

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 717 Agritourism
SPONSOR(S): Tomkow
TIED BILLS: **IDEN./SIM. BILLS:** SB 1186

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Environment, Agriculture & Flooding Subcommittee	13 Y, 0 N	Gawin	Moore
2) Ways & Means Committee			
3) State Affairs Committee			

SUMMARY ANALYSIS

Agritourism is one of the many methods farmers use to diversify and expand their income. An agritourism activity includes any agricultural related activity that is consistent with a bona fide farm, ranch, or in a working forest that allows members of the general public to view or enjoy its activities for recreational, entertainment, or educational purposes. These activities include farming, ranching, and historical, cultural, or harvest-your-own activities and attractions. An agritourism activity does not include the building of new or additional structures or facilities that are intended primarily to house, shelter, transport, or otherwise accommodate the general public.

Florida’s greenbelt law allows properties classified as bona fide agricultural operations to be taxed according to the use value of the agricultural operation, rather than the development value. Generally, tax assessments for qualifying lands are lower than tax assessments for other uses.

Agritourism is encouraged in Florida as a means to promote and perpetuate agriculture throughout the state. In 2016, the Legislature declared its intent to promote agritourism as a way to support bona fide agricultural production by providing a secondary stream of revenue and by educating the general public about the agricultural industry. As such, the conduct of agritourism activity on a bona fide farm or on lands classified as agricultural does not limit, restrict, or divest the land of its agricultural classification as long as such lands remain used primarily for bona fide agricultural purposes.

The bill prohibits the denial or revocation of an agricultural land classification solely due to the conduct of agritourism activity on a bona fide farm or the construction, alteration, or maintenance of a nonresidential farm building, structure, or facility on a bona fide farm that is used to conduct agritourism activities. So long as the building, structure, or facility is an integral part of the agricultural operation, the bill specifies that the land it occupies must be considered agricultural in nature. The bill also specifies that such buildings, structures, and facilities, and other improvements on the land, must be assessed at their just value and added to the agriculturally assessed value of the land.

The bill may have an insignificant negative fiscal impact on local governments.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

Agritourism

Of Florida's 35 million acres, almost 10 million acres are used for farming.¹ This includes about 47,400 farm operations that together produced cash receipts for around \$7.31 billion in 2018.² However, the farming business and the number of farms is declining throughout the state. In the 1990s, the agricultural economy increased only 5 percent compared to 25 percent and 50 percent in previous decades.³ As a result, 10,000 acres of land are lost each year to urban development.⁴ In order to continue farming, operators of small and medium-sized farms find ways to diversify and expand their incomes, either through new enterprises on the farm or off-farm employment.⁵

Agritourism is one of the many methods farmers use to diversify and expand their income. An agritourism activity includes any agricultural related activity that is consistent with a bona fide⁶ farm, ranch, or in a working forest that allows members of the general public to view or enjoy its activities for recreational, entertainment, or educational purposes. These activities include farming, ranching, and historical, cultural, or harvest-your-own activities and attractions.⁷ An agritourism activity does not include the building of new or additional structures or facilities that are intended primarily to house, shelter, transport, or otherwise accommodate the general public.⁸

Agricultural Land Valuation

Florida's greenbelt law⁹ authorizes properties classified as bona fide agricultural operations to be taxed according to the use value of the agricultural operation, rather than the development value.¹⁰ Generally, tax assessments for qualifying lands are lower than tax assessments for other uses.

Agritourism is encouraged in Florida as a means to promote and perpetuate agriculture throughout the state. In 2016, the Legislature declared its intent to promote agritourism as a way to support bona fide agricultural production by providing a secondary stream of revenue and by educating the general public about the agricultural industry.¹¹ As such, conducting an agritourism activity on a bona fide farm or on lands classified as agricultural does not limit, restrict, or divest the land of its agricultural classification as long as such lands remain used primarily for bona fide agricultural purposes.¹²

Local governments are prohibited from adopting ordinances, regulations, rules, or policies that prohibit, restrict, regulate, or otherwise limit an agritourism activity on land that has been classified as agricultural land under Florida's greenbelt law.¹³

¹ University of Florida Institute of Food and Agricultural Sciences (UFIFAS), *Expanding Florida's Farming Business to Incorporate Tourism*, <http://edis.ifas.ufl.edu/fr242> (last visited Jan. 11, 2022).

² United States Department of Agriculture, *Florida Agricultural Overview*, available at https://www.nass.usda.gov/Statistics_by_State/Florida/Publications/Annual_Statistical_Bulletin/2020/A1thru10Over-2020.pdf (last visited Jan. 13, 2022).

³ UFIFAS, *Expanding Florida's Farming Business to Incorporate Tourism*, <http://edis.ifas.ufl.edu/fr242> (last visited Jan. 11, 2022).

⁴ Leon Kolankiewicz and Roy Beck, *Sprawl in Florida*, 2001, p. 4, available at <https://www.numbersusa.com/content/files/pdf/FLsprawl.pdf> (last visited Jan. 11, 2022).

⁵ UFIFAS, *Expanding Florida's Farming Business to Incorporate Tourism*, <http://edis.ifas.ufl.edu/fr242> (last visited Jan. 11, 2022).

⁶ Section 193.461(3)(b), F.S., defines "bona fide agricultural purposes" to mean good faith commercial agricultural use of the land.

⁷ Section 570.86(1), F.S.

⁸ *Id.*

⁹ Section 193.461, F.S.

¹⁰ *Id.*

¹¹ Section 570.85, F.S.

¹² Section 570.87(1), F.S.

¹³ Section 570.85, F.S.

Effect of the Bill

The bill revises the current statutory legislative intent regarding agritourism to remove a provision specifying that agritourism provides a secondary stream of revenue for agricultural producers.

The bill prohibits the denial or revocation of an agricultural land classification solely due to the conduct of agritourism activity on a bona fide farm or the construction, alteration, or maintenance of a nonresidential farm building, structure, or facility on a bona fide farm that is used to conduct agritourism activities. So long as the building, structure, or facility is an integral part of the agricultural operation, the bill specifies that the land it occupies must be considered agricultural in nature. The bill also specifies that such buildings, structures, and facilities, and other improvements on the land, must be assessed at their just value and added to the agriculturally assessed value of the land.

B. SECTION DIRECTORY:

Section 1. Amends s. 570.85, F.S., to specify legislative intent.

Section 2. Amends s. 570.87, F.S., related to the impact of participation in agritourism on land classification.

Section 3. Provides an effective date of July 1, 2022.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The Revenue Estimating Conference met on January 7, 2022, and estimated that the bill may have an insignificant negative fiscal impact on local governments as a result of lower property taxes for lands that have agritourism activities and will be classified as agricultural.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill may have a positive fiscal impact on land owners who conduct agritourism activities and have property that would be reappraised as agricultural land under the bill.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The county/municipality mandates provision of Art. VII, section 18, of the Florida Constitution may apply because this bill reduces the authority of counties and municipalities to raise revenues by allowing additional properties to be classified as agricultural under Florida's greenbelt law. However, an exemption may apply if the bill results in an insignificant fiscal impact to county or municipal governments. The Revenue Estimating Conference met on January 7, 2022, and estimated that the bill may have an insignificant negative fiscal impact on local governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

None.