



Cultivating Stability: Property Tax Reforms for Family-Owned Farms and Their Impact on Agriculture's Future

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Overview



- **Background on Property Tax Codes and Exemptions**
- **State Legislatures Should Consider Property Tax and Agriculture Exemption Policies That Provide Stability to the Family-Owned Farm**

What is the problem?

- The farmer is getting older
- More barriers to enter the industry
 - High dollar assets
 - Lack of capital





Discussion



- Proposed Legislative Amendment
- State Legislatures Should Refrain from Enacting Property Tax Policies Similar to California
- The Property Tax System Implemented by Texas Provides Valuable Long-Term Stability to the Farmer
- California's Agriculture Exemptions Serve as Handcuffs for Farmers and Ranchers That Limit Choices
- Agriculture Exemptions in Texas are Tailored to the Actual Usage of the Land and Provide Freedom to the Family-Owned Farm
- Estate Planners Play a Key Role in the Success of the Family Farm and Must Understand the Tax Ramifications of Certain Decisions

Proposed Legislative Amendment

- Land that has been designated for agricultural use
- Eligibility
- Alternative Long-Term Contract Agriculture Exemptions
- Definitions



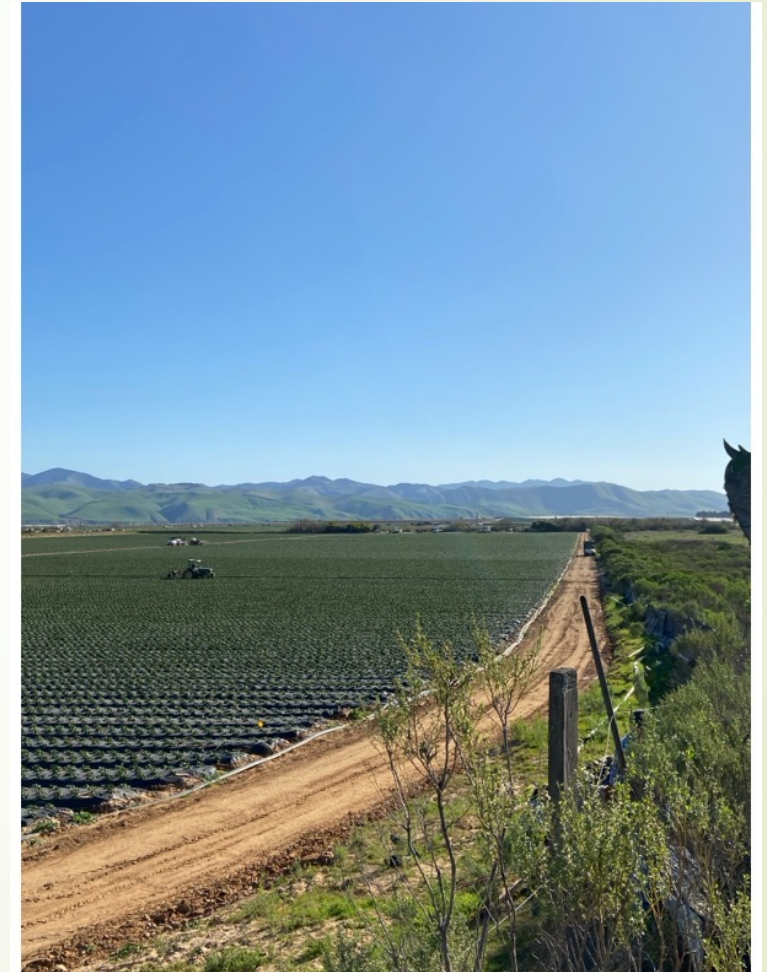
State Legislatures Should Refrain from Enacting Property Tax Policies Similar to California

- Reassessment issues
- Long-term picture for farmers
- Legislative Intent
- Difficult Choices



The Property Tax System Implemented by Texas Provides Valuable Long-Term Stability to the Farmer

- No income tax in Texas
- No state-wide property tax
- Assessed Value vs Appraised Value
- Stability
- Community Development





California's Agriculture Exemptions Serve as Handcuffs for Farmers and Ranchers That Limit Choices

- The only question: Is the land protected by the Williamson Act?
- Handcuffs rather than relief
- Contract Cancellation
- California Hypothetical

Agriculture Exemptions in Texas are Tailored to the Actual Usage of the Land and Provide Freedom to the Family-Owned Farm

- Assessor Discretion
- Flexibility vs One-Size-Fits-All
- Degree of Intensity
- Compare with Williamson Act Contracts
- Hypothetical
- Bundle of Rights being infringed?



Estate Planners Play a Key Role in the Success of the Family Farm and Must Understand the Tax Ramifications of Certain Decisions

- Demographics of Farming
- Communicating with the Farmer
- Understanding Specific Tax Codes and Their Effects

