

# Regulations That May Affect Your Agritourism Enterprise

## Part of a How-To Guide for Successful Agritourism Enterprises

Prepared for The University of Georgia's Center for Agribusiness and Economic Development and North Carolina State Cooperative Extension Service's Business Side of Agritourism Program Series. The Primary Investigators on this project were Kent Wolfe, Center for Agribusiness and Economic Development and Gary Bullen, North Carolina State University Cooperative Extension Service.



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## **Introduction**

A wide variety of regulations may affect Agritourism enterprise operations. The affect of regulations may depend on the type of attractions offered, location of the enterprise, whether employees are hired and a number of other factors specific to each enterprise. These regulations may be imposed at the federal, state and local levels of government. It is important to investigate all regulations applicable to your agritourism enterprise in order to avoid penalties, fines or interruptions to you business.

This resource document provides an introduction to a number of regulations that may impact agritourism operations. Regulations discussed here are organized into three categories:

1. General regulations – regulations that likely affect a majority of agritourism enterprises
2. Employment Regulations – regulations that impact enterprises employing personnel.
3. Permits and licenses for specific attractions – regulations specific to certain types of attractions.

## **General Regulations**

Most agritourism entrepreneurs must comply with several general regulations. These include, but are not limited to, zoning ordinances, business licenses, sales tax collection and remittance, and the Americans with Disabilities Act.

## **Zoning**

Zoning ordinances regulate the use of land in a specific area. A municipality, a county, or a combined city-county authority may regulate zoning. Some local governments do not have zoning ordinances.

Zoning ordinances may regulate

- The location, height and size of buildings and other structures
- The percentage of a lot that may be occupied
- The size of yards, courts and other open spaces
- The density and distribution of population
- The uses of buildings and structures for trade, industry, residence, recreation or other purposes
- Use of land for trade, industry, residence, recreation, agriculture, forestry, soil conservation, water supply conservation or other purposes

- Regulations for signage and parking

Depending on state law, violation of zoning ordinances may be considered a misdemeanor., and each day of violation may be considered a separate offense. State or local government officials or neighbors may file for an injunction to stop or correct a violation. This could interrupt your business or force you to go out of business.

You should consult the appropriate zoning authority for your location before investing in an agritourism operation.

### **Business Licenses and Taxes**

State government authorizes local governments to levy a tax for operating a business in their respective jurisdictions. County and city business licenses must be renewed annually.

Local governments may also collect taxes based on a percentage of gross sales of your agritourism operation. Business licenses, sales and use taxes, admission fees, farm or nursery product sales, etc, may have various tax implications. It is important that you contact your local government tax office for specific information on local business license and tax regulations.

### **Americans with Disabilities Act**

The Americans with Disabilities Act (ADA) requires compliance by all businesses. This act ensures that persons with disabilities are afforded equal opportunity in employment, transportation, commercial facilities, and accommodation in public places. A place of public accommodation that relates to an agritourism venue may be a facility whose operations affect commerce and fall within at least one, among others, of the following categories:

- Place of lodging
- Establishment serving food or drink
- Place of public gathering
- Sales or rental establishment
- Service establishment
- Public transportation terminal, depot or station
- Place of public display or collection
- Place of recreation
- Place of education
- Place of exercise or recreation

### **These places of public accommodation are required to**

- Provide goods and services in an integrated setting, unless separate or different measures are necessary to ensure equal opportunity
- Eliminate unnecessary rules that deny individuals with disabilities an equal opportunity to enjoy the goods and services of a place of public accommodation
- Make reasonable modifications in policies, practices and procedures that deny equal access to individuals with disabilities, unless a fundamental alteration would result in a change to the nature of the goods and services provided
- Ensure effective communication through the use of auxiliary aids and services when necessary, unless an undue burden or fundamental alteration would result
- Remove architectural and structural communication barriers in existing facilities where readily achievable
- Provide goods and services through alternative measures when removal of barriers is not readily achievable

Note:

Provisions of ADA may be enforced by the Equal Employment Opportunity Commission (EEO) and/or by the U.S. Department of Justice (USDOJ). More information may be obtained by contacting EEOC at (800) 669-4000 or <http://www.eeoc.gov> or contacting USDOJ at (800) 514-0301 or <http://www.usdoj.gov/crt/ada/adastd94.pdf> .

### **Employment Regulations**

Will you employ personnel for your agritourism operation? If so, you will be affected by several employment regulations. Regulations will vary according to the type and size of your enterprise, the job requirements, and how many people you employ. The following is a list of employment regulations that may affect your agritourism operation:

- The Fair Labor Standards Act
- Child Labor Act
- Occupational Safety and Health Guidelines
- Workers Compensation
- Unemployment Insurance Taxes

- Income Tax Withholding

Seek assistance from your State Department of Labor for specific information on employment regulations within your state.

## **Summary**

This document provides a brief introduction of the numerous regulations that could affect your agritourism operation. Regulations vary depending upon the type of enterprise operated and where it is located, as well as a number of other factors specific to your particular activities. It is very important to investigate applicable regulations in order to avoid penalties, fines, or situations that could interrupt your business plan.

Many of the aforementioned regulations are very complex, and it is impossible to cover every regulation that could affect your agritourism operation. The information provided, including the following Regulations Checklist, is not intended as legal advice. Contact the appropriate government agency for more specific information to obtain the most current regulations.

## **Regulations Checklist**

You should check each regulation that may apply to your operation and then become familiar with the details of those regulations. Contact the appropriate governing agency your more information on how the regulations may directly affect your agritourism enterprise.

## **General Regulations**

- Zoning Regulations (local government)
- Business License and Local Taxes (local government)
- Sales Tax Collection and Remittance (state and local government)
- Americans with Disabilities Act (federal government)

## **Employment Regulations**

- Fair Labor Standards Act (federal and state)
- Child Labor Act (federal and state)
- Occupational Safety and Health Act (federal and state)
- Workers' Compensation (federal and state)
- Unemployment Taxes (federal and state)
- Income Tax Withholding (federal)

## **Permits and Licenses for Specific Enterprise Types**

- Food Service Permits and Inspections (state and local government)
- Retail Food Store Permits and Inspections (state)
- Animal Exhibitor Licensing (federal)
- Nursery Licensing (state)
- Winery Licensing (state)
- Fee-Fishing and Hunting Regulations (state)

### **Summary**

Regulations may vary depending on the type of enterprise operated and where it is located. Other factors specific to your particular activities may also be considered when reviewing regulatory requirements. It is extremely important to investigate applicable regulations in order to avoid penalties, fines or obstacles that could interrupt your business.

Many of the regulations referenced in this resource document are very complex, and it is impossible to cover every regulation that might affect an agritourism operation. This document is not a complete listing of all such regulations and is not intended as legal advice. Be sure to take time to learn how laws and regulations will affect your agritourism endeavor. Contact the appropriate government agency for more specific information on fees and to obtain the most current regulations.

### **Acknowledgement:**

Special thanks to Dr. Kent Wolfe for giving permission to copy and/or adopt information in this resource document from *Agritourism in Focus, A Guide to Tennessee Farmers and other various self-help agritourism articles published by Dr. Wolfe.*

### **Additional Resources:**

#### **Agritourism in Focus**

*A Guide for Tennessee Farmers*

#### **The New Farmers' Market**

Corum, Rosenzweig & Gibson  
New World Publishing

### **Worksheets and Analysis Aids**

Various worksheets and analysis tools to assist the decision making process when investigating the variables involved when considering a new Agritourism enterprise can be found in Agritourism in Focus, A Guide for Tennessee Farmers, UT Extension PB 1764.