

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

INTRODUCED

LLS NO. 26-0741.01 Gabby Pizzola x2917

HOUSE BILL 26-033

SENATE SPONSORSHIP

Chavez, Zamora

HOUSE SPONSORSHIP

Moore, Willis

House Committees

Not assigned

Senate Committees

Not assigned

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.

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.

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 of the
8 State of San Andreas; (b) Rising property tax burdens threaten the
9 continued viability of family farms, ranches, and small-scale
10 agricultural operations; (c) It is in the public interest to preserve
11 agricultural land by providing targeted property tax relief; and (d)
12 A homestead-style exemption for agricultural producers will
13 promote long-term land stewardship and prevent unnecessary
14 conversion of agricultural land to non-agricultural uses.
15 **SECTION 3. DEFINITIONS.** For purposes of this Act, unless the
16 context otherwise requires: (a) “Agricultural property” means real
17 property that is actively used for the production of crops,
18 livestock, or other agricultural products for commercial purposes.
19 (b) “Qualified agricultural owner” means an individual or entity
20 that: (I) Owns and operates agricultural property; and (II) Derives
21 a material portion of income from agricultural activities

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

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