Resolution

Woodbury County Policy for Rural Economic Revitalization "Organics Conversion Policy"

Preamble

It is the policy of Woodbury County to promote the economic vitality, and public health and safety, of its rural communities. The "Organics Conversion Policy" is intended to increase per capita income, provide incentives for job creation, attract economic investment, and promote the health and safety of its citizens and communities.

Summary

Woodbury County will grant up to $50,000 each year in real property tax rebate incentives for farms that convert from "conventional" farming techniques that use pesticides to "organic" farming that complies with the USDA 'National Organic Program' Standards and Regulations. The "Organics Conversion Policy" provides tax relief in order to offset costs associated with the three-year conversion period and organic certification, and recognizes the possible reduction or elimination of federal farm subsidies by reason of a conversion.

Organics Conversion Policy

SECTION 1.0 GENERAL POLICY PROVISIONS

Section 1.1 Amount of Real Property Tax Rebates

Woodbury County will grant Woodbury County residents up to $50,000 in real property tax rebates per year for farms that convert from "conventional" farming techniques that use pesticides to "organic" farming that complies with the USDA 'National Organic Program' Standards and Regulations.

Section 1.2 Tax Rebates on Land Only

The tax rebates shall be only applied to taxes levied on the value of unimproved real property zoned as agriculture; there shall be no rebate under this policy for real property taxes levied on the value of improvements (i.e., homes or other structures) to real property within Woodbury County.

Section 1.3 Organics Conversion

The tax rebates shall be applied to farming operations that have used conventional farming techniques and are converting to organic farm production. The tax rebates shall also be applied under this policy for land that has been dormant, or not actively used for farming operations, and converting said property to organic farm production.

Section 1.4 Tax Rebate Program Participation Period

A tax rebate under this policy shall be awarded to a successful applicant (herein called a "participant") each year for a period of five (5) years during which time that applicant must comply with the USDA National Organic Program Standards and Regulations. The land subject to the rebate must be actively farmed in accordance with said standards and regulations throughout that five (5) year period.

Section 1.5 Certification Required After Third Year Participation

A participant must be "certified organic" at the end of year three (3) of its program participation and maintain said certification for the remaining two (2) years of its program participation.

Section 1.6 Program Withdrawal and Return of Tax Benefits

A participant who has taken advantage of a real property tax rebate under this policy, and who subsequently violates the USDA National Organic Program Standards and Regulations during any of the five (5) year participation period, or who has not received organic certification at the end of year three (3), shall immediately be liable for tax benefits received by reason of this policy, plus legal rate of interest from the date of conversion.

Section 1.7 Certification Authority

The recommended certifying agent for establishing compliance and organic certification is the Iowa Department of Agriculture and Land Stewardship (IDALS). However, a participant in this program may acquire organic certification from any USDA accredited organic certification authority. The initial organic certification and report, and any annual updates, will be the sole authority to determine compliance with the USDA National Organic Program Standards and Regulations under this policy.

Section 1.8 Initial & Last Year of Participation; Year of Rebate

The tax rebate shall be applied for unimproved real property, zoned as agriculture, in the initial calendar year of participation only if USDA National Organic Program Standards and Regulations have been complied with from January 1 of the first year of participation. A 'Declaration of Compliance" shall be signed and verified by the participant prior to each rebate distribution for participation years prior to organic certification and following annual reports. The tax rebate shall be distributed for tax payments actually made in the year of participation and shall be distributed to the qualified participant on July 1 and December 15 of each year. The intent is to provide immediate incentive even though payments in the first year of participation are actually assessed for the previous tax year by the Woodbury County Assessor's Office.

Section 1.9 Source of Tax Rebate

The Woodbury County Rural Economic Development Department will be the agent for initiating the tax rebate to qualified participants. Successful applicants will be required to sign a contract incorporating the obligations in accordance with the terms of this policy in order to be a participate in this program.

SECTION 2.0 APPLICATION FOR TAX REBATE UNDER POLICY

Section 2.1 Application Process

The Woodbury County Rural Economic Development Department shall make an 'Application Form' available to the landowners within Woodbury County on January 15, 2006. Woodbury County Rural Economic Development Department will need to receive the completed application no later than February 15, 2006 for consideration. Applications must be signed and submitted by the resident landowner who is of record with the Woodbury County Assessor's Office.

Section 2.2 Organics Board

The Woodbury County Rural Economic Development Department shall establish an "Organics Board" who will review all timely submitted applications under this policy. The Organics Board shall consist of the Woodbury County Director of Rural Economic Development and four additional members from the rural Woodbury County farming and business community. The Organics Board, as recommended by the Rural Economic Development Department, must be approved by the Woodbury County Board of Supervisors prior to the review of applications under this policy.

Section 2.3 Organics Board Duties

The Organics Board shall review each application to determine potential increase in employment, proposed markets for the organic products, relationship with other organic farming operations in the region, type of crop or agricultural product to be produced, potential increase in income, and other information provided in the application. The Organics Board has the authority to deny any application that fails to respond to any question, fails to provide a viable business plan, or that discloses that non-residents will primarily benefit from the potential increase in profits derived from the conversion.

Section 2.4 Right of Appeal for Rejected Applications

If an application has been denied by the Organics Board, the unsuccessful applicant may appeal the ruling to the Woodbury County Board of Supervisors within fifteen (15) days from the mailing of said ruling. All hearings related to an unsuccessful application shall be public and upon sufficient notice as provided by law.

Section 2.5 Priority of Application Approval

The Organics Conversion Board shall allocate the total $50,000 in real property tax rebates between multiple program applicants; with a maximum of twenty percent (20%) of said total available tax benefits going to any one applicant. Allocation of the total available tax rebates ($50,000) shall be made by the Organics Conversion Board among all the applicants based upon review of all factors stated in Section 2.3; the best applicant proposals having priority in being awarded participation in the tax rebate program.

Approved by Board of Supervisors
June 28, 2005