

HB 4130 -2 STAFF MEASURE SUMMARY

House Committee On Revenue

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Meeting Dates: 2/4, 3/2

WHAT THE MEASURE DOES:

Clarifies meaning of “preparing” products or by-products raised on a farm unit for purposes of defining “farm use” for farmland special assessment program. Requires majority of prepared products or by-products to be raised on farm unit where preparation occurs for their preparation to be considered a farm use. Applies to property tax years 2027-28 and later.

ISSUES DISCUSSED:

- Vertical integration
- Product preparation
- Food processing
- Non-farm uses

EFFECT OF AMENDMENT:

-2 Replaces measure. Clarifies that lands under certain farm crop and certain farm product processing facilities are currently employed for “farm use” and may qualify for farmland special assessment. Defines terms.

BACKGROUND:

Farmland may be specially assessed based on its value for farm use instead of its highest and best use value. Farm use value is based on farmland ability to generate farm income, as determined by soil quality, climate, and distance to market. Value is then converted to present value. Farm use value is calculated the same way for land zoned for exclusive farm use (EFU) or non-exclusive farm use (non-EFU). Application is required for non-EFU land.

Farm use is the current employment of land for the primary purpose of obtaining a profit by using land for crops, livestock, poultry, fur bearing animals, honeybees, dairies, animal husbandry, aquatic species, or cultured Christmas trees. Farm use may also involve a woodlot of 20 acres or less, wasteland, land under farm buildings, ponds, or land for implementing a remediation plan.