

# Understanding Agricultural Law Educational Series

Understanding the Basics of Statutory Protections for Agricultural Operations

July 22, 2022



## **Understanding Agricultural Law**

# A Legal Educational Series for General Practice Attorneys and Business Advisors Representing Agricultural and Rural Clients

This webinar series is specifically tailored to create subject matter literacy and competence on fundamental issues of agricultural law for attorneys, advisors, and service providers to agricultural producers and agri-businesses.







Investing in the Future of Pennsylvania

Established as part of the 2019 Pennsylvania Farm Bill, the <u>Agricultural Business Development Center</u> supports <u>Farm Transitions</u>, linking farmers to the next phase of their life and their farm's future; <u>Beginning Farmers</u>, providing advice and counsel to the next generation of agricultural producers; <u>Risk Management</u>, providing information on crop insurance and other opportunities for risk management; and <u>Financial Assistance</u>, connecting farmers with low-interest loan options and reimbursable grant programs. This initiative seeks to build the "ag literacy" and competency of the existing network of legal, engineering, accounting, and other disciplines of business advisors available to farmers.



**April 29, 2022,** 12 noon – 1 pm ET.

**Understanding the Basics of Agricultural Labor Laws** – Every area of labor and employment law seems to have its own unique rules for agricultural workers. Learn about them in one webinar session that better prepares you to advise your clients competently about what they need to know. Increase your understanding of the Fair Labor Standards Act, OSHA, child, migrant and seasonal labor laws, the H-2A program, and much more.

May 20, 2002, 12 noon - 1 pm ET.

**Understanding the Basics of Leasing Farmland for Energy Development** - The present and future will see many agricultural/rural landowners faced with tough decisions about land use and income opportunities presented by energy transitions. Gain an understanding of the ins and outs of leasing for gas and solar development to better serve current clients and build your skill set to take advantage of a growing market for professional advice in this area.

**June 24, 2022,** 12 noon – 1 pm ET.

Understanding the Basics of Local Land Use Regulation of Agriculture – To properly represent agricultural clients in land use regulation matters requires more specialized knowledge every year about ag structures and operations and the soil, stormwater and nutrient management requirements that apply. There are also some unique laws in Pennsylvania protective of agricultural uses, the understanding of which can make you invaluable to your clients.

July 22, 2022, noon – 1:00 ET

## **Understanding the Basics of Statutory Protections for Agricultural Operations**

Pennsylvania has several statutes that provide various protections to agricultural operations and rural landowners. This webinar will address the Pennsylvania Right to Farm Act, the Agricultural Area Security Act, Clean and Green, and ACRE's municipal ordinance review.

**August 26, 2022**, noon – 1:00 ET

- Understanding the Basics of Agricultural Cooperatives September 23, 2022, noon 1:00 ET
- Understanding the Basics of Livestock Market Regulation October 28, 2022, noon 1:00 ET
- Understanding the Basics of Crop Insurance



#### https://aglaw.psu.edu

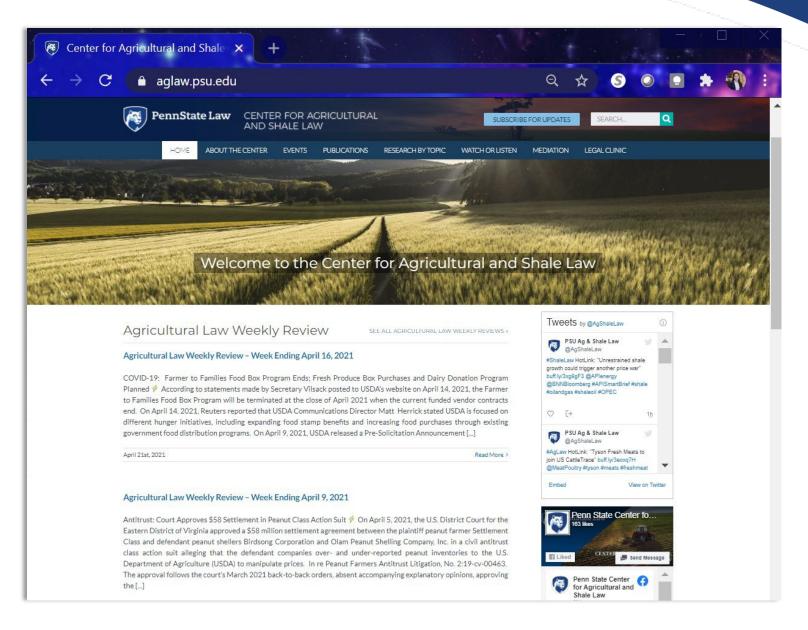
- Agricultural Law Weekly Review
- Shale Law Weekly Review
- Agricultural Law Virtual Resource Rooms
- Shale Law Virtual Resource Rooms
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- Shale Law Issue Tracker

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## Our Website









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#### Case Law

The following resources represent a collection of court filings and judicial opinions regarding the Pennsylvania Right to Farm Act. Furthermore, the decisions may be viewed via an online legal database using the mentioned docket number.

This list of cases is not exhaustive.

