



Susan O'Neill, Chair

Charlotte Davis, Executive Director

Testimony in Support of
House Bill 592 – Property Tax – Agricultural Land and Improvements - Assessment
Ways and Means Committee
Tuesday, February 21, 2023

The Rural Maryland Council supports House Bill 592 – Agricultural Land and Improvements – Assessment. The bill will help agricultural landowners as it contains provisions that support value-added agricultural activities as a farm or agricultural use of land for tax assessment purposes. 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 support viable and profitable farms, promote the growth of value-added agriculture activities in Maryland, and connect more people to the State's working landscapes.

Agritourism and value-added production provide revenue streams essential to the stability of Maryland Farmers. Many farmers are using their land for agritourism and other forms of value-added agriculture to make up for the lack of income they are receiving from less profitable conventional agricultural sales. Farmer investments in agritourism and on-farm value-added production bring additional tourism and revenue benefits to the State's economy. Grow and Fortfy's *Value-Added Agriculture in Maryland - An Economic Analysis*, 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 require farmers' time and resources derived from the land, these parts of the land should be properly assessed and taxed as agricultural land.

The Council supports and encourages value-added agriculture and the benefits it brings to both farmers and the State's economy. The Rural Maryland Council respectfully requests your favorable support with amendment of House Bill 592.

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.