

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS  
FISCAL IMPACT STATEMENT**

**LS 6648**  
**BILL NUMBER: SB 253**

**NOTE PREPARED:** Dec 19, 2024  
**BILL AMENDED:**

**SUBJECT:** Economic Revitalization Area Designations.

**FIRST AUTHOR:** Sen. Deery  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill adds conditions related to soil productivity and use of land for an agricultural purpose that must be found by a designating body before land classified as agricultural land for property tax purposes may be included within an area sought to be designated as an economic revitalization area (ERA).

**Effective Date:** July 1, 2025.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** Beginning July 1, 2025, under this bill, farmland with an average combined soil productivity factor, taking into account the application of any influence factor, that is at least 1.0 will not be eligible for inclusion in an ERA unless the ERA will be predominantly used for an agricultural purpose. As such, the property will be ineligible for any ERA property tax abatements if the ERA is not predominantly agricultural in nature. About 38.2% of farm acreage has a combined soil productivity/influence factor equal to 1.0 or above. This bill could affect future changes in the gross and net assessed value of certain farmland that may have been considered for inclusion in an ERA.

**State Agencies Affected:**

**Local Agencies Affected:** County and municipal ERA designating bodies.

**Information Sources:** LSA Property Tax Database.

**Fiscal Analyst:** Bob Sigalow, 317-232-9859.