

AGRICULTURE & RURAL AFFAIRS

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Agriculture is Ohio's No. 1 industry, contributing more than \$100 billion annually to the state's economy and employing one in seven Ohioans. CCAO recognizes that agriculture will continue to diversify, requiring resources and innovation to address increasingly complex challenges. The industry projects there will not be enough qualified individuals to fill jobs over the next 10-20 years, so a growing awareness of the opportunities available for work in this field is something that should be communicated to our state's work force.

WATER QUALITY IS AN ISSUE THAT IS MUCH BROADER THAN AGRICULTURE, AND IT IS A MULTI-FACETED PROBLEM WITH VARIOUS CONTRIBUTORS.

These impacts are attributed to both point and non-point sources of phosphorus and nitrogen. The agriculture industry is taking significant steps toward reducing the amount of nutrients entering our watersheds, ensuring the quality of this critical natural resource for future generations. Collaboration among industry, federal, state and local governments as well as centers of higher education is critical.

More research and funding is needed to find solutions to these new challenges. County Soil and Water Conservation Districts play a critical role in improving water quality across the state. As such, more state funding should be provided to districts to confront Ohio's growing water quality crisis.

COMMITTEE PRIORITIES

WATER QUALITY

Water quality has become one of Ohio's highest priorities. Wastewater treatment plants, combined sewer overflows and bypasses, industrial

discharges, failing home sewage treatment systems, dredged material and runoff from agriculture all are contributing to excessive amounts of nutrients in our waterways.

The federal government, state government, local governments and the agriculture industry must all play a role in protecting Ohio's watersheds.

Agriculture is working to implement best management practices such as the 4 R's – the right fertilizer, the right rate, at the right time, in the right place. Cover crops, manure management and effective drainage are also important. More farmers are utilizing soil testing data for precision fertilizer application. OSU Extension has trained over 11,000 certified fertilizer applicators. Now over 12.8 million acres in the state are maintained by certified applicators. As better management practices are identified, they must be accompanied by education that gives the producers the knowledge and tools to implement them.

Historic storm events that produce heavy rainfall have been identified as a significant challenge. These storms cause a large percentage of nutrients to leave the field and enter the watershed. These heavy rains are also consequential for point sources such as wastewater treatment plants, which need funding to upgrade infrastructure. Ohio should allocate additional public works bonding capacity for water and sewer projects.

SOIL AND WATER CONSERVATION DISTRICTS

CCAO supports the continuation of a state funding match to incentivize investment in Soil and Water Conservation Districts (SWCDs). Counties contribute over \$11 million of funding for SWCDs from county general revenue funds. In the 2016-2017 Biennial Budget for each dollar of local funding to county SWCDs, the state portion

AGRICULTURE & RURAL AFFAIRS

declined from \$0.80 per dollar to \$0.76 per dollar. Appropriations for the state match program should be increased in order to return one dollar of state match for each local dollar invested.

COUNTIES CONTRIBUTE OVER \$11 MILLION OF FUNDING FOR SWCDs FROM COUNTY GENERAL REVENUE FUNDS. IN THE 2016-2017 BIENNIAL BUDGET FOR EACH DOLLAR OF LOCAL FUNDING TO COUNTY SWCDs, THE STATE PORTION DECLINED FROM \$0.80 PER DOLLAR TO \$0.76 PER DOLLAR.

SWCDs provide expert assistance to address both agricultural and urban concerns. SWCDs are locally lead by a board of five publicly elected county residents to address local priorities. SWCDs:

- Work closely with Ohio's agriculture industry to reduce nutrient impacts suspected to contribute to hazardous algal blooms, through recommending, designing and supervising construction of best management practices and through written nutrient management plans.
- Leverage federal funding from USDA and other sources for local projects. Most SWCDs can show far more money was brought into their county to pass along to landowners than was appropriated by their county commissioners.
- Assist with storm water management and flood prevention through urban programs as



well as ditch maintenance and stream obstruction removal projects. SWCD's help county commissioners resolve citizen drainage issues.

- Install best-management practices through nutrient credit trading programs helping reduce the cost of a treatment plant or point source upgrades by implementing less costly non-point source conservation practices in the watershed.
- Encourage the wise use or conservation of natural resources so they can be used by current and future generations.

