

# AGRICULTURE

## Taxation of Agricultural Lands and Agricultural Products

**HB 11-1005** (Enacted)  
Sales and Use Tax Exemption  
for Agricultural Products

**HB 11-1146** (Enacted)  
Property Tax Exemption  
for Agricultural Lands

## Colorado Agriculture Promotion

**SB 11-258** (Deemed Lost)  
Local Food to Local Markets

## Predator Management

**HB 11-1294** (Deemed Lost)  
Predator Management Regulations

## Animal Cruelty

**HB 11-1039** (Postponed Indefinitely)  
Animal Cruelty Steer Tailing

The legislature considered bills on a variety of agricultural issues including the taxation of agricultural lands and agricultural products, agriculture promotion, predator management, and animal cruelty.

## Taxation of Agricultural Lands and Agricultural Products

Agricultural lands are subject to a lower property tax rate than other types of property, such as commercial properties. House Bill 10-1293 created a nine-member interim task force to study the assessment and classification of agricultural and residential land and propose legislation to ensure that land is valued based on its actual use. The impetus for HB 10-1293 was a concern that some homeowners are claiming an agricultural classification to obtain a lower property tax bill without being a part of a bona fide agricultural operation. The task force submitted a written report to the Local Government and Agriculture Committees of the General Assembly that included recommendations that are reflected in **House Bill 11-1146**. This act amends the definition of "agricultural land" to exclude up to two acres of land associated with residential improvements located on the land unless the residence is "integral to an agricultural operation" conducted on the land. Under the act, a residential improvement is "integral to an agricultural operation" if the individual occupying it either regularly conducts, supervises, or administers material aspects of the agricultural operation or is the spouse or parent, grandparent, sibling, or child of an individual who regularly conducts, supervises, or administers material aspects of the agricultural operation. The act affects property taxes starting in property tax year 2012. If a district has not obtained voter approval to retain and spend revenue above its TABOR limit, and determines that the bill will cause a net revenue increase that exceeds its TABOR limit, the district is required to obtain voter approval to retain and spend the additional revenue generated as a result of the bill.

During the 2011 session, the General Assembly considered a number of bills affecting sales tax exemptions. **House Bill 11-1005** reinstates the exemption from sales and use taxes for the sale or storage, use, or consumption of agricultural compounds used in caring for livestock, semen for agricultural and ranching purposes, and pesticides for use in the production of agricultural and livestock products. This sales tax exemption was repealed during the previous session to help address the state budget shortfall.

## **Colorado Agriculture Promotion**

**Senate Bill 11-258** would have allowed a grower of an agricultural product to use his or her own private home kitchen for the production of certain food to be sold to the public. The bill would have authorized the Colorado Department of Public Health and Environment (CDPHE) and local health departments to create registries for growers who produce food in their home kitchens. Producers would have been required to be trained in food handling safety and limited to selling baked or dehydrated food that uses ingredients grown by the person. The food would have been required to be labeled with specific information including a disclaimer that it was produced in a home kitchen not subject to state licensure or inspection. It also would have been to be sold directly to consumers and only at the grower's residence, a farmers' market, or similar venue. It also would have allowed small egg producers to sell their eggs on their premises or at local farmers' markets in accordance with the laws and rules regarding egg safety. Additionally, the bill would have required the Department of Agriculture to promote farmers' markets. The bill was deemed lost in the House of Representatives.

## **Predator Management**

According to the Division of Wildlife, human-bear encounters are on the rise because more people are living and recreating in bear country. Bears can also damage or destroy bee hives, kill or injure livestock, and cause other damage to agricultural properties. **House Bill 11-1294** would have repealed a law enacted pursuant to a 1992 ballot initiative that prohibits hunting black bears between March 1 and September 1. The bill re-established the Wildlife Commission's authority to determine seasonal black bear hunting restrictions. The bill was deemed lost in the House of Representatives.

## **Animal Cruelty**

Some rodeos include events called *steer tailing* and *horse tripping*. In steer tailing, a mounted rider attempts to grab a running steer by the tail and drag the animal to the ground. Sometimes the steer's tail is broken or torn off. In horse tripping, running horses are lassoed by the legs, which can injure the horse. **House Bill 11-1039** would have expanded the current crime of cruelty to animals to include the intentional dragging of a bovine (cow, steer, bull, heifer, ox, or bison) by its tail or the intentional lassoing or roping of the legs of an equine (horse, pony, donkey, mule, or hinny), for the purpose of entertainment, sport, or contest. A first offense of cruelty to animals is a class 1 misdemeanor. A second or subsequent offense is a class 6 felony. This bill was postponed indefinitely.