

Farm Use Valuation



WV Code §11-1A-10 – Valuation of Farm Property.

State Legislature Regulations –

Title 110 Series 1A-1991

(Numbers in bold, with parenthesis are references to the State Legislature Regulations)

FILING

The Farm Census/Farm Use Valuation Application must be filed between July 1 and September 1 each year. Failure to file or application received after the deadline of September 1 will result in your property being appraised at market value.

You may obtain an application by calling, stopping by our office or print from the website. ***(Please see forms tab)***

If you filed a farm application last year and were approved a labeled application will be provided. Please make any necessary corrections.

If you did not file or were denied last year, please complete the top portion with your name, address and phone number. If you are the farmer write “self farm” in the section that reads *Name of Operator*.

Complete all sections that apply to the farm operation. All questions must be answered accurately. The information given is based on the 12 months prior to July 1st of the current year.

For your convenience, if you applied for farm status last year and were approved we will send you a copy of the application to be used as a reference for filing this year’s form. Please verify and make any necessary adjustments. Signature is required on the bottom of the form.

When listing parcels involved in the operation, please take the time to allocate the acreage according to use of land, using your best judgement (pasture, cropland, woodland and wasteland). Be certain to list all parcels involved in the farm operation. Failure to do so will result in farm valuation not being applied to the missed parcel(s).

LEASING YOUR PROPERTY FOR FARM

If you lease or rent your property, a farm application is required to be filed by you, the land owner. (2.5.11) List the lessee’s name, address and phone number in the section that reads *Name of Operator*. Contact the lessee, if necessary to obtain the required information needed to complete your application. **Verify the farm operator reports your farmed parcel(s) to this office when filing their farm application.**

Qualifications

(2.6.3.4.4.a) Less than five (5) acres, you must produce at least \$500 or more in **sales**. (Proof of sales must be provided)

(2.6.3.4.4.b) Five (5) acres or more, you must have at least \$1,000 in **sales, use or consumption** of agriculture products. (Proof of sales, use or consumption must be provided)

Bees – Certificate of Apiary Registration (must be included with farm application in addition to proof of agriculture production value)

(State Tax Code §19-3-4) requires all persons keeping bees in this state shall apply for a Certificate of Apiary Registration from the Commissioner of Agriculture on an annual basis. Certificate of Apiary Registration expires December

31 of each year and must be renewed annually.

According to Department of Agriculture, a typical bee colony in West Virginia will produce in the range of 35-65 lbs. of honey in a year. The USDA shows a current wholesale price in the range of \$1.60 to \$2.45 per pound. In order to receive farm status a bona fide apiary must have ten or more permanently located colonies, to meet the minimum production requirement. You must also have records to show production and sales.

SUPPLEMENTAL INFORMATION

A Supplemental Information sheet is included with the yearly Farm Application mail out.

Farmland owners who lease or rent land to others for purposes of farming must report, annually, the name and address of those persons farming the land. In addition, the owner is asked to provide numbers of acres rented, rent per acre or annual rent.

This information is used only to determine the per acre calculation of local reduced farmland valuation. (Please see forms tab)

COMMON QUESTIONS FOR QUALIFICATION OF FARM STATUS

Can you receive the farm discount when first starting to farm the property, regardless of no production value/income? Yes, this is considered out of scope.

(2.6.3.4.d.) Pre-production Rule. If property qualifies for farm use appraisal except for meeting the \$1,000 annual farm production test, then, if the failure is due to the farm product being in the growing or development stage (which by its very nature requires more than one (1) year to mature) the property is eligible for farm use appraisal; Provided, That ***(2.6.3.4.d.1.)*** the crop must have been planted (in whole or in part) on or before the July first assessment day for which farm use value is sought; or ***(2.6.3.4.d.2.)*** The livestock must have been acquired (in whole or part) on or before the July first assessment day for which the farm use is sought. **Additionally, a farm development plan must be attached to the application, outlining by year the plan for development of a productive farm.** Within ten (10) years thereafter (including the first year for which farm use value is sought), the value of farm production must reach an annual wholesale value of one thousand dollars (\$1,000) or more. Otherwise, farm use value is lost for the next year.

Does sale of fire wood qualify for farm status? Fire wood sales may be used towards the production value but **must be casual, small quantities**. This cannot be the only source of agriculture productions income.

(2-6-4.3.a) Occasional casual sales of other wood or woodland products in relatively small quantities, or sales of wood or woodland products incidental to, and normal part of, the operation of a farm shall not constitute commercial forestry or the sale of timber for commercial purposes.

Does property under a LLC, LTD, LLP, etc. qualify for farm status? If the owner of property is a business, this automatically disqualifies them unless they can prove their **primary activity is farming**. The burden of proof is on the property owner to prove that farming is their business activity.

(2.6.6.3.C.2.b.) In part says Property owned by a corporation or an unincorporated business is not considered a farm or land used for farming purposes unless the principal activity of the corporation or unincorporated business is the business of farming.....

Do pleasure horses qualify for farm status? If you have a pleasure horse and

must purchase hay to feed, this **would not qualify**. If you produce the hay that is fed to the pleasure horse with a value of \$1,000 or more this **would qualify**. If you rent pasture for pleasure horses, (totaling \$1,000 annually), this **would qualify**. **(2.5.15. Grazing)**. The term “grazing” shall mean the use of land for pasturage. (See W.VA. State Code § 11-5-3)

Does a garden qualify for farm status?

Property reported as “garden only” must have at least \$1,000 in **sales, use or consumption** of agriculture products. (Proof of sales, use or consumption must be provided).

\$500 in sales is required for **less than 5 acres**. (**Sales only**, use or consumption does not qualify).

Do rental properties qualify for farm?

This would depend on the income generated. *Example*; if the house is rented for \$500 a month, \$6,000 annually, farm production would have to be \$3,000 or more in sales, use or consumption of agriculture products.

This rule applies to any leasing activity.

Example; cell towers, billboards

(2.6.3.5) the annual wholesale of such farm commodities or products must be fifty (50%) or more of the annual gross income derived from surface land use of the property.

Farm Use Vehicles



(State Tax Code §17A-3-2)

Decals are furnished by the DMV and sold by the Assessor’s Office for **\$2**. If you use a vehicle strictly for farm use you can purchase a farm decal that **replaces the need for a license and inspection sticker, provided** you filed a Farm Use Valuation Application and were approved. Farm vehicles are any vehicles used in a farm operation which includes truck and trailers.

1. Farm vehicles may run 35 miles on the highway
2. May run from sunrise to sunset
3. Must have **insurance coverage** as required by law.
4. Words “Farm Use” must appear in **10” letters** on **both** sides of the vehicle
5. Decal must be displayed on the lower driver’s side of the windshield.

Decals for **All Terrain Vehicles** used for farm purposes may be purchased from the County Commission Office. **Provided**, a Farm Use Valuation Application was filed with the Assessor’s Office and approved.