COMMITTEE ON REVENUE ~ BILL SUMMARY

Bill Number: S.2023 (similar to H.3130)

Name: AN ACT TO PROMOTE URBAN AGRICULTURE AND HORTICULTURE

Sponsor(s): Sen. Edward J. Kennedy (Lowell)

Hearing Date: July 15, 2025

Reporting Date: September 13, 2025

Prior History: 2023-24 (S.1855): Reported favorably, accompanied H.2852; Referred to House Steering; Placed on Orders of the Day; Ordered to Third Reading
2021-22 (S.1893): Reported favorably, accompanied H.2995; Referred to House Steering; Reported favorably, placed in Orders of the Day for a second reading
2019-20 (S.1691): Reported favorably, accompanied H.2551; Referred to House Steering
2017-18 (S.1532, Sen. Dorcena Forry): Reported favorably, accompanied a new draft (H.3854); Placed on Orders of the Day; Ordered to Third Reading

CURRENT LAW:
M.G.L. c. 59 § 5 – Property tax exemptions: Real and personal property is taxed by the municipality where it is located based on its fair cash value. However, certain items of property or portions thereof are exempted from taxation. For example, residents meeting certain criteria, including age, income, disability and/or veteran status are able to obtain complete or partial property tax exemptions. Certain property may be exempt due to the purpose it serves, such as providing renewable energy. With limited exceptions, a taxpayer may only receive one exemption under M.G.L. c. 59, § 5 for each fiscal year. If a taxpayer qualifies for more than one exemption, they will receive the one that provides the greatest benefit.

M.G.L. c. 61A – Agricultural and horticultural land: Under chapter 61A, certain qualifying property may be classified as agricultural and/or horticultural land and taxed as class 3, commercial property. In order to be classified as such, the land must be not less than 5 acres in area and must be actively devoted to agricultural or horticultural use during the tax year, and for at least the 2 immediately preceding tax years.

The valuation of such land is based on its current value as agricultural or horticultural land, rather than its full and fair cash value at its highest and best use.[1] Typically, this results in such land being assessed at a lower value, thus lowering property taxes. Land includes contiguous land under the same ownership that is not already valued under another category (residential, commercial, or industrial).

M.G.L. c. 61A § 1 – Land in Agricultural use defined: Land deemed to be agricultural use when primarily and directly used in raising animals, including, but not limited to, dairy cattle, beef cattle, poultry, sheep, swine, horses, ponies, mules, goats, bees, and fur-bearing animals, for the purpose of selling such animals or a product derived from such animals, or for the purpose of raising such animals and preparing them or the products derived from them for market.

M.G.L. c. 61A § 2 – Land in Horticultural use defined: Land considered to be in horticultural use when primarily and directly used in raising fruits, vegetables, berries, nuts, and other foods for human consumption, feed for animals, tobacco, flower, sod, trees, nursery or greenhouse products, ornamental plants, shrubs for the purpose of selling, or when primarily and directly used in raising forest products under a certified forest management plan.

PROPOSED CHANGE(S):
This bill would create a local option to exempt up to 100% of the assessed value of real estate in agricultural or horticultural use, as defined in chapter 61A. The land must be less than 2 acres in area and the gross sales of agricultural, horticultural or agricultural, and horticultural products resulting from such uses must be at least $500 in the previous year.[1] The exemption may only apply to the portion of real estate which is in such use. This option would only be available to municipalities with a population of at least 50,000 or that meet the definition of a gateway municipality. The legislative body of the municipality shall establish the percentage of assessed value which shall be exempt (up to 100%) and may modify this percentage at any time thereafter.