

Penalty For Withdrawal From An Agricultural District

It is important that owners considering placing their land in an agricultural District realize that they are making a commitment for five (5) years and that conversion of the land to other than agricultural use prior to the end of that period carries an expensive penalty.

If the land is also included in the CAUV program, early withdrawal from an Agricultural District requires collection of the amount of taxes saved for up to three (3) years and a penalty of an additional percentage equal to the prime rate of that tax savings amount as a penalty for withdrawal.

If the land was not included in the tax savings program, then conversion of the land from agricultural use will subject the owner to a penalty of a percentage equal to the prime rate of the amount of tax savings if it had been in such a program for the period of time the land was included in an Agricultural District.

Early withdrawal will also require that assessments, deferred during the period land was included in an Agricultural District, are immediately collectible.

As you can see, this law has some important benefits for the owner of farmland that will continue to be used exclusively for agricultural purposes for at least five (5) years. To participate in the program contact your County Auditor's Office.

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The Farmland Preservation Act

Information for Geauga County Residents

Prepared by:

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Dear Property Owner:

Farmland owners in Geauga County should be aware of a law that has important benefits for Ohio farmers. This law can help to assure proper use of our state's and Geauga County's most important resource – LAND. The law is Senate Bill 78, The Farmland Preservation Act passed into law in 1982.

As stated, the basis of Senate Bill 78 and of Chapter 929 of the Ohio Revised Code (Agricultural Districts) is to remove outside pressures that can cause farmland to be converted to other uses.

Read the following brief summary about the Farmland Preservation Act. It will provide you with some basic information about this important protection for your farmland.

My office has the application necessary to enroll your property in an Agricultural District. Please feel free to call with any questions you might have.

The following is a brief outline of the benefits, qualifications, time for filing and term of an Agricultural District.

Benefits to the Landowner

The law permits an owner of farmland to enroll in an Agricultural District, provided certain minimum requirements are met:

- Owners of land in an Agricultural District receive a deferment of any new assessments for such improvements as water or sewer systems as long as the land continues to be farmed and the owner does not take advantage of the improvements.
- Legal protection for any generally accepted agricultural practice in the event a nuisance lawsuit is filed against the farming operation.
- Limited protection against the use of eminent domain power of government. (A governmental entity may only appropriate 10% or 10 acres of land within an Agricultural District.)
- Protects farm market operators from certain zoning regulations and requires the power sitting commission to consider the impact of new power facilities on land in an Agricultural District.

Minimum Requirements to Form an Agricultural District

The land must be composed of tracts, lots, or parcels that total not less than ten (10) acres, or, if less than ten acres:

Have an average annual gross income of \$2,500 from agricultural production during the previous three years, or can provide evidence that level of income will be achieved at the time of application.

The land must be devoted *exclusively* to agriculture or to an approved federal government land retirement or conservation program.

Steps to Form an Agricultural District

A land owner meeting the agricultural qualifications listed above may place the land in an Agricultural District by contacting the Auditor's Office in person or by phone to obtain an application.

If the land is located within the boundaries of a municipal corporation, an additional application must be made to the city or village.

Time of Filing

You may make an initial application for an Agricultural District at anytime. There is no cost (fee) for the application.

Approval of an Agricultural District

In the case of land outside a municipality, the County Auditor will determine if the land meets the minimum requirements and will provide written notice to the land owner.

In the case of land within municipal boundaries, the city or village must approve, modify, or reject the application within thirty (30) days of a public hearing. If the municipality fails to take any action, the application is approved.

Terms of an Agricultural District

When approved, the Agricultural District will be in effect for five (5) years from the date of application. Renewal may be made anytime after the first Monday of January during the fifth year. If not renewed by the first Monday of March of the fifth year, landowners will be notified 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.

Relationship of the Agricultural District To Other Farm Programs

The qualifications for the formation of an Agricultural District are the same as those for the Current Agricultural Use Value (CAUV) program in real estate taxation. The same land can be in either program or both but making an application for one program does not automatically include the landowner in the other. A separate application is needed for each program.

Transfer of Land to Another Owner During the Term of an Agricultural District

Land transferred to a new owner shall continue in an Agricultural District unless the new owner elects to discontinue inclusion into the existing district and files the election with the County Auditor within sixty (60) days after the transaction.