

**FALLOW LAND AMENDMENTS**

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jason B. Kyle**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill addresses the applicability of fallow land to agricultural and urban farming property tax assessment.

**Highlighted Provisions:**

This bill:

- ▶ clarifies that land allowed to lay fallow or uncultivated for agricultural purposes qualifies for agricultural and urban farming assessment;
- ▶ allows a county assessor to require the owner of fallow land to prepare and submit a land management plan with certain information and limitations; and
- ▶ disqualifies fallow land from agricultural and urban farming assessment if the owner fails to comply with any land management plan requirements.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**59-2-503**, as last amended by Laws of Utah 2023, Chapter 72

**59-2-1703**, as last amended by Laws of Utah 2023, Chapter 189



28 *Be it enacted by the Legislature of the state of Utah:*

29 Section 1. Section **59-2-503** is amended to read:

30 **59-2-503. Qualifications for agricultural use assessment.**

31 (1) For general property tax purposes, land may be assessed on the basis of the value  
32 that the land has for agricultural use if the land:

33 (a) is not less than five contiguous acres in area, except that land may be assessed on  
34 the basis of the value that the land has for agricultural use:

35 (i) if:

36 (A) the land is devoted to agricultural use in conjunction with other eligible acreage;  
37 and

38 (B) the land and the other eligible acreage described in Subsection (1)(a)(i)(A) have  
39 identical legal ownership; or

40 (ii) as provided under Subsections (4) and (5); and

41 (b) except as provided in Subsection (6) or (7):

42 (i) is actively devoted to agricultural use; and

43 (ii) has been actively devoted to agricultural use for at least two successive years  
44 immediately preceding the tax year for which the land is being assessed under this part.

45 (2) In determining whether land is actively devoted to agricultural use, production per  
46 acre for a given county or area and a given type of land shall be determined by using the first  
47 applicable of the following:

48 (a) production levels reported in the current publication of the Utah Agricultural  
49 Statistics;

50 (b) current crop budgets developed and published by Utah State University; and

51 (c) other acceptable standards of agricultural production designated by the commission  
52 by rule adopted in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking  
53 Act.

54 (3) Land may be assessed on the basis of the land's agricultural value if the land:

55 (a) is subject to the privilege tax imposed by Section [59-4-101](#);

56 (b) is owned by the state or any of the state's political subdivisions; and

57 (c) meets the requirements of Subsection (1).

58 (4) Notwithstanding Subsection (1)(a), the commission or a county board of

59 equalization may grant a waiver of the acreage limitation for land upon:

60 (a) appeal by the owner; and

61 (b) submission of proof that 80% or more of the owner's, purchaser's, or lessee's  
62 income is derived from agricultural products produced on the property in question.

63 (5) Notwithstanding Subsection (1)(a), the commission or a county board of  
64 equalization shall grant a waiver of the acreage limitation for land upon:

65 (a) appeal by the owner; and

66 (b) submission of proof that:

67 (i) the failure to meet the acreage requirement arose solely as a result of an acquisition  
68 by a public utility or a governmental entity by:

69 (A) eminent domain; or

70 (B) the threat or imminence of an eminent domain proceeding; and

71 (ii) the land is actively devoted to agricultural use.

72 (6) (a) The commission or a county board of equalization may grant a waiver of the  
73 requirement that the land is actively devoted to agricultural use for the tax year for which the  
74 land is being assessed under this part upon:

75 (i) appeal by the owner; and

76 (ii) submission of proof that:

77 (A) the land was assessed on the basis of agricultural use for at least two years  
78 immediately preceding that tax year; and

79 (B) the failure to meet the agricultural production requirements for that tax year was  
80 due to no fault or act of the owner, purchaser, or lessee.

81 (b) As used in Subsection (6)(a), "fault" does not include:

82 (i) intentional planting of crops or trees which, because of the maturation period, do  
83 not give the owner, purchaser, or lessee a reasonable opportunity to satisfy the production  
84 levels required for land actively devoted to agricultural use; or

85 (ii) implementation of a bona fide range improvement program, crop rotation program,  
86 or other similar accepted cultural practices which do not give the owner, purchaser, or lessee a  
87 reasonable opportunity to satisfy the production levels required for land actively devoted to  
88 agricultural use.

89 (7) Land that otherwise qualifies for assessment under this part qualifies for assessment

90 under this part in the first year the land resumes being actively devoted to agricultural use if:

91 (a) the land becomes ineligible for assessment under this part only as a result of a split  
92 estate mineral rights owner exercising the right to extract a mineral; and

93 (b) the land qualified for assessment under this part in the year immediately preceding  
94 the year the land became ineligible for assessment under this part only as a result of a split  
95 estate mineral rights owner exercising the right to extract a mineral.

96 (8) Land that otherwise qualifies under Subsection (1) to be assessed on the basis of the  
97 value that the land has for agricultural use does not lose that qualification by becoming subject  
98 to a forest stewardship plan developed under Section 65A-8a-106 under which the land is  
99 subject to a temporary period of limited use or nonuse.

