as an agricultural district if the land is ten acres or more, or if the tract is less than ten acres, it must have made an average gross annual income of $2,500 in each of the last three years.

If the land is found to be devoted to an agricultural use or devoted to a federal government land retirement or conservation program, the land will be identified as an agricultural district on the records of the county auditor and thereby receive statutory benefits.

WHAT SPECIFICALLY ARE THE BENEFITS OF THE LAW TO ME AS A LANDOWNER?

The statue allows landowners to voluntarily create an agricultural district, provided certain minimum requirements are met. Owners who place land in an agricultural district receive a deferment on collection of any new water, sewer, and electric assessments as long as the land is farmed. Legal protection for any generally accepted agricultural practice in the event a nuisance lawsuit is made against the farming operation, and limited protection against the use of eminent domain powers of government.

In addition to the benefits of forming an agricultural district, all farm operators profit from other aspects of the law. The law relaxes the air pollution standards for agricultural production activities. The law also protects farm market operators from certain zoning regulations and requires the power siting commission to consider the impact of new power facilities on agricultural districts.

WHAT ARE THE MINIMM QUALIFICATIONS TO FORM AN AG DISTRICT?
Persons wanting to place land in an agricultural district need only consider a few minimum requirements. First, the land must have been devoted to agriculture or to a federal government land retirement or conservation for three years prior to the year of application.

Secondly, the land must be composed of tracts, lots, or parcels that total not less than 10 acres or have an average gross annual income of at least $2,500 during the past three years.

WHAT ARE THE STEPS IN FORMING AN AG DISTRICT?
By simply visiting the county auditor's office and making an application, any owner of land used in agricultural production can place land in an agricultural district. The application is very brief.

The auditor will determine if the land meets the minimum qualifications and provide written notice to the landowner. Generally that is all there is to it; however, in the special case of when the land falls inside the bounds of a municipal corporation an additional application must be made to the city or village. The creation of an agricultural district is automatic, unless the land lies inside a municipality.

IS THERE A FEE TO FORM AN AG DISTRICT?
No.

HOW IS AN AG DISTRICT RELATED TO CURRENT AGRICULTURAL USE VALUE (CAUV) IN REAL ESTATE TAXATION?
The agricultural district uses similar minimum criteria for land to qualify as is used for CAUV. The same land can be in either program or in both programs. However, making applications for one program does not automatically include the other. A separate application is needed for each program.

IS THERE A PENALTY FOR WITHDRAWAL FROM AN AG DISTRICT OR CONVERSION OF THE LAND TO NON-AGRICULTURAL USE IN AN AG DISTRICT?
An agricultural district is a commitment for five years. Converting the land to another use after the five-year period carries no penalty and there is no obligation to sign up again. The deferred assessment is due at the time; however, there is no penalty. If land is withdrawn prior to the five-year expiration date there is a penalty. If the land is taxed under CAUV, the penalty is the prime interest rate time the recoupment under CAUV and in addition, deferred assessments plus interest become due. Deferred assessments and interest that become due may be paid over a period of time. If the land is not being taxed under CAUV the penalty is the prime interest rate times the savings that would have occurred under the CAUV program.

DOES AN AG DISTRICT PROTECT THE LAND FROM EMINENT DOMAIN?
No, but if a public entity uses eminent domain powers for more than 10 acres or 10 percent of the agricultural district, additional review procedures may be required.

HOW AND WHEN CAN THE FARMER RENEW AN AGRICULTURAL DISTRICT?
An agricultural district expires in five years from the date of application. The county auditor will mail notices along with CAUV mailed notices. To simplify renewal, the applicant may renew at any time after the first Monday in January during the fifth year of the agricultural district. After the first Monday in March the county auditor will notify all those who have not renewed, that failure to renew by the first Monday in April will cause the land to be removed from the agricultural district upon its termination date.

BUT WHAT IF MY FARM IS LOCATED IN THE BOUNDARIES OF A MUNICIPALITY?

If the land proposed for an agricultural district is within a municipal corporation, or an annexation petition has been filed, the owner must also file with the city or village. Within 30 days the municipal corporation must approve, modify or reject the application. If modified or rejected, it must "Demonstrate . . . a substantial adverse effect" on the provision of municipal services, the efficient use of land, orderly growth and development, or the public health, safety or welfare. Modifications may include the limiting of assessment benefits, nuisance protection, and duration of district, but is not limited to those areas.

If the land becomes annexed by a municipality after it is already in an agricultural district, then the municipality does not have the power to review the application providing:

- The land was not sold or transferred to another person (except within the immediate family).
- The owner that established the district did not sign the annexation petition.
- The owner did not vote favor of annexation.

As you can see this law has some important benefits for you, the landowner. To avoid missing out, see your county auditor and sign your farm up today!

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