

GENERAL GUIDELINES - AGRICULTURAL CLASSIFICATION OF LANDS

January 1st is the statutory assessment date; therefore, the property must be in use on this date. The granting or denying of a particular application for agricultural exemption is a decision made after analyzing the entirety of circumstances surrounding the viability of the agricultural operation as a commercial entity. It is the landowner's responsibility to establish and demonstrate to the Property Appraiser's Office (PAO) that the primary use of any lands being applied is a bona fide, commercial, agricultural use as of the tax year's assessment date of January 1, and for the majority of the year. This includes any lands that may be leased to others for agricultural purposes.

These guidelines are intended to aid those planning to make application for the classification. Please read the following information to assist you in determining if filing for Agricultural Classification is right for you. Questions should be directed to our **Agriculture Department at (386)-775-5228**. Please let us know if we can be of any assistance. We are here to help you!

PASTURELAND

1. Must be at least twenty acres or used in conjunction with other properties. Usually defined as a cow/calf operation. Smaller tracts are considered feed lots.
2. Property must be fenced as of January 1. Proof of ownership for the livestock is required.
3. An indicated effort has been made to maintain and care sufficiently and adequately for this type of land, i.e. fertilizing, liming, tilling, mowing, etc. May be improved, semi-improved or native pasture. Predominantly wooded tracts will be determined on a case-by-case basis.
4. Regarding the amount of livestock in relation to the size of a parcel, one cow, on one acre cannot be construed as a commercial agricultural operation while fifty cows on one hundred acres could be. The smaller the tract of land, the more concentrated the use should be.
5. Production of livestock for your own use *does not qualify*. Sales are required.
6. If property is leased, the lease must be in effect *as of January 1st*. Please provide us with a copy of the lease with the terms of compensation and contact information for all parties.

FEEDLOTS

1. A goat/sheep/pig operation should be a minimum of two and a half acres. Calf or yearling operations should be a minimum of five acres or used in conjunction with other properties.
2. Property must be fenced with a water source available as of January 1st. Proof of ownership is required (reg., tag numbers, tattoo numbers, etc.).
3. Feedlots require higher intensity to meet commercial requirements on small tracts of land. A minimum of six registered adult goats/sheep shall be required and more if unregistered. Ag is granted on a three animal per acre ratio in most cases (herd of fifteen for five acres). A minimum of five calves is required.
4. If property is leased, the lease must be in effect *as of January 1st*. Please provide us with a copy of the lease with the terms of compensation and contact information for all parties.
5. Production of livestock for your own use *does not qualify*. Sales are required.

HORSE BREEDING/BOARDING

1. Typically, a minimum of five acres is required, or used in conjunction with other properties. Must be fenced as of January 1st.
2. Breeding requires documented proof of being an established breeder, i.e. foaling records, stud contracts, etc. Sales are ***required***. Three brood mares are required, and each should foal *at least* every other year, minimum. Not more than two acres are granted per horse. Proof of ownership is required.
3. Boarding requires a minimum of 2 boarded horses. Not more than two acres are granted per horse. Please provide contract agreements with the terms of compensation and contact information for all parties. Include descriptions of the animals for verification.
4. Training should have three horses on average at any time. Contracts are mandatory and must be in effect ***as of January 1st*** for applications. Sales may be considered. Not more than two acres are granted per horse.
5. Stock horses--two acres per horse with bona fide cattle operation. Proof of ownership is required.
6. Pleasure horses and those not in the categories above are not considered.
7. Coggins results are required for each animal.

ROW CROPS

1. Typically, five acres or used in conjunction with other properties.
2. "Row Crops" is used in reference to those agricultural products referred to as vegetables.
3. Production of crops for personal use does not qualify, i.e. garden.

