# Regulatory Guidance for Agricultural Operations in Montgomery County, MD

Montgomery County Office of Agriculture August 20, 2024

#### Acronyms:

DPS: Montgomery County Department of Permitting Services DHHS: Montgomery County Department of Health and Human Services MDH: Maryland Department of Health MDA: Maryland Department of Agriculture UME: University of Maryland Extension MSCD: Montgomery Soil Conservation District USDA: United States Department of Agriculture FDA: United States Food and Drug Administration

#### 1. General Information

#### a. Allowable Farming Activities

"Farming", as defined in <u>Section 59.3.2.6</u> of the Montgomery County Code, is allowed as a permitted use (i.e. without conditions) in the Agricultural Reserve (AR) zone, the rural residential zones, and the residential detached (single-family home) zones. "Urban farming", as defined in <u>Section 59.3.2.9</u>, is allowed as a limited use (i.e. with the conditions listed in that section) in all other zones (residential townhouse and multi-unit, commercial, employment, and industrial). Some of the differences between urban farming and farming include:

- Urban farming does not allow the keeping of livestock or horses, only fowl and bees,
- Urban farming prohibits roosters and limits fowl to one per 1,000 ft<sup>2</sup> of lot area,
- The minimum lot area for urban farming is 2,500 ft<sup>2</sup>, and
- Only manual or walk-behind farm equipment are allowed under urban farming.

# b. Determining the Zone and Allowable Uses for a Property

To find out what zone your property is located in, visit <u>MC Zoning</u>, locate the property by entering the address in the search bar at the top-right, and find the zone information on the left-side panel. The zoning of a property is independent from how it is assessed for tax purposes (see Section 12: Agricultural Use Assessment). A property may be agriculturally zoned but not agriculturally assessed and vice-versa. To find out what uses (agricultural or otherwise) are allowed in each zone, see the Use Table in Section <u>59.3.1.6</u> of the County Code.

#### c. Protections for Farming

In the AR zone, farming is the <u>preferred use</u>. This means that agricultural operations are permitted at any time, including the operation of farm machinery. An agricultural use cannot be

restricted on the grounds that it interferes with other uses permitted in the zone. Additionally, <u>Section 40-12B</u> of the County Code states that when property within, adjoining, or confronting the AR zone is being sold, the seller must disclose to the buyer that, in this zone, state and county law protect usual and customary agricultural activities that are in regulatory compliance and not conducted negligently.

#### d. Environmental Requirements

Because agricultural nutrient applications are one source of nitrogen and phosphorus pollution in the Chesapeake Bay, state law requires agricultural operations that generate \$2,500 or more in gross annual income or have farm animals that collectively weigh 8,000 lbs. or more to have a current <u>nutrient management plan</u> (NMP). Based on the soil test results and crop yield goals for a specific farm, a NMP specifies the maximum amount of nitrogen and phosphorus the farm operator may apply to each crop (including hay and pasture) in each field, whether as inorganic fertilizer or an organic nutrient source (e.g. manure, compost). These allowable nutrient amounts are intended to maximize yields without impacting water quality. The NMP also provides recommendations for the amount of lime that should be applied to each field to optimize the soil pH. Farmers can become certified to write their own NMPs or have one written for free by a UME <u>nutrient management advisor</u> or for a fee by a private nutrient management consultant.

If you are applying nitrogen or phosphorus to 10 or more acres of your own farmland, you are required to maintain a current MDA Nutrient Applicator's Voucher by attending a two-hour MDA-approved <u>nutrient management training</u> every three years, unless you are certified to write your own NMP.

If you would like to apply a restricted use pesticide to land you farm, you will need to first obtain a <u>Private Pesticide Applicator Certificate</u> from MDA.

For more information on how to meet each of these requirements and other environmental permits you might need, see <u>A Farmer's Guide to Environmental Permits</u>.

