

## HB 4130 A STAFF MEASURE SUMMARY

### Senate Committee On Rules

---

**Prepared By:** Leslie Porter, LPRO Analyst

**Meeting Dates:** 3/4

---

#### WHAT THE MEASURE DOES:

The measure states that lands under certain farm crop and farm product processing facilities that are currently employed for "farm use" may qualify for the farmland special assessment. It defines terms. It requires an owner to apply for the first year of the special assessment for exclusive farm use (EFU) land under such processing facilities. It requires an owner of non-EFU land under such processing facilities to include information in the application demonstrating that the facility meets the definition of "processing facility." It applies to tax years 2027-2028 and later.

*Fiscal impact: No impact*

*Revenue impact: Minimal impact*

*HOUSE VOTE: Ayes, 57; Nays, 0*

#### ISSUES DISCUSSED:

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

#### EFFECT OF AMENDMENT:

No amendment.

#### BACKGROUND:

Farmland may be specially assessed based on its value for farm use instead of based on 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 exclusive farm use (EFU) land 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.