#### Branton v. Nicholas Meat, LLC

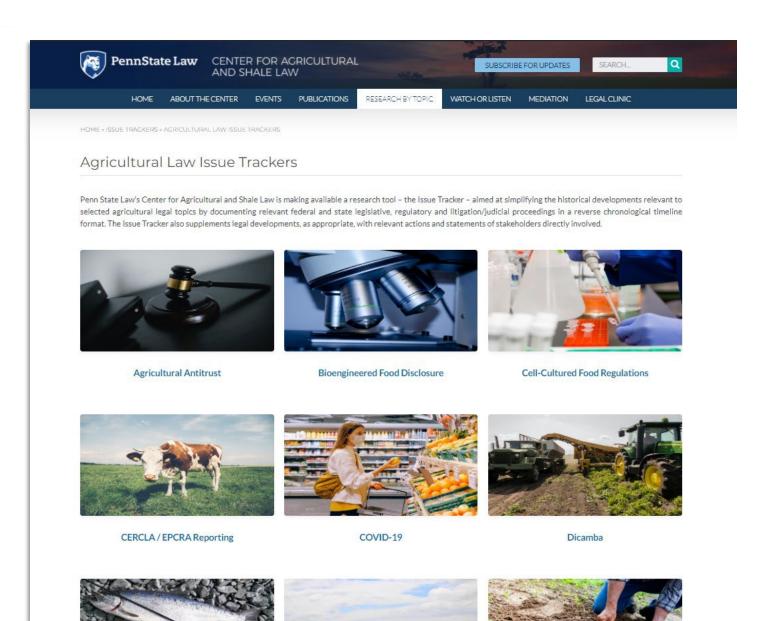
Superior Court of Pennsylvania, No. 536 MDA 2016

Opinion (Apr. 4, 2017) (holding that RTFA's "lawful" requirement under § 954(a) is satisfied if an agricultural operation
"substantially complies with relevant federal, state, and local laws." The court stated that "a lawful use is not rendered
unlawful simply because an owner may have been cited for an infraction for noncompliance in connection with the use."
Nevertheless, the court ruled that while the application and storage of food processing waste are normal agricultural
operations under RTFA, the construction of a 2,400,000-gallon storage tank was a "substantial change" to the
agricultural operation. As a result, because the suit was brought within one year of the change, the case was not barred
under RTFA)

#### Burlingame v. Dagostin

Luzerne County Court of Common Pleas, No. 2015-02092

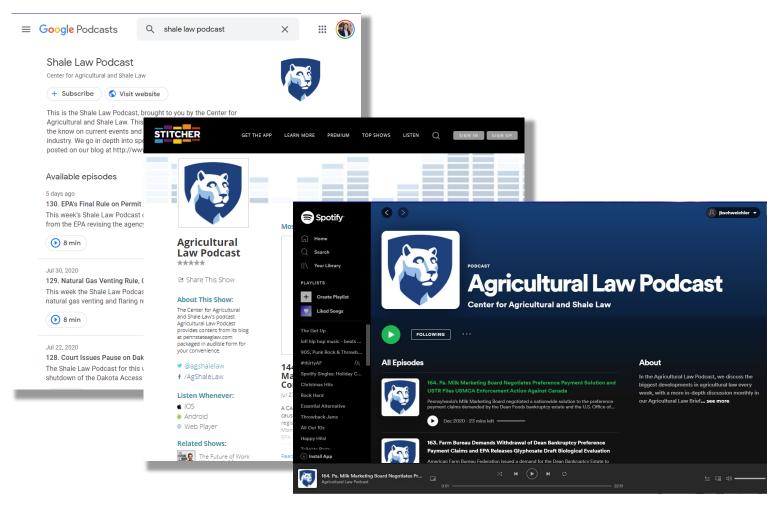






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- Apple Podcasts
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- Stitcher





# Pennsylvania Agricultural Mediation Program

#### Contact us:

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AgMediation@PennStateLaw.psu.edu

Website: www.PAAgMediation.com



#### **Understanding Agricultural Law**

- This webinar will be recorded.
- Use the Q&A feature for questions.
- CLE credits:
  - Link will be posted in the chat
  - Please fill out form
  - Listen for code word
  - Questions?
    - Email: jks251@psu.edu



# Understanding the Basics of Statutory Protections for Agricultural Operations

July 22, 2022

Presenters: Ross Pifer and Brook Duer, Center for Agricultural and Shale Law



### **Overview of Today's Presentation**

- Part I Ross Pifer (approx. 25 minutes)
  - Agricultural Area Security Law
  - Right to Farm
- Part II Brook Duer (approx. 25 minutes)
  - ACRE (Municipal Ordinance Review)
  - Clean and Green (Preferential Real Estate Tax Assessment)



# Agricultural Area Security Law 3 Pa. Stat. §§ 901-915 Legislative Findings

- It is the declared policy of the Commonwealth
  - "to conserve and protect and to encourage the development and improvement of its agricultural lands for the production of food and other agricultural products"
  - "to conserve and protect agricultural lands as valued natural and ecological resources which provide needed open spaces for clean air, as well as for aesthetic purposes."



### **Agricultural Area Security Law**

- AASL provides certain protections and benefits to landowners within an Agricultural Security Area.
  - Limitation on local regulations
  - Limitation on power of eminent domain
  - Eligibility for participation in Agricultural Conservation Easement program



## Benefits of Agricultural Area Security Law

- Limitation on local regulations
  - Municipality is not permitted to enact laws that would unreasonably restrict farm structures or practices within ASA.
  - Municipality shall exclude normal farming operations within ASA from definition of public nuisance.
- Municipality is permitted to act for benefit of public health and safety.



## Benefits of Agricultural Area Security Law

- Limitation on power of eminent domain
  - Approval must be granted by Agricultural Lands Condemnation Approval Board (ALCAB)
  - ALCAB shall approve condemnation only if there is "no reasonable and prudent alternative."



## Benefits of Agricultural Area Security Law

- Agricultural Conservation Easements
  - Landowners with ASA are permitted to sell developmental rights to property.
  - The term of the easement is perpetual.



