

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

REENGROSSED

LLS NO. 26-0741.03 Gabby Pizzola x2917

HOUSE BILL 26-033

SENATE SPONSORSHIP

Chavez, Zamora

HOUSE SPONSORSHIP

Moore, Willis

House Committees

House Finance & Revenue

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 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-five~~ twenty-three percent of ~~annual gross income~~
2 ~~from agricultural activities~~ gross revenue from the sale of
3 agricultural products or the lease of water rights for agricultural
4 use conducted on such property. (c) “Primary agricultural
5 residence” means a dwelling located on agricultural property that
6 is occupied by a qualified agricultural owner as their primary
7 residence. (d) “Assessed value” means the value assigned to
8 property for property tax purposes under state law. **SECTION 4.**
9 **AGRICULTURAL PROPERTY TAX CLASSIFICATION.** (a)
10 Agricultural property shall be classified as a distinct property
11 class for taxation purposes. (b) The assessment rate for
12 agricultural property shall not exceed ~~7.15~~ 6.85 percent of its
13 actual value. (c) Agricultural property shall be valued based on its
14 productive agricultural use value, rather than its highest and best
15 market value. (d) Conversion of agricultural property to
16 non-agricultural use shall trigger reassessment at full market
17 value. (e) Drought Hardship Waiver. The Department of Revenue
18 shall establish a procedure whereby a qualified agricultural owner
19 may maintain their classification during a year of declared
20 drought or natural disaster notwithstanding a failure to meet the
21 minimum income requirements established in Section 6.
22 **SECTION 5. AGRICULTURAL HOMESTEAD EXEMPTION.**
23 (a) A qualified agricultural owner may claim a homestead
24 exemption on their primary agricultural residence. (b) The
25 exemption shall: (I) Exclude the first ~~\$75,000~~ \$60,000 of assessed
26 value of the primary agricultural residence from taxation; or (II)
27 Reduce the taxable value of such residence by 35 percent,
28 whichever provides greater benefit. (c) The exemption shall apply
29 only to one primary agricultural residence per qualified
30 agricultural owner. (d) The exemption shall not apply to
31 secondary residences, rental properties, or non-agricultural
32 structures. **SECTION 6. ELIGIBILITY REQUIREMENTS.** (a)
33 To qualify for benefits under this Act, property must: (I) Consist

1 of no fewer than 40 contiguous acres, except that: Specialty
2 agriculture (orchards, vineyards, greenhouses, apiaries, or
3 intensive farming operations) may qualify with a minimum of 10
4 acres; (II) Demonstrate active agricultural use for at least 3
5 consecutive years immediately preceding application; and (III)
6 Generate a minimum of ~~\$2,500~~ \$5,000 in annual gross
7 agricultural income, or meet an equivalent production standard
8 established by the Department of Revenue. (b) The Department of
9 Revenue may adopt rules to prevent abuse, including verification
10 of agricultural activity. **SECTION 7. APPLICATION AND**
11 **VERIFICATION.** (a) Property owners must apply on or before
12 March 1 of each tax year for classification and exemption under
13 this Act. (b) Applications shall include: (I) Proof of agricultural
14 activity; (II) Income documentation, if required; and (III)
15 Certification of primary residence status. (c) County assessors
16 shall review applications and may conduct audits or inspections to
17 verify eligibility. **SECTION 8. RECAPTURE PROVISION.** (a)
18 If property receiving benefits under this Act is converted to
19 non-agricultural use, the owner shall be liable for: (I) The
20 difference between taxes paid and taxes that would have been paid
21 under standard classification for the preceding 7 10 years; and (II)
22 Any applicable penalties or interest. **SECTION 9.**
23 **RULEMAKING AUTHORITY.** The Department of Revenue, in
24 consultation with county assessors is authorized to promulgate
25 rules necessary to implement and administer this Act. **SECTION**
26 **10. SEVERABILITY.** If any provision of this Act is held invalid,
27 such invalidity shall not affect other provisions of the Act.
28 **SECTION 11. EFFECTIVE DATE.** Act subject to petition –
29 effective date. This act takes effect on August 18, 2026, assuming
30 the general assembly adjourns sine die on May 18, 2026; except
31 that, if a veto petition is filed pursuant to Article II, Section 15 of
32 the state constitution against this act or an item, section, or part of
33 this act within such period, then the act, item, section, or part will

1 not take effect unless approved by the people at the general
2 election to be held in November 2026 and, in such case, will take
3 effect on the date of the official declaration of the vote thereon by
4 the governor.