
**CITY OF NEWARK
STORMWATER UTILITY PROGRAM****POLICY: AGRICULTURAL PROPERTIES****DISCUSSION:**

Agricultural properties will be a potential issue during the classification and measurement of properties for billing purposes. It can be argued that agricultural property should be classified as residential properties since they typically encompass a single-family home. The occupants generally view farms as residences. As a single-family residential property, a farm would be assigned one ERU for the stormwater billing purposes. However, a working farm is also a commercial operation with barns, storage facilities and sheds that encompass far more impervious cover than the typical single-family property and should be charged proportionately. Classifying such properties as single-family residential could also set a precedent for other small commercial properties in which the occupant also maintains a residence.

The main issue is to determine the definition of what constitutes a farm. There are many homes built today on estate-sized lots of 5, 10 and even 20 acres. Some may even have outbuildings of various sorts. These properties will challenge the billing system development team when classifying them for billing purposes. The challenge is to identify the property as an agricultural property or as a large lot single-family residential property.

The Licking County Auditor's tax database classifies agricultural properties into the following categories depending upon the type of farm:

- 100 A-AG VAC LAND
- 101 A-CASH OR GRAIN
- 102 A-LIVESTOCK FARMS
- 103 A-DAIRY FARMS
- 104 A-POULTRY FARMS
- 105 A-FRUIT/NUT FARMS
- 106 A-VEGETABLE FARMS
- 107 A-TOBACCO FARMS
- 108 A-NURSERIES
- 109 A-GREENHOUSES
- 110 A-AG VACANT LAND CAUV
- 111 A-CASH FARM CAUV
- 112 A-LIVESTOCK FARM CAUV
- 113 A-DAIRY FARMS CAUV
- 114 A-POULTRY FARMS CAUV
- 115 A-FRUIT/NUT FARMS CAUV
- 116 A-VEGETABLE FARMS CAUV
- 117 A-TOBACCO FARMS CAUV

According to the Real Estate Valuation Section of the Auditor's office however, a property classification of agricultural is no guarantee that the property is not used for a commercial operation.

The Real Estate Valuation Section operates a program that designates certain working farms under the Commercial Agriculture Use Valuation (CAUV) program, and hence the property owner receives a property tax reduction. A property qualifies under this program based upon the length of time in agricultural use and the amount of income derived from the property. All properties that qualify for this tax reduction (valuation) can be safely classified as commercial use properties (non-residential). However, this is a voluntary program and not all CAUV farms within the City may be properly designated as such in the Auditor's database. This provides some justification to treat all farms as non-residential properties regardless of the fact that they have the CAUV designation or not.

RECOMMENDATIONS:

The Project Team recommends that:

- Commercial agricultural properties (CAUV designation) will be treated as non-residential properties regardless of size. The impervious area should be measured and used as the basis for calculating the stormwater bill;
2. The Licking County Auditor's database land use information will be used to categorize all agricultural properties as either residential or non-residential;
 3. All agricultural properties which qualify for the CAUV are, by definition commercial, and should be subject to the non-residential fee algorithm;
 4. All agricultural properties which do not qualify for, or who have not applied for the CAUV will be assumed to be a residential property and will be charged at the rate of one (1) ERU. However, if other information such as aerial photography, vendor licenses or local knowledge indicates that the property is commercial, it will be treated as a non-residential property.

ACTION:

The Technical Advisory Committee reviewed, discussed and approved this Billing Policy Paper on April 26, 2005.

Approved: Tim Weisert

Date: 3/17/2006

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