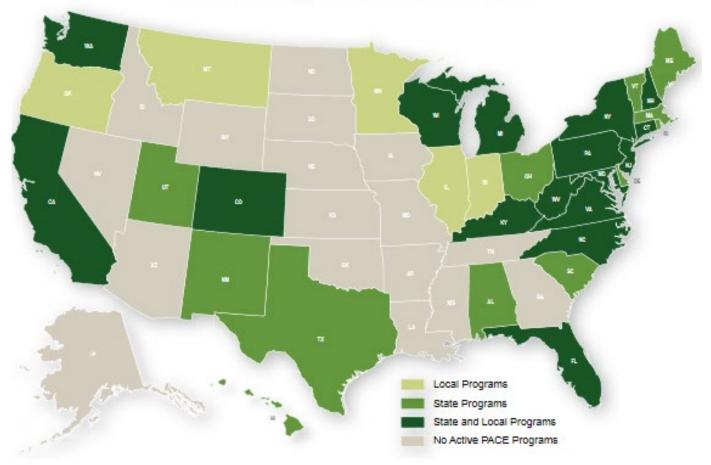
### PACE Programs - What Are They?

- Purchase
- of Agricultural Conservation Easement
- by (or funded by) Government
- Farmland owner essentially sells the development rights for parcel of farmland to state or local government.
- Deed restriction that limits future non-agricultural uses; prevents conversion of farmland



#### PACE Programs - Where Are They?

PACE Programs as of 2020



Local Programs only – 5 states State Program only – 12 states State and Local Programs – 16 states

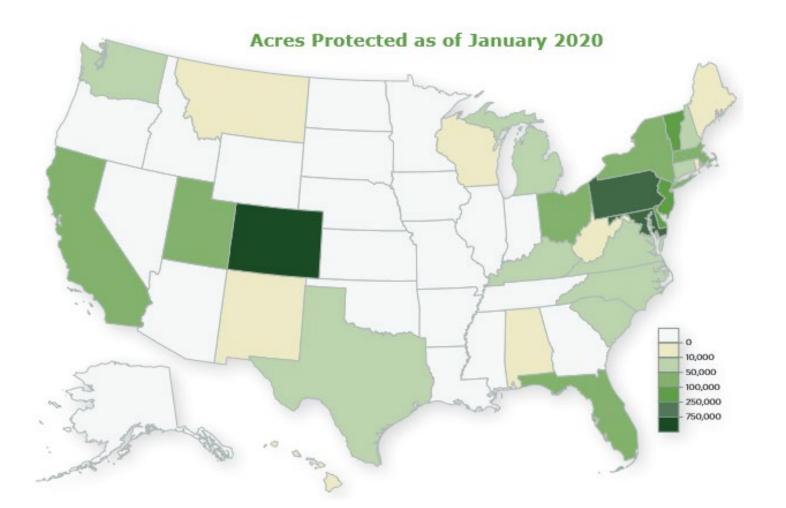
#### Totals:

28 active state programs21 states with active local programs





#### **PACE Programs – Leading States**



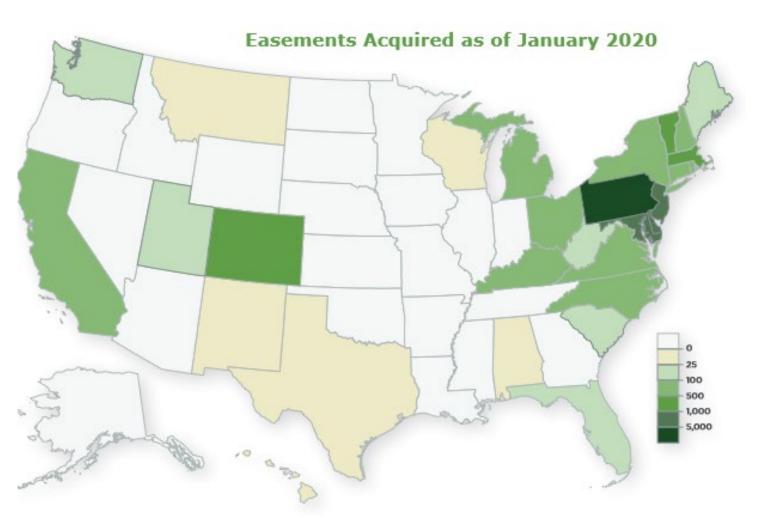
Pennsylvania – 577,092 acres Maryland – 425,035 acres New Jersey – 236,571 acres Vermont – 164,250 acres Delaware – 136,682 acres

TOTAL U.S. – 3,129,113 acres





#### **PACE Programs – Leading States**

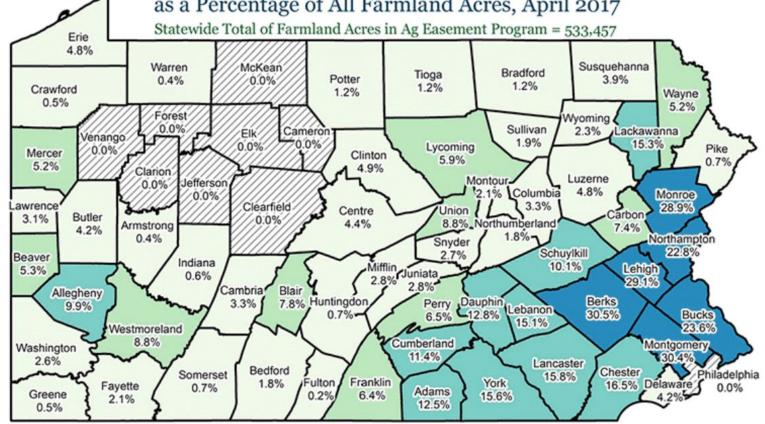


Pennsylvania – 5,636 easements Maryland – 3,126 easements New Jersey – 2,648 easements Delaware – 1,039 easements Massachusetts – 924 easements Vermont – 746 easements

TOTAL U.S. – 17,264 easements







No Farmland Enrolled in Easement Purchase Program

0.1% to 4.9% Acres of Total Farmland Enrolled

5.0% to 9.9% of Total Farmland Enrolled

10.0% to 19.9% Acres of Total Farmland Enrolled

20.0%+ Acres of Total Farmland Enrolled

Data sources: Farms in Easement Purchase Program, Pennsylvania Department of Agriculture, Bureau of Farmland Preservation; Number of Farms, 2012 Census of Agriculture, National Agricultural Statistics Service. Prepared by the Center for Rural Pennsylvania.



