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Bill Analysis

Version: As Pending in House Agriculture

Primary Sponsors: Reps. Fowler Arthur and D. Thomas

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SUMMARY

- Explicitly allows land used to produce maple syrup and maple products to qualify for the current agricultural use value (CAUV) property tax program.
- Expressly includes the cultivation of trees to produce maple syrup and maple products in the general statutory definition of "agriculture" and in the laws governing county and township zoning, thus expressly applying that cultivation to various laws impacted by agriculture.
- Includes the cultivation of trees to produce maple syrup and maple products in the definition of "agricultural purposes" in the law governing lands acquired by the Department of Transportation.
- Includes the cultivation of trees to produce maple syrup and maple products in the definition of "agricultural production" in the law governing agricultural districts.
- Includes maple syrup and maple products in the definition of "agricultural product" in the laws governing agricultural terrorism, agricultural cooperatives, and agricultural product liens.

DETAILED ANALYSIS

Maple syrup and maple products

Various statutory provisions in the Revised Code establish requirements governing agriculture and agricultural production. In many instances, those provisions define "agriculture," "agricultural purposes," "agricultural production," and "agricultural product." The bill includes maple syrup and maple products or the cultivation of trees to produce that syrup or product to those definitions, as applicable. The effect of those inclusions is discussed below.

Cultivation of trees

Property taxation and CAUV

The bill explicitly allows land on which trees are cultivated for the commercial production of maple syrup and maple products to be valued, for property tax purposes, in the same way as other farmland. Under continuing law, farmland may be valued at its current agricultural use value (CAUV) – i.e., its value considering only its use as agriculture – rather than its fair market value. The CAUV formula typically results in a lower tax bill for farm owners because the land is often valued below its market value, particularly in areas where farmland is in demand for development purposes.

Currently, the CAUV law neither includes nor excludes land used to produce maple syrup or maple products, potentially leading to disparate treatment of such land. The bill would specifically include such land in the CAUV program for tax years beginning on or after the bill's 90-day effective date.[1]

Agriculture, generally

The bill includes the cultivation of trees to produce maple syrup and maple products in the definition of "agriculture" that is broadly used throughout the Revised Code. Current law states that "agriculture" generally includes standard farming practices, including horticulture and animal husbandry; algaculture; apiculture; viticulture; nursery stock production; timber; the processing, drying, storage, and marketing of agricultural products when those activities are conducted in conjunction with such husbandry or production; and any additions or modifications made by the Director of Agriculture by rule.[2]

As the result of the addition of the cultivation of trees to produce maple syrup and maple products in the meaning of "agriculture," the bill expressly applies that cultivation and production to all of the following:

1. The agricultural zoning laws of a county and township, including when a local zoning commission or board of county commissioners or board of township trustees may regulate the types of cultivation, production, buildings, or structures on certain property *(R.C. 303.01 and 519.01)*;
2. Any building or structure that is used in the production, growing, harvesting, or housing of agriculture-related products is solely subject to the State Fire Code and not any other statutes governing fire prevention and safety *(R.C. 901.53)*;
3. The employees have a lien on the real property of their employers for unpaid labor *(R.C. 1311.34)*;
4. Possible inclusion and representation of the producers on the Reclamation Forfeiture Fund Advisory Board *(R.C. 1513.21)*;

[1] R.C. 5713.30; Section 3.

[2] R.C. 1.61.

5. The reclamation of surface coal mining land standards as acquired by the Division of Mineral Resources Management in the Department of Natural Resources *(R.C. 1513.182)*;
6. Farm Laborers' Associations promoting their products may not hold real estate, except real estate worth less than $50,000 that is occupied, in the exercise of the Association's business or held as security or satisfaction of a debt *(R.C. 1727.01)*;
7. Any producer of their perishable products that suffers damage as a result of another person's disparagement of any such perishable products may bring an action for damages and for any other relief a court considers appropriate *(R.C. 2307.81)*;
8. Every person who is domiciled in this state may hold property exempt from execution, garnishment, attachment, or sale to satisfy a judgment or order, including the person's interest, not to exceed an aggregate of $2,025, in all implements, professional books, or tools of the person's profession, trade, or business, including for agriculture *(R.C. 2329.66)*;
9. A person is exempt from specified prohibitions involving knowingly discharging or transporting a firearm while in or on a motor vehicle while the motor vehicle is on real property that is located in an unincorporated area of a township and that either is zoned or used for agriculture *(R.C. 2923.16)*;
10. A research subject for the Ohio Agricultural Research and Development Center at The Ohio State University *(R.C. 3335.56)*;
11. The license requirement to operate an agricultural labor camp *(R.C. 3733.41)*;
12. The use of hazardous waste abatement funds in developing land *(R.C. 3734.26)*;
13. An exemption from the prohibition against transporting scrap tires for a person that uses scrap tires for their own agriculture purposes *(R.C. 3734.83)*;
14. An exemption from the prohibition relating to offensive nuisance smells for agriculture-related activities *(R.C. 3767.13)*;
15. An exemption for buildings or structures incident to the use for agricultural purposes of the land on which the buildings or structures are located from the requirements that public buildings be safe and sanitary, provided the buildings or structures are not used for retail trade *(R.C. 3781.06)*;
16. An exemption from local regulations for battery-charged fences that are constructed for agricultural purposes *(R.C. 3781.1011)*;
17. An exemption from the requirement to pay an employee overtime when employed in agriculture *(R.C. 4111.03 and 5301.692)*;
18. Inclusion in the Department of Rehabilitation and Correction rules that provide for procedures regarding employment, assignment, and transportation of prisoners in penal industries and agriculture *(R.C. 5145.03)*;