HAY

1. Property used exclusively for production and harvesting of hay should be at least 5 acres or used in conjunction with other properties. Only a few trees should be present.
2. A list of hay equipment is required as well as a Tangible Personal Property return filing with our office.
3. An indicated effort has been made to maintain and care sufficiently and adequately for this type of land, i.e. fertilizing, liming, tilling, mowing, etc. All efforts should be made to keep field clear of weeds and brush.
4. A hay field should be cut at least twice a year with 3-4 cuttings being a legitimate goal. Hay fields must be established before January 1 by having at least one cutting of hay in the prior year. Date stamped photographs will be required as proof.
5. If property is leased, the lease must be in effect ***as of January 1st***. Please provide us with a copy of the lease with the terms of compensation and contact information for all parties.

TIMBERLANDS

1. Typically, 20 acres or more of planted pines or a predominately natural stand of pines. May be less if used in conjunction with other properties. Management must be evident, i.e. fire lanes, under brushing, thinning and reforestation.
2. Tracts with dominant hardwoods will be reviewed on a case-by-case basis. Approval will be based on the merchantability of the timber on the tract and whether there has been sufficient management of the timber.
3. A management plan must be implemented with a copy in our files. Plans should be updated every 7 years.
4. Properties that are accessible should be posted. Trespassing and illegal dumping must be discouraged.
5. Our office should be notified when timber is sold. Time is usually allotted for replanting or conversion to another classified use.

NURSERY

1. Typically, 1 acre minimum. Nurseries should have a State Registration. Sales should be on wholesale level. Plants must be grown/propagated on site. Otherwise, you are only a point of sale (not considered).
2. Only areas used for the nursery and service area shall be classified.
Types of nurseries include: In Ground (Ornamental)
Above Ground (In Pots)
Tree Nursery (Christmas Trees)

CITRUS LANDS

1. Typically, 1 acre minimum and 100 trees per acre. Land must be planted ***by January 1st***.
2. Proper care and management of the grove must be evident. Please state variety.
3. Enrollment in CHRP program, only as an established grower/landowner.

CUT FOLIAGE, FERN AND FLOWERS

1. Typically, one acre minimum. Must be on a wholesale basis.
2. Proper care and management must be evident.
3. If property is leased, the lease must be in effect ***as of January 1st***. Please provide us with a copy of the lease with the terms of compensation and contact information for all parties.

APIARIES

1. Certificate of Apiary Registration in effect as of the statutory assessment date (January 1st). The State of Florida requires a minimum of 100 registered hives to be considered a commercial beekeeper.
2. If honey sales, provide copies of honey sales receipts.

3. If honey production, provide documentary proof of beekeeper access to honey extraction equipment.
4. If bee breeding, provide copies of queen or bee colony sale receipts.
5. When leasing property, the farming lease agreement between property owner and commercial beekeeper shall be provided. The agreement should be in effect as of the statutory assessment date. It should include the property owner's and beekeeper's name, contact information, parcel identification number, leased acreage, number of colonies, lease start date, lease term, lease renewal policy and exchange in value (compensation).
6. If not zoned agricultural, an executed Beekeeper's Compliance Agreement w/ State must be included.
7. Commercial beekeeping must be the primary use of the property for a significant portion of the year with a minimum of 24 hives per parcel.

MISCELLANEOUS AGRICULTURE & SPECIALTY CROPS

1. Poultry, blueberries, peaches, pecans, aquaculture, etc., will be handled on a case-by-case basis.
2. Production for personal use does not qualify. Sales are required.

GENERAL INFORMATION

Pursuant to Florida Statute 193.461(3)(a), "No land shall be classified as agriculture land unless an application is filed on or before March 1st of each year. "Only lands, which are used *primarily* for bona fide agriculture purposes, shall be classified agricultural". "Bona fide agricultural purposes" means **good faith commercial agricultural use of land**.

Per the Florida Department of Revenue Property Tax Rule 12D-5.001 Agricultural Classification, Definition:

“(1) For the purposes of Section 193.461, F.S., agricultural purposes, does not include the wholesaling, retailing or processing of farm products, such as by a canning factory.

