



BONA FIDE FARMS GUIDE

What is a Bona Fide Farm?

Bona Fide Farm is a legal term for official farms recognized by State law. Bona fide farms are eligible for relief from taxes, zoning requirements, and some development regulations. Bona fide farm status may also qualify the farmer for federal, state, and local technical assistance, special programs, and financial aid. The UNC School of Government puts it this way: *“The basic idea of the farm exemption is simple: The county government ought not be telling the farmer when to plow her field, where to build her barn, or how many cattle to graze in the pasture.”*



North Carolina General Statute

Criteria

The following is sufficient to determine if a property is used for bona fide farm purposes:

- NC Department of Revenue farm sales tax exemption certificate.
- A copy of the property tax listing showing that the property is eligible for participation in the Present Use Value program pursuant to NCGS 105-277.3. Farms and property that qualify as bona fide farms do not automatically qualify for the Present Use Value Program, which is administered by the Orange County Tax Administration. In order to qualify and enroll in this program, the property must meet the criteria established in NCGS 105-277.3.
- A copy of the IRS Schedule F from the farm owner’s or operator’s most recent federal income tax return.
- Approved forest management plan.

As defined in NCGS 106-581.1, bona fide farm uses include:

- The cultivation of soil for production and harvesting of crops, including but not limited to fruits, vegetables, sod, flowers, and ornamental plants
- The planting and production of trees and timber including croplands and timberlands.
- Dairying and the raising, management, care, and training of livestock, including horses, bees, poultry, and other animals for individual and public use, consumption, and marketing. Examples include livestock (not including household animals such as cats and/or dogs) horse farm (including training and breeding), and beekeeping.
- Aquaculture as defined in NCGS 106-758;
- The operation, management, conservation, improvement, and maintenance of a farm and the structures and buildings on the farm, including building and structure repair, replacement, expansion, and construction incident to the farming operation. This may include barns, storage buildings, and greenhouses.
- The marketing and selling of agricultural products; agritourism; the storage and use of materials for agricultural purposes; packing, treating, processing, sorting, storage, and other activities performed to add value to crops, livestock, and agricultural items produced on the farm; and similar activities incident to the operation of a farm. This may include farm tours, corn mazes, product stands, or pick-your-own produce.

Bona Fide Farm Exemption Form

Property owners may complete voluntary exemption forms for a bona fide farm.

- Complete a Bona Fide Farm Exemption form. Forms are available at the following link: www.orangecountync.gov/BonaFide
- Submit completed form and other materials to the Orange County Planning Department (www.orangecountync.gov/Planning).
- Contact Building Inspections (www.orangecountync.gov/Inspections) to determine if a building permit is required.
- Contact Erosion Control (www.orangecountync.gov/Erosion) to determine if a land disturbance permit is required.
- Contact Environmental Health (www.orangecountync.gov/EH) to determine if a permit is required. Note, there are no Environmental Health exemptions for bona fide farms.



Present Use Value Program (PUV)

Topic	Dept/Division	Contact
Tax Status e.g. County Present Use Value (PUV), Farm Status, Farm Use Value Taxation	Tax Administration	919-245-2108 tax@orangecountync.gov www.orangecountync.gov/Tax

Zoning and Housing

Zoning regulations do not apply to property used for bona fide farm purposes, as defined by North Carolina General Statutes, except as follows:

- Any non-farm use of farm property
- Compliance with all regulations required by the Federal Emergency Management Agency (FEMA) through the National Flood Insurance Program and
- Compliance with the Orange County flood damage prevention regulation.

Based on NCGS 160D-903(a), housing incidental to the farm **may** be exempt from zoning. **However, the state building code, subdivision standards, and other development regulations still apply.** To qualify as exempt, housing must be:

- A residence constructed to the applicable residential building code;
- Situated on the farm; and
- Occupied by the owner, lessee, or operator of the farm.





If these criteria are met, the house may be exempt from zoning. A future change in occupancy or ownership may mean the home is no longer exempt from zoning and would be subject to zoning regulations. This may result in a violation of development regulations subject to enforcement action.

Topic	Dept/Division	Contact
<i>Planning and Zoning</i> e.g. house, barn, shed	Planning Department	919-245-2575 planningapps@orangecountync.gov www.orangecountync.gov/Planning

Addressing

Per the Addressing Ordinance, all habitable structures are required to have an E911 address. Addressing of any structures used for bona fide farming purpose shall follow the Road Naming and Addressing Ordinance (www.orangecountync.gov/RoadNaming).

Topic	Dept/Division	Contact
<i>Addressing</i>	Tax Administration	919-245-2576 addressing@orangecountync.gov www.orangecountync.gov/RoadNaming

Environmental Health

Bona Fide Farm status does not exempt property owners from public health laws and regulations. Public Health Statute 130A7 regulates wells, septic systems, and food service permits. NCGS 143-215.18 includes an exception whereby a permit is not required for wastewater produced by activities related to processing of agricultural products. There are several conditions that apply to this exemption.

Can we use a composting toilet?

Yes, composting toilets may be used so long as there is no water carried waste, including from the washing of hands, generated. All water carried waste must be treated using an approved ground absorption wastewater system.

Topic	Dept/Division	Contact
<i>Well and Septic</i>	Environmental Health	919-245-2360 ehapplications@orangecountync.gov www.orangecountync.gov/EH

Land Disturbance Permits (LDP)

Depending on the type of land disturbance, the Erosion Control and Stormwater Management Division (www.orangecountync.gov/Erosion) may regulate the activity.

The land disturbance must be conducted on agricultural land and the disturbance must be undertaken for the production of plants and animals useful to man. If the disturbance is not solely agricultural, the project shall be regulated. Both criteria must apply to claim agricultural exemption.

Topic	Dept/Division	Contact
<i>Land Disturbance Permits</i> e.g. grading, Stormwater Management Plans	Erosion Control and Stormwater Management	919-245-2575 erosioncontrol@orangecountync.gov www.orangecountync.gov/Erosion

North Carolina Building Code

The North Carolina Building Code may exempt agricultural buildings from standards for construction, but any electrical work will require the issuance of an electrical permit. Additional permits may be required from the Fire Marshal (www.orangecountync.gov/FireMarshal) depending on the project. This information may be provided to the customer during the application process.

Topic	Dept/Division	Contact
<i>Building Permits</i> e.g. house, barn, shed	Building Inspections	919-245-2601 mrettie@orangecountync.gov www.orangecountync.gov/Inspections

Additional Contact Information

Topic	Dept/Division	Contact
<i>Emergency Services, Fire Code</i>	Emergency Management Services	919-245-6100 www.orangecountync.gov/EMS
<i>Conservation Easements</i>	Department of Environment, Agriculture, Parks, and Recreation	919-245-2514 www.orangecountync.gov/DEAPR
<i>Voluntary Agricultural District</i>	Soil and Water Conservation District	919-245-2750 www.orangecountync.gov/VAD
<i>Agriculture Grants</i>	Economic Development	919-245-2325 www.orangecountync.gov/VAD