

Voluntary Agricultural Districts 101



North Carolina Department of Agriculture and Consumer Services

Farmland Preservation Division

Steve Troxler, Commissioner



History of Agricultural Districts

- First program in California in 1965
 - 10-year conservation agreement to receive agricultural use value assessment
- Comprehensive program established in New York in 1971
 - Included additional benefits, such as 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



VAD in North Carolina

- *An Act To Establish Policies To Preserve Farmland* was ratified on July 16, 1986.
- Ordinances that may be adopted by county or municipal governments
- Most are county ordinances
 - Eligibility:
 - In the unincorporated area of the county;
 - within a municipal extraterritorial jurisdiction (ETJ);
 - or within the incorporated area of a municipality that has an Interlocal Agreement or MOU allowing the county to administer the program in that jurisdiction.



The Purpose of VADs

- N.C.G.S. 106-738
 - “The purpose of such agricultural districts shall be to **increase identity and pride in the agricultural community and its way of life** and **to decrease the likelihood of legal disputes**, such as nuisance actions between farm owners and their neighbors, and **other negative impacts on properly managed farms.**”
- VAD is the first step in Farmland Preservation efforts

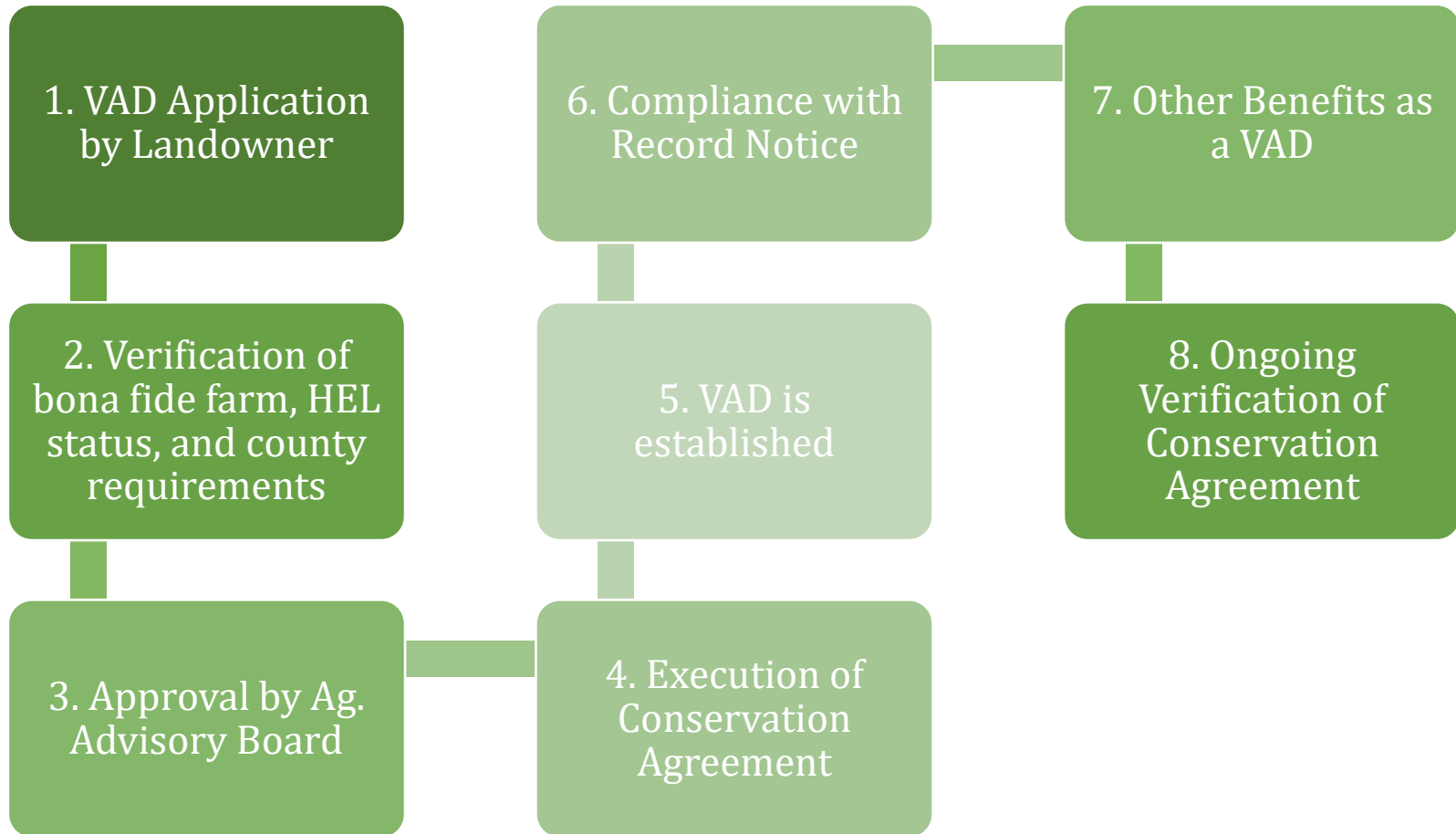


VAD Components

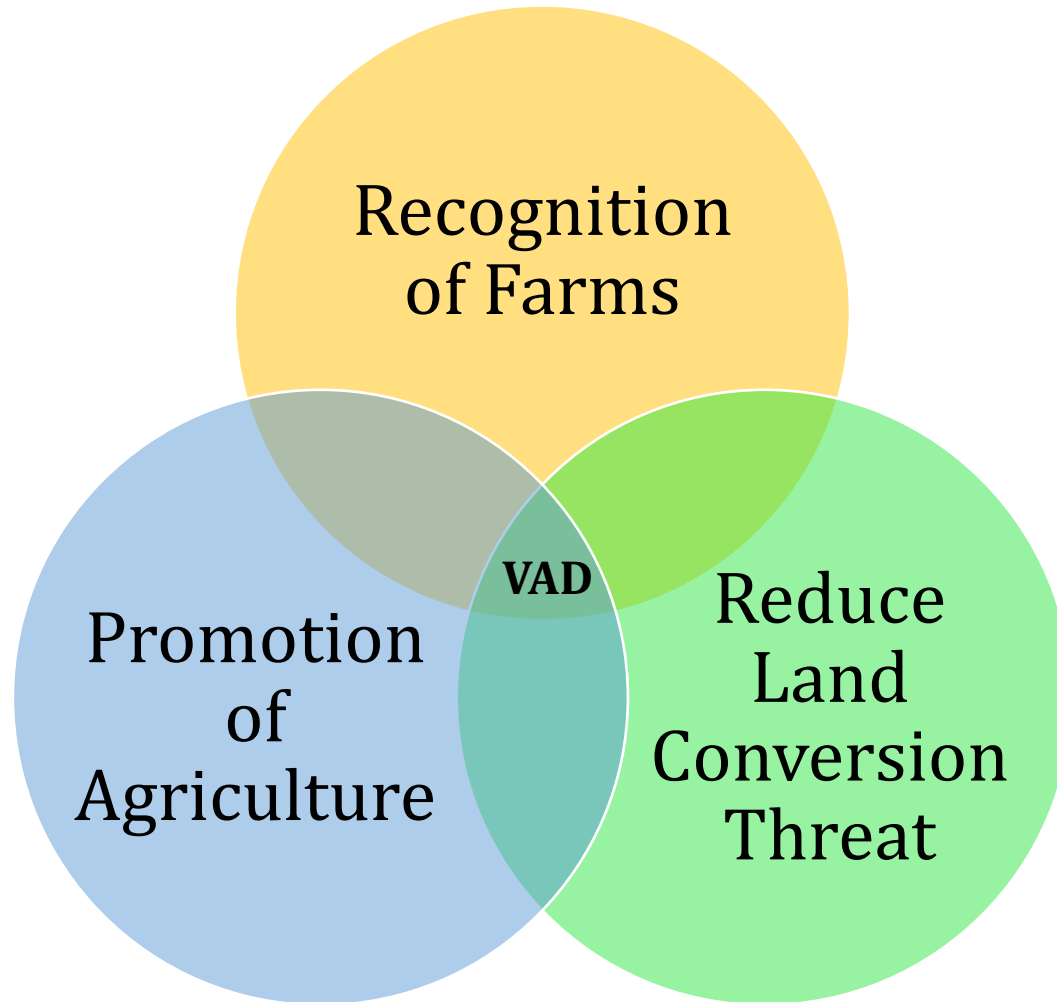
- Required in ordinances:
 - Qualifying farmland requirements
 - Agricultural advisory board
 - Creation of VADs
 - Record notice of proximity to farmlands
- Optional in ordinances:
 - Minimum size, including acreage, number of tracts, and appropriate proximity of multiple tracts
 - Public hearings on condemnation of farmland
 - Waiver of water and sewer assessments
 - Enhanced Voluntary Agricultural Districts



The Process



VAD Benefits



North Carolina Department of Agriculture and Consumer Services
Farmland Preservation Division

