

EXPLANATION OF AGRICULTURAL OR HORTICULTURAL VALUE

1. On or before March 1 of any year the owner or owners of land devoted exclusively to agricultural or horticultural use on which the property valuation administrator (PVA) has placed a value in excess of the agricultural or horticultural value, may file application for valuation at the agricultural or horticultural value. Application for such land located in Lee County, Kentucky must be made on this form and submitted to the Lee County PVA Office. If applying for multiple properties, a separate application for each parcel must be submitted.
2. Under **KRS 132.010(9)(a)(b)(c)**, Agricultural Land means:
 - Any tract of land, including all income-producing improvements, of at least ten (10) contiguous acres in area used for the production of livestock, livestock products, poultry, poultry products and/or growing of tobacco and/or other crops including timber;
 - Any tract of land, including all income-producing improvements, of at least five (5) contiguous acres in area commercially used for aquaculture; or
 - Any tract of land devoted to and meeting the requirements and qualifications for payments pursuant to agriculture programs under an agreement with the state or federal government.
3. Under **KRS 132.010(10)**, Horticultural Land means any tract of land, including all income-producing improvements, of at least five (5) contiguous acres in area commercially used for the cultivation of a garden, orchard, or the raising of fruits or nuts, vegetables, flowers, or ornamental plants.
4. Under **KRS 132.010(11)(a)(b)(c)(d)(e)(f)(g)**, Agricultural or Horticultural Value means the use value of "agricultural or horticultural land" based upon income-producing capability and comparable sales of farmland purchased for farm purposes where the price is indicative of farm use value, excluding sales representing purchases for farm expansion, better accessibility, and other factors which inflate the purchase price beyond farm use value, if any, considering the following factors as they affect a taxable unit:
 - Relative percentages of tillable land, pasture land, and woodland;
 - Degree of productivity of the soil;
 - Risk of flooding;
 - Improvements to and on the land that relate to the production of income;
 - Row crop capability including allotted crops other than tobacco;
 - Accessibility to all-weather roads and markets; and
 - Factors which affect the general agricultural or horticultural economy, such as: interest, price of farm products, cost of farm materials and supplies, labor, or any economic factor which would affect net farm income.
5. Under **KRS 132.010(12)**, Deferred Tax means the difference in the tax based on agricultural or horticultural value and the tax based on fair cash value.
6. Under **KRS 132.450(2)(b)**, land devoted to agricultural or horticultural use, where the owner or owners have petitioned for, and been granted, a zoning classification other than for agricultural or horticultural purposes qualifies for the agricultural or horticultural assessment until such time as the land changes from agricultural or horticultural use to the use granted by the zoning classification.
7. Under **KRS 132.450(2)(c)**, when the use of a part of a tract of land which is assessed as agricultural or horticultural land is changed either by conveyance or other action of the owner, the right of the remaining land to be retained in the agricultural or horticultural assessment shall not be impaired provided it meets the minimum requirements, except the minimum ten (10) contiguous acre requirement shall not be applicable if any portion of the agricultural or horticultural land has been required for a public purpose as long as the remaining land continues to meet the other requirements of this section.
8. Under **KRS 132.454**, when land which is valued and taxed as agricultural or horticultural land under **paragraph (c) of subsection (2) of KRS 132.450** is converted to any other use after January 1 of the tax year, that portion of the land upon which the use is changed shall be subject to tax for the succeeding tax year at its fair cash value. The owner of the property at the time the land use change was initiated shall, within ninety (90) days, report the change to the PVA. The owner shall also provide the PVA information concerning the most recent sale or lease of the property, copies of any appraisal or feasibility reports made, and any other information useful in determining the fair cash value of the property.
9. Under **KRS 132.450(2)(d)**, when in the opinion of the PVA any land has a value in excess of that for agricultural or horticultural use, the PVA shall enter into the tax records the value of the property according to its fair cash value. When the PVA determines that the land meets the requirements for valuation as agricultural or horticultural land, the valuation for tax purposes shall be its agricultural or horticultural value.
10. When an application for agricultural or horticultural value is denied, the PVA shall notify the property owner in the manner provided under **KRS 132.450(4)**.
11. The property owner may appeal such ruling to the Local Board of Assessment Appeals as provided under **KRS 133.120**.
12. This application shall be valid until the property is transferred or the land use is changed.