(2) Good faith commercial agricultural use of property is defined as the pursuit of an agricultural activity for a reasonable profit or at least upon a reasonable expectation of meeting investment cost and realizing a reasonable profit. The profit or reasonable expectation thereof must be viewed from the standpoint of the fee owner and measured in light of his investment.”

January 1st is the statutory assessment date. The property must be in use by this date. A completed application must be submitted by March 1st. Once the application is received, all support documentation is provided and an on-site review of the property has occurred, a formal decision shall be made. Verbal communications are not to be considered a final determination. Any conversations are informal and not to be construed to be a promise or guarantee that an Ag Classification will be granted. There may be additional information requested determine eligibility. Intent and/or planning is not use and therefore, not a consideration. The current physical use of the property is considered.

If the application is missing information, it will not be processed. We will attempt to work with you. Please make sure to provide good contact information, like phone numbers and email addresses. If approved, you will **NOT** be notified. The Classification will be visible on our website via property search. Below your name, it will say Agriculture Classification Yes or No. The Property Use Code will have a 5000-6900 number for Ag. The Ag land will show Ag Land Use between 5000-6999. If the application is **denied**, you will be mailed a certified Notice of Denial by the July 1st statutory deadline. If you are denied, you may petition our decision to the Value Adjustment Board (V.A.B). Please refer to the Denial you receive, the V.A.B., or Statute 193.461 for more information.

Per statute, the Agricultural Classification is not transferable. Following a sale or change of ownership, an agricultural classification will remain for the current tax year but is automatically removed “as of January 1” for the next tax roll year. A new application must be filed by the new owner(s), if desired. If the use has changed, a new application will also be required. The Ag rates differ from use to use, and the requirements may differ as well.

From time to time, it will be necessary for the Property Appraiser’s Office to review the property to insure a bona fide use. Properties deemed to be neglected, abandoned or no longer used for commercial agriculture will result in a denial of the classified use, regardless of a lease. It is the responsibility of the property owner to ensure all requirements are met, regardless of a lease and/or to notify us if the use has changed. Owners of multiple properties must qualify each property on its own merits.

While non-residential farm buildings on farms may be exempt from code, check with the Building and Zoning Department before you alter or add a structure. Buildings are not classified as Ag, only the land in use falls under the Ag classification. All buildings are assessed under F.S. Chapter 193.

12D-5.003 Dwellings on Agriculturally Classified Land–“...dwellings and other improvements on the land shall be assessed under Section 193.011, F.S., at their just value and added to the agriculturally assessed value of the land.”

PROPERTY TAX IMPLICATIONS

Please understand that considerable costs may be associated with a commercial agricultural endeavor. We would never recommend farming to “save taxes”. Farm because you want to, not because someone said you can save money. Generally, one can expect lower property taxes when their parcel is approved, in all or in part, for agricultural classification of lands. In Florida every year, each Property Appraiser's Office (PAO) determines the Market Value as of the assessment date for each real estate parcel based on the sales of comparable properties the previous year. An Agricultural Value is also determined based on the agricultural use for any lands classified agricultural. The difference, if any, between the lands’ Market Value and Agricultural Value is a Classified Use Assessment Reduction.

Any current homestead or non-homestead Assessment Reduction, aka *cap savings*, that may be attributed to any portion of a parcel applied for and reclassified as agricultural, will be lost. Any homesteaded lands applied for and approved for agricultural classification will come out of the

homestead. If you have owned your property for a time without Ag, especially a homesteaded property, a tax discount may not occur due to an existing cap savings. Any lands reclassified from agriculture to non-agriculture shall be assessed under the provisions of Florida Statutes 193.011 and 193.1555. It is up to the owners to understand the implication of reclassifying their parcel, or a portion of their parcel, either from non-agricultural to agricultural or from agricultural to non-agricultural. A loss of the Ag Classification could cause tax increases, whether voluntary or not. It is up to the landowner to maintain eligibility.