Qualifying Farmland

- The basis for land eligibility in the VAD Program
- Verified by staff, application reviewed by Agricultural Advisory Board
- The three qualifications:
 - Bona fide farm (G.S. 106-743.4(a) and G.S. 160D-903)
 - If designated by the United State Department of Agriculture (USDA) Natural Resource Conservation Service (NRCS) as Highly-Erodible Land (HEL), the land must be managed in accordance with NRCS practices for highly erodible land
 - Subject to a 10-year Conservation Agreement





Recognition
of Farms

Qualifying Farmland

- Production and activities relating or incidental to the production of:
 - Crops, Grains, Fruits, Vegetables, Ornamental and flowering plants, Dairy, Livestock, Poultry, and all other forms of agriculture, as defined in G.S. 106-581.1
 - G.S. 106-581.1: All the above plus Horticulture, Forestry, Horses, Bees, Aquaculture, Agritourism and value-added operations for items produced on the farm, Public or private grain warehouse or warehouse operation, and General farm operations





Qualifying Farmland

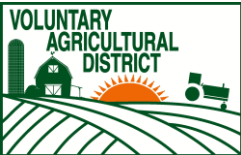
- Bona fide farm (G.S. 106-743.4(a) and G.S. 160D-903)
 - Sufficient evidence:
 - A farm sales tax exemption certificate issued by the Department of Revenue.
 - A copy of the property tax listing showing that the property is eligible for participation in the present use value program pursuant to G.S. 105-277.3.
 - A copy of the farm owner's or operator's Schedule F from the owner's or operator's most recent federal income tax return.
 - A forest management plan.





Conservation Agreement

- Overall goal is to “prohibit nonfarm use or development”
- VAD is revokable with written notice, generally 30 days
- May include restrictions on:
 - Construction;
 - Trash;
 - Removal or destruction of trees, shrubs or other vegetation;
 - Excavation or mining;
 - Activities detrimental to drainage, flood control, water conservation, erosion control or soil conservation;
 - Other acts or uses detrimental to such retention of land or water areas.



Conservation Agreements and Conservation Easements

Conservation Agreements	Conservation Easements
Personal Agreement	Property Interest
Agree to Restrictions on Nonfarm Use or Development	Development Rights are Removed or Restricted
<u>May</u> be transferable to new ownerships	<u>Always</u> transferable to new ownerships (“runs with the land”)
<u>Always</u> finite term of years	Most are perpetual
Financial benefits vary	Financial benefits based on the value of the property
1-2 page document; VAD not required to be recorded; EVAD must be recorded	20+ page document recorded with the Register of Deeds office
Qualification determined by staff administering the program	Deliverables include an appraisal, survey, title work, environmental audit, baseline documentation report, land management plans, and other requirements
No title work, warranties, or title insurance	Includes title insurance and warranties, including the warranty to defend title



Creation of Districts

- VAD is created upon the execution of the conservation agreement
- “The minimum size, including acreage; number of tracts; and appropriate proximity of multiple tracts of agricultural land, forestland, or horticultural land that may comprise a voluntary agricultural district.”
- Evolution of the VAD Program
 - Creating a District through Enrollment of Multiple Tracts
 - Individual Tracts as Districts



Record Notice

- “All counties shall require that land records include some form of notice reasonably calculated to alert a person researching the title of a particular tract that such tract is located within one-half mile of the property line of any tract of land enrolled in a voluntary agricultural district.”
 - Geographic Information System (GIS)
 - Deed notation
 - Signage



