


Let's Grow, Alaska

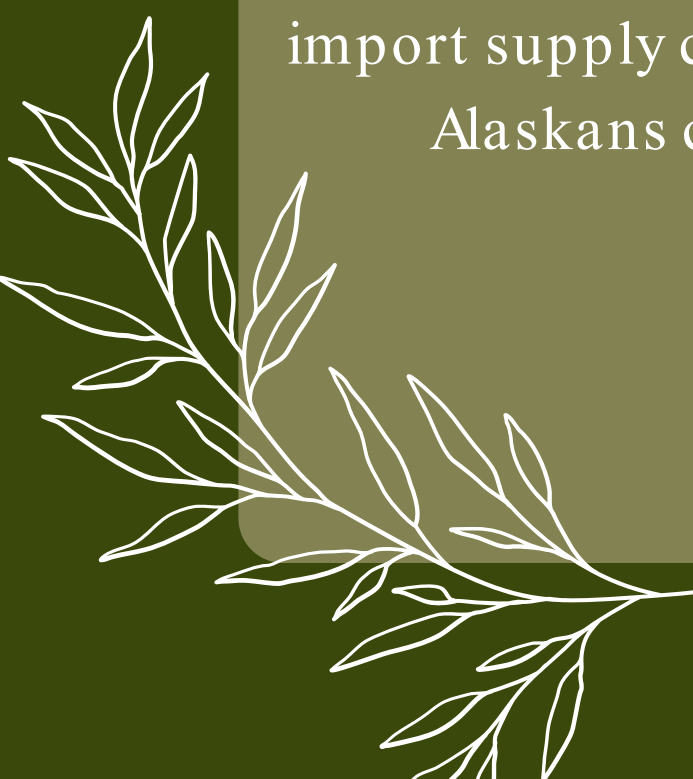
HB 317
FARM USE
LAND/STRUCTURES:
TAX EXEMPTION




Proactive Measure



Alaska is the largest U.S. state, yet it has one of the smallest agricultural industries according to the USDA. As such, the food supply does not yet meet demand. Alaska relies heavily on imported food and is thus more vulnerable to interruptions in the food import supply chain. Currently, only 5% of the food Alaskans consume is produced in Alaska.



House Bill 317 is a proactive measure designed to foster a favorable environment for agricultural growth and sustainability in Alaska. By providing tax incentives for farm structures and preserving farm use land, we aim to incentivize farming practices, stimulate economic activity, and strengthen our food production systems.



Alaska Food Security and Independence Task Force 2022

Alaska's supply chain is vulnerable and in turn, our food supply is unstable, of which 95% of purchased foods are imported.

Extreme weather events and seasonality make rural communities, far beyond the end of the road, susceptible to weeks without food delivery and the food that arrives often has a high spoilage rate due to long travel time and poor storage conditions. Additionally, by importing most of our food supplies, around \$2 billion is sent out of state each year. Alaska is past due for activating a strategic approach to creating a more inclusive, equitable, and resilient food system for all.





What's Hindering Alaska Agriculture?

- Start Up Challenges
- Sustainability Challenges
- Marketing Issues
- Business Plans
- Access to Affordable & Adequate Land



Promising Efforts Underway

- Seaweed Supply
- Farmers Markets and Food Hub Activity
- Room For Growth
- Current Economic Impact

Agriculture Tax Breaks in the US



You don't have to be a full-time farmer to take advantage of a variety of agricultural tax breaks that will help you with your property taxes. In some cases, all you need is a piece of land that's not currently being used. You can use the land to preserve timber, for example, or put it to some kind of agricultural use to save on property taxes.

The size of agricultural property tax exemptions varies from state to state. Qualifications for agricultural tax exemptions vary from state to state, too. Some states base eligibility on the size of the property, while others set a minimum dollar amount for agricultural sales of goods produced on the property. Many use a combination of gross sales and acreage requirements. Grazing a single cow on your property can be enough to trigger tax breaks in some places.

If you qualify, an agricultural tax exemption can knock thousands off your property tax bill. Depending on your state's rules, one way to execute this tax strategy is to offer use of your land to a local farmer. For example, you could allow a nearby farmer to harvest hay on acres you're not using or rent your land to a farmer. You don't necessarily have to do the work yourself to claim the exemption for your property.

