

CS FOR SENATE BILL NO. 200(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered: 3/27/26

Referred: Rules

Sponsor(s): SENATOR BJORKMAN

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to municipal assessments of farm or agricultural land; and providing**
2 **for an effective 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) **Except as provided in (h) of this section, farm** [FARM] use land, and
6 structures on farm use land that are used for farm operations, included in a farm unit
7 and not dedicated or being used for nonfarm purposes shall be assessed on the basis of
8 full and true value for farm use and may not be assessed as if subdivided or used for
9 some other nonfarm purpose. The assessor shall maintain records valuing the land for
10 both full and true value and farm use value. If the land is sold, leased, or otherwise
11 disposed of for uses incompatible with farm use or converted to a use incompatible
12 with farm use by the owner, the owner is liable to pay an amount equal to the
13 additional tax at the current mill levy together with eight percent interest for the
14 preceding seven years, as though the land had not been assessed for farm use

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

4 * **Sec. 2.** AS 29.45.060(b) is amended to read:

5 (b) An owner of farm use land shall, to secure the assessment under this
 6 section, apply to the assessor on or before May 15 of each year in which the
 7 assessment is desired. The application shall be made on forms prescribed by the state
 8 assessor for the use of the local assessor, and must include **information required on a**
 9 **Schedule F (Form 1040) and other** information that may reasonably be required to
 10 determine the entitlement of the applicant. **If the applicant is required by the**
 11 **Internal Revenue Service to file an Internal Revenue Service Schedule F (Form**
 12 **1040), the applicant shall provide the local assessor with a copy of the applicant's**
 13 **Schedule F (Form 1040). If the applicant is an S corporation, the applicant shall**
 14 **provide the local assessor with the same information required on a Schedule F**
 15 **(Form 1040).** If the land is leased for farm use purposes, the applicant shall furnish to
 16 the assessor a copy of the lease bearing the signatures of both lessee and lessor along
 17 with the completed application. The applicant shall furnish the assessor a copy of the
 18 lease covering the period for which the exemption is requested. This subsection does
 19 not apply to a person with an interest in land that is classified by the state for
 20 agricultural use or that is restricted by the state for agricultural purposes.

21 * **Sec. 3.** AS 29.45.060(e) is amended to read:

22 (e) **Notwithstanding (h) of this section, all** [ALL] land that is classified by
 23 the state for agricultural use or that is restricted by the state for agricultural purposes
 24 shall be assessed on the basis of full and true value based **on** [UPON] that restricted
 25 use.

26 * **Sec. 4.** AS 29.45.060(f) is amended to read:

27 (f) [THIS SECTION DOES NOT APPLY TO LAND FOR WHICH THE
 28 OWNER HAS GRANTED, AND HAS OUTSTANDING, A LEASE OR OPTION
 29 TO BUY THE SURFACE RIGHTS.] A property owner wishing to file for farm use
 30 classification having no history of farm-related income may submit a declaration of
 31 intent at the time of filing the application with the assessor setting out the intended use

1 of the land and certifying that the property owner intends to file an Internal Revenue
 2 Service Schedule F (Form 1040) with the United States Internal Revenue Service for
 3 the current tax year. An applicant using this procedure shall file with the assessor on
 4 or before April 15 of the following year a copy of the Schedule F (Form 1040) the
 5 applicant files with the Internal Revenue Service. **If the applicant is an S**
 6 **corporation, the applicant does not need to certify that it intends to file a**
 7 **Schedule F (Form 1040) with the United States Internal Revenue Service for the**
 8 **current tax year, but the applicant shall file with the assessor on or before**
 9 **April 15 of the following year the same information required on a Schedule F**
 10 **(Form 1040).** Failure to make a filing required in this subsection forfeits the
 11 exemption.

12 * **Sec. 5.** AS 29.45.060(g) is amended to read:

13 (g) In this section,

14 (1) "farm use" means

15 (A) the use of land for the production of crops, fruits, **flowers,**
 16 **livestock,** or other agricultural products [FOR HUMAN OR ANIMAL
 17 CONSUMPTION OR FOR THE SUSTENANCE OR GRAZING OF
 18 LIVESTOCK] if the owner or lessee sells at least \$2,500 of agricultural
 19 products produced from the land during the tax year [AND FILES AN
 20 INTERNAL REVENUE SERVICE SCHEDULE F (FORM 1040) WITH THE
 21 UNITED STATES INTERNAL REVENUE SERVICE];

22 (B) **the use of land adjoining land described in (A) of this**
 23 **paragraph as part of an approved soil conservation plan to support**
 24 **agricultural production on the land described in (A) of this paragraph;**

25 (C) **does not include the use of land for the production of**
 26 **marijuana;**

27 (2) "livestock" includes cattle, hogs, sheep, goats, **horses,** chickens,
 28 turkeys, pigeons, and other poultry;

29 (3) **"S corporation" means a sole proprietorship, partnership, or**
 30 **entity that has elected to file federal returns under 26 U.S.C. 1361 - 1379**
 31 **(Internal Revenue Code) [RAISED TO PROVIDE MEAT OR OTHER PRODUCTS**

1 FOR HUMAN CONSUMPTION].

2 * **Sec. 6.** AS 29.45.060 is amended by adding new subsections to read:

3 (h) This section does not apply to land

4 (1) for which the owner has granted, and has outstanding, a lease or
5 option to buy the surface rights;

6 (2) in a home rule municipality with a population of more than
7 200,000 unless the municipality has by ordinance adopted the assessment under this
8 section.

9 (i) A home rule municipality with a population of more than 200,000 may by
10 ordinance

11 (1) adopt a definition of "farm use" that differs from the meaning given
12 in (g) of this section;

13 (2) adjust the value of agricultural products that must be produced
14 from the land during a tax year under (c) of this section.

15 * **Sec. 7.** This Act takes effect February 1, 2027.