100 (9) (a) Notwithstanding Subsection (1)(a) and except as provided in Subsection (9)(c),  
101 land qualifies for assessment under this part if the land does not meet the requirements of this  
102 section only as a result of the owner allowing the land to lay fallow or uncultivated for one or  
103 more growing periods in order to facilitate land recovery and extend the use of the land for  
104 agricultural production.

105 (b) (i) A county assessor may require an owner of land described in Subsection (9)(a)  
106 to prepare and submit to the county assessor a land management plan that:

107 (A) identifies the owner's objectives in allowing the land to lay fallow or uncultivated;

108 (B) provides adequate assurances to the county assessor that the land will become  
109 actively devoted to agricultural use in a later growing period; and

110 (C) includes any other information requested by the county assessor.

111 (ii) If a county assessor requires a land management plan under this Subsection (9)(b),  
112 the county assessor may not require the owner to submit a new or additional land management  
113 plan for the same land within the three-year period following the day on which the owner  
114 submits a land management plan meeting the requirements of Subsection (9)(b)(i).

115 (c) Land described in Subsection (9)(a) becomes ineligible for assessment under this  
116 part upon the owner's failure to comply with any requirements under Subsection (9)(b).

117 Section 2. Section 59-2-1703 is amended to read:

118 **59-2-1703. Qualifications for urban farming assessment.**

119 (1) (a) For general property tax purposes, land may be assessed on the basis of the  
120 value that the land has for agricultural use if the land:

- 121 (i) is actively devoted to urban farming;
- 122 (ii) is at least one contiguous acre, but less than five acres, in size; and
- 123 (iii) (A) has been actively devoted to urban farming for at least two successive years
- 124 immediately preceding the tax year for which the land is assessed under this part; or
- 125 (B) was assessed under Part 5, Farmland Assessment Act, for the preceding tax year.
- 126 (b) Land that is not actively devoted to urban farming may not be assessed as provided
- 127 in Subsection (1)(a), even if the land is part of a parcel that includes land actively devoted to
- 128 urban farming.
- 129 (2) (a) In determining whether land is actively devoted to urban farming, production
- 130 per acre for a given county or area and a given type of land shall be determined by using the
- 131 first applicable of the following:
- 132 (i) production levels reported in the current publication of Utah Agricultural Statistics;
- 133 (ii) current crop budgets developed and published by Utah State University; or
- 134 (iii) the highest per acre value used for land assessed under the Farmland Assessment
- 135 Act for the county in which the property is located.
- 136 (b) A county assessor may not assess land actively devoted to urban farming on the
- 137 basis of the value that the land has for agricultural use under this part unless an owner annually
- 138 files documentation with the county assessor:
- 139 (i) on a form provided by the county assessor;
- 140 (ii) demonstrating to the satisfaction of the county assessor that the land meets the
- 141 production levels required under this part; and
- 142 (iii) except as provided in Subsection 59-2-1707(2)(c)(i), no later than January 30 for
- 143 each tax year in which the owner applies for assessment under this part.
- 144 (3) Notwithstanding Subsection (1)(a)(ii), a county board of equalization may grant a
- 145 waiver of the acreage requirements of Subsection (1)(a)(ii):
- 146 (a) on appeal by an owner; and
- 147 (b) if the owner submits documentation to the county assessor demonstrating to the
- 148 satisfaction of the county assessor that:
- 149 (i) the failure to meet the acreage requirements of Subsection (1)(a)(ii) arose solely as a
- 150 result of an acquisition by a governmental entity by:
- 151 (A) eminent domain; or

- 152 (B) the threat or imminence of an eminent domain proceeding;
- 153 (ii) the land is actively devoted to urban farming; and
- 154 (iii) no change occurs in the ownership of the land.

155 (4) (a) Notwithstanding Subsection (1)(a) and except as provided in Subsection (4)(c),  
156 land qualifies for assessment under this part if the land does not meet the requirements of this  
157 section only as a result of the owner allowing the land to lay fallow or uncultivated for one or  
158 more growing periods in order to facilitate land recovery and extend the use of the land for  
159 urban farming.

160 (b) (i) A county assessor may require an owner of land described in Subsection (4)(a)  
161 to prepare and submit to the county assessor a land management plan that:

- 162 (A) identifies the owner's objectives in allowing the land to lay fallow or uncultivated;
- 163 (B) provides adequate assurances to the county assessor that the land will become  
164 actively devoted to urban farming in a later growing period; and
- 165 (C) includes any other information requested by the county assessor.

166 (ii) If a county assessor requires a land management plan under this Subsection (4)(b),  
167 the county assessor may not require the owner to submit a new or additional land management  
168 plan for the same land within the three-year period following the day on which the owner  
169 submits a land management plan meeting the requirements of Subsection (4)(b)(i).

170 (c) Land described in Subsection (4)(a) becomes ineligible for assessment under this  
171 part upon the owner's failure to comply with any requirements under Subsection (4)(b).

172 Section 3. **Effective date.**

173 This bill takes effect on May 1, 2024.