



FACT SHEET

AGRICULTURAL

DISTRICT

PROGRAMS



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DESCRIPTION

Agricultural district programs allow farmers to form special areas where commercial agriculture is encouraged and protected. Programs are authorized by state legislatures and implemented at the local level. Enrollment in agricultural districts is voluntary. In exchange for enrollment, farmers receive a package of benefits that varies from state to state. Minimum acreage requirements and initial terms of enrollment also vary. Agricultural district programs should not be confused with zoning districts that delineate areas governed by local land use regulations.

There are a total of 18 agricultural district laws in 16 states. Both Minnesota and Virginia have statewide and local agricultural district programs. Provisions vary widely, but most agricultural district laws are intended to be comprehensive responses to the challenges facing farmers in developing communities.

To maintain a land base for agriculture, some agricultural district laws protect farmland from annexation and eminent domain. Many laws also require that state agencies limit construction of infrastructure, such as roads and sewers, in agricultural districts. Three 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.

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

To reduce farm operating expenses seven programs offer either automatic eligibility for differential tax assessment or property tax credits to farmers who enroll in agricultural districts.

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 pro-

tect farmland, involving planning bodies in the development and approval of districts, and limiting non-farm development in and around agricultural districts.

Agricultural district laws are intended to stabilize the land base and to support the business of farming by providing farmers with an attractive package of incentives.

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 term of the contract. 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 district laws, 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 other 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 governments to recognize the intent of the agricultural districts law when making local land use decisions. New

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 PROVISIONS OF AGRICULTURAL DISTRICT LAWS

PROVISION	Programs with Provision	Calif.	Del.	Ill.	Iowa
Limits on use of eminent domain ^a	12	▲			
Limits on non-farm development	12	▲	▲	▲	▲
State agency policies must support farming	12	▲	▲	▲	▲
Local planning requirement ^b	11	▲			▲
Limits on special assessments	11	△		▲	▲
Farmers receive extra right-to-farm protection	10		▲	▲	
Limits on public investment for non-farm development	7	▲			
Sound conservation practices required	7			▲	
Strong sanctions on withdrawal from districts	6	▲			
Agricultural impact statement required for public projects	6				▲
Farmers are automatically eligible for differential assessment ^c	5	▲	❖		
Public utilities exempted from limits on eminent domain	5				
Local governments compensated for taxes reduced by differential assessment	4	▲			
Limits on local governments' ability to annex land	4	△			
Protection from siting of public facilities (e.g., schools and solid waste mgt. facilities)	3	△		▲	
Enrollment required to be eligible for agricultural easement acquisition program	3		▲		
Landowners adjacent to districts must sign agricultural nuisance disclaimer	3		▲		
Land Evaluation and Site Assessment (LESA) system used to define boundaries of district	2		▲		
Landowner consent required prior to adoption of more restrictive zoning	2				
Enrolled land gets priority in water rights allocation	2				▲
Public entities have right of first refusal to purchase land	2				
Farmer can recover legal fees if he/she wins nuisance lawsuit	2		▲		
Mediation required for land use disputes	2				⌘
Soil and water conservation cost sharing for farmers	2				
Land use controls on adjacent land must consider districts	1				
Farmers are automatically eligible for annual per acre property tax credit	1				
Limits on rate of property tax increases	1				
Buffer strips required for development adjacent to districts	1		▲		
Initial term of enrollment (in years)	16	10/20**	10	10	3
Minimum acreage requirement	16	100	200	350	300

^a The degree of protection varies significantly from state to state. Minn. and N.J. prohibit eminent domain; Pa. and Utah can prohibit eminent domain, subject to review by state officials; Calif., Ky., Minn.-metro, N.Y., Ohio, Tenn. and Va. cannot prohibit eminent domain, but may require prior notification, agricultural impact statements, alternative proposals and/or public hearings.

^b Planning requirements vary among states. Calif., Minn. and Minn.-Metro require plans (i.e., comprehensive or agricultural land preservation) to be eligible to establish districts, and zoning or other "official controls" to protect farmland. Md., N.J., N.Y., Pa., Utah, Va. and Va.-Local involve planning bodies in the development and approval of districts. Iowa requires that counties create land use inventories prior to establishment of districts.

^c In Calif., farmers who sign an FSZ contract receive additional property tax relief.

Ky.	Md.	Mass.	Minn. State	Minn. Metro	N.J.	N.Y.	N.C.	Ohio	Pa.	Tenn.	Utah	Va. State	Va. Local
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250	50			40	■	500		10	250	250	■	200	20

▲ Provision included in program.
△ Benefit provided only to landowners who sign FSZ contracts in Calif., and landowners in "municipally approved" districts in N.J.
❖ Land enrolled in districts is exempt from all but agricultural property taxes.
⌘ Provision included but never implemented.
■ Minimum acreage requirement established by local entity.
* Only farms receiving grants for soil and water conservation projects must have an approved conservation plan.
** The initial term is 10 years for Williamson Act contracts and 20 years for FSZ contracts. Each year, contracts automatically are extended for one year unless a notice of non-renewal is submitted.

AGRICULTURAL DISTRICT PROGRAMS

For additional information on agricultural district programs and other farmland protection programs, the Farmland Information Center offers publications, an on-line library and technical assistance. To order Agricultural District Programs: What Works, a 22-page comprehensive technical report (\$9.95), or other AFT publications, call (800) 370-4879. The farmland information library is a searchable database of literature, abstracts, statutes, maps, legislative updates and other useful resources. It can be reached at <http://www.farmlandinfo.org>. For additional assistance on specific topics, call the technical assistance service at (800) 370-4879.

York state added a nuisance disclaimer to its district law in 1998, and a requirement that enrolled farmers apply sound conservation practices.

A 1994 amendment to California's Williamson Act made it more difficult for local governments to acquire land in agricultural preserves for public use. In 1998, California passed a new law that authorized the creation of Farmland Security Zones (FSZ). 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 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 districts law constituted a taking of property rights without compensation. The court found that the provision, which immunized farms in agricultural districts from nuisance lawsuits, amounted to an interest in, or easement on, adjacent land without payment of just compensation.

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

FUNCTIONS & PURPOSES

Agricultural district programs are intended to be comprehensive responses to the challenges facing farmers in developing communities. They can be designed to protect agricultural land, head off land conflicts, reduce farm operating expenses and encourage local planning.

ISSUES TO ADDRESS

- Who will be eligible to enroll land in an agricultural district?
- What are the procedures for enrollment?
- What are the incentives for enrollment?
- What restrictions, if any, are placed on land enrolled in an agricultural district?
- How easy--or difficult--is it to withdraw land from an agricultural district?
- Who has the authority to terminate agricultural district agreements?

BENEFITS

- Enrollment in agricultural districts is voluntary, making the programs popular with farmers.
- Agricultural district programs are very flexible; benefits and restrictions can be tailored to meet local objectives.
- Agricultural districts provide multiple benefits to farmers, including tax relief, protection from local regulation and eligibility for PACE programs.
- Agricultural districts help secure a critical mass of land to keep farming viable.

DRAWBACKS

- Sanctions for withdrawing land from agricultural districts may not be strong enough to discourage conversion.
- Limits on non-farm development may not prevent expansion of public services such as water and sewer lines into agricultural areas. Some agricultural district laws address this issue; others do not.
- In some states, the benefits provided by agricultural districts are not enough incentive for farmers to enroll.
- In some states, the procedure for creating agricultural districts is lengthy and complex.