



ALASKA STATE LEGISLATURE

REPRESENTATIVE JOHN HARRIS

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House Passes Farmland Assessment Bill **HB 455 Ensures Property Taxes Based on Agricultural Use**

(JUNEAU) – The House today passed a bill that would make it easier for Alaska farmers to continue paying taxes on their land based on its lower value as farmland, and not the higher value it might have if developed into subdivisions.

House Bill 455, sponsored by Rep. John Harris (R-Valdez), would close a loophole that had required farmers to apply for an annual exemption from higher taxation of their farmland, even if the land was specifically restricted to agricultural use only when the federal government transferred it into state or private ownership.

“State law recognizes the value of having an agricultural industry, by protecting Alaska’s farmers from having to pay taxes on their land as if they could sell it for private or commercial development,” said Harris, whose district encompasses Interior agricultural areas. “But the law also imposes some undue burden on farmers whose land is already locked into agricultural use.”

Farmers who own their land in fee simple title must apply for these exemptions each year. If they ever did sell their land for other than agricultural use, they would have to pay the previous seven years of taxes at the higher assessed level.

The problem arises, Harris said, in that even farmers whose land is restricted to agricultural use must go through the application process every year – and in some cases in which designated agricultural land does not meet the technical specifications of state law, assessors are unfairly ratcheting up the taxes, even though this land cannot be use as anything other than farmland.

HB 455 re-affirms the public purposes of the state's designation of certain lands for agricultural purposes only, relieving farmers of the need to get an annual determination of agricultural use before receiving the farm exemption assessment.

“This bill recognizes that farmers have enough work to do without having to go through the process of filing applications every year for exemptions that in a lot of cases are redundant,” Harris said.

[HB 455](#) moves next to the Senate for consideration.