

FARMLAND ASSESSMENT ACT AMENDMENTS

2010 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: David P. Hinkins

House Sponsor: _____

LONG TITLE

General Description:

This bill modifies a provision of the Farmland Assessment Act.

Highlighted Provisions:

This bill:

▶ allows land subject to an ongoing forest stewardship plan to be assessed on the basis of the value that the land has for agricultural use if the land otherwise qualifies to be assessed on that basis.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-2-503, as last amended by Laws of Utah 2008, Chapter 382

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

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

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

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



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

30 (i) if:

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

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

35 (ii) as provided under Subsection (4); and

36 (b) except as provided in Subsection (5):

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

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

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

43 (a) production levels reported in the current publication of the Utah Agricultural
44 Statistics;

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

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

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

50 (a) (i) (A) is subject to the privilege tax imposed by Section 59-4-101; and

51 ~~[(b)]~~ (B) is owned by the state or any of the state's political subdivisions; ~~[and]~~ or

52 (ii) is subject to an ongoing forest stewardship plan developed under Section
53 65A-8a-106; and

54 ~~[(c)]~~ (b) meets the requirements of Subsection (1).

55 (4) Notwithstanding Subsection (1)(a), the commission or a county board of
56 equalization may grant a waiver of the acreage limitation for land upon:

57 (a) appeal by the owner; and

58 (b) submission of proof that:

59 (i) 80% or more of the owner's, purchaser's, or lessee's income is derived from
60 agricultural products produced on the property in question; or
61 (ii) (A) the failure to meet the acreage requirement arose solely as a result of an
62 acquisition by a governmental entity by:
63 (I) eminent domain; or
64 (II) the threat or imminence of an eminent domain proceeding;
65 (B) the land is actively devoted to agricultural use; and
66 (C) no change occurs in the ownership of the land.
67 (5) (a) Notwithstanding Subsection (1)(b), the commission or a county board of
68 equalization may grant a waiver of the requirement that the land is actively devoted to
69 agricultural use for the tax year for which the land is being assessed under this part upon:
70 (i) appeal by the owner; and
71 (ii) submission of proof that:
72 (A) the land was assessed on the basis of agricultural use for at least two years
73 immediately preceding that tax year; and
74 (B) the failure to meet the agricultural production requirements for that tax year was
75 due to no fault or act of the owner, purchaser, or lessee.
76 (b) As used in Subsection (5)(a), "fault" does not include:
77 (i) intentional planting of crops or trees which, because of the maturation period, do
78 not give the owner, purchaser, or lessee a reasonable opportunity to satisfy the production
79 levels required for land actively devoted to agricultural use; or
80 (ii) implementation of a bona fide range improvement program, crop rotation program,
81 or other similar accepted cultural practices which do not give the owner, purchaser, or lessee a
82 reasonable opportunity to satisfy the production levels required for land actively devoted to
83 agricultural use.

Legislative Review Note
as of 1-13-10 3:38 PM

Office of Legislative Research and General Counsel

S.B. 97 - Farmland Assessment Act Amendments

Fiscal Note

2010 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Certain individuals and businesses converting land qualifying for "Greenbelt" exemption status will not be subject to market value assessment or rollback taxes when land is converted to a use that is subject to an ongoing forest stewardship plan. Those not receiving the "Greenbelt" exemption may have otherwise received an aggregate property tax decrease and will not receive such a decrease as a result of this bill. Local governments will forgo rollback tax revenue that they may otherwise have collected.
