HB-5534
AN ACT CONCERNING THE CLASSIFICATION OF FARM LAND.
   As Amended by House "A" (LCO 4108)

House Calendar No.: 330
Senate Calendar No.: 540

**OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:**

<table>
<thead>
<tr>
<th>Municipalities</th>
<th>Effect</th>
<th>FY 19 $</th>
<th>FY 20 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various Municipalities</td>
<td>Grand List</td>
<td>None</td>
<td>Potential</td>
</tr>
<tr>
<td></td>
<td>Reduction</td>
<td></td>
<td></td>
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</tbody>
</table>

**Explanation**

The bill specifies that municipalities shall not deny an application for classification of farmland as PA-490 land due to any minimum acreage requirement for residential parcels or agricultural use.

To the extent that this expands the amount of land assessors classify as farmland under the PA-490 program, there is a grand list reduction which will vary based on the value of such land. A grand list reduction results in a revenue loss, given a constant mill rate.

Due to the timing of the bill, any impact would not occur until FY 20.

House “A” results in the above identified fiscal impact by specifying that municipalities shall not deny an application for classification of farmland as PA-490 land due to any minimum acreage requirement for residential parcels or agricultural use.

Primary Analyst: DD
Contributing Analyst(s): 5/8/18
The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to changes in municipal mill rates and grand lists.

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