#### 2. Agricultural Structures

#### a. Permits

Structures used exclusively for agricultural production, storage, or processing (e.g. barn, high tunnel, winery, dairy plant) are exempt from the building permit (see 8-1(d)(2) in the County Code). However, structures where goods or services are offered to the public (e.g. farm market, tasting room) are not usually exempt from this permit. An equestrian facility, building, or structure intended for use by participants or spectators at an equestrian event is explicitly required by the Code to have a building permit.

Agricultural structures are not exempt from any of the trade permits. If you would like to install electricity in the structure, you will need an electrical permit. If you would like to add heating, cooling, or ventilation to the structure, you will need a mechanical permit. If the property is not

served by municipal sewer and you would like to add an amenity that requires wastewater treatment (e.g. toilet, sink, shower, dishwasher), you will need a septic permit (see Section 11: Well and Septic). Therefore, if you would like to install a structure, please contact us beforehand so we may advise you appropriately.

### b. Sediment and Erosion Control Law

If the installation of a structure will disturb 5,000 ft<sup>2</sup> or more of land area or involve the movement of 100 yd<sup>3</sup> or more of soil, you will need to comply with the state's Sediment and Erosion Control Law. If the area of disturbance is less than or equal to one acre, the <u>Montogomery Soil Conservation District</u> (MSCD) may be able to provide free guidance for the project that would satisfy these requirements through a new or updated Soil Conservation and Water Quality Plan. If they cannot assist, you will need to hire an engineer and apply to DPS for either an <u>Engineered Sediment Control Permit</u> or a <u>Small Land Disturbance Activity Permit</u>. To request first-time assistance from the MSCD, contact their Administrative Assistant, Karen Walker at <u>karen.walker@md.nacdnet.net</u> or 301-590-2855.

#### c. Stormwater Management Law

If the installation of a structure creates 5,000 ft<sup>2</sup> or more of impermeable surface, you will need to comply with the state's Stormwater Management Law requirements. The MSCD may be able to provide guidance that satisfies these requirements. If they cannot assist, you will need to hire an engineer and apply to DPS for <u>Stormwater Management Concept Approval</u>.

#### d. Development Standards

Structures on a property other than a principal residence are referred to as accessory structures. Farm structures (other than fencing) are usually considered accessory structures and must meet the standard method development requirements for accessory structures for the zone the property is in (see <u>Article 59-4</u> of the County Code). These standards include setbacks (minimum distances) to the property lines and in some cases to neighboring dwellings. To find out what zone your property is located in, see Section 1.b: Determining the Zone and Allowable Uses for a Property.

In all zones except the Agricultural Reserve (AR) zone, all accessory structures must be located behind the rear building line of the principal building. In all zones, any accessory structure used for the housing, shelter, or sale of animals or fowl other than a household pet must be a minimum of 25 feet from any property line and a minimum of 100 feet from a neighboring dwelling. This applies to both stationary and mobile animal structures.

If your property is located in a zone where only <u>urban farming</u> is allowed, not <u>farming</u> (see Section 1: General Information), all accessory structures must be at least 15 feet from any property line and have a maximum height of 14 feet, and the total floor area of all accessory structures except greenhouses must be 10% or less of the total property area. Accessory structures are also required to meet setbacks from wells and septic systems. Please contact Heidi Benham (heidi.benham@montgomerycountymd.gov), Well and Septic Division Chief at DPS, to find out how to meet these setbacks on your property.

# e. Agricultural Fencing

Agricultural fences (e.g. livestock fencing, deer fencing) are exempt from a fence permit. Deer fences and any other type of fence up to 8 feet in height are exempt from building line and setback requirements (see Section 2.d: Development Standards) if the property is farmed and agriculturally assessed for tax purposes (see Section 12: Agricultural Use Assessment). If the property is not agriculturally assessed, deer fencing can still be exempt if:

- 1) The property is in the Agricultural Reserve (AR) or a rural residential zone, or
- 2) If in another zone, the fence is behind the front building line of the principal dwelling unless the property adjoins a national historical park.