### **Creation of Agricultural Security Area**

- Landowners initiate process by submitting proposal to local government unit.
- Proposal is submitted to Planning Commission and ASA Advisory Committee.
- Municipality holds public hearing.
- Municipality makes decision.



### Criteria for Agricultural Security Area

- Municipality shall consider:
  - Whether soils and conducive to agriculture;
  - Whether ASA is compatible with comprehensive plan;
  - Whether land is viable agricultural land;
  - Additional factors including farm improvements, trends in economics and technology, and other relevant factors.



### Criteria for Agricultural Security Area

- 41 Valley Associates v. Board of Supervisors of London Grove Township, 882 A.2d 5 (Pa. Commw. Ct. 2005)
  - Must consider land for agricultural use broadly rather than current specific agricultural use



#### Right to Farm Laws - Background

- Right to Farm Laws have been enacted in all 50 states.
- All Right to Farm Laws attempt to remedy farm non-farm conflicts.
- The specific provisions in Right to Farm Laws vary from state to state.
- Right to Farm Laws generally limit nuisance lawsuits against farms.



#### Pennsylvania Right to Farm Act

- 3 P.S. §§ 951-957
- Enacted on June 10, 1982
- Amended in 1998 to address expansion or alteration of agricultural operations.



# Pennsylvania Right to Farm Act – Legislative Policy

- "to conserve and protect and encourage the development and improvement of its agricultural land for the production of food and other agricultural products. . ."
- "to reduce the loss to the Commonwealth of its agricultural resources by limiting the circumstances under which agricultural operations may be the subject matter of nuisance suits and ordinances."



## Pennsylvania Right to Farm Act – Protections Granted

- Requires that municipalities exclude normal agricultural operations from definition of public nuisance;
- Limits nuisance actions against agricultural operations; and
- Limits ability of municipalities to restrict direct commercial sales of agricultural products.



# Pennsylvania Right to Farm Act – "Normal Agricultural Operations"

- The activities, practices, equipment, and procedures utilized in production, harvesting, and preparation for market
- Of agricultural, agronomic, horticultural, silvicultural, and aquacultural crops and commodities
- For operations that are at least ten acres in size or produce annual gross income of at least \$10,000.



#### **Limitation on Nuisance Actions**

- Right to Farm Act is a defense to nuisance action against agricultural operation where:
  - Operation has been lawfully operating for at least one year;
  - Conditions complained of have existed since established date of operation; and
  - Conditions complained of are normal agricultural operations.



#### **Limitation on Nuisance Actions**

- Where agricultural operations are expanded or altered, Right to Farm Act is defense to nuisance action if:
  - Operation has expanded or altered for at least one year; OR
  - Expansion or alteration has been addressed in Nutrient Management Plan.



#### **Direct Commercial Sales**

- Direct commercial sales are permitted:
  - On property owned and operated by landowner
  - who produces at least 50% of agricultural commodities sold.

### **Exceptions to Application of Right to Farm Act**

- Right to Farm Act does not protect farmers where:
  - Agricultural operation has direct adverse effect on public health and safety;
  - Zoning ordinance prohibits or limits operation;
  - Agricultural operation is in violation of federal, state, or local statute or regulation;
  - Agricultural operation pollutes water or causes flooding.

### Case Law: Horne v. Haladay (Pa. Super. 1999)

### • Facts:

- Nov. 1993 122,000 laying hens in poultry house
- Aug. 1994 decomposition building constructed
- Nov. 1995 nuisance lawsuit filed

### • Claims:

- Failure to control flies, strong odor, and excessive noise
- Alleged devaluation of property by \$60,000



### Case Law: Horne v. Haladay (Pa. Super. 1999)

- Court opinion:
  - Right to Farm Act covered private nuisance as well as public nuisance.
  - Right to Farm Act covered pre-existing neighbors.
- Holding:
  - Upheld dismissal of case because it had not been filed within oneyear time period.



### Right to Farm Act – Constitutional Issues

- Type One Limited Prohibition on Filing Suit Against Farming Operations
- Type Two Absolute Prohibition on Filing Suit Against Farming Operations



### Right to Farm Act – Unconstitutional Statute

- Bormann v. Board of Supervisors, 584 N.W.2d 309 (Iowa 1998)
  - "A farm or farm operation located in an agricultural area shall not be found to be a nuisance regardless of the established date of operation or expansion of the agricultural activities of the farm or farm operation."

### PENNSYLVANIA DEPARTMENT OF AGRICULTURE # AGRICULTURAL BUSINESS DEVELOPMENT CENTER

Understanding Agricultural Law Webinar Series

# Understanding the Basics of Statutory Protections of Agricultural Uses, Part 2 July 22, 2022

### ACRE - 3 Pa. C.S.A. § 311 - 318

- a. OAG Ordinance Review
- b.MPC Section 603 text & Express and Implied Preemption
- c. Berner v. Montour Twp. Zoning Hearing Bd.

