

STAFF MEASURE SUMMARY**Senate Committee On Environment and Natural Resources****Fiscal:** No Fiscal Impact**Revenue:** Revenue impact issued**Action Date:** 06/01/15**Action:** Do Pass With Amendments To The A-Eng. Refer To Finance And Revenue
By Prior Reference (Printed B-Eng).**Meeting Dates:** 05/13, 06/01**Vote:**

Yeas: 4 - Dembrow, Edwards, Prozanski, Thomsen

Exc: 1 - Olsen

Prepared By: Beth Reiley, Committee Administrator**WHAT THE MEASURE DOES:**

Authorizes city or county to designate urban agriculture incentive zone. Authorizes city or county to enter into agreement with owner of unimproved land within agriculture incentive zone if owner agrees to restrict use to small-scale urban agricultural production for five consecutive years. Allows unimproved land to undergo special assessment as farmland provided gross income requirements are met. Permits special assessment of area of unimproved land to be smaller than tax lot and limits assessment to area actually used for small-scale urban agricultural production. Prohibits unimproved land from being smaller than 5,000 square feet or larger than five acres. Requires interested owners to file application with county assessor on or before April 1 preceding first property tax year to have unimproved land granted special assessment. Requires application be made on forms prepared by Department of Revenue (DOR) and include certain information. Requires land owner to file application with county assessor on or before April 1 preceding first property tax year special assessment is being sought. Requires county assessor to approve application if it meets all requirements and notify owner of approval or denial. Disqualifies special assessment if county assessor discovers that gross income requirements were not met or if unimproved land is no longer used for urban agricultural production. Requires notification by county assessor within 30 days if land is disqualified and provides process for appeal. Levies additional tax, equal to difference between tax assessed and tax that would have otherwise been assessed, against land found in violation. Authorizes DOR to adopt necessary rules. Stipulates Act applies to property tax years beginning on or after July 1, 2016. Stipulates agricultural production does not mean growing, harvesting or processing of marijuana. Prohibits urban agriculture incentive zone from being designated on or after January 1, 2019 but allows unimproved land to be specially assessed until July 1, 2023. Takes effect on 91st day following adjournment of 78th Legislative Assembly.

ISSUES DISCUSSED:

- Disqualification process
- Necessary time to start programs
- Parameters of lot size

EFFECT OF COMMITTEE AMENDMENT:

Replaces measure.

BACKGROUND:

In community gardens both edible plants, such as vegetables, and nonedible plants, like flowers, are grown by and for members of the surrounding community. According to the American Community Gardening Association, there

are about 18,000 community gardens in the United States and Canada. However, numerous barriers, such as lack of long-term leases or water access, along with liability concerns may hamper the creation, operation and long-term sustainability of community gardens. In 2013, the California Legislature enacted Assembly Bill 551, which created the Urban Agriculture Incentive Zones Act (Act) to authorize a local government and a landowner to enter into a contract to restrict the use of vacant, unimproved, or otherwise blighted lands for small-scale production of agricultural crops and animal husbandry and lower property tax assessment for qualifying areas.

House Bill 2723B would authorize a county or city to designate any urbanized area as an urban agriculture incentive zone and enter into an agreement with the owner of the unimproved land within the zone if the land owner agrees to restrict use of the land to small-scale urban agricultural production for five consecutive years in exchange for a special assessment of that land.