



Maryland Farm Bureau, Inc.

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February 22, 2023

To: Senate Budget & Taxation Committee

From: Maryland Farm Bureau, Inc.

Re: **Support of SB 418 - Property Tax - Agricultural Land and Improvements - Assessment**

On behalf of our member families, I submit this written testimony in support of SB 418. This bill outlines that value-added agricultural activities are a farm or agricultural use of land for assessment purposes. It defines Value-added agricultural activities as: (I) Agricultural Alcohol Production; (II) Agritourism; (III) Equine Activities; (IV) Value Added Ag products processing from products derived from the farm; (V) Roadside Stands; (VI) other Ag uses that are permissible under local zoning; and (VII) other activities the Secretary of Ag determines are value-added Ag activities. It creates a subclass of real property consisting of improvements on an actively used farm that support value-added agricultural activities and requires these improvements on an actively used farm that support value-added agricultural activities to be assessed at the agricultural use rate.

For a few years now, SDAT has reassessed the barns on value-added farms with a significantly higher assessment than years prior. The reasons given is these value-added farms generate more money and the improvements should be assessed as commercial uses instead of agricultural structures. This bill defines these barns and structures used in value-added farms as Ag structures and required to be assessed as such.

MDFB 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 SB 418 AND REQUEST A FAVORABLE REPORT

A handwritten signature in black ink, appearing to read 'Colby Ferguson'.

Colby Ferguson
Director of Government Relations

For more information contact Colby Ferguson at (240) 578-0396