

Schools and Communities First Agricultural Land Fact Sheet

Our reform exempts all agricultural land, land used for the rearing of livestock or the production of crops. Of the estimated \$11 billion in new revenue statewide, none of it is from agricultural land.

- Agricultural land will continue to be assessed the way it is now. Property taxes for agricultural land will continue to be based on the property value of when it was last sold or Williamson Act values
- Any residential structures on agricultural land would be exempt, as all residential property is exempt from our reform.
- The \$3 million threshold for reassessment does not apply to agricultural land as it is fully exempt, regardless of value. The \$3 million is for commercial property.

Under our reform, agricultural land will continue to benefit from existing laws that aim to conserve agricultural land.

- Our measure does not change the Williamson Act (California Land Conservation Act), a statewide law that helps preserve agricultural land.
- Williamson Act was passed in the 1970s to preserve farmland before Proposition 13. It is designed so that owners of farmland can avoid reassessment, allowing their land to remain in farming irrespective of urban growth

Commercial or industrial structures on agricultural land would be taxed at fair market value, unless the property is owned by a small, independent owner.

- For example, a dairy barn, food processing facilities, and wineries would be reassessed as they are commercial and industrial. The land used for commercial agricultural production (grazing land for livestock or crop land for fruits and vegetables) would be exempt.
- If the owner owns commercial and industrial property across the state worth under \$3 million, then the structures will not be reassessed at fair market value.
- Our reform allows the Legislature and the Board of Equalization to resolve any future question and could exempt some structures, such as barns, as part of the production of agricultural commodities.

Generally, assessment is based on land use, but zoning is a factor for vacant land.

- If vacant land is zoned commercial and industrial, it could be reassessed.
- If vacant land is under Williamson Act it cannot be rezoned.