



GOVERNOR GREG GIANFORTE
DIRECTOR BRENDAN BEATTY

March 4, 2024

Subject: Definitions of Agricultural Land

Question:

What is the Land Classification Working Group's definition of agriculture?

Reference material:

For reference, the following laws from other states, most of which were taken from state farm preservation statutes and not for property tax classification purposes (except Georgia). Laws from numerous states are reviewed in preparing a definition of agricultural production for our conservations easements that require the land to be kept in agricultural production.

Minnesota

"Agricultural use" means the production of livestock, dairy animals, dairy products, poultry or poultry products, fur-bearing animals, horticultural or nursery stock, fruit, vegetables, forage, grains, timber, trees, or bees and apiary products. "Agricultural use" also includes wetlands, pasture, forest land, wildlife land, and other uses that depend on the inherent productivity of the land. [Minn. Stat. § 40A.02](#)

Massachusetts

Land shall be deemed to be in agricultural use when primarily and directly used in raising animals, including, but not limited to, dairy cattle, beef cattle, poultry, sheep, swine, horses, ponies, mules, goats, bees and fur-bearing animals, for the purpose of selling such animals or a product derived from such animals in the regular course of business; or when primarily and directly used in a related manner which is incidental thereto and represents a customary and necessary use in raising such animals and preparing them or the products derived therefrom for market. [ALM GL ch. 61A, § 1](#)

Land shall be considered to be in horticultural use when primarily and directly used in raising fruits, vegetables, berries, nuts and other foods for human consumption, feed for animals, tobacco, flower, sod, trees, nursery or greenhouse products, and ornamental plants and shrubs for the purpose of selling these products in the regular course of business; or when primarily and directly used in raising forest products under a certified forest management plan, approved by and subject to procedures established by the state forester, designed to improve the quantity and quality of a continuous crop for the purpose of selling these products in the regular course of business; or when primarily and directly used in a related manner which is incidental to those uses and represents a customary and necessary use in raising these products and preparing them for market.

[ALM GL ch. 61A, § 2](#)

Georgia Property Tax Code O.C.G.A. § 48-5-7.1

For purposes of this article, the term "tangible real property which is devoted to bonafide agricultural purposes:

- (1) Is tangible real property, the primary use of which is good faith commercial production from or on the land of agricultural products, including horticultural, floricultural, forestry, dairy, livestock, poultry, and apiarian products and all other forms of farm products;

Michigan Agricultural Preservation Fund

"Agricultural use" means substantially undeveloped land devoted to the production of plants and animals useful to humans, including forages and sod crops; grains, feed crops, and field crops; dairy and dairy products; poultry and poultry products; livestock, including breeding and grazing of cattle, swine, captive cervidae, and similar animals; berries; herbs; flowers; seeds; grasses; nursery stock; fruits; vegetables; Christmas trees; and other similar uses and activities. Agricultural use includes use in a federal acreage set-aside program, a federal conservation reserve program, or a wetland reserve program. Agricultural use does not include the management and harvesting of a woodlot. [MCLS § 324.36201](#)

Agriculture definitions:

- I. Production of livestock, dairy animals, dairy products, poultry or poultry products, fur-bearing animals, horticulture/nursery stock, fruit/vegetables, forage, grains, timber/trees, and bees/apiary products.
Necessary revisions likely will center on acreages, gross income generated, and auxiliary support structures while producing the above-referenced summary.
- II. The term "agricultural property", for property tax purposes, means "land which has been used or employed during the previous two years and presently is being

used and employed for the primary purpose of a net profit-making enterprise as agricultural or horticultural”.

This use requirement provides that the principal use of the land is devoted to:

the production of food, feed, and fiber commodities for livestock whether sold for commercial purposes or used to supplement livestock operations; and/or, the production of bees, fruits and vegetables, sod, ornamental, nursery, and horticultural crops that are raised, grown, or produced for commercial purposes; and/or the grazing of livestock to be sold or land leased by the owner to a bona fide lessee for grazing purposes for livestock at or above 50% of carrying capacity.

To qualify as agricultural property the land must meet an income test; and the owner or lessee must file a schedule F showing farm income.

Land being reclassified as Agricultural Land after June 1, 2024, do not qualify as “Agricultural Land” when any two of the following conditions exist:

1. Public improvements including sewer, water, or streets are in place.
 2. Topsoil is removed or topography is distributed to the extent that the property cannot be used to raise crops or graze farm animals.
 3. Property is zoned other than agricultural.
 4. Property has assumed an urban atmosphere because of adjacent residential or commercial development on three or more sides.
 5. The parcel is less than 40 acres and not contiguous to agricultural property.
 6. The land is re-platted by the owner with less than 160 acres.
- III. Any land that is worked and farmed as a bona fide agricultural operation in good faith with the intention of being profitable and thereby producing a net amount of agricultural product for the beneficial consumption or use of mankind.
1. “Worked & farmed as a bona fide agricultural operation” meaning: The landowner or lessee must have adequate background and knowledge, and own or otherwise have access to the necessary equipment and infrastructure to manage the agricultural operation on the land properly to feasibly produce marketable goods.
 2. “Net amount” meaning: The land is producing a marketable amount of product greater than the marketable amount of product imported to the land. Although a newly established agricultural operation may yet to have achieved profitability, the land must be in production of marketable agricultural products to qualify.

3. "Agricultural Product" meaning: Forages and sod crops; grains, feed crops, and field crops; dairy and dairy products; poultry and poultry products; honeybees and honeybee products; livestock, including breeding and grazing of cattle, swine, captive cervidae, and similar animals; berries; herbs; flowers; seeds; grasses; nursery stock; fruits; vegetables; Christmas trees; and other similar uses and activities. (Massachusetts)
 4. "Good faith" meaning: The "honesty of intention" of the agricultural production activity is for the purposes of actual and true 'farming' and not just for personal use, hobby purposes, to lower property taxes, or for any other reason than being a continuous and profitable farming operation. (Iowa)
- IV. To limit agricultural valuations to land producing agricultural products such as food and fiber. There is some reluctance to include land that is used primarily for recreational use, open space, or solely conservation use. Those types of properties might be placed in another class with a different valuation method.

We then might look at an income test based on actual production relatively to the size and type of land.