

# DEPARTMENT OF TAXATION

## 2003 Fiscal Impact Statement

1. **Patron** Cole

2. **Bill Number** HB 2056

3. **Committee** Passed House and Senate

**House of Origin:**

           **Introduced**

           **Substitute**

           **Engrossed**

4. **Title** Real Property Tax: Special Land Use  
Assessment

**Second House:**

           **In Committee**

           **Substitute**

  X   **Enrolled**

### 5. **Summary/Purpose:**

This bill would authorize localities to set by ordinance a minimum acreage that may be less than five acres for land that is used for aquaculture or for raising specialty crops to be eligible for agricultural or horticultural land use assessment.

Under current law, real estate devoted to agricultural or horticultural use must consist of a minimum of five acres to be eligible for special land use assessment.

The effective date of this bill is not specified.

6. **Fiscal Impact Estimates are:** Not available. (See Line 8.)

7. **Budget amendment necessary:** No.

### 8. **Fiscal implications:**

This bill would have no impact on state revenues. The revenue impact on localities is unknown. To the extent that land devoted to aquaculture or the raising of specialty crops becomes eligible for special land use assessment, a locality may experience a decrease in real estate tax revenue.

### 9. **Specific agency or political subdivisions affected:**

All localities

10. **Technical amendment necessary:** No.

### 11. **Other comments:**

Land use valuation is intended to encourage conservation by providing tax relief to the owner of real estate devoted solely to agricultural, horticultural, forest or open-space use.

In valuing land at its use value, the assessing officer considers only the value of the real estate in its current use. The assessing officer does not consider the fair market value of the land at its most profitable use.

Under current law, to be eligible for land use assessment, real estate devoted to agricultural use must consist of a minimum of 5 acres. This bill would make an exception for real estate devoted to aquaculture and the raising of specialty crops in that localities would be authorized to set by ordinance a minimum acreage that is less than five acres.

“Aquaculture” means the propagation, rearing, enhancement, and harvest of aquatic organisms in controlled or selected environments, conducted in marine, estuarine, brackish or fresh water. “Specialty crops” would be defined by local ordinance.

cc: Secretary of Finance

Date: 02/24/03 JEM

Document: S:\2003leg\WorkInProgress\OTPwork\House Bills\HB2056FER161.DOC