

HB 4130 A STAFF MEASURE SUMMARY

Carrier: Rep. Boshart Davis, Rep. Reschke

House Committee On Revenue

Action Date: 03/02/26
Action: Do pass with amendments. (Printed A-Eng.)
Vote: 6-0-1-0
Yeas: 6 - Hudson, Levy B, Marsh, Nathanson, Reschke, Walters
Exc: 1 - Smith G
Fiscal: Has minimal fiscal impact
Revenue: No revenue impact
Prepared By: Beau Olen, Economist
Meeting Dates: 2/4, 3/2

WHAT THE MEASURE DOES:

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. Requires owner apply for first year of special assessment for exclusive farm use (EFU) land under such processing facilities. Requires owner of non-EFU land under such processing facilities to include information in application demonstrating facility meets definition of processing facility. Applies to tax years 2027-28 and later.

ISSUES DISCUSSED:

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

EFFECT OF AMENDMENT:

Replaces measure.

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 EFU and non-EFU land. Owners are required to file an application for special assessment of 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.