



Maryland Farm Bureau, Inc.

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March 1, 2022

To: House Ways & Means Committee

From: Maryland Farm Bureau, Inc.

Re: **Support of HB 1282 - Property Tax - Agricultural Use Assessment - Improvements**

On behalf of our member families, I submit this written testimony in support of HB 1282. This bill adds certain Ag structures to be assessed at the agricultural use tax rate if the structure is used for the manufacture, packaging, storage, promotion, or sale of a value-added agricultural product, including a dairy product, that is derived from ingredients produced on the agricultural land or any associated agricultural land; agricultural alcohol production; or agritourism.

For years now, valued-added farming operations have been able to use their farm buildings to offer agritourism activities as well as retain ownership in their farm commodities and further process to retain more of the margin dollars when sold to the public. In 2021, the State Department of Assessments & Taxation (SDAT) made the decision to start assessing these farm structures as commercial if they were being used for these farm practices. Just last week a horse farm in Howard County got their reassessment notice and their taxes doubled because they also board horses for some families. This bill is to get those assessments back to Ag like they were before last year.

Maryland Farm Bureau Policy:

Farms operating on-farm food processing, alcohol production, and agritourism businesses should be assessed at the agricultural use tax rate.

MARYLAND FARM BUREAU SUPPORTS HB 1282 AND REQUEST A FAVORABLE REPORT

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