Current Agriculture Tax Breaks in Alaska

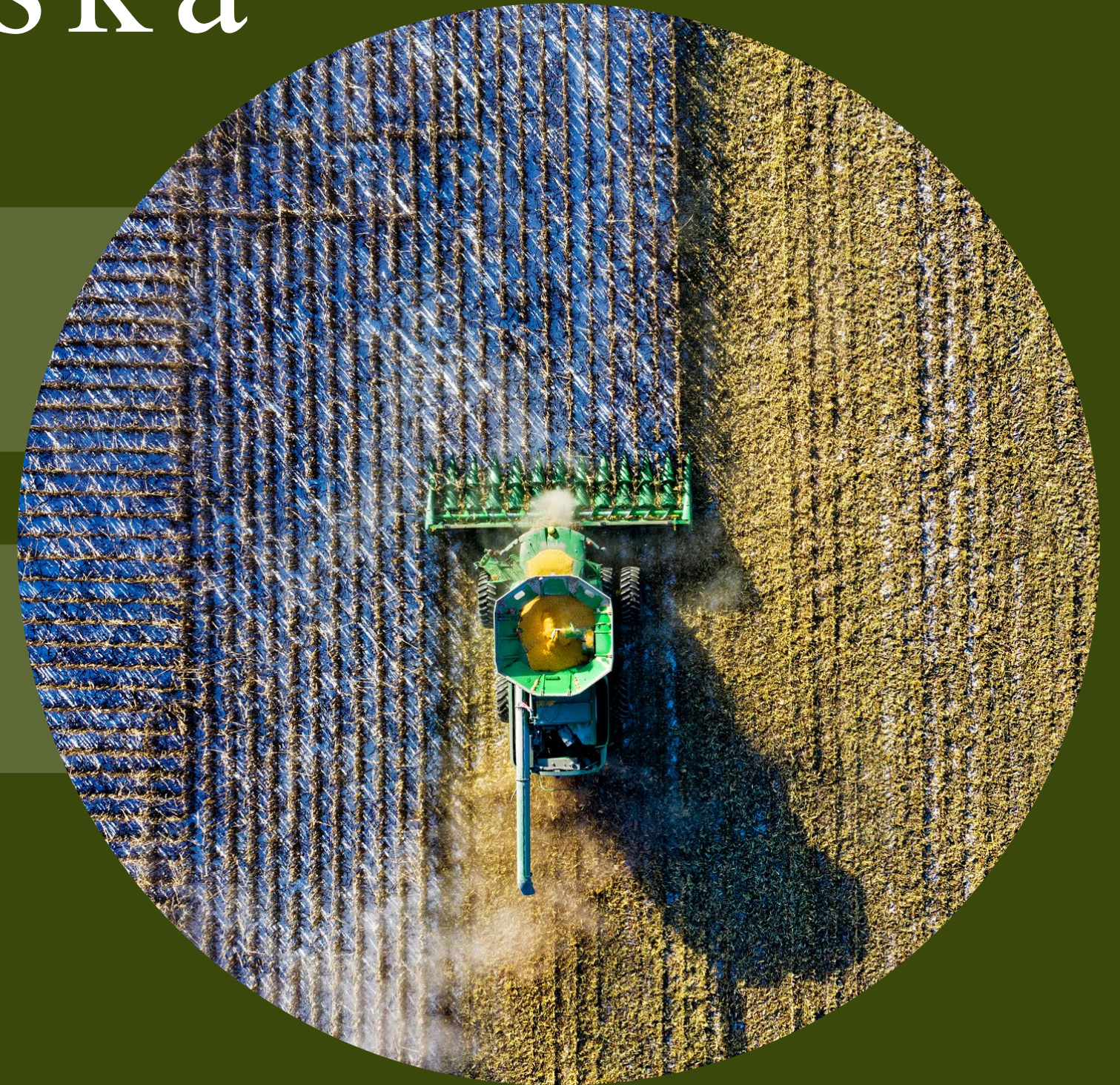



AS 29.45

Allows for commercial farmland to be assessed for property tax purposes as farmland rather than if the land was used for some other purpose.

AS 29.45

Allows municipalities to allow voters to approve reduced tax rates for farm structures use for farming activity.





House Bill 317 ensures that not only farm use land, but also structures dedicated to farming operations, are assessed based on their agricultural value, rather than being subject to taxation as if used for non-agricultural purposes. This provision safeguards the integrity of agricultural land and supports its continued use for farming activities.

HB 317 also removes the requirement that the farm use land or structures be used for commercial activities to lower the barrier of entry for start-up farmers and small operations. Which encourages growth in both commercial farming and farming to feed your family and community.



Current statute gives municipalities the authority to partially or fully exempt farm structures used exclusively for farming activities from taxation. This exemption applies to structures engaged in various farming-related functions, such as crop production, feed storage, and dairy operations.

HB 317 requires municipalities, who do not currently give tax rate exemptions for farm use structures, to place a partial or total tax exemption before their voters in the next general election

Questions?