

**First Regular Session  
Seventy-Seventh General Assembly  
STATE OF SAN ANDREAS**

**ENGROSSED**

LLS NO. 26-0741.02 Gabby Pizzola x2917

**HOUSE BILL 26-033**

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**SENATE SPONSORSHIP**

**Chavez, Zamora**

**HOUSE SPONSORSHIP**

**Moore, Willis**

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**House Committees**

House Finance & Revenue

**Senate Committees**

Not assigned

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**A BILL FOR AN ACT**

CONCERNING THE CLASSIFICATION AND TAXATION OF AGRICULTURAL PROPERTY,  
AND, IN CONNECTION THEREWITH, PROVIDING PROPERTY TAX RELIEF AND A  
HOMESTEAD EXEMPTION FOR QUALIFYING AGRICULTURAL PROPERTIES.

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <https://saleg.uscgov.com>)*

This bill establishes a dedicated property tax classification for agricultural land and ensures that such property is assessed based on its productive agricultural value rather than speculative market value. By setting a reduced assessment rate and creating clear eligibility standards—including minimum acreage, active use requirements, and income

Shading denotes HOUSE amendment. Underlining denotes SENATE amendment.

Capital letters or bold & italic numbers indicate new material to be added to existing law.

Dashes through the words or numbers indicate deletions from existing law.

thresholds—the bill is designed to protect working farms and ranches from rising tax burdens while preventing misuse of agricultural classification for non-agricultural purposes.

In addition, the Act creates a homestead-style exemption for primary residences located on qualifying agricultural property, allowing producers to exclude a portion of their home’s value or receive a percentage-based reduction in taxable value. Together, these provisions provide meaningful tax relief to agricultural families, support long-term land stewardship, and discourage the premature conversion of agricultural land to development, while maintaining safeguards such as application requirements and recapture provisions to ensure fiscal responsibility.

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1 *Be it enacted by the General Assembly of the State of San*  
2 *Andreas:*  
3 **SECTION 1. SHORT TITLE.** This Act shall be known and may  
4 be cited as the “Agricultural Property Tax Relief Act.” **SECTION**  
5 **2. LEGISLATIVE DECLARATION.** The General Assembly  
6 hereby finds and declares that: (a) Agricultural land is essential to  
7 the ~~economic stability, food security, and cultural heritage~~  
8 ~~economic stability and food security~~ of the State of San Andreas;  
9 (b) Rising property tax burdens threaten the continued viability of  
10 family farms, ranches, and small-scale agricultural operations; (c)  
11 It is in the public interest to preserve agricultural land by  
12 providing targeted property tax relief; and (d) A homestead-style  
13 exemption for agricultural producers will promote long-term land  
14 stewardship and prevent unnecessary conversion of agricultural  
15 land to non-agricultural uses. **SECTION 3. DEFINITIONS.** For  
16 purposes of this Act, unless the context otherwise requires: (a)  
17 “Agricultural property” means real property that is actively used  
18 for the production of crops, livestock, or other agricultural  
19 products for commercial purposes, and that such use constitutes  
20 ~~the primary use of the property.~~ (b) “Qualified agricultural owner”  
21 means an individual or entity that: (I) Owns and operates

1 agricultural property; and (II) Derives ~~a material portion of~~  
2 ~~income~~ at least twenty-five percent of annual gross income from  
3 agricultural activities conducted on such property. (c) “Primary  
4 agricultural residence” means a dwelling located on agricultural  
5 property that is occupied by a qualified agricultural owner as their  
6 primary residence. (d) “Assessed value” means the value assigned  
7 to property for property tax purposes under state law. **SECTION**  
8 **4. AGRICULTURAL PROPERTY TAX CLASSIFICATION.** (a)  
9 Agricultural property shall be classified as a distinct property  
10 class for taxation purposes. (b) The assessment rate for  
11 agricultural property shall not exceed ~~7.5~~ 7.15 percent of its actual  
12 value. (c) Agricultural property shall be valued based on its  
13 productive agricultural use value, rather than its highest and best  
14 market value. (d) Conversion of agricultural property to  
15 non-agricultural use shall trigger reassessment at full market  
16 value. **SECTION 5. AGRICULTURAL HOMESTEAD**  
17 **EXEMPTION.** (a) A qualified agricultural owner may claim a  
18 homestead exemption on their primary agricultural residence. (b)  
19 The exemption shall: (I) Exclude the first ~~\$100,000~~ \$75,000 of  
20 assessed value of the primary agricultural residence from taxation;  
21 or (II) Reduce the taxable value of such residence by ~~40~~ 35  
22 percent, whichever provides greater benefit. (c) The exemption  
23 shall apply only to one primary agricultural residence per  
24 qualified agricultural owner. (d) The exemption shall not apply to  
25 secondary residences, rental properties, or non-agricultural  
26 structures. **SECTION 6. ELIGIBILITY REQUIREMENTS.** (a)  
27 To qualify for benefits under this Act, property must: (I) Consist  
28 of no fewer than ~~35~~ 40 contiguous acres, except that: Specialty  
29 agriculture (orchards, vineyards, greenhouses, apiaries, or  
30 intensive farming operations) may qualify with a minimum of ~~5~~  
31 10 acres; (II) Demonstrate active agricultural use for at least ~~2~~ 3  
32 consecutive years immediately preceding application; and (III)  
33 Generate a minimum of ~~\$1,000~~ \$2,500 in annual gross

1 agricultural income, or meet an equivalent production standard  
2 established by the Department of Revenue. (b) The Department of  
3 Revenue may adopt rules to prevent abuse, including verification  
4 of agricultural activity. **SECTION 7. APPLICATION AND**  
5 **VERIFICATION.** (a) Property owners must apply ~~annually~~ on or  
6 ~~before March 1 of each tax year~~ for classification and exemption  
7 under this Act. (b) Applications shall include: (I) Proof of  
8 agricultural activity; (II) Income documentation, if required; and  
9 (III) Certification of primary residence status. (c) County  
10 assessors shall review applications and may conduct audits or  
11 inspections to verify eligibility. **SECTION 8. RECAPTURE**  
12 **PROVISION.** (a) If property receiving benefits under this Act is  
13 converted to non-agricultural use, the owner shall be liable for: (I)  
14 The difference between taxes paid and taxes that would have been  
15 paid under standard classification for the preceding ~~5~~ 7 years; and  
16 (II) Any applicable penalties or interest. **SECTION 9.**  
17 **RULEMAKING AUTHORITY.** The Department of Revenue, ~~in~~  
18 ~~consultation with county assessors~~ is authorized to promulgate  
19 rules necessary to implement and administer this Act. **SECTION**  
20 **10. SEVERABILITY.** If any provision of this Act is held invalid,  
21 such invalidity shall not affect other provisions of the Act.  
22 **SECTION 11. EFFECTIVE DATE.** Act subject to petition –  
23 effective date. This act takes effect on August 18, 2026, assuming  
24 the general assembly adjourns sine die on May 18, 2026; except  
25 that, if a veto petition is filed pursuant to Article II, Section 15 of  
26 the state constitution against this act or an item, section, or part of  
27 this act within such period, then the act, item, section, or part will  
28 not take effect unless approved by the people at the general  
29 election to be held in November 2026 and, in such case, will take  
30 effect on the date of the official declaration of the vote thereon by  
31 the governor.