### **Clean & Green Preferential Tax Assessment**

- a. Basic Administration
- b.Changes of use & Rollback taxes
- c. Rural Enterprise Exceptions



### ACRE – Agriculture, Communities and Rural Environment

On July 6, 2005, Act 38 also known as "ACRE" (Agriculture, Communities and Rural Environment) went into effect to ensure that ordinances adopted by local governments to regulate normal agricultural operations are not in violation of state law. A local ordinance cannot exceed, duplicate or conflict with state law.

An "unauthorized local ordinance" is an ordinance enacted or enforced by a local government unit which does either of the following:

- Prohibits or limits a normal agricultural operation unless the local government unit has authority under state law to adopt the ordinance and it is not prohibited or preempted under state law.
- Restricts or limits the ownership structure of a normal agricultural operation.







### ACRE - Why enacted? Right to Farm Act has limits.

- RTF only says a "normal ag operation" cannot be the subject of a "nuisance" claim under law.
- Only creates a defense to "nuisance" claims
- Requires farmers to bear all costs to assert the protection to farming and only once sued for nuisance.
- RTF of limited usefulness; no way to assert it "offensively."



### **ACRE - Issues Addressed**

- Applies to all forms of local regulation of "normal agricultural operations" and creates an "offensive" enforcement mechanism. It's a sword, not a shield.
- Same bill also enacted Odor Management for CAFOs.
- Odor Management regulations enacted with plan preparation requirements.



### **ACRE - Basic Premise**

 ACRE addresses municipal regulation of normal agricultural operations via ordinance "as written" or "as applied."

 "A local government unit shall not adopt nor enforce an unauthorized local ordinance." – 3 Pa. C.S.A. § 313(a).



### **ACRE - Key Definitions**

• "Unauthorized local ordinance" – the *ultimate issue* 

"Normal agricultural operation"



### **ACRE - Unauthorized Local Ordinance**

Any ordinance enacted by a local government unit that *prohibits or limits* a normal agricultural operation unless:

- Local government unit has authority under state law to adopt the ordinance; and
- Local government unit is not prohibited nor preempted by state law from adopting the ordinance



### **ACRE - Unauthorized Local Ordinance**

The definition also includes any ordinance that *restricts or limits the ownership structure* of a normal agricultural operation.

- Foreign or out of state ownership? An unanswered question.
- So-called "corporate farms."



### **ACRE – "Normal Agricultural Operation"**

- incorporated from the RTF Law

- Activities, practices, equipment, and procedures utilized in production, harvesting, and preparation for market
  - agricultural, agronomic, horticultural, silvicultural, and aquacultural crops and commodities;

### AND

- At least ten acres in size or produce annual gross income of at least \$10,000.
- Coda: "Includes new activities, practices, equipment . . ."
- Absence of reference to marketing and retail sales.



### **ACRE - Procedure**

• Producer submits written request to Attorney General's Office for review of ordinance.

 Attorney General has 120 days to determine whether to accept case.



### **ACRE - Procedure**

• If Attorney General accepts case, municipality is given opportunity to discuss ordinance before suit is filed.

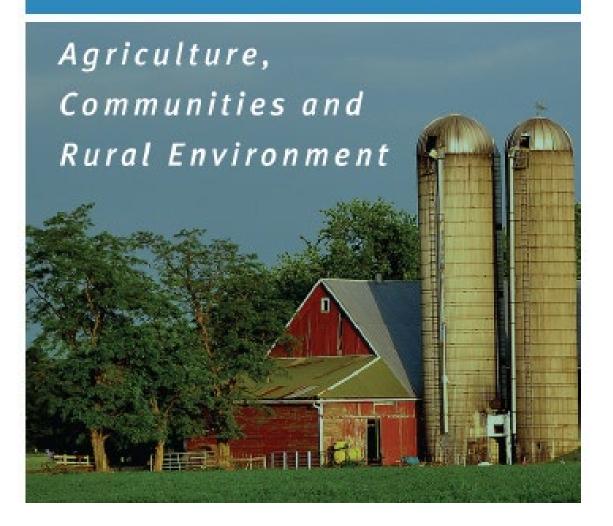
 Attorney General will file suit in Commonwealth Court if unable to resolve issue with municipality.



### **ACRE - Procedure**

- Costs of action are borne by Attorney General's Office, not landowner.
  - There is also a "private right of action" which allows the individual to use ACRE as the basis for a lawsuit.
  - Permissive award to plaintiff of attorneys' fees/costs if "neg. disregard" or to defendant if "frivolous" or w/o "sub. Justification."
- Litigation in Commonwealth Court establishes statewide precedent.
- Annual report to PA General Assembly required. <u>2020 Annual Report</u>.

## ACRE ACT 38



### https://www.attornegeneral.gov/resources/acre/

Requests for review of an ordinance should be sent, in writing, to the following address:

PA Office of Attorney General Attn: ACRE 15th Floor, Strawberry Square Harrisburg, PA 17120

ACRE@attorneygeneral.gov

Requests for review should include a copy of the ordinance, a short explanation of the objection the farm owner or operator has to the ordinance, and any other materials that will aid the Attorney General's review.

### The Importance of ACRE

Agriculture is critical to the well-being of the Commonwealth. Agriculture generates over \$7 billion in cash receipts and over \$3 billion in international sales every year. The total economic impact of agriculture on the Commonwealth on a yearly basis is over \$70 billion. There are approximately 58,000 farms covering over 7 million acres in Pennsylvania along with 2561 distinct municipalities (townships, cities, boroughs). Moreover, the ACRE law as well as other agriculture statutes explicitly recognize the importance of agriculture to the Commonwealth. When one mixes together billions of dollars, millions of acres, tens of thousands of farms, and several thousand municipalities together it is inevitable that disagreements, misunderstandings, and friction will occur. ACRE helps balance this dynamic state of affairs.