Any other type of fencing in a non-agriculturally assessed property can be exempt if it is 6.5 feet or less in height and the property does not abut a Commercial/Residential, Employment, or Industrial zone. See <u>Subsection 59.6.4.3.C</u> of the County Code for additional exemptions.

# 3. Poultry and Rabbits

Although fowl (e.g. chickens, ducks, turkeys) may be kept in all zones of the county, in zones where only <u>urban farming</u> is allowed (not <u>farming</u>), roosters are prohibited and a maximum of one fowl per 1,000 ft<sup>2</sup> of lot area may be kept. See Section 1: General Information.

# a. Registering your Poultry Flock

If you have poultry (chickens, turkeys, waterfowl, game birds, ostriches, emus, and domestic/captive pigeons/doves), you must register the flock once with MDA by emailing a completed <u>Maryland Poultry Registration Form</u> to <u>animalhealth.mda@maryland.gov</u>. You are exempt from this registration if you: 1) have five or fewer birds for less than 120 days in a 12-month period, 2) do not have other poultry on the property, and 3) do not move the poultry from the property, participate in shows, or sell them.

# b. Coops and other farm animal structures

Coops and other farm animal shelter/housing structures are considered accessory structures and therefore must comply with the standard method development requirements for accessory structures for the zone the property is in (see <u>Article 59-4</u> of the County Code). In all zones except the Agricultural Reserve (AR) zone, all accessory structures must be located behind the rear building line of the principal building. In all zones, farm animal structures must be a minimum of 25 feet from any property line and a minimum of 100 feet from a neighboring dwelling. This applies to both stationary and mobile animal structures.

If your property is located in a zone where only urban farming is allowed, not farming, all accessory structures must have a maximum height of 14 feet, and the total floor area of all accessory structures except greenhouses must be 10% or less of the total property area.

### c. Selling Eggs

In order to sell eggs, you will need to submit to MDA a completed Egg Producer/Packer <u>Application Form</u>. If you have fewer than 3,000 chickens, there is no fee and therefore you may email the form to <u>egg.inspection@maryland.gov</u>. You will need to apply every year by December 15th. First-time registrants can submit the application at any time. See the links on the right side of this <u>MDA page</u> for information on the safety standards and egg carton labelling requirements.

### d. Slaughtering Poultry and Rabbits

You may slaughter on-farm your own rabbits and up to 20,000 poultry without inspection by the USDA Food Safety and Inspection Service (FSIS) as long as you only sell within the state of MD. If you participate in MDA's voluntary <u>Poultry and Rabbit Processing Program</u>, you may sell anywhere within the state (e.g. stores, restaurants, farmers' markets). If you do not participate in this program and slaughter your own poultry or rabbits, you may only sell directly to consumers on the farm. In either case, you must follow the <u>MDA Poultry and Rabbit Processing</u> <u>Requirements</u>. If you would like to sell poultry or rabbit meat out-of-state, you will need to process the animals at a <u>USDA-inspected animal processing facility.</u>

If you 1) slaughter fewer than 20,000 poultry per year, 2) sell the meat only directly to consumers on the farm, and 3) participate in the Poultry and Rabbit Processing Program, you do not need any county or state permits or licenses to sell poultry or rabbit meat.

If you would like to sell poultry or rabbit meat at a farmers' market or roadside farm stand, you will need to either 1) apply to MDH (the State) for a <u>Producer Mobile Farmer's Market License</u> and an On-Farm Meat Storage License, both obtained via this <u>application form</u> (see the "Processing" section in this <u>MDH page</u> for more information) or 2) apply to DHHS (the County) for a <u>Farmer's Market License</u>.

# 4. Slaughtering Farm Animals other than Poultry and Rabbits

The slaughter of cattle, hogs, sheep, and goats is regulated by the USDA. Therefore, these animals must be slaughtered, processed, and packaged at a <u>USDA-inspected animal processing</u> <u>facility</u> unless the meat will be used exclusively for your personal consumption. The meat may be returned to the farm for sale with an MDH On-Farm Meat Storage License and it may be sold at a farmers' market with a <u>Producer Mobile Farmer's Market License</u>, both obtained via this <u>application form</u> (see the "Processing" section in this <u>MDH page</u> for more information).

