Rental Property Receiving Ag Value Assessment
Assessment goes to the landowner, not necessarily the business.
Farm Operation

• “A farm operation may consist of one or more parcels of owned or rented land and such parcels may or may not be contiguous to each other.”
Contributions of Each Party

Farmer
- Farm operation
- Eligible Sales

“Landowner”
- Land
- Infrastructure

Landowner Receives AVA
Eligibility – Ag Assessment – Rented -Type 1

Land that would otherwise qualify for Agricultural Assessment

• Must meet 7 acre minimum requirement (can be a combination of parcels of the same owner)
• Farmed for last 2 years.
Must independently meet the gross sales requirement.
  • Woodland and support land is eligible.

Described by Robert Wright, NYS Dept. of Taxation and Finance
Eligibility - Ag Assessment – Rented Land - Type 2

Land that does not independently meet the gross sales requirement

- Must meet 7 acre minimum requirement (can be a combination of parcels of the same owner)
- Farmed for last 2 years.
- Must have a written rental agreement of five or more years and be used in conjunction with land that would be eligible for an agricultural assessment.
  - Only land used for production is eligible. Woodland and support land are not eligible.

Described by Robert Wright, NYS Dept. of Taxation and Finance
Scenario 1

- **Farmer**
  - Been in family for 100 yrs.
  - Owns 250 acres of ag. land
  - Gross ag sales of over $150,000
  - Rents additional 70 acres of ag. land

- **Landowner**
  - Owns 70 acres of ag land
  - Land been farmed for many years
  - Has 5 yr. lease with farmer

- Receive AVA?
- On how many acres?

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Scenario 2

**Farmer**
- Operating farm bus. for 30 yrs.
- Owns no land
- Average agricultural gross sales for past few years $100,000
- Rents 70 acres
  - 62 acres used for agricultural prod.
  - 8 acres of woodlot

**Landowner**
- Owner of all 70 acres
- Land in 3 parcels
- Has 5 year written lease with farmer

- Receive AVA?
- On how many acres?
Scenario 3

- Farmer
  - Started farming three years ago
  - Owns no farmland
  - Average gross agricultural sales $30,000
  - Rents 10 acres of agricultural land
    - Receive AVA?
    - On how many acres?

- Landowner
  - Owns 60 acres
  - 10 acres is good ag. land
  - Rents 10 acres to beginning farmer
  - Has 5 yr. written lease with farmer

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