#### **ACRE In Action**

Richmond Township: This lawsuit challenged an ordinance that defined and regulated "intensive agricultural activity," including setback distance and waste disposal requirements. The court granted judgment in favor of the Attorney General on all challenges to the ordinance provisions and the Township subsequently amended its ordinance with the Attorney General's approval.

Lower Oxford Township: This lawsuit challenged an ordinance placing restrictions on mushroom composting operations. The Attorney General approved ordinance amendments that were enacted by the Township to resolve and dismiss the lawsuit. Joint Ordinance: This lawsuit challenged an ordinance adopted jointly by Heidelberg and North Heidelberg Townships and Robesonia and Womelsdorf Boroughs that defined and regulated 'intensive raising of livestock or poultry.' Following negotiations, the four municipalities enacted joint ordinance amendments to resolve the legal problems with the ordinance and the Office of the Attorney General withdrew the lawsuit.

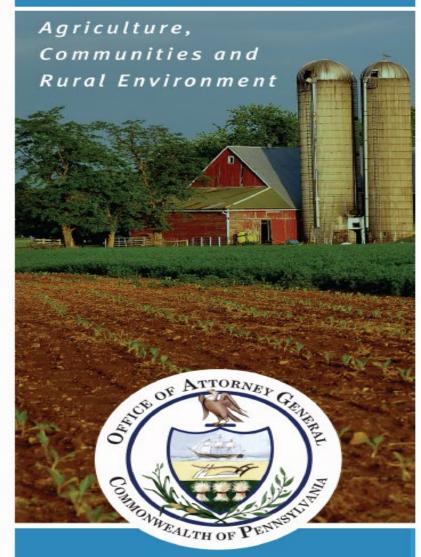
East Brunswick Township: This lawsuit challenged an ordinance regulating the application of biosolids to agricultural land. Following court proceedings, the Attorney General approved ordinance amendments that were enacted by the Township to resolve and dismiss the lawsuit.

Peach Bottom Township: This lawsuit challenged ordinance provisions that regulate concentrated animal operations, including requiring animal housing buildings to be placed on low quality soils. The Attorney General approved ordinance amendments that were enacted by the Township to resolve and dismiss the lawsuit.

Packer Township: This lawsuit challenged an ordinance regulating the application of biosolids to agricultural land. Following court proceedings, the Township rescinded the ordinance and the lawsuit was dismissed.

acre@attorneygeneral.gov www.attorneygeneral.gov

### ACRE ACT 38



Josh Shapiro
Pennsylvania Attorney General

### ACRE ACT 38

#### What is ACRE?

On July 6, 2005, Act 38 also known as "ACRE" (Agriculture, Communities and Rural Environment) went into effect to ensure that ordinances adopted by local governments to regulate normal agricultural operations are not in violation of state law. A local ordinance cannot exceed, duplicate or conflict with state law.

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- Restricts or limits the ownership structure of a normal agricultural operation.



### How it can help you

An owner or operator of a normal agricultural operation may request that the Office of the Attorney General review a local ordinance that the owner or operator believes to be unauthorized.

The Office of the Attorney General reviews the local ordinance after receiving the request from the owner or operator. If the Office believes that the ordinance violates ACRE, the Office and the local government work together to bring the ordinance into compliance with state law. If a resolution cannot be reached, the Office has the option of filing a lawsuit in the Commonwealth Court.

After examining all relevant information, the Office of the Attorney General will advise the owner or operator whether or not the Office plans to file a lawsuit to challenge the ordinance.

If the Attorney General decides not to file a lawsuit, the owner or operator still can file a lawsuit in Commonwealth Court to challenge the ordinance.



### How to Request Review of an Ordinance

Requests for review should be sent, in writing, to the following address:

PA Office of Attorney General Attn: ACRE 15th Floor, Strawberry Square Harrisburg, PA 17120

or by email: ACRE@attorneygeneral.gov.

Requests for review should include a copy of the ordinance, a short explanation of the objection the farm owner or operator has to the ordinance, and any other materials that will aid the Attorney General's review.

### ACRE on attorneygeneral.gov

Visit www.attorneygeneral.gov for information on ACRE cases the Office of Attorney General has reviewed since the start of 2017. Check the website for updates on existing and newly received cases and for the ACRE acceptance letters that the Office of the Attorney General has sent to Townships starting in 2006 and running to the present.

### Excerpt of OAG's ACRE webpage.

The below grid is an easy reference guide to the ACRE cases that have come in to the Office of the Attorney General for review since the beginning of 2017. You will find the following in the grid: 1) the month and date the complaint was received; 2) the Township involved; 3) a brief bullet point of the issue(s) involved in the case; 4) a link to the ordinance(s) challenged; 5) a link to the ACRE complaint the Office of Attorney General received; 6) a link to the Township response if one was received; 7) the status of the Office of Attorney General's ACRE review; and 8) the disposition. Please check this site frequently for updates on existing and newly received cases.

Received	Township •	Issue	Ordinance	Complaint	Township Response	Status	Disposition
March 2021	Pine Township	Normal Agricultural Operation	Ordinance	Complaint		Completed	Accepted  View Letter
March 2021	Municipality of Monroeville	Permit Fees	Ordinance	Complaint	Township Response	Completed	Accepted and Settled  View Letter
March 2021	Chanceford Township	Dog Kennels	Ordinance	Complaint	Township Response	Completed	Denied
January 2021	Salisbury Township	Permit Fees; Timber Harvesting	Ordinance	Complaint		Completed	Settled
January 2021	Industry Borough	Permit Application Fees	Ordinance	Complaint		Completed	Accepted and Settled  View Letter
January 2021	Unity Township	Administrative, Engineering, & Inspection Fees; Conservation District Approval Letter	Ordinance	Complaint		Completed	Accepted View Letter
November 2020	Maidencreek Township	Prior Non-Conforming Use; AEU's	Ordinance	Complaint	Township Response	Completed	Denied  View Letter



### **ACRE & MPC Section 603 text**

 Most challenged ordinances are enacted by a local government unit using authority in the Municipalities Planning Code.