19. Persons that, according to a registry complied by the Secretary of State, constitute a threat to the agricultural production of Ohio or the U.S. may not purchase land suitable to such agricultural activity *(R.C. 5301.256)*;

20. The acquisition of agricultural easements by the Director of Agriculture, certain local governments, and certain nonprofit organizations *(R.C. 5301.67)*; and

21. Sales tax exemptions for certain items used by an agricultural operation to produce agricultural goods for sale *(R.C. 5739.02)*.[3]

Agricultural purposes: Department of Transportation land acquisition

The bill includes the cultivation of trees to produce maple syrup and maple products in the definition of "agricultural purposes" within the law that governs certain lands acquired by the Department of Transportation. Current law defines "agricultural purposes" as commercial animal or poultry husbandry; the production for a commercial purpose of field crops, tobacco, fruits, or vegetables; and algaculture. As a result of this inclusion, the bill allows the Director of Transportation to lease property acquired for highway purposes, but not needed immediately, to a person who uses it for the cultivation of trees to produce maple syrup and maple products.[4]

Agricultural production: agricultural districts and more

The bill includes the cultivation of trees to produce maple syrup and maple products in the definition of "agricultural production" in the law governing agricultural districts. Under current law, "agricultural production" focuses on certain commercial farming practices, when conservation practices on the property comprises less than one-quarter of the land's uses.[5]

An agricultural district provides protection for farmers from nuisance lawsuits, defer development assessments (water, sewer, and electric lines) until the land is changed to a nonagriculture use, and offers state scrutiny of local eminent domain acquisitions in certain cases. Thus, the bill allows a cultivator of trees that produce maple syrup and maple products to be eligible to apply for inclusion in an agricultural district.[6]

Inclusion in the agricultural district laws also causes the following laws to apply to a person that cultivates trees for maple syrup and maple products:

1. The person may be eligible for the new farmer tax credit;

2. The person is generally immune from civil liability under the laws governing agritourism;

[3] Revised Code sections cited are not in the bill, but are impacted by the bill's changes.

[4] R.C. 5501.50.

[5] R.C. 929.01.

[6] R.C. 929.02, 929.03, 929.04, and 929.05, not in the bill.

3. The person, if a tenant of private land whose annual income is primarily derived from maple syrup production on that land, is generally not liable to wildlife officers for injuries suffered by the officers while carrying out their duties on the tenant's land;
4. The person, as a tenant, may demand a wildlife officer or other person employed by the Division of Wildlife who is investigating or researching specified wildlife issues to identify themselves; and
5. The person's production emissions are not an emission for purposes of the Clean Air Law.[7]

Maple syrup and maple products

The bill includes maple syrup and maple products in the definition of "agricultural product" in the laws governing agricultural terrorism, agricultural cooperatives, and agricultural product liens.

Agricultural terrorism

The law governing agricultural terrorism generally prohibits any person from committing certain criminal offenses (e.g., arson, theft, trespass, and criminal mischief) involving any agricultural product or equipment with the intent to intimidate or coerce (either civilians or the government), affect the conduct of government, or interrupt or interfere with agricultural production, research, or equipment. Thus, the bill prohibits a person from using maple syrup or maple products or the equipment related to its production to commit such agricultural terrorism.[8]

Agricultural cooperatives

An agricultural cooperative is generally composed of a group of agricultural producers formed to market its members' agricultural products (e.g., flowers, wine, dairy, honey, and other farm products). In addition, cooperatives can also provide loans to farmers, collaborate on processing and product development, bargain on behalf of their members, and provide transportation services. Thus, the bill allows a producer of maple syrup or maple products to participate in an agricultural cooperative with the benefits that such participation brings to that producer.[9]

Agricultural product liens

The law governing agricultural product liens generally protects agricultural producers and agricultural product handlers by granting a statutory lien on agricultural products (and their sale proceeds) when delivered under contract. The lien only matures once affidavit obligations under

[7] R.C. 901.61, 901.80, 1531.01, 1531.13, 1531.14, and 3704.01, not in the bill.

[8] R.C. 901.511.

[9] R.C. 1729.01.

current law are fulfilled. Thus, the bill includes maple syrup and maple product producers in those agricultural product lien protections.[10]

HISTORY

Action	Date
Introduced	03-03-26

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[10] R.C. 1311.55.