



What is the Purchase of Development Rights (PDR) Program?

PDR is a voluntary program that enables property owners to sell their development rights to the Fayette County Rural Land Management Board via a permanent Agricultural Land Easement, while holding fee simple title to the land and continuing to farm.

How does the PDR program benefit farmers?

Farm owners will receive a cash payment for their development rights. These funds can help farmers invest in new crops; purchase needed equipment; invest in new agricultural infrastructure; or purchase additional land for farming.

What farmland is eligible?

Farms of at least 20 acres or more that are located in the Agricultural-Rural (A-R) Zone, are eligible to apply.

How are farms selected for purchase of development rights?

PDR applications are accepted annually during a specified period. Landowners will be notified via mail and the LFUCG website. All submitted applications will be reviewed by the PDR staff and scored by selection criteria found in the LFUCG Ordinance 4-2000, Section 26-10, and farm owners are notified in writing of their ranking. The highest ranked qualifying farms will be placed on our federal application for funding.

Where is the funding to purchase development rights obtained?

In most cases the money paid to farm owners will be 50% local and 50% federal funding. It is important to be aware of the federal program rules, including but not limited to: the prime farmland and statewide important soils of applicant farms must together equal at least 50%; all landowner participants and their shareholders, members or partners must be U.S. citizens; no counter appraisals by landowners are permitted; no landowner or shareholder may have an Adjusted Gross Income (AGI) of more than \$900,000 per year and if a farm is owned by an LLC or Partnership, these rules apply to the LLC/Partnership as well as each member of the LLC/Partnership. Please contact the Farm Services Agency (FSA) Office at 859.233.0194 if you have any questions about your AGI, and be aware that Congress is expected to pass the 2018 Farm Bill this calendar year and the current draft of that Bill includes language reducing the AGI eligibility from \$900,000 per year to \$700,000 per year.

How are development right values determined?

An independent certified real estate appraiser will be retained by the Rural Land Management Board to complete an appraisal of the development rights. The development rights value will be the difference between the current unrestricted value of the land, and the value as restricted by an Agricultural Land Easement at the time of appraisal.

Can farmland be developed in the future if development rights are sold?

No, the property may never be developed for non-agricultural uses. Be sure you understand how the Agricultural Land Easement will affect your land and your estate planning, and talk with your attorney or CPA if you have questions. The PDR staff is not qualified nor permitted to provide tax or legal advice.