On January 1, 2016, the administration of the Soil and Water Conservation Program by the Ohio Department of Natural Resources' Division of Soil and Water Resources was transferred to other agencies. The main administrative agency now is the Ohio Department of Agriculture (ODA), while Ohio EPA administers the storm water functions.

CCAO believes any enforcement of agricultural regulations should be done by ODA or Ohio EPA, while SWCDs main functions should be maintained as an advisory role. It is critical that the trust and relationships SWCDs have with local farmers be maintained.

CURRENT AGRICULTURE USE VALUATION (CAUV)

CAUV has been an invaluable program for the farming community. Land devoted exclusively for agriculture may be valued and taxed according to its current agricultural use rather than its market value. This concept was authorized by the voters of Ohio when they passed a constitutional amendment in 1973. As a result, the program produces lower property taxes on farmland than other types of property.

The Ohio Department of Taxation administers the CAUV program. Values are adjusted every three years during the triennial update done by county auditors. The formula takes into account various factors including soil types, market prices for agricultural commodities, input costs, interest

rates and expected return on investment of purchasing land.

The CAUV formula has worked well over the years to help keep agriculture the #1 industry in Ohio. However, the past few years we have seen CAUV taxes continue to rise. In some places CAUV property taxes have increased over 250 percent, causing significant challenges for those farmers.

CCAO believes that the CAUV formula should be reexamined and studied to make sure it is working as it was intended. All facets should be evaluated including the capitalization rate and its relationship to agricultural land sales, equity for farmland and appreciation factors. Farmers should also be encouraged to keep woodlands and pastures. The recent changes by the Department of Taxation are steps in the right direction, but more needs to be done to make sure the program is effective.

CCAO also recognizes that property taxes are important sources of revenue that provide for many county services, fund our schools and support our townships.

RURAL COMMUNICATIONS INFRASTRUCTURE

Counties want to encourage and secure more reliable cell phone service as well as access to broadband capability to provide efficiency in the workplace and to their residents. CCAO supports the efforts of entities such as Connect Ohio in assisting in these efforts, particularly in rural counties facing unique challenges due to access issues, terrain and density. These services are critical in attracting economic development.

Counties would like to continue to explore ways to provide cost-efficient emergency services communications and secure adequate funding to provide these critical services. This can range from partnerships for radio systems and towers to appropriate implementation of Next Generation 9-1-1. Counties should have the authority to make use of utility infrastructure, such as cell, MARCS and cable towers, for county emergency communication equipment.

Access to broadband is critical for the development of technology, enhancement of educational opportunities, delivery of healthcare and growth in commerce. Yet only 71 percent of Ohioans have access to broadband service in their homes. Ohio needs to aggressively promote access, adoption and use of broadband throughout Ohio. The General Assembly must be committed to examining the barriers that limit access to broadband and promoting sound policies that encourage access to broadband in order to stay competitive in the national economy.

RURAL ROAD FUNDING

While CCAO supports the expansion and development of agribusinesses as well as all industries, including new energy infrastructure development, counties need more resources and assistance to address new infrastructure demands caused by this expansion and development. County roads are impacted by the development of new industries in rural areas and the day-to-day operation of certain facilities. CCAO supports additional grants and resources from the state to help finance such infrastructure. Such grants should give consideration to the amount of roadway impacted. CCAO also supports a requirement that any industry that unduly impacts roadways consult with commissioners and engineers to identify financing for infrastructure improvements or road use maintenance agreements. These industries should assume some responsibility when roads have been unduly impacted. CCAO also supports a restructuring of the fees and fines associated with load limits on highways to combat irresponsible use of county roadways.

CCAO supports a requirement that, in addition to local governments, county engineers should be notified of anticipated major new operations or expansions of businesses. County engineers also should be permitted more flexibility in force accounts to provide for rural road and bridge repair.

CCAO recommends the state's economic development efforts focus various incentives and or development grant monies toward

development of rural infrastructure necessary to support the agriculture industry. Also important is maintaining access to key processing facilities in urban areas that are utilized by the agriculture industry.

CONSIDERATIONS SHOULD INCLUDE: ALLOCATING ADDITIONAL PUBLIC WORKS BONDING CAPACITY; MAKING ADJUSTMENTS TO HIGHWAY USER FEES; AS WELL AS ADDITIONAL GRANTS, LOANS AND SUBSIDIES FOR THE CAPITAL COSTS OF LOCAL INFRASTRUCTURE.

