

CHAPTER 136**(HB 418)**

AN ACT relating to agricultural districts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔Section 1. KRS 262.850 is amended to read as follows:

- (1) This section shall be known as "the Agricultural District and Conservation Act."
- (2) It is the policy of the state to conserve, protect, and to encourage development and improvement of its agricultural lands for the production of food and other agricultural products. It is also the policy of this state to conserve and protect the agricultural land base as a valuable natural resource which is both fragile and finite. The pressure imposed by urban expansion, transportation systems, water impoundments, surface mining of mineral resources, utility rights-of-way, and industrial development has continually reduced the land resource base necessary to sufficiently produce food and fiber for our future needs. It is the purpose of this section to provide a means by which agricultural land may be protected and enhanced as a viable segment of the state's economy and as an important resource.
- (3) The local governing administrative body for an agricultural district shall be the conservation district board of supervisors. The Soil and Water Conservation Commission shall be responsible for statewide administration of the agricultural district program and shall have sole authority to certify or deny agricultural district petitions. The commission may apply for assistance and funds from the Federal Farmland Protection Act of 1981 (Pub. L. 97-377) which may be available for the development of the agricultural district program and may accept easements as provided in KRS 65.410 to 65.480.
- (4) Any owner or owners of land may submit a petition to the local conservation district board of supervisors requesting the creation of an agricultural district within the county. The petition shall include a description of the proposed area, description of each land parcel, location of the proposed boundaries, petitioners' names and addresses, adjacent landowners' names and addresses, and other pertinent information as required in the petition application. The boundary of an agricultural district shall be contiguous. No land shall be included in an agricultural district without the consent of the owner.
- (5) Upon receipt of a petition, the local conservation district board of supervisors shall notify the fiscal court and any local or regional planning or zoning body, if any, ***of the proposed agricultural district, and shall notify each city that is located less than one (1) mile from the boundaries of the proposed agricultural district,*** by sending a copy of the petition and accompanying materials to that body.
- (6) The following factors shall be considered by the local conservation district board of supervisors and the Soil and Water Conservation Commission when considering the formation of any agricultural district:
 - (a) The capability of the land to support agricultural production, as indicated by: soil, climate, topography or other natural factors;
 - (b) The viability of active farmlands, as indicated by: markets for farm products, extent and nature of farm improvements, present status of farming, anticipated trends in agricultural economic conditions and technology;
 - (c) That the proposed agricultural district meets the minimum size limit of ***fifty (50)***~~two hundred fifty (250)~~ contiguous acres, unless the local conservation district board and the Soil and Water Conservation Commission allow fewer than ***fifty (50)***~~two hundred fifty (250)~~ contiguous acres if the proposed area meets a minimum annual production performance established by the district board and approved by the commission;
 - (d) County development patterns and needs and the location of the district in relation to any urban development boundaries within the county;
 - (e) Any matter which may be relevant to evaluate the petition; and
 - (f) Whether an application is from more than one (1) farm owner, in which case a preference shall be given to the application.

- (7) The local soil and water conservation district board of supervisors shall review the petition application and submit a recommendation to the Soil and Water Conservation Commission within one hundred (100) days of receipt. The local conservation district recommendation shall be submitted to the commission in the form of approval, approval with modifications, or denial of the petition accompanied by justification for such a denial.
- (8) The Soil and Water Conservation Commission shall review the recommendation of the district board of supervisors and certify or deny the agricultural district's petition within one hundred (100) days of receipt.
- (9) Upon the approval of a petition by the Soil and Water Conservation Commission, the commission shall notify the area development district in which the agricultural district will lie, the local county clerk, ***the clerk of each city that is located less than one (1) mile from the boundaries of the approved agricultural district***, and the secretary of the Governor's Cabinet ***by sending a description of the boundaries and the names and addresses of the property owners within the district.***
- (10) Land within the boundary of an agricultural district shall not be annexed.
- (11) The owners of land within the boundary of an agricultural district shall be exempt under KRS 74.177 from any assessment authorized for the extension of water service lines until the land is removed from the district and developed for nonagricultural use.
- (12) Any member, or any successor heir of the member, of an agricultural district may withdraw ***his or her property*** from the district upon notifying the local conservation district board of supervisors in writing. ***The removal of the property from the agricultural district shall be effective immediately upon the district board of supervisors' receipt of the written notification, at which time the district board of supervisors shall remove the property from the agricultural district and shall immediately provide written notice of the changed boundaries to the those entities listed in subsection (9) of this section.***
- ~~(13)(12)~~ It shall be the policy of all state agencies to support the formation of agricultural districts as a means of preserving Kentucky's farmlands and to mitigate the impact of their present and future plans and programs upon the continued agricultural use of land within an agricultural district.
- ~~(14)(13)~~ Agricultural districts shall be comprised only of agricultural land as defined in KRS 132.010.
- ~~(15)(14)~~ An agricultural district shall be established for five (5) years with a review to be made by the local soil and water conservation district board of supervisors at the end of the five-year period and every five (5) years thereafter. Each owner of land shall agree to remain in the district for a five (5) year period, ***unless a member elects to withdraw his or her property pursuant to subsection (12) of this section***, which is renewable at the end of the five (5) years. However, the board shall make a review any time upon the written request of a local government which demonstrates that the review is necessary in order to consider development needs of the local government. The board shall consider whether the continued existence of the district is justified, any adjustments which may be necessary due to urban or county development, and other factors the board finds relevant. The board shall revise the district as necessary based on the review and subject to approval of the State Soil and Water Conservation Commission. Before the state commission takes final action, all interested parties shall be given the opportunity to request the state commission to amend or overturn the local board's decision.
- ~~(16)(15)~~ The withdrawal of a member from a district reducing the remaining acreage of agricultural district land to less than ***fifty (50)***~~*two hundred fifty (250)*~~ acres or resulting in the remaining land being noncontiguous shall not cause the decertification of the district. ***The local district board of supervisors may consider a dissolution of the agricultural district if the withdrawal results in the remaining property within the agricultural district no longer meeting the definition of agricultural land as defined in KRS 132.010.***
- ~~(17)(16)~~ Any member of an agricultural district who has received a summons of condemnation proceedings being instituted concerning the member's land located in the district may request the local soil and water conservation district board of supervisors to hold a public hearing on the proposed taking of land. However a hearing under this section shall not be held if the petitioner in the condemnation proceeding is a utility as defined in KRS 278.010(3) and obtained a certificate of convenience and necessity as required by KRS 278.020(1).
- ~~(18)(17)~~ (a) The board shall notify the local property valuation administrator of the farms which belong to an agricultural district and whenever a farm is withdrawn from a district. The board shall also inform all members of a district of the right to have their land assessed by the local property valuation administrator at the land's agricultural use value and shall offer advice and assistance on obtaining such an assessment.

- (b) The board shall also notify the local property valuation administrator whenever a farm is released or withdrawn from an agricultural district.
- ~~(19)~~~~(18)~~ The board may allow an amendment to an existing certified agricultural district if approved by the commission.

Signed by Governor April 9, 2024.