

SENATE BILL NO. 161

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY SENATOR BJORKMAN

Introduced: 1/16/24

Referred: Prefiled

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to municipal taxation of farm use land; and providing for an effective**
2 **date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 29.45.060(a) is amended to read:

5 (a) Farm use land, **and structures on farm use land that are used for farm**
6 **operations,** included in a farm unit and not dedicated or being used for nonfarm
7 purposes shall be assessed on the basis of full and true value for farm use and may not
8 be assessed as if subdivided or used for some other nonfarm purpose. The assessor
9 shall maintain records valuing the land for both full and true value and farm use value.
10 If the land is sold, leased, or otherwise disposed of for uses incompatible with farm
11 use or converted to a use incompatible with farm use by the owner, the owner is liable
12 to pay an amount equal to the additional tax at the current mill levy together with eight
13 percent interest for the preceding seven years, as though the land had not been
14 assessed for farm use purposes. Payment by the owner shall be made to the state to the

1 extent of its reimbursement for revenue loss under (d) of this section for the preceding
2 seven years. The balance of the payment shall be made to the municipality.

3 * **Sec. 2.** AS 29.45.060(f) is amended to read:

4 (f) This section does not apply to land for which the owner has granted, and
5 has outstanding, a lease or option to buy the surface rights. A property owner wishing
6 to file for farm use classification having no history of farm-related income may submit
7 a declaration of intent at the time of filing the application with the assessor setting out
8 the intended use of the land and **certifying that the property owner intends to file**
9 **an Internal Revenue Service Schedule F (Form 1040) with the United States**
10 **Internal Revenue Service for the current tax year** [THE ANTICIPATED
11 PERCENTAGE OF INCOME]. An applicant using this procedure shall file with the
12 assessor **on or** before **April 15** [FEBRUARY 1] of the following year a **copy of the**
13 **Schedule F (Form 1040) the applicant files with the Internal Revenue Service**
14 [NOTARIZED STATEMENT OF THE PERCENTAGE OF GROSS INCOME
15 ATTRIBUTABLE TO THE LAND]. Failure to make **a** [THE] filing required in this
16 subsection forfeits the exemption.

17 * **Sec. 3.** AS 29.45.060(g) is amended to read:

18 (g) In this section,

19 **(1) "farm use" means the use of land for the production of crops,**
20 **fruits, or other agricultural products for human consumption or for the**
21 **sustenance or grazing of livestock if the land produces at least \$1,000 of**
22 **agricultural products during the tax year and those products are offered for sale,**
23 **or the land would normally produce at least \$1,000 of agricultural products**
24 **offered for sale during the tax year, and the owner or lessee of the land has filed**
25 **an Internal Revenue Service Schedule F (Form 1040) with the United States**
26 **Internal Revenue Service;**

27 **(2) "livestock" includes cattle, hogs, sheep, goats, chickens,**
28 **turkeys, pigeons, and other poultry raised to provide meat or other products for**
29 **human consumption** [PROFIT FOR RAISING AND HARVESTING CROPS, FOR
30 THE FEEDING, BREEDING, AND MANAGEMENT OF LIVESTOCK, FOR
31 DAIRYING, OR ANOTHER AGRICULTURAL USE, OR ANY COMBINATION

1 OF THESE. TO BE FARM USE LAND, THE OWNER OR LESSEE MUST BE
2 ACTIVELY ENGAGED IN FARMING THE LAND, AND DERIVE AT LEAST 10
3 PERCENT OF YEARLY GROSS INCOME FROM THE LAND].

4 * **Sec. 4.** AS 29.45.060(c) is repealed.

5 * **Sec. 5.** This Act takes effect immediately under AS 01.10.070(c).