



February 22, 2023

**2023 SESSION SUPPORT TESTIMONY
SB0418: Property Tax for Agricultural Land**

BILL: SB0418: Property Tax - Agricultural Land and Improvements - Assessment
COMMITTEE: Budget and Taxation
POSITION: Testimony in Support of Senate Bill 0418
BILL ANALYSIS: Providing that value-added agricultural activities are a farm or agricultural use of land for assessment purposes: creating subclass of real property consisting of improvements on an actively used farm that support value-added agricultural activities; requiring improvements on an actively used farm that support value-added agricultural activities to be assessed at the agricultural use rate.

Dear Chair Guzzone and members of the Senate Budget and Taxation Committee:

The Montgomery County Food Council (MCFC) urges you to **SUPPORT** this bill to adjust the assessment of agricultural land and improvements that support value-added agricultural activities and to evaluate value-added agriculture at the agricultural use rate.

The enactment of this bill will be to the benefit of agricultural landowners across the State of Maryland. This bill will allow for certain improvements on land that qualifies for the agricultural use assessment to be assessed as agricultural property. These improvements include the promotion, sale, production, storage, or manufacturing of value-added agricultural products. Value-added agricultural products are products produced through ingredients that are grown on the land. This change in assessment will promote the growth of value-added agriculture activities and support local products, which benefits local farmer owners and the State economy.

Due to lost revenue in traditional agricultural sales, the continued impact of Covid-19 on farmer incomes, and the impacts of climate change, this legislation can support additional ways for farmers to increase their income. Farmers often use land for retail spaces such as farm stands, tasting rooms, and small buildings for cutting and washing produce. These essential market opportunities create viability for many farmers. Because they are happening on agricultural land using resources from the land, we feel they should be assessed as agricultural land as described in this legislation.

This legislation will support local farmers, value-added agriculture, and create more opportunities



P.O. Box 32212 | Bethesda, MD 20814 | 310-637-7071
mocofoodcouncil.org | info@mocofoodcouncil.org

for success for our Maryland agricultural economy. **For these reasons, the Montgomery County Food Council supports SBo418 and urges a FAVORABLE REPORT for this bill.**

The Montgomery County Food Council is a nonprofit organization that serves as the primary connection point for businesses, nonprofits, government agencies, and residents around food system issues in our County. We bring together over 2,000 local and regional partners in community-wide education, advocacy, and capacity building initiatives. Our work cultivates a more resilient, sustainable, and equitable local food system by enhancing food access for the over 100,000 at risk for hunger, expanding food education opportunities for all residents, supporting our County's farms and food and beverage businesses, and addressing the impact of local food production, distribution, consumption and recycling on our natural resources

For more information, please contact Massa Cressall, Interim Executive Director, at the email and phone number below.



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