NORTHAMPTON COUNTY

VOLUNTARY AGRICULTURAL DISTRICT

DAVIDSON COUNTY VOLUNTARY AGRICULTURAL DISTRICT

MEMBER

MEMBER YADKIN VOLUNTARY AGRICULTURE DISTRICT

SIGN SPONSORED BY

FARM BUREAU YADKIN

YADKIN COUNTY FARM BUREAU

BERTIE COUNTY

1722

BERTIE COUNTY NORTH CAROLINA

MEMBER VOLUNTARY AGRICULTURAL DISTRICT

ANSON COUNTY FIRST IN CONSERVATION

PENDER COUNTY VOLUNTARY AGRICULTURE DISTRICT

MEMBER

FARM BUREAU PENDER

Caldwell Agricultural District

We Recycle Our Pesticide Containers

FARMLAND PRESERVATION DISTRICT

Avery County

ENTERING COUNTY OF AVERY

CONSERVATION PRESERVATION PROTECTION STEWARDSHIP

FARMLAND PRESERVATION PROGRAM

MEMBER VOLUNTARY AGRICULTURE DISTRICT

Sampson County

MEMBER AGRICULTURE DISTRICT

MEMBER FARMLAND PRESERVATION DISTRICT

Carolina Farm Credit

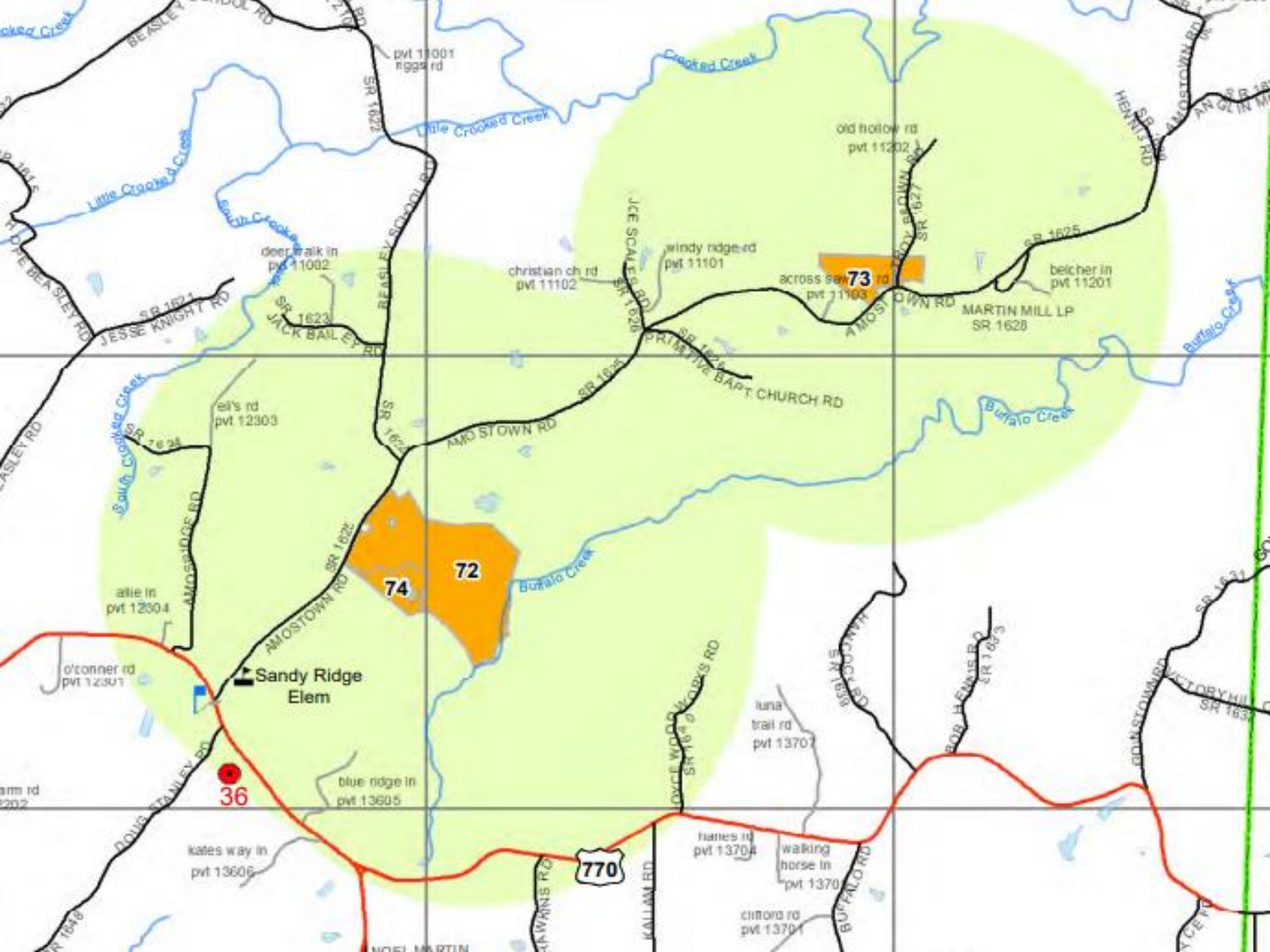
RICHMOND COUNTY VOLUNTARY AGRICULTURAL DISTRICT

CUMBERLAND COUNTY

MEMBER VOLUNTARY AGRICULTURAL DISTRICT

WARREN AGRICULTURAL DISTRICT

FARM BUREAU



Agricultural Advisory Boards

Promotion of
Agriculture

- One of the Voices of Agriculture
- Duties
 - Review and make recommendations or decisions concerning the establishment and modification of agricultural districts
 - Execute conservation agreements with landowners
 - Review and make recommendations concerning any VAD/EVAD ordinance or amendment



