

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

**REVISED**

LLS NO. 26-0741.04 Gabby Pizzola x2917

**HOUSE BILL 26-033**

---

**SENATE SPONSORSHIP**

**Chavez, Zamora**

**HOUSE SPONSORSHIP**

**Moore, Willis**

---

**House Committees**

House Finance & Revenue

**Senate Committees**

Fiscal Policy & Appropriations

---

**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 and food security of the State of San  
8 Andreas; (b) Rising property tax burdens threaten the continued  
9 viability of family farms, ranches, and small-scale agricultural  
10 operations; (c) It is in the public interest to preserve agricultural  
11 land by providing targeted property tax relief; and (d) A  
12 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 and that such use constitutes the primary use of the property. (b)  
20 “Qualified agricultural owner” means an individual or entity that:  
21 (I) Owns and operates agricultural property; and (II) Derives at

1 least ~~twenty-three~~ TWENTY percent of gross revenue from the  
2 sale of agricultural products or the lease of water rights for  
3 agricultural use conducted on such property; (III) shall not include  
4 any corporation whose stock is publicly traded on a national  
5 exchange or any entity controlled by a non-resident alien or  
6 foreign principal. (c) “Primary agricultural residence” means a  
7 dwelling located on agricultural property that is occupied by a  
8 qualified agricultural owner as their primary residence. (d)  
9 “Assessed value” means the value assigned to property for  
10 property tax purposes under state law. **SECTION 4.**  
11 **AGRICULTURAL PROPERTY TAX CLASSIFICATION.** (a)  
12 Agricultural property shall be classified as a distinct property  
13 class for taxation purposes. ~~(b) The assessment rate for~~  
14 ~~agricultural property shall not exceed 6.85 6.50 percent of its~~  
15 ~~actual value.~~ (b) THE ASSESSMENT RATE FOR  
16 AGRICULTURAL PROPERTY SHALL BE FROZEN AT 5.0  
17 PERCENT OF ITS ACTUAL VALUE FOR FAMILY-OWNED  
18 OPERATIONS. (c) Agricultural property shall be valued based on  
19 its productive agricultural use value, rather than its highest and  
20 best market value. ~~(d) Conversion of agricultural property to~~  
21 ~~non-agricultural use shall trigger reassessment at full market~~  
22 ~~value.~~ (d) CORPORATE CONVERSION PENALTY. CONVERSION OF  
23 AGRICULTURAL PROPERTY TO COMMERCIAL OR  
24 INDUSTRIAL USE BY A CORPORATE ENTITY RATHER  
25 THAN AN INDIVIDUAL SHALL TRIGGER AN IMMEDIATE  
26 ASSESSMENT AT TRIPLE THE HIGHEST MARKET VALUE.  
27 (e) Drought Hardship Waiver. The Department of Revenue shall  
28 establish a procedure whereby a qualified agricultural owner may  
29 maintain their classification during a year of declared drought or  
30 natural disaster notwithstanding a failure to meet the minimum  
31 income requirements established in Section 6. **SECTION 5.**  
32 **AGRICULTURAL HOMESTEAD EXEMPTION.** (a) A qualified  
33 agricultural owner may claim a homestead exemption on their