The slaughter of farm-raised bison, deer, elk, pheasant, and other game animals is regulated by the FDA. You may slaughter these animals on the farm without inspection if you only sell the meat on-farm. To sell the meat off-farm, you will need to have the animals slaughtered at a USDA-inspected animal processing facility. The meat may be returned to the farm for sale with an MDH On-Farm Meat Storage License and it may be sold at a farmers' market with a Producer Mobile Farmer's Market License.

If you would like to build a slaughterhouse, you would need to first make sure you could meet the requirements of <u>Section 59.3.2.8</u> in the County Code. The Code allows slaughterhouses only as a conditional use in the AR, R, and RC zones. This means that the applicant must not only meet the Code's standards, but also receive approval from the Office of Zoning and Administrative Hearings, which involves an opportunity for the public to comment on the application. If this approval is granted, you would then need to obtain a <u>Grant of Inspection</u> from the USDA Food Safety and Inspection Service (FSIS). For more information about how to build a USDA-inspected slaughterhouse and to get technical assistance, visit the Flower Hill Institute's <u>Meat and Poultry Processing Technical Assistance Program</u> page.

#### 5. Equestrian Facilities

An equestrian facility is defined in the County Code as a "structure or land that is used primarily for the care, breeding, boarding, rental, riding, or training of horses or the teaching of equestrian skills." Such facilities are allowed as a limited use in the Agricultural Reserve (AR), R, RC, RNC, RE-2, RE-2C, RE-1, and R-200 zones if they meet the standards outlined in <u>Section</u> <u>59.3.2.4</u>. These standards include limits on the number/density of horses, events, and other requirements.

If you own a stable with one or more horses that provides services to the general public, such as offering lessons, boarding horses, providing a rental service, or serving as a rescue or sanctuary stable, you are required to have a current State of MD stable license. This requires undergoing inspections by the MDA Horse Industry Board. The state stable license is valid for one year and must be renewed annually o or before July 1. Visit the <u>Horse Industry Board page</u> for more information.

You may also be required to obtain a county stable license and undergo county inspections. Contact the Montgomery County Animal Services Division at 240-773-5900 to see if that is a requirement for your farm.

#### 6. Selling Your Farm Products

No county or state health department permits or licenses are needed to sell the following nonpotentially hazardous products on your property:

- Whole, fresh, un-processed raw produce, herbs, nuts, or honey
- Shelled eggs registered with the Maryland Department of Agriculture (see section 3.c.)
- Live crustaceans
- Cottage foods (see the MDH Cottage Foods website for a list of foods that qualify)
- Cut flowers/ornamental plants
- Live agricultural plants (e.g. vegetable/fruit/herb starts)

However, if you grow produce, you may be subject to produce safety requirements (see Section 7: Produce Safety).

An on-site farm market for the sale of agricultural products is allowed in all zones of the county as an accessory agricultural use if it meets the standards outlined in <u>Subsection 59.3.2.10.C</u> of the County Code. In the Agricultural Reserve (AR), rural residential, and some residential zones, one of the requirements is that the products sold be produced on-site or on a property under control of the market operator, except that a maximum of 25% of the display and sales area may be used for products produced at a farm not under control of the market owner. In all other zones, all of the products sold must be produced on-site. The construction of a farm market may require a building permit from DPS. See Section 2: Agricultural Structures for additional important information.

If you would like to sell any potentially hazardous products (i.e. any products other than the those in the bulleted list above) on the farm, at a farmers' market, or at a roadside stand, you will need to either: 1) apply to DHHS (the County) for a <u>Farmer's Market License</u> or 2) apply to MDH (the State) for a <u>Producer Mobile Farmer's Market License</u> via this <u>application form</u>.

