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# Pennsylvania Agriculture

- \$132.5 billion total economic impact
- 593,000 jobs
- · 49,000 farms and 7.0 million acres of farmland
- · Lead nation in variety of ag products

# Background

- History and Purpose

  - Act 319 of 1974
    Preferential Assessment of Farmland and Forestland
  - o Land preservation tool
- Public Benefits
  - Affordable property taxes for viable farms
    Over 11 million acres enrolled statewide
    Agriculture and the economy

  - Food Supply
    Scenic and Environmental Benefits
    Quality of Life

## Eligibility

- Use categories

  - Agricultural Use
    Agricultural Reserve
  - o Forest Reserve
- Applications
- Duration

### Eligibility

#### Agricultural Use

- o Land which is used for the purpose of producing an agricultural commodity or is devoted to and meets the requirements and qualifications for payments or other compensation under a soil conservation program under an agreement with an agency of the Federal Government.
- o May qualify if being used for agricultural production, and if producing annual agricultural gross income of at least \$2,000

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### Eligibility

#### Agricultural Reserve

o Non-commercial open space lands used for outdoor recreation or the enjoyment of scenic or natural beauty and open to the public for that use, without charge or fee, on a nondiscriminatory basis.

### Eligibility

#### Forest Reserve

 Land, ten acres or more, stocked by forest trees of any size and capable of producing timber or other wood products.

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### Eligibility

#### Applications

- o Inclusion of all contiguous land described in the deed
- Option to exclude non-contiguous tract in a single deed
- o Multiple land use categories on a single application
- Deadline for applications June 1 (Oct. 15 in year of reassessment)

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### Eligibility

#### Duration

- Enrolled land shall remain under preferential assessment for as long as it continues to meet the minimum qualifications or until removed by the landowner and rollback taxes paid on the entire tract or tracts.
- o Land removed by the landowner is not eligible to be re-enrolled by the same landowner

### **Use Values**

- Ag values
  - o Soils
  - o Crop production (statewide data)
  - o Interestrates
  - o Crop profit margin
  - o Use values calculated for all soil types
- Forest values
  - o Average value of timber
- · Act 89 of 2016
  - o Use value implementation

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### **Permitted Uses**

- · Direct commercial sale of farm products
- Rural Enterprise
- · Oil and gas
- · Commercial wind energy
- · Small non-coal mining
- Recreational leasing
- Farm related entertainment ("agritainment")
- Cellular communications towers
- · Divisions and transfers
  - o Split-off
  - o Separation

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### Division - Split-off

- · A Split-off is a division by conveyance or other action of the owner into two or more tracts of land
  - o Not to exceed 2-acres annually
  - o Never to exceed 10 acres or 10% of the entire tract of enrolled land (lesser of the two)
  - o Rollback taxes due only on the portion split-off
  - o For continued agricultural use, agricultural reserve or forest reserve use, or for the purpose of construction of a residential dwelling

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### Division - Separation

- A Separation is a division by conveyance or other action of the owner into two or more tracts of land
  - Larger blocks of land 10 acres or greater for the tract created and the tract remaining
  - Continued eligible land use (Agriculture Use, Agriculture Reserve, Forest Reserve)
  - o No rollback taxes due for a qualifying separation

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# Change in Use

- Rollback taxes
  - o 7-year rollback taxes
  - o 6% interest per year (simple interest)
  - o Remaining eligible land may stay in Clean and Green

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### Hot issues

- Eligibility of Ag Reserve and Forest Reserve tracts
- · Commercial solar production
- Agritourism (Agritainment)
- · Rural enterprise activities
- · Eligibility of smaller tracts
- · Changing definitions of diverse agriculture

# PA Farmland Preservation "toolbox"

- · Clean and Green Preferential Assessment Program
- Agricultural Conservation Easement Purchase (Farmland Preservation Program)
- · Agricultural Security Area
- · Right to Farm Law
- ACRE
- · Local zoning

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#### Farmland Preservation Program update

- 6,621 farms
- 658,681 acres
- · 58 participating county programs
- · 24 active land trust organizations
- \$1.7 billion investment

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### **Presenters**

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