1 primary agricultural residence. (b) The exemption shall: (I)  
2 Exclude the first ~~\$60,000~~ \$65,000 of assessed value of the  
3 primary agricultural residence from taxation; or (II) Reduce the  
4 taxable value of such residence by 35 percent, whichever provides  
5 greater benefit. (c) The exemption shall apply only to one primary  
6 agricultural residence per qualified agricultural owner. (d) The  
7 exemption shall not apply to secondary residences, rental  
8 properties, or non-agricultural structures. **SECTION 6.**  
9 **ELIGIBILITY REQUIREMENTS.** (a) To qualify for benefits  
10 under this Act, property must: ~~(I) Consist of no fewer than 40~~  
11 ~~contiguous acres, except that: Specialty agriculture (orchards,~~  
12 ~~vineyards, greenhouses, apiaries, or intensive farming operations)~~  
13 ~~may qualify with a minimum of 10 acres;~~ (I) CONSIST OF NO  
14 FEWER THAN 80 CONTIGUOUS ACRES, EXCEPT THAT:  
15 SPECIALTY AGRICULTURE (ORCHARDS, VINEYARDS,  
16 GREENHOUSES, APIARIES, OR INTENSIVE FARMING  
17 OPERATIONS) MAY QUALIFY WITH A MINIMUM OF 5  
18 ACRES; (II) Demonstrate active agricultural use for at least 3  
19 consecutive years immediately preceding application; and ~~(III)~~  
20 ~~Generate a minimum of \$5,000 \$4,000 in annual gross~~  
21 ~~agricultural income, or meet an equivalent production standard~~  
22 ~~established by the Department of Revenue.~~ (III) GENERATE A  
23 MINIMUM OF \$500 IN ANNUAL GROSS AGRICULTURAL  
24 INCOME, IT BEING THE INTENT OF THE GENERAL  
25 ASSEMBLY TO PROTECT SUBSISTENCE AND HOBBY  
26 FARMING OPERATIONS FROM URBAN TAX EXPANSION.  
27 ~~(b) The Department of Revenue may adopt rules to prevent abuse,~~  
28 ~~including verification of agricultural activity.~~ (b) THE  
29 DEPARTMENT OF REVENUE SHALL REQUIRE THE  
30 ANNUAL SUBMISSION OF FEDERAL SCHEDULE F TAX  
31 FORMS TO VERIFY COMPLIANCE WITH INCOME  
32 REQUIREMENTS; FAILURE TO SUBMIT SUCH FORMS  
33 CONSTITUTES REQUISITE GROUND FOR IMMEDIATE

1 REVOCAION OF CLASSIFICATION. SECTION 7.  
2 APPLICATION AND VERIFICATION. (a) Property owners must  
3 apply on or before ~~March 1~~ APRIL 15 of each tax year for  
4 classification and exemption under this Act. (b) Applications shall  
5 include: (I) Proof of agricultural activity; (II) Income  
6 documentation, if required; and (III) Certification of primary  
7 residence status. (c) County assessors shall review applications  
8 and may conduct audits or inspections to verify eligibility.  
9 ~~SECTION 8. RECAPTURE PROVISION. (a) If property~~  
10 ~~receiving benefits under this Act is converted to non-agricultural~~  
11 ~~use, the owner shall be liable for: (I) The difference between taxes~~  
12 ~~paid and taxes that would have been paid under standard~~  
13 ~~classification for the preceding 10 5 years; and (II) Any applicable~~  
14 ~~penalties or interest. SECTION 8. ABSOLUTE RECAPTURE.~~  
15 (a) IF PROPERTY RECEIVING BENEFITS UNDER THIS ACT  
16 IS CONVERTED TO NON-AGRICULTURAL USE WITHIN  
17 TWENTY YEARS OF RECEIVING SUCH BENEFITS, THE  
18 OWNER SHALL BE LIABLE FOR ALL BACK-TAXES  
19 SAVED UNDER THIS ACT PLUS A PREVENTATIVE  
20 LAND-CONVERSION SURCHARGE OF TWENTY-FIVE  
21 PERCENT OF THE SALE PRICE. SECTION 9.  
22 RULEMAKING AUTHORITY. ~~The Department of Revenue, in~~  
23 ~~consultation with county assessors~~ THE DEPARTMENT OF  
24 REVENUE, IN CONSULTATION WITH THE DEPARTMENT  
25 OF AGRICULTURE, is authorized to promulgate rules necessary  
26 to implement and administer this Act. **SECTION 10.**  
27 SEVERABILITY. If any provision of this Act is held invalid,  
28 such invalidity shall not affect other provisions of the Act.  
29 **SECTION 11. EFFECTIVE DATE.** Act subject to petition –  
30 effective date. This act takes effect on August 18, 2026, assuming  
31 the general assembly adjourns sine die on May 18, 2026; except  
32 that, if a veto petition is filed pursuant to Article II, Section 15 of  
33 the state constitution against this act or an item, section, or part of

1 this act within such period, then the act, item, section, or part will  
2 not take effect unless approved by the people at the general  
3 election to be held in November 2026 and, in such case, will take  
4 effect on the date of the official declaration of the vote thereon by  
5 the governor.