• Issues of Express and Implied Preemption begin to enter the analysis.



### MPC Section 603(b) -

- (b) **Zoning ordinances, . . . may permit, prohibit, regulate, restrict and determine**:
  - (1) Uses of land, watercourses and other bodies of water.
  - (2) Size, height, bulk, location, erection, construction, repair, maintenance, alteration, razing, removal and use of structures.
  - (3) Areas and dimensions of land and bodies of water to be occupied by uses and structures, as well as areas, courts, yards, and other open spaces and distances to be left unoccupied by uses and structures.
  - (4) Density of population and **intensity of use**.
  - (5) Protection and preservation of natural and historic resources and prime agricultural land and activities.

### "... except to the extent that... regulation of activities related to commercial agricultural production would exceed the requirements imposed under

- Nutrient Management Act ("regardless of whether any agricultural operation within the area to be affected by the ordinance would be a concentrated animal operation")
- Agricultural Area Security Law
- Right to Farm Law



### Berner v. **Montour** Twp. Zoning **Hearing**

#### [J-7-2019] IN THE SUPREME COURT OF PENNSYLVANIA MIDDLE DISTRICT

SAYLOR, C.J., BAER, TODD, DONOHUE, DOUGHERTY, WECHT, MUNDY, JJ.

RUSSELL BERNER AND DONNA BERNER, KENDALL DOBBINS, NATHAN ROBERTS, ROBERTS REALTY, LLC, ROBERT D. CLARK AND ROBERT W. WEBBER

: No. 39 MAP 2018

Appeal from the Order of the Commonwealth Court at No. 448 CD 2017 dated January 4, 2018, Reversing the Order of the Columbia County Court of Common Pleas, Civil Division, at No. 2014-CV-684 dated

March 7, 2017

MONTOUR TOWNSHIP ZONING HEARING BOARD AND SCOTT SPONENBERG

ARGUED: March 5, 2019

APPEAL OF: SCOTT SPONENBERG

#### OPINION

JUSTICE BAER DECIDED: September 26, 2019

The Nutrient Management Act (Act), 3 Pa.C.S. §§ 501-522, requires certain agricultural operations to comply with various standards regarding the management of livestock manure, among other "nutrients." The Act also contains a provision outlining the manner in which the Act, as well as the regulations and guidelines promulgated pursuant to it, preempt local regulation of nutrient management. See id. § 519, infra at page 4. In this appeal, we are tasked with determining whether, and if so, to what extent,

<sup>1</sup> See 3 Pa.C.S. § 503 (defining "nutrient" to include livestock manure); see also 25 Pa. Code § 83.201 (same). We further note that the Act contains provisions relating to odor management, which are not at issue in this appeal and thus will not be addressed herein.

the Act preempts local regulation of nutrient management by agricultural operations that are not otherwise subject to the Act's requirements. For the reasons discussed below, we hold that the Act preempts local regulation of agricultural operations not subject to the Act's requirements to the extent that the local regulation is more stringent than, inconsistent with, or in conflict with those requirements. Because the Commonwealth Court reached a contrary result, we reverse the order of that court.

#### I. Legal Background

#### A. State Law

In order to facilitate a better understanding of the issue before us, we begin by expanding upon our brief statements on the Act made above. At the heart of the Act is the mandate that certain agricultural operations adopt a "nutrient management plan" or "NMP." See Burkholder v. Zoning Hearing Bd. of Richmond Twp., 902 A.2d 1006, 1008 (Pa. Cmwlth. 2006) (observing that "[t]he preparation and implementation of [an NMP] is the centerpiece" of the Act). An NMP is "[a] written site-specific plan which incorporates best management practices to manage the use of plant nutrients for crop production and water quality protection consistent with the criteria established in [certain sections of the Act]." 3 Pa.C.S. § 503.

Under the Act, operators of "concentrated animal operations" or "CAOs" must develop and implement an NMP.2 Id. § 506(b). In contrast, smaller agricultural operations

<sup>&</sup>lt;sup>2</sup> The definition of what constitutes a CAO is rather technical, but it suffices to say that they are larger, higher intensity agricultural operations. See 3 Pa.C.S. § 503 (defining CAO as "[agricultural operations meeting the criteria established under this chapter"); id. § 506(a) (providing a definition for CAOs while further requiring review of the criteria used to identify CAOs and the making of appropriate changes to the definition by regulation); 25 Pa. Code § 83.201 (defining CAOs as "[a]gricultural operations with eight or more animal equivalent units [(AEUs), defined as 1,000 pounds live weight of livestock or poultry animals, regardless of the actual number of animals, 3 Pa.C.S. § 503; see also 25



### "Clean and Green" - Preferential Tax Assessment Program

- Statute: The Pennsylvania Farmland and Forest Land Assessment Act of 1974, 72 P. S. § § 5490.1—5490.13. (Easier to read copy.)
- Regulations: <u>7 Pa. Code 137b.1 137b.133</u>. PREFERENTIAL ASSESSMENT OF FARMLAND AND FOREST LAND UNDER THE CLEAN AND GREEN ACT.
- 59 of 67 counties have programs.
- Some administration by the Pennsylvania Department of Agriculture webpage.



