

Navigate the development of solar projects, also known as photovoltaic or PV, in accordance with local and New York State agricultural policies.

Many local governments are implementing strategies to protect productive farmland and develop solar energy projects on less productive land. These strategies may conflict with State-designated agricultural districts, which are intended to prevent the conversion of farmland to nonagricultural uses.

What is an agricultural district?

New York State's Agriculture and Markets Law allows certain farmland to be registered as an agricultural district. This designation encourages the continued use of farmland for agricultural production. The designation provides farmers with certain benefits (including property tax benefits) and protections against "overly restrictive local laws, government-funded acquisition and construction projects, and private nuisance suits involving agricultural practices."

What is an agricultural assessment?

Agricultural assessments provide reduced property taxes on land used for farming. One of the most important benefits of the agricultural district designation is that real property assessments are based on the value of the land's agricultural production instead of its development value.

Land inside and outside an agricultural district is eligible for an agricultural assessment. To qualify, farmers must own at least seven acres of land dedicated to agricultural production and have a minimum of \$10,000 in gross sales.

Additionally, qualified land inside an agricultural district must remain in agricultural use for five years, or eight years if located outside of an agricultural district. (Farmland outside agricultural districts are not eligible for other agricultural district benefits and protections.)

What benefits and protections do agricultural districts offer farm-related solar?

Solar electric systems that generate less than 110 percent of a farm's anticipated electrical needs are considered on-farm equipment. Similarly, if a local government classifies solar equipment as structures or buildings, they are deemed on-farm buildings. As on-farm equipment or buildings, solar electric systems are protected under agricultural districts.

To ensure that the electrical output of solar equipment does not exceed the 110-percent threshold, an energy audit is required to separate farm-related energy consumption from other use. Further, if the solar equipment participates in remote net metering, multiple meters must be combined to determine the electrical needs of on-farm equipment.

What laws are generally considered reasonable for on-farm solar?

Reasonable regulations for solar development include:

- A streamlined site plan review process that involves a shorter review period and fewer submission requirements.
- A building permit and certificate of occupancy process that ensures health and safety standards are met without unreasonably restrictive requirements.

What laws are generally considered "overly restrictive" for on-farm solar?

"Overly restrictive" regulations for solar development include:

- Site plan regulations.
- Special use permit regulations.
- Nonconforming use requirements.
- Height restrictions and excessive setbacks from buildings and property lines.
- The Full Environmental Assessment Form (on-farm solar development is considered a Type II action in the State Environmental Quality Review (SEQR) process, which does not require EAF preparation).
- Visual impact assessments.

Are there penalties for converting farmland to solar development that primarily serves off-site uses?

A conversion penalty is imposed if agricultural-assessment farmland is located in an agricultural district and is converted to nonagricultural use within five years of the last agricultural assessment (or eight years if the farmland is located outside an agricultural district). No conversion penalty is imposed if agricultural land is converted for oil, gas, or wind energy development. Because solar energy is not included in this exemption, the conversion penalty could apply if electrical output of solar equipment exceeds 110 percent of a farm's anticipated electrical needs.

The tax assessor determines whether a conversion has occurred on the basis of the facts of each case. Conversion is defined as “an outward or affirmative act changing the use of agricultural land to nonagricultural use,” in New York State’s Agriculture and Markets Law. A conversion penalty involves a payment to capture the tax savings a property owner received while the land was under an agricultural assessment. Conversion payments are equal to five times the taxes saved in the most recent year that the land received an agricultural assessment, plus interest. When only a portion of a parcel is converted, the assessor apportions the real property tax assessment and the agricultural assessment, determines the tax savings attributable to the converted portion, and computes the conversion payment based on that portion.

Payments for the conversion of agricultural land to nonagricultural use are added to the taxes of the converted land. Properties may be subject to a tax sale if conversion penalty payments are not made. These payments generally become the landowner’s responsibility at the time of conversion. Failure to notify may result in a penalty of two times the payments owed, to a maximum of \$1,000.

**Email info@training.ny-sun.ny.gov
for more information about your
municipality’s individual situation.**

Resources

NYS Department of Agriculture and Markets
Agricultural Districts

**[www.agriculture.ny.gov/ap/agsservices/
agdistricts.html](http://www.agriculture.ny.gov/ap/agsservices/agdistricts.html)**

NYS Department of Agriculture and Markets
Guidelines for Review of Local Zoning and
Planning Laws

**[www.agriculture.ny.gov/ap/agsservices/
guidancedocuments/305-aZoningGuidelines.pdf](http://www.agriculture.ny.gov/ap/agsservices/guidancedocuments/305-aZoningGuidelines.pdf)**

NYS Department of Agriculture and Markets
Guidelines for Review of Local Laws Affecting
Small Wind Energy Production Facilities and
Solar Devices

**[www.agriculture.ny.gov/ap/agsservices/
guidancedocuments/Guidelines_for_Solar_
and_Small_Wind_Energy_Facilities.pdf](http://www.agriculture.ny.gov/ap/agsservices/guidancedocuments/Guidelines_for_Solar_and_Small_Wind_Energy_Facilities.pdf)**

NYS Department of Taxation and Finance
Agricultural Assessment Information

**[www.tax.ny.gov/research/property/assess/
valuation/agindex.htm](http://www.tax.ny.gov/research/property/assess/valuation/agindex.htm)**

NYS Department of Taxation and Finance
Agricultural Assessment Overview and
Conversion Penalties

**[www.tax.ny.gov/research/property/assess/
valuation/ag_overview.htm](http://www.tax.ny.gov/research/property/assess/valuation/ag_overview.htm)**

NY-Sun, a dynamic public-private partnership, will drive growth in the solar industry and make solar technology more affordable for all New Yorkers. NY-Sun brings together and expands existing programs administered by the New York State Energy Research and Development Authority (NYSERDA), Long Island Power Authority (LIPA), PSEG Long Island, and the New York Power Authority (NYPA), to ensure a coordinated, well-supported solar energy expansion plan and a transition to a sustainable, self-sufficient solar industry.