Agricultural classification is for land only and only to that portion used primarily for bona fide agricultural purposes. It does not pertain to any buildings or other improvements, nor any portion of the land consisting of a homesite and curtilage. However, there are tax implications for any buildings or other improvements on parcels with agricultural classifications.

- Any buildings or other improvements that the primary use is for the support of the bona fide agricultural operation which agricultural classification has been applied for and approved will not be included as part of any Homestead on the same parcel. Any current homestead cap savings attributed to such buildings will be lost. Bona fide agricultural use may entitle a landowner certain rights or exemptions other than property tax purposes by other governing authorities. Such governing authorities may accept the PAO's agricultural classification as support for qualification for such rights or exemptions. However, the PAO is bound by the tax year statutory calendar as to when it may grant or remove agricultural classification. Landowners should inquire of those governing authorities for other means of supporting their qualifications for such rights or exemptions, if necessary.

FREQUENTLY ASKED QUESTIONS

- **What does bona fide agricultural use mean?** *Per Florida Statute it means a commercial agricultural use of lands. Per the Florida Department of Revenue: "Good faith commercial agricultural use of property is defined as the pursuit of an agricultural activity for a reasonable profit or at least upon a reasonable expectation of meeting investment cost and realizing a reasonable profit." Therefore, it must be a for-profit business enterprise with business records; including all required licenses.*

- **Do I have to form a legal entity such as a limited liability company (LLC) to file for agricultural classification?** *No, your agricultural business may be of any form of legal for-profit entity: Sole Proprietorship, Partnership, C Corporation, S Corporation, or LLC. Consult legal advice which may be best for you.*

- **I have a non-profit business that rescues animals; can I get agricultural classification?** *No, by definition "bona fide agricultural use is "for profit".*

- **What I grow on my farm I donate to organizations such as Meal on Wheels; can I get agricultural classification?** *No, that would be a non-profit business also, and by definition "bona fide agricultural use is "for profit".*

- **My land is zoned agricultural, and my taxes seem high, why didn't I get an agricultural tax break?** *Agricultural zoning and agricultural classification are not the same thing. Zoning is permissible use. Whereas classification is for established use and must be applied for and approved. The primary use of the land must be an agricultural activity in pursuit of a reasonable profit.*

- **I let my neighbor keep some of his cows on my land. Can I qualify for agricultural classification?** Yes, if their cattle operation is the primary use of the lands; if their cattle operation is a commercial operation; and if there's a lease between you.
- **I'm buying a parcel that already has agricultural classification. Will the agricultural classification remain on it?** Agricultural classification is not transferrable, even if the parties are related. Taxes will be assessed based on the parcel's classification and ownership status as of the January 1 assessment date of the year you close on the purchase. Then the parcel will be reclassified to non-agricultural the first January 1 after your purchase. You would need to apply and be approved to have it classified as agricultural again.
- **I have homestead on my parcel already. Can I still apply for agricultural classification?** Yes, you can. However, agricultural classification is for only that portion of lands used primarily for bona fide agricultural purposes. It does not pertain to any buildings or other improvements, nor any portion of the land consisting of a homesite and curtilage. But any buildings or other improvements that the primary use is for the support of the bona fide agricultural operation will come out of the homestead. Any current homestead cap savings (difference between Market Value and Assessed Value) that may be attributed to any lands of a parcel reclassified as agricultural and any buildings or other improvements that the primary use is for the support of such lands will be lost. Any lands reclassified from agriculture to non-agriculture shall be assessed under the provisions of Florida Statutes 193.011 and 193.1555 as well as any buildings or other improvements that come out of the homestead. It is the landowner's responsibility to understand the implication of reclassifying of their parcel, or a portion of their parcel, to the agricultural classification.
- **My friend in another county told me I will have to apply for agricultural classification every year. Is this true?** Volusia County has waived the annual application requirement. However, the classification is subject to annual review by the PAO for continual bona fide agricultural use which the classification was granted. It is your responsibility to notify the Property Appraiser Office of anything that may affect the agricultural classification. This includes a change from one agriculture use to another. Though an annual application is not required, the landowner, or lessee if applicable, of existing agricultural classified lands may submit at any time to the Property Appraiser Office updated supporting documentation.
- **How can I start my farm when I need to dig a well and put up a pole barn but cannot get permits for either without agricultural classification first?** Agricultural classification can only be granted for established use of the lands; not for planned or future use. The PAO is bound by the tax year as when it can be granted, by statute. The PAO cannot suggest or recommend to a landowner an agricultural use; nor how to begin an agricultural commercial operation for a landowner to obtain agricultural classification. You should inquire of the parcel's jurisdiction's permitting department for other means of demonstrating bona fide agricultural use, if necessary.
- **What about buildings and improvements on agricultural classified lands?** Only the land is valued based on agricultural use. All structures and improvements on a parcel are subject to a "highest and best use" valuation. Including structures and improvements that were agricultural exempt from permitting. However, there are tax implications for any buildings or other improvements on parcels with agricultural classifications.
 - o Any buildings or other improvements that the primary use is for the support of the bona fide agricultural operation which agricultural classification has been applied for and approved will not be included as part of any Homestead on the same parcel. Any current homestead cap savings attributed to such buildings will be lost.

