

**Subject** Agricultural property tax classification

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## Summary

This bill allows property containing a residence that is less than 11 acres in size to qualify for the agricultural classification if: (1) the owner provides the county assessor with a federal Schedule F form that shows at least \$5,000 in income for the most recent tax year; or (2) if the owner has not filed a federal Schedule F form for the most recent tax year, the owner provides the county assessor with a plan prepared by a financial management program approved by the commissioner of agriculture that demonstrates a plan to earn \$5,000 annually in gross income in each of the next two years.

Background: Generally, a property with a residence needs to be larger than 11 acres to qualify for the agricultural classification. Current law provides three exceptions to this, allowing a property containing a residence to qualify for the agricultural classification if it is used: (1) for intensive grain drying or storage, or for machinery or equipment storage; (2) as a nursery to produce nursery stock; or (3) for intensive market farming. H.F. 1522 would create two additional ways for such property to qualify for the agricultural classification.