



February 22, 2023

To: Senate Budget and Taxation Committee

From: Horizon Farm Credit

Bill: **SB 418 Property Tax - Agricultural Land and Improvements - Assessment**

Position: **SUPPORT**

Horizon Farm Credit is a member-owned cooperative supporting rural communities and agriculture with reliable, consistent credit and financial services throughout our five-state lending territory in good times and bad. With over \$6 billion dollars in loans outstanding to nearly 23,000 member-owners representing the full range of agriculture, we are one of the largest agricultural lenders on the East Coast.

Value-added agriculture represents an important component of agriculture in Maryland and allows farmers to diversify their business. In many cases, value-added agriculture is where agriculture and tourism intersect. Both industries are major contributors to the economy of Maryland and are vitally important to communities throughout the state. According to Grow & Fortify, value-added agriculture has an economic impact of \$20.6 billion and enables consumers to interact directly with the farmers who grow their food, brew their beer, and make their wine.

Value-added agriculture often involves farmers making improvements and additions to their properties, such as storefronts, wineries, breweries, or agritourism ventures. **SB 418** provides important clarifications for how these types of improvements to agriculture lands are assessed – treating them the same as other types of agriculture.

Value-added agriculture is agriculture. Whether a farmer builds a winery, opens a corn maze, or sells their products at a storefront on the farm, these are still agriculture endeavors, utilizing Maryland-grown crops for public consumption and enjoyment.

Horizon Farm Credit SUPPORTS SB 418.

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