If you would like to sell any type of product on a private or public property other than your own (except for a farmers' market), you will need to apply to DPS for a <u>Site-Specific Vendor License</u>. If you will sell fruits, vegetables, herbs, cut flowers, small trees, or plants, you should first apply to our office for an <u>Agricultural Producer Certificate</u> and submit this certificate with your application for the Site-Specific Vendor License. You must email all required documents (listed in the application form) all at once to <u>DPS.vendor-license@montgomerycountymd.gov</u>. In all zones except the AR, R, RC, RNC, and IH zones, the Agricultural Producer Certificate allows you to sell in a public right-of-way (i.e. road and strip of land adjacent to the road owned by the county or state government) if you meet the standards of the Agricultural Vending use outlined in <u>Subsection 59.3.2.11.A</u>. In the AR, R, RC, RNC, and IH zones, agricultural producers are not allowed to sell on the public right-of-way.

#### 7. Produce Safety

If you grow produce, you may be required to comply with the <u>Produce Safety Rule of the Food</u> <u>Safety Modernization Act (FSMA)</u>, an FDA law that is enforced by MDA. There are exemptions for farmers growing only produce that is rarely consumed raw or that receives commercial processing, those selling under a certain average annual amount, and those growing produce only for personal use. Exempt farmers are required to submit the appropriate <u>FSMA exemption</u> form to MDA annually and all produce farmers are required to submit the <u>FSMA Inventory</u> <u>Registration Form</u> once. Non-exempt farmers are required to meet food safety training, testing, and record-keeping requirements. For more information on the requirements and training opportunities, visit the <u>UME Produce Safety website</u> and the links on the right side of the <u>MDA</u> <u>FSMA website</u>.

### 8. Processed and Value-Added Farm Products

State law allows for the production of certain non-potentially hazardous foods in a residential kitchen (e.g. hot-filled acid-fruit jams, baked goods, acid fruit leathers, tea blends), referred to as "<u>cottage foods</u>", without any food licenses. To qualify for this exemption, you need to:

- Produce only foods listed in the MDH "<u>Guidelines for Cottage Food Businesses</u>" document,
- Produce the foods in a private home kitchen and store them in that residence,
- Prepackage them with a label according to the MDH Guidelines for Cottage Food Businesses,
- Sell directly to the consumer for off-site consumption from a residence, by delivery (in person or by mail), at a farmers' market, bake sale, or public event, or sell to a retail food store if the food remains inside the original packaging,
- Sell only within the state of MD, and
- Generate a maximum of \$50,000 per year from the sale of cottage foods.

All other processed, non-animal farm products require either an <u>On-Farm Home Processing</u> <u>License</u> or a <u>Processing License</u> from MDH, both obtained via this <u>application form</u> (see the "Processing" section in this <u>MDH page</u> for more information). In order to qualify for the On-Farm Processing License:

- You need to own the property where the processing will take place,
- The property must be in the Agricultural Reserve zone or you need to submit to MDH a zoning verification letter from DPS stating that your agricultural activities are allowed in your zone,
- The property needs to be agriculturally assessed by the State Dept. of Assessments and Taxation (SDAT),
- The processing must take place in a residential kitchen on the property, and
- You must produce only certain allowable foods, generally ones that do not require refrigeration (e.g. canned acid foods, acidified foods, dried vegetables, flavored honey).

If you do not meet these requirements, you will need to obtain a Processing License, which requires using a licensed commercial kitchen on- or off-site. Foods that require a Processing License include baked goods with potentially hazardous toppings or fillings, fermented foods, fruit butters, and cut fruits and vegetables.

Please see this helpful <u>MDA page</u> for a comprehensive list of processed agricultural products and the regulatory requirements for each.

# 9. Selling Prepared Foods

If you would like to prepare food in a building on your property and offer it to the public (with or without charge), you will need to work with DHHS to establish a licensed <u>Food Service Facility</u>, also known as a commercial kitchen (as well as apply for all DPS permits if construction is

necessary). Although stand-alone commercial kitchens are not allowed in the Agricultural Reserve zone, a commercial kitchen serving as an accessory use to the farming activities on the property is allowed.

