

Shannon Pleiman and other LSC staff

# **Fiscal Note & Local Impact Statement**

| Bill:   | S.B. 75 of the 131st G.A. | Date:    | May 4, 2016              |
|---------|---------------------------|----------|--------------------------|
| Status: | As Enacted                | Sponsor: | Sens. Jones and Peterson |

### Local Impact Statement Procedure Required: Yes

Contents: Defines agritourism and establishes immunity in a civil action for agritourism providers

## **State Fiscal Highlights**

• No direct fiscal effect on the state.

# Local Fiscal Highlights

- The bill establishes a civil immunity for agritourism providers. This might reduce the filing of civil actions in local courts or cause cases that are filed to be handled more promptly. Either outcome could result in savings from a decrease in judicial dockets and the workload of court personnel. Overall, the probable impact on courts will not be significant, and consequently, any savings would be no more than minimal.
- The bill explicitly allows land that otherwise qualifies for current agricultural use valuation (CAUV) tax treatment to remain eligible for that tax valuation method if used for agritourism.

### **Detailed Fiscal Analysis**

### Overview

The bill defines "agritourism" as agriculturally related educational, entertainment, historical, cultural, or recreational activities, including you-pick operations or farm markets, that take place on a farm and that the public can participate in. The bill also defines the circumstances under which an agritourism business operator is immune from civil liability in cases where a participant is injured during an agritourism activity. This could reduce the volume of civil cases or cause the cases to be handled more quickly, in either case reducing costs incurred by courts for handling this type of litigation.

In addition to the change in civil immunity, the bill prohibits boards of county commissioners and township trustees from preventing agritourism business through zoning, but does allow local regulation pertaining to size of structure, size of parking areas, setback building lines, and egress or ingress if necessary to protect public health and safety. The bill adds that an applicable zoning authority does not have the power to prohibit the use of any land for agricultural purposes or the construction or use of buildings or structures incident to the use for agricultural purposes of the land on which the buildings or structures are located, including buildings or structures that are used primarily for vinting and selling wine and that are located on land any part of which is used for viticulture. There does not appear to be any fiscal effect related to this part of the bill. The fiscal effects regarding the civil immunity provisions applying to agritourism operators are described in more detail below.

#### Immunity for agritourism providers

The bill gives agritourism providers immunity from civil liability for any harm a participant sustains during an agritourism activity if the participant is harmed as a result of a risk inherent in the activity. This most likely would have two effects, either (1) reducing the number of civil actions alleging damages, or (2) leading to quicker adjudication of such cases than currently would be the norm. Either outcome would potentially yield some minimal savings for the courts involved by decreasing judicial dockets and reducing workload for personnel. If the number of civil actions filed were curtailed, then the courts would incur a loss in court cost and filing fee revenue. However, the savings realized by those courts in terms of their personal and related administrative costs associated with the processing of cases would likely offset any possible loss of court cost and filing fee revenues.

### Current agricultural use valuation for land used for agritourism

The bill states that agritourism on land that otherwise meets the definition of "land devoted exclusively to agricultural use" does not disqualify the land for valuation on a CAUV basis under the provisions of property tax law. This addition to law governing CAUV may provide greater clarity regarding this aspect of the law but does not appear to have any fiscal effect.

SB0075EN.docx/jc