o Per Florida Statute 12.01(1)(r)(1-2) “... a county may not levy special assessments on lands classified as agricultural lands...unless the revenue from such assessments has been pledged for debt service and is necessary to meet obligations...[does] not apply to residential structures and their curtilage.

• **My neighbors keep telling me to just put a couple of cows on my property and I can get Green belted. Is that true?** *No, not if the cows are not for commercial purposes. The cattle operation on your property must be in the pursuit of a reasonable profit or at least upon a reasonable expectation of meeting investment cost and realizing a reasonable profit to qualify for Agricultural Classification of Lands, aka Greenbelt. They may not be pets or strictly for personal consumption.*

• **I closed on a property on December 29th last year. Can I apply for agricultural Classification this year?** *Yes, you can IF you established a qualifying use by the January 1 qualifying use deadline; supported by the required documentation including financial results for those couple of days remaining of last year.*

• **I closed on a property on January 2 of this year. Can I apply for agricultural Classification this year?** *No, even if you established a qualifying use upon closing on the property. Taxes are assessed based on a parcel's classification and ownership status as of the assessment date January 1.*

• **How much will Greenbelt save me in my taxes?** *The PAO does not provide tax estimates, or any tax savings estimates on a status or classification change. There are several factors in determining Agricultural Classification's impact on a parcel's taxes, and can be unique to each parcel, including:*

o Existing Assessment Reduction, either homestead or non-homestead, i.e. cap savings. Any cap savings attributed to any portion of a parcel applied for and reclassified as agricultural, will be lost

o Current Market Value of lands to be classified agricultural

o Agricultural use, different uses have different rates for determining agricultural value

o Number of acres to be classified as agricultural

o Millage rate

TANGIBLE PERSONAL PROPERTY (TPP)

Good faith commercial agricultural use means a business. The PAO's Tangible Personal Property (TPP) department is notified of all agricultural classification applications. TPP is everything other than real estate used in a business. Anyone in possession of assets on January 1 who has either a proprietorship, corporation or is a self-employed agent or contractor, must file a TPP tax return each year. It is the agricultural classification applicant's responsibility to determine if they should file a TPP tax return. Contact the TPP department if you have any TPP questions.

Please let us know if we can help you~

CONTACT US

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USEFUL RELATED STATUTES

193.074 Confidentiality of returns
193.461 Agricultural lands; classification and assessment; mandated eradication or quarantine program; natural disasters
570.85 Agritourism 570.86 Definitions
570.87 Agritourism participation impact on land classification
570.88 Liability 570.89 Posting and notification
604.50 Nonresidential farm buildings; farm fences; farm signs
823.14 Florida Right to Farm Act