There are three tiers within the Food Service Facility License, based on the food-borne illness risk of the food being prepared:

- 1) Low priority (commercially pre-packaged hazardous foods served directly to the consumer or non-potentially hazardous foods prepared on-site)
- 2) Moderate priority (food goes through the temperature "danger zone" of 41–135°F once)
- 3) High priority (food goes through the danger zone more than once)

As part of the Food Service Facility License application, you will need to submit a <u>Hazard</u> <u>Analysis Critical Control Point (HACCP) plan</u>. You will also need to have one or more employees obtain a Food Service Manager Certificate and a Food Allergen Awareness Training Certificate given that someone with these certificates must be present whenever the facility is in operation.

If you would like to have your own food truck on the property, you will not need a commercial kitchen on the property as long as the food truck has a commercial kitchen elsewhere as its base of operation (e.g. restaurant or shared-use commercial kitchen). You will need to apply to DHHS for a <u>Mobile Food Service License</u>. This license also requires a HACCP plan and that at least one employee have a Food Service Manager Certificate and a Food Allergen Awareness Training Certificate.

If you only invite outside-owned food trucks to sell food on your property, you will not need any licenses or permits as the regulatory compliance responsibility lies with the food truck owner.

<u>Cottage foods</u> (foods that may be prepared in a home kitchen) may not be sold for on-site consumption, only for off-site consumption from your home, by delivery, to a retail store, at a farmers' market, or at a public event.

# 10. <u>Dairy</u>

If you would like to produce milk that will be consumed by humans either as fluid milk (i.e. Grade A milk) or processed dairy products (e.g. cheese, butter, yogurt, ice cream), you will need to apply to MDH for a <u>Milk Producer's Permit</u>. In addition, if there are no compliant milk storage and processing facilities already on the property, you will need to submit to MDH an <u>Application to Construct Dairy Farm Facilities</u>, an <u>Application to Modify or Install a Milking System on a</u> <u>Dairy</u>, and most likely an <u>Application to Install a Refrigerated Bulk Milk Storage Tank Permit</u>, regardless of whether the milk will be consumed as fluid milk or processed dairy products.

MD law requires that fluid milk sold for human consumption be pasteurized (i.e. raw milk is not allowed for sale). Unpasteurized milk can be used to make hard cheeses (i.e. aged 60 days). If you will pasteurize the milk and/or produce yogurt or butter on your property, you will need a <u>Grade A Milk Processor License</u>. If you will process the milk into cheese, you will need either a

<u>Manufacture Grade Milk Processor License</u> (if using pasteurized milk) or a <u>Farmstead Cheese</u> <u>Producer License</u> (if using raw milk). If you will make ice cream, you will need to submit a <u>New</u> <u>Frozen Dessert Application</u>. See the "Information for New Dairy Processing Facilities" section of this <u>MDH page</u> for guidance.

Additionally, in order to process milk into dairy products, you will need to apply to DHHS for a "Food Service Facility" (AKA commercial kitchen) license.

If you will process only milk you produce, this is allowed under the County Code definition of <u>farming</u> and does not require an "<u>agricultural processing</u>" conditional use application.

# 11. Well and Septic

Unless your property is serviced by municipal sewer, each farm structure/building with an amenity requiring wastewater treatment (e.g. toilet, sink, shower, etc.) usually requires its own septic field. A septic system can only be built in an area where soil tests have shown that there is enough percolation capacity and depth to the water table during a certain time of the year. You can contact Heidi Benham (heidi.benham@montgomerycountymd.gov), Well and Septic Division Chief at DPS, to find out if there are any current soil tests on record for your property showing areas suitable for a septic field.

If there are no records, you will need to get the soil tests. The percolation tests can be done at any time of the year, but the water table tests must be done during the timeframe established by DPS each year based on rainfall (typically Feb. 1 to April 15). Soil testing is an expensive process, as it requires submitting an <u>soil testing permit application</u> to DPS, hiring an engineer to develop a site test plan, having the land staked by a licensed surveyor, hiring an excavator to drill test holes and set up an appointment for a DPS inspector to evaluate the test holes, and paying the DPS fees.

