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Testimony in Support
Senate Bill 567 - Property Tax - Agricultural Use Assessment - Improvements
Senate Budget and Taxation Committee
February 16, 2022

The Rural Maryland Council supports Senate Bill 567 - Property Tax - Agricultural Use Assessment – Improvements. The bill will help agricultural landowners by allowing certain improvements on land that qualifies for the agricultural use assessment to be assessed as agricultural property. These improvements include the manufacturing, packaging, storage, promotion, or sale of value-added agricultural products derived from ingredients produced on the land; agricultural alcohol production; and agritourism. Allowing these parts of the land to be assessed as agricultural land will promote the growth of value-added agriculture activities in Maryland and promote more visitors to these farms, helping the farm owner and the State economy.

Many farmers are beginning to use their land for agritourism and other forms value added agriculture to make additional income or make up for the lack of income they are receiving from their traditional agricultural sales. These improvements to their farms are bringing additional tourism and benefits to the State's economy. Grow and Fortify's *Value-Added Agriculture in Maryland*, reports that value added agriculture provides nearly 74,000 jobs, has an economic impact of over \$20.6 billion annually, and adds nearly \$875 million to the State's fiscal resources.

These farms are operating tasting rooms, retail markets, and other forms of value-added agriculture. Because these operations are being held on agriculture land and using resources from the land, these parts of the land should be properly assessed as being agricultural land.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 567.

The Rural Maryland Council (RMC) is an independent state agency governed by a nonpartisan, 40-member board that consists of inclusive representation from the federal, state, regional, county and municipal governments, as well as the for-profit and nonprofit sectors. We bring together federal, state, county and municipal government officials as well as representatives of the for-profit and nonprofit sectors to identify challenges unique to rural communities and to craft public policy, programmatic or regulatory solutions.

"A Collective Voice for Rural Maryland"