

# SCHOOLS & COMMUNITIES FIRST

**Our reform exempts agriculture from reassessment. The measure only reassesses property that is commercial or industrial. It explicitly exempts agricultural property defined as property used for the commercial production of agricultural commodities. It also exempts all land designated for open space or conservation uses.**

- Agricultural land will continue to be assessed the way it is now, under Proposition 13.
- 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 is all residential property.

The process for making sure agriculture is exempt exists on three levels:

1. The assessor currently determines and describes the use on the land. The assessor designates property as commercial, industrial, residential, and agricultural. To be subject to reassessment, the assessor would have to designate the property as commercial or industrial. If there is any question about such a designation, it can be resolved locally with the assessor or at the county assessment appeals board.
2. The Board of Equalization has extensive regulations about the assessment of all types of property. To the extent that there is a borderline issue, the BOE provides a regulatory process to resolve that issue.
3. The legislature has the final say in determining exemptions and clarifying any borderline issues. There is a long list of exemptions, including some for agriculture, that the legislature provides and can provide under the terms of the measure, if an issue needs clarification.

Additional exemptions in the measure:

Agriculture will receive the \$500,000 exemption for business personal property (business equipment), so every farm will benefit from the measure even though the assessment will not change.

If any part of the agricultural property is designated by the assessor or by regulation as commercial (e.g. a retail stand on the property), it will be eligible for the exemption from reassessment for any property that is commercial/industrial if its value is under \$3 million.

**Throughout the measure, both in intent and statute, agricultural property is exempt from the measure since only commercial or industrial property will be reassessed. If there is any borderline issue, there is full authority (the assessor, the BOE, the legislature) to resolve that issue. And the language is broad and clear enough to make sure that agriculture will be exempt. Current law affecting agricultural property does not change.**