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AGRICULTURAL DISTRICTS—THE NEW YORK EXPERIMENT IN AGRICULTURAL LAND PRESERVATION

With the growing awareness of worldwide food shortages and the importance of agricultural products in world trade, the preservation of land for agricultural purposes has become a public policy issue. This newsletter describes the means by which the State of New York is attempting to cope with the issue.

We do not ordinarily think of New York as an agricultural state. Even though it is a state of about 18½ million people, only 10% of the land area is urbanized. Agricultural production is valued at over \$1½ billion annually; slightly below that of South Dakota.

The urbanization of rural land in New York is typical of the process everywhere. Urban uses encroach upon the countryside, not in a solid wave but by scattered developments here and there, leaving parcels of open space which may or may not be farmed.

Farmland often passes out of the hands of farmers to professional speculators who are reluctant to tie up the land in even an annual lease. Consequently much more land is taken out of production than that which actually is developed. Farmers do not make capital investments on their farms because of the fear of higher taxes. The community deteriorates as an agricultural community.

New York passed legislation in 1971 which enabled farmers and local governments to form agricultural districts. By mid-1974 (the last date for which we have data) 143 districts were formed and another dozen were in the process involving about 1½ million acres.

How a District is Formed

Agricultural districts are established by a landowner petition and lo-

cal hearing process with approval by county and state governments. The law also provides for districts to be established by the state with landowner and local government approval.

Powers of the Agricultural District

1. Farm assessments—Farmers may apply annually for an exemption from taxation on the valuation of their land in excess of its agricultural value. A rollback of up to 5 years is imposed if the land is sold for development (the amount exempted). Another law (applying to all farmers whether in a district or not) places a 5 year moratorium upon taxes on new capital improvements to encourage farmers to make such investments.

2. Ordinances—Local governments may not enact ordinances that would restrict or regulate farm structures or practices beyond the requirements of health and safety.

3. State Regulations—State agencies must modify administrative regulations and procedures to encourage the maintenance of commercial agriculture.

4. Eminent Domain—The right of public agencies to acquire farmland by eminent domain is modified, though not removed. Agencies are required to give serious consideration to alternative areas before farmland can be taken for public use.

5. Development Funds—The right of pub-

lic agencies to advance funds for sewer water and other facilities that would encourage non-farm development is modified.

6. Special Service Assessments-The power of special districts to impose benefit assessments or special ad valorem levies on farmland for sewer, water, lights, and non-farm drainage is limited.

The right of municipalities to annex land in the district is not specifically limited; however, the limitation upon special service assessments might have the same effect.

The New York Agricultural district law is a different approach to solving the problem of urban "scatteration" than the traditional rural zoning tool (ag-districts might also have zoning controls, too). It minimizes some of the forces which encourage the conversion of aglands to other uses instead of the "thou shalt not" features of zoning. It has been described as a "soft" form of land-use regulation which does not depend upon the exercise of the police power.

One of the not-to-be-ignored side

effects of the law is the impact upon the farmers themselves. When farmers sign the petition to create such a district they are recommitting themselves to farming as a means of livelihood and a way of life. In a more direct manner, it places some power in the hands of farmers to deal with those forces which they in the past have felt powerless to oppose.

As is the case with any public policy issue, many proposals should be examined. Perhaps the most immediate question is: should the State of South Dakota take steps to protect its agricultural land from urban "scatteration"? If so, this is one of a number of proposals which might be examined. Information on other proposals is contained in "Alternative Policies For Preserving Lands For Agricultural Use", a publication available from the Economics Department.

(Information for this newsletter was obtained in part from an article written by H.E. Conklin and W.R. Bryant "Agricultural Districts: A Compromise Approach to Agricultural Preservation". Journal of Agricultural Economics, August, 1974.

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