Agricultural Advisory Boards

Promotion of
Agriculture

- Duties
 - Hold public hearings on public projects likely to have an impact on agricultural operations, particularly if such projects involve condemnation of all or part of any qualifying farm*
 - Advise the governing board of the county or city that adopted the ordinance on projects, programs, or issues affecting the agricultural economy or way of life within the county
 - Perform other related tasks or duties assigned by the governing board of the county or city



Agricultural Advisory Boards

Promotion of
Agriculture

- Membership of the Agricultural Advisory Board:
 - Broadest possible representation of the geographical regions of the local government
 - All segments of agricultural production existing within the local government (to the extent possible)
 - Majority of the members are actively engaged in agriculture





Public Hearings

- Optional provision available for VAD programs
- No state or local public agency or governmental unit may formally initiate any action to condemn any interest in farmland enrolled in VAD until such agency has requested the Ag Advisory Board to hold a public hearing on the proposed condemnation
- VAD landowner requests a public hearing to the Agricultural Advisory



Public Hearings

- Have 30 days after receiving a request to hold the public hearing and submit its findings and recommendations to the agency.
- The Ag Advisory Board submits written findings and a recommendation to the decision-making body of the agency proposing the acquisition.
- The agency may not formally initiate a condemnation action while the proposed condemnation is properly before the advisory board within these time limitations.





Waiver of Water and Sewer Assessments

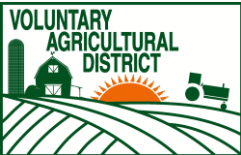
- Optional provision available for VAD programs
- Water and sewer assessments may be held in abeyance, with or without interest, for farms, whether inside or outside of a VAD, until improvements on such property are connected to the water or sewer system for which the assessment was made.
- Counties or cities may make special assessments against benefited properties for all or part of the costs of constructing, reconstructing, extending, or otherwise building or improving water or sewer systems.
- This benefits landowners because a landowner belonging to the district shall not be required to connect to the county or municipal water and/or sewer systems.





Enhanced VAD

- Optional provision available for VAD programs
- Same land eligibility as VAD
- Requires a 10-year irrevocable Conservation Agreement
 - Conservation agreement transfers to new ownership
- Must be recorded
- Automatically renews for three (3) years after the initial period unless notice is given by the landowner





Enhanced VAD Benefits

- Waiver of utility assessments
 - May provide all assessments for utilities provided by that county or city are held in abeyance, with or without interest, for EVAD farms
 - Other utilities outside of water and sewer, like electricity, natural gas, and broadband
 - Similar provisions as for VADs and the waiver of water and sewer assessments



Enhanced VAD Benefits

- Potential for 90% cost share through the Agriculture Cost Share Program
- Additional points in the ADFP Trust Fund competitive grant for agricultural conservation easements
- May receive up to twenty-five percent (25%) of its gross sales from the sale of nonfarm products and still qualify as a bona fide farm that is exempt from zoning regulations



Not Covered by VAD Enrollment

- Stop Eminent Domain
- Land Use Changes by Owners
- Non-Agricultural Regulations and Laws
- Private Property Rights of Others
- Non-Agricultural Development Nearby
- Zoning Designation
- Taxation Rates



Your Role as VAD Administrator

- Organizing Meetings for Agricultural Advisory Board
- Reviewing VAD applications for accuracy and completeness
- Verifying information in VAD applications
- Recordkeeping
 - Meeting minutes, including votes on applications
 - Submission of new VADs to GIS, Register of Deeds, and other departments



Your Role as VAD Administrator

- Reporting
 - Annual report to NCDA&CS
 - Reports to the Board of Commissioners
- Management of Conservation Agreements
 - Ensuring ongoing eligibility
 - Tracking of expiration dates
- Publicity and Outreach
 - Website, newsletters, workshops, events
- Administrative tasks
 - Order VAD signs



Upcoming Webinars

- VAD Public Hearings
 - Thursday, February 8, 10:00 AM to 11:00 AM
 - What is a public hearing? What is the public hearing requirement in the VAD statute and ordinances? How to conduct a public hearing, What are the outcomes of a VAD public hearing?
- Program Record Keeping/Publicity and Outreach
 - Tuesday, February 13, 2:00 PM to 3:00 PM
 - How to submit the annual VAD survey, Software to manage VADs, Best practices from successful VAD programs
- VAD and Geographic Information System (GIS)
 - Thursday, February 22, 2:00 PM to 3:00 PM
 - Why have a VAD GIS layer? How to capture the half-mile record notice area, Working with your county GIS department



Questions?



www.ncvad.org