The state last adjusted the motor vehicle fuel tax in 2005, the state motor vehicle license fee for the benefit of local governments in 1980 and the permissive local motor vehicle license fee authority in 1987. CCAO has additional positions relative to infrastructure funding that can be found under the **Taxation and Finance** section of this document.

FEDERAL WATERS OF THE US RULES

CCAO is opposed to the new federal rule to redefine the definition of Waters of the U.S. (WOTUS) under the Clean Water Act. Congress should require the U.S. Environmental Protection Agency and the U.S. Army Corps of Engineers to withdraw the new WOTUS rule and rewrite it in consultation and collaboration with state and local governments.

The new definition would expand types of waters that fall under federal jurisdiction which would impact county-owned and maintained roadside ditches, flood control channels, drainage conveyances, storm water systems, green infrastructure construction and maintenance.

On August 27, 2015, a federal judge temporarily stopped the U.S. Environmental Protection Agency and U.S. Army Corps of Engineers from enforcing the new rules. As the rule goes through the judicial process, federal agencies should work with local governments to clarify the regulation and implementation process.

DRAINAGE LAW REVISION

CCAO supports the efforts of the Drainage Law Task Force composed of commissioners, engineers and other stakeholders, which is actively reviewing Ohio's drainage laws and will be making recommendations for changes. In particular, ditch procedures under ORC Chapters 940, 6131, 6133, 6135 and 6137 need revised to clarify numerous provisions and embrace new technology and processes that would provide for greater efficiencies, fewer misunderstandings and less unnecessary legal costs for taxpayers.

COMMITTEE RECOMMENDATIONS

FUNDING OF OHIO STATE UNIVERSITY EXTENSION

CCAO supports increasing the level of state and federal support for OSU Extension Services provided that an appropriate share of new funds will be used to relieve county general fund contributions. Maintaining an OSU Extension educator in each county should be the top priority.

OSU Extension builds better lives and stronger communities through education; supports Ohio's number one industry, agriculture; and develops future leaders through 4-H. Each county's OSU Extension program is customized to meet local needs with the input of local people to most efficiently use scarce resources. In addition to agriculture and 4-H, OSU Extension administers federally-funded nutrition education programs; helps individuals, families and businesses manage resources; and supports community development. On-farm research to study nutrient management is identifying ways to reduce toxic algal blooms in Ohio's lakes. 4-H members gain skills that prepare them to enter the workforce through community clubs and school programs. People of all ages learn to "live healthy, live well" and better manage finances through OSU Extension.

CCAO also supports OSU Extension in recent efforts to provide flexibility in staff distribution and programming.

FARMLAND PRESERVATION

CCAO supports fair and equitable policies to encourage the preservation of economically viable agricultural land and protect it from urban encroachment and conflicting land uses. Farmland preservation should be encouraged as a means to maintain a thriving agricultural industry in Ohio and foster the expansion and development of agribusiness.

The need for farmland preservation should be included in any comprehensive county land use plan and determined through a local consensus building process involving municipalities, townships, school districts, local development and business interests, farmers and the general public.

Legislation also should be enacted to give counties the tools they need to preserve farmland and encourage quality urban development while respecting property rights. This includes legislation to allow counties to increase the period of recoupment for CAUV, with the added proceeds going towards farmland preservation efforts, agricultural economic development, comprehensive planning and infrastructure projects.

ANY STATE PROGRAM TO PRESERVE FARMLAND SHOULD RECOGNIZE THE PARTNERSHIP BETWEEN THE STATE, LOCAL GOVERNMENTS AND LANDOWNERS, AND THAT SIGNIFICANT STATE MATCHING DOLLARS ARE NEEDED TO SUPPLEMENT LOCAL EFFORTS.

State programs should include technical assistance and funding to assist in local administration, monitoring and enforcement. In addition, authority should be granted so that the holder of any new easement may charge a fee to support mandated responsibilities.

The Ohio Department of Agriculture's Office of Farmland Preservation, in partnership with local governments and private land conservancies, should provide funding for the purchase of

agricultural easements to compensate farmers for agreeing to keep agricultural land in farm production permanently. This has occurred due to the successful passage of the Clean Ohio Bond Initiative. CCAO supports a review of Clean Ohio Fund distribution between the Ohio Farmland Preservation Office and Natural Resources Assistance Councils, as well as the inclusion of farmland for eligibility in greenspace/openspace project funding. In addition, CCAO supports efforts by the Office of Farmland Preservation to ensure a simpler, user-friendly application for farmland preservation easements.

