

HB 2971 STAFF MEASURE SUMMARY

House Committee On Agriculture, Land Use, Natural Resources, and Water

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Sub-Referral To: House Committee On Revenue

Meeting Dates: 1/26

WHAT THE MEASURE DOES:

Includes the voluntary in-stream leasing of water rights, sometimes in conjunction with land lying fallow, as permissible farm use for purposes of property tax special assessment. Takes effect on 91st day following adjournment sine die.

FISCAL: May have fiscal impact, but no statement yet issued

REVENUE: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Land zoned as exclusive farm use that is used primarily to make a profit by farming qualifies for a special farm use assessment. Properties under special assessment benefit from tax benefits intended to incentivize property owners to keep their land in agricultural production. Farmland may be disqualified from special assessment if it is no longer in farm use. Currently the definition of farm use is centered around the employment of land for the primary purpose of obtaining a profit by money in the broad context of animal husbandry and crop farming. Current law specifies a number of qualifying land uses that are not related to the active production of agricultural products.

House Bill 2971 would allow the voluntary in-stream leasing of water rights as farm use qualifying for property tax special assessment.