Once you find a location that passes the percolation and water table tests, you will need to apply to DPS for a <u>septic permit</u>, hire an engineer to prepare a septic permit plan, install the septic system, have it inspected by DPS, and pay the DPS fees.

Building a well requires applying to DPS for a <u>well permit</u>, hiring an engineer to develop a site plan, hiring a well driller to drill the well, having DPS inspect the well, and paying the DPS fees. For a list of well and septic engineers and well drillers, visit the "Technical Assistance" section of our <u>Programs and Services</u> page.

# 12. Agricultural Use Assessment

The State Department of Assessments and Taxation (SDAT) assigns a use assessment to each property (e.g. agricultural, residential, commercial), based on how the property is being used, in order to tax it at the appropriate rate. Properties that are assessed agriculturally are taxed at a lower rate per acre than ones assessed residentially. A property's assessment is independent of its zone. A property may be agriculturally zoned but not agriculturally assessed and vice-versa.

SDAT also assigns an account number to each property. To find out the account number for a property, visit <u>MC Zoning</u>, locate the property by entering the address in the search bar at the top-right, and find the eight-digit account number on the left-side panel. To find out how a property is currently assessed, you can either click on this account number or you can visit SDAT's <u>Real Property Data Search</u> site, enter the county, and search for the property using the address or account number. The use assessment will appear under "Use" in the top right of the tax worksheet.

If you have one or more <u>approved agricultural activities</u> on the property, your property may be eligible for the <u>agricultural use assessment</u>. To apply for this assessment, you need to submit to SDAT an <u>Application for Agricultural Use Assessment</u> and an <u>Agricultural Declaration of Intent</u>.

Properties 20 acres or greater in size are eligible for this assessment if they have at least 5 acres of land actually devoted to approved agricultural activities. Properties that are at least 3 acres but less than 20 acres in size need to have at least 3 acres actually devoted to agriculture. If they have fewer than 5 acres actually devoted to agriculture, they must also generate at least \$2,500 in gross annual income from approved agricultural activities. If they have at least 5 acres actually devoted to agriculture, the income test is not required. It is very difficult for properties less than 3 acres in size to achieve the agricultural use assessment, since one of the following conditions must be met:

- The property has agricultural activity and you own an adjoining property that is eligible for the agricultural use assessment (limited to only two parcels of less than 3 acres).
- You receive at least 51% of your gross income from the active use of the property.
- The property is used agriculturally and is part of a "family farm unit." This term means that the owner of a larger farm may separate out of that larger parcel not more than 1 smaller parcel for each immediate family member. These smaller parcels must remain in active agricultural use, they must be contiguous to the larger parcel, and they must be owned by the immediate family member.

In Montgomery County, the maximum area that can receive the agricultural use assessment is six times the area that is actually devoted to agriculture. For example, if there are 20 acres devoted to agriculture on a 401-acre property, 120 acres are eligible to be assessed agriculturally and the remaining 281 acres will be assessed residentially. Land under a Forest Conservation Management Agreement or a private woodland management plan is not used in these calculations. The area used for a residence is excluded from the agricultural use assessment and assessed residentially. SDAT usually reserves one acre for the homesite.

#### **13.** <u>Registering a Business</u>

If you will be selling products, you will need a Montgomery County Business/Traders license. To obtain one, you will need to do the following.

- 1) <u>Register your business</u> and establish the legal entity with the State of Maryland.
- 2) Obtain a Federal Employer Identification Number (EIN).

- Open a Use & Sales Tax account with the State of Maryland by calling 800-MDTAXES or 410-260-7980 or emailing <u>sut@marylandtaxes.gov</u>.
- 4) Optional: Register the trade name of your business with the Maryland Department of Assessments & Taxation (if you have a business name that you want to protect).

Once those steps are completed, you must file your <u>business license application</u> with the Montgomery County Circuit Court License Department.