Another farmland preservation tool is Agricultural Security Areas (ASA). This program was created in 2005 and allows one or more landowners of at least 500 acres of contiguous farmland to enroll into an ASA for 10 years. This will protect the farmland from non-agricultural development. Public-private partnerships should be considered in order to qualify more farmland. Land that is owned by local governments, if the local government would like to participate, should be allowed to help landowners qualify for an ASA.

When discussing farmland preservation, we also recognize that having strong urban centers where people want to work and raise a family are important in preventing rural sprawl. In a holistic approach, the state should examine its policies and planning related to urban growth and revitalization of our urban cores.

FUNDING FOR WATER QUALITY EDUCATION AND RESEARCH

CCAO supports more state funding for Ohio's research centers to study water quality issues. Heidelberg University's National Center of Water Quality Research, University of Toledo's Lake Erie Center and Ohio's Sea Grant program, including Ohio State University's Stone Lab, are on the forefront of studying water quality issues. These institutions work to maintain the health of Lake Erie and support the many economic activities associated with the lake. They monitor and seek solutions to problems around water quality, invasive species and a host of other issues. Close working relationships with the charter fishing

AGRICULTURE & RURAL AFFAIRS

industry and tourism are key to continuing the economic viability of Ohio's north coast. These research centers also train teachers, P-12 students and college students in key science disciplines and educate a new generation of consumers about the critical nature of Lake Erie's well-being.

CCAO is encouraged by recent grants from the Ohio Department of Higher Education's Harmful Algal Bloom Research Initiative, as well as The Ohio State University's Field to Faucet initiative.

FUNDING OF OHIO STATE UNIVERSITY COLLEGE OF AGRICULTURE

CCAO supports adequate funding for the College of Food, Agricultural, and Environmental Sciences' (CFAES) academic programs as well as research and Extension.

Agriculture is a \$107-billion-dollar industry for our state, so a competent agricultural work force is critical to our economic well-being. The Agricultural Technical Institute (ATI), OSU's two-year program, is the leading producer of two-year degrees in food and agriculture in the U.S. Well over 90 percent of ATI and CFAES graduates are placed in jobs or continue their education within six months of graduation. Seventy percent of those graduates remain in Ohio, keeping our #1 industry strong. CCAO supports a funding mechanism for ATI that takes into consideration the unique nature of this program – a two-year degree program within a four-year institution – so that it is able to provide job-ready grads for Ohio employers. Neither the two-year nor four-year funding formulas for higher education appropriately address ATI, so a different approach to assure adequate funds is critical.

FUNDING OF OARDC

CCAO supports a continuation of state funding for the Ohio Agricultural Research and Development Center (OARDC) to continue the growth and development of Ohio's agricultural industry, along with stewardship of the environment.

OARDC is the research arm of the College of Food, Agricultural, and Environmental Sciences of

The Ohio State University and is a leader in the AgBiosciences that integrates scientific disciplines critical to food security, safety and health; environmental sustainability; and biobased energy, fuel and products.

- The State of Ohio's investment in OARDC leverages more than \$175M in current grants and contracts from both the public and private sectors - a more than \$5 return on investment for every \$1 invested.
- OARDC has a history spanning more than 125 years of providing comprehensive research and development programs to Ohioans in the AgBiosciences. This history has been critical to the growth and competitiveness of our major commodities and value-added industries as well as providing new and emerging industries the science-based information needed to solve problems impacting market sustainability.
- OARDC manages a major campus in Wooster and nine outlying research stations as well as supporting research on the Columbus campus. These locations enable OARDC to provide direct impact on economic development and regional planning statewide.
- OARDC is an economic engine for Ohio that brings in federal and private-sector grant funds and helps grow businesses.

FAIRGROUND FUNDING

CCAO supports the renewal of state funding for county and independent fairground improvements. These facilities often are one of the most important economic development tools a local government has and highlight agriculture as the largest industry in Ohio.

CCAO wants to thank the Ohio Legislature for establishing the Agricultural Society Facilities Grant Program in the budget. This program, administered by ODA, provided \$4.7 million in grants to county and independent agricultural societies to support capital projects. CCAO hopes the legislature will continue to fund this program in the future.