

**CONCURRENT RESOLUTION ON EFFECT OF FEDERAL
LAND VALUATION MODEL**

2021 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Keven J. Stratton

Senate Sponsor: Lincoln Fillmore

LONG TITLE

Committee Note:

The Federalism Commission recommended this bill.

Legislative Vote: 6 voting for 0 voting against 3 absent

General Description:

This concurrent resolution clarifies the lack of impact that a federal land valuation model has on greenbelt valuations.

Highlighted Provisions:

This resolution:

- ▶ addresses a federal land valuation model developed for the purpose of determining the fair market value of federal land in the state to demonstrate the inadequacy of money the state receives from the federal government as payments in lieu of taxes;
- ▶ describes the value of the federal land valuation model;
- ▶ distinguishes between the purpose and use of the federal land valuation model and the purpose and use of schedules for determining the value of greenbelt land; and
- ▶ affirms that the federal land valuation model does not and will not impact the determination of greenbelt land values.

Special Clauses:

None

Be it resolved by the Legislature of the state of Utah, the Governor concurring therein:



29 WHEREAS, while Utah appreciates every dollar of money received from the federal
30 government under the Payment in Lieu of Taxes (PILT) program, the harsh reality is that PILT
31 money the federal government pays is substantially less than the amount the state would receive
32 if PILT payments reflected the amount of property tax that would be generated from that land if it
33 were taxed based on its true market value;

34 WHEREAS, accurately and persuasively determining the fair market value of federal
35 land within the state is an important step in demonstrating the discrepancy between what the state
36 would receive if federal land generated taxes based on the land's fair market value and what the
37 federal government actually pays in PILT;

38 WHEREAS, the Federalism Commission was charged with overseeing the development
39 of a federal land valuation model to provide a reliable and accurate tool for determining the
40 market value of federal land within the state for purposes of demonstrating the inadequacy of
41 PILT money received from the federal government;

42 WHEREAS, under the direction of the Federalism Commission a software program, or
43 federal land valuation model, for determining the market value of federal land within the state
44 was developed;

45 WHEREAS, this federal land valuation model is an effective tool for determining the fair
46 market value of federal land within the state;

47 WHEREAS, the model does not value and is not intended to be used to value land in the
48 state other than federal land;

49 WHEREAS, as allowed under the Utah Constitution, the Farmland Assessment Act,
50 commonly referred to as the greenbelt law, provides for land used for agricultural purposes to
51 be assessed on the basis of its value for agricultural use rather than at full market value;

52 WHEREAS, the State Tax Commission has developed complex rules under the greenbelt
53 law to guide county assessors in their assessment of greenbelt land, and those rules require the
54 Property Tax Division to update and publish schedules to determine the taxable value of
55 greenbelt land;

56 WHEREAS, the Property Tax Division schedules are based in part on an annually
57 updated university study relating to the different types of agricultural land and their value and are
58 not related to the valuation of federal land in the state;

59 WHEREAS, the Property Tax Division has determined that: greenbelt land is valued and
60 assessed based on its productive value for agricultural use without regard to the value the land

61 may have for any other purpose; the model developed under the Federalism Commission's
62 direction seeks to estimate the market value of federal land and estimates a very different value
63 than the values determined under the Property Tax Division schedules for greenbelt land; and the
64 federal land valuation model will not have any impact on the determination of greenbelt values
65 in the state; and

66 WHEREAS, the Legislature, the Governor concurring therein, wants to dispel any
67 concerns about the federal land valuation model having any impact on the valuation of
68 agricultural land for greenbelt purposes:

69 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah, the
70 Governor concurring therein, affirms that the federal land valuation model, developed under the
71 direction of the Federalism Commission, is intended only to assist the state in establishing the
72 fair market value of federal land within the state for purposes of demonstrating the inadequacy of
73 PILT money received from the federal government and should not and will not be used in a way
74 that has any impact on the valuation of land for purposes of the greenbelt law.