### **Clean and Green**

- The Pennsylvania Farmland and Forest Land Assessment Act of 1974, also known as the Clean and Green Act, or Act 319, allows land taxation per its value as used rather than the prevailing market value.
- Enrolled land is assessed per the *income approach* to land appraisal the amount of income the land can produce at its highest and best agricultural use.
- As of 2020 Farmland Preservation Program Annual Report, 11.2 million acres were enrolled statewide. The average reduction in fair market assessed value for enrollees is roughly 50 percent – providing an incentive to keep the land undeveloped.



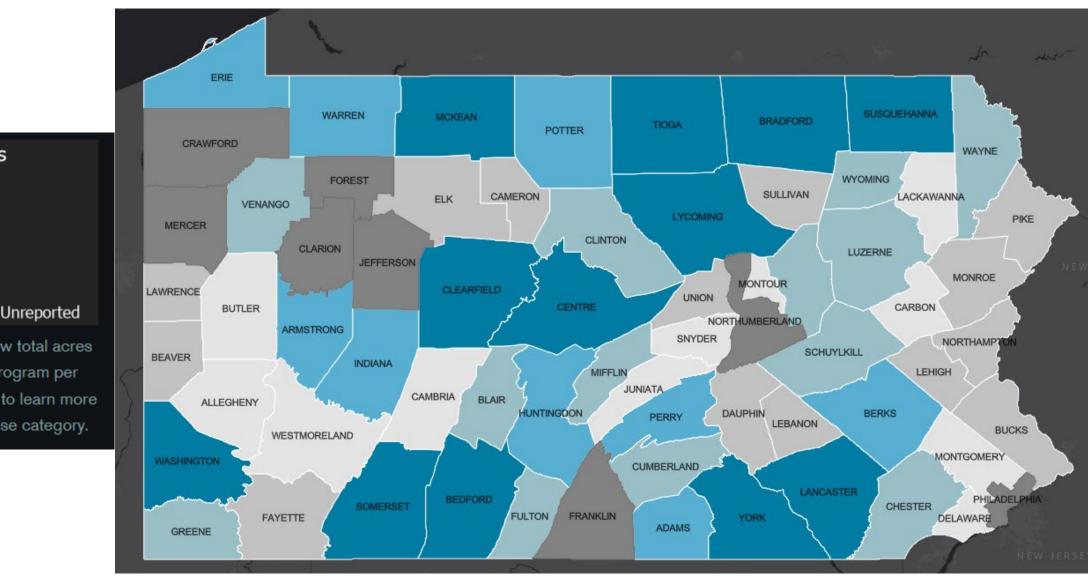
### **Clean and Green**

- The program is voluntary and generally requires a minimum of 10 acres to remain in one of three designated use categories:
  - Agricultural use land used to produce agricultural commodities commercially;
  - Agricultural reserve noncommercial open space land used for recreation and scenic enjoyment that is open to the public freeof-charge; and
  - Forest reserve 10 acres or more of forested land capable of yielding timber or other wood products.



### **Clean and Green**

- Change of Use & Rollback Tax Assessment Land use changed from an eligible use to an ineligible use subjects the enrolled land to a roll back tax assessed as the last seven years of tax savings, plus six percent simple interest, and the land is removed from the program.
  - Certain land divisions and conveyances are exempt from roll-back penalties if the original use of the land does not change "Split-offs" and "separations."
  - "Rural Enterprises" are allowed. The law contains many, many "exceptions."
- County assessment offices administer the program at the county level. The Pennsylvania Department of Agriculture, Bureau of Farmland Preservation, provides for uniform interpretation of the Clean and Green Act among county assessment offices and distributes use values by May 1 of each year.
  - Counties may establish use values that are lower, but not higher.



Total Acres

561 - 58000

58001 - 130000

130001 - 208000

208001 - 300000

300001 - 604000

Non-Participant or Unreported

Map is symbolized to show total acres in the Clean & Green program per county. Click on a county to learn more about total acreage by use category.

### Clean and Green - Rural Enterprises, etc.

§ 5490.8. Roll-back taxes; special circumstances

- (d) (1) A landowner may apply a **maximum of two acres** of a tract of land subject to preferential assessment toward **direct commercial sales of agriculturally related products and activities** or **for a rural enterprise incidental to the operational unit** without subjecting the entire tract to roll-back taxes, provided that:
  - (i) The commercial activity is owned and operated by the landowner or his beneficiaries who are designated as class A for inheritance tax purposes.
  - (ii) An assessment of the inventory of the goods involved verifies that it is owned by the landowner or his beneficiaries.
  - (iii) The rural enterprise does not permanently render the land incapable of producing an agricultural commodity.
- (2) Roll-back taxes shall be imposed upon that portion of the tract where the commercial activity takes place and the fair market value of that tract shall be adjusted accordingly.
- (3) Notwithstanding the provisions of paragraph (2), no roll-back taxes shall be due and no breach of a preferential assessment shall be deemed to have occurred if the direct commercial sales of agriculturally related products:
  - (i) Take place on **no more than one half** of an acre;
  - (ii) Are of at least fifty percent (50%) of products produced on the tract; and
  - (iii) Require no new utilities or buildings.



### **Clean and Green – More Exceptions**

- Ag use includes "alternatives energy system," if majority is used on site.
- "Separations," 2 acre "split-offs" complex rules and limitations
- Recreational activities
- In Ag use, the farmstead acreage is included, in Ag Reserve and Forest Reserve, counites can choose to include in the use.
- Cell towers < ½ acre
- Oil, gas, coal bed methane exploration/extraction, pipe storage complex rules
- Noncoal surface mining.
- Wind has special rules when majority is not used on site, but solar does not.

Bottom line is that there are so many exceptions, every factual circumstance has to be researched. And the statute frequently gets amended.



### **THANK YOU!**

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