

# **Greenbelt Qualification**

50-State Comparison

# Outline

- Greenbelt Qualification:
  - Eligibility Criteria Used by the States
    - Plot/Land Size Criteria
    - Income Production Criteria
    - Prior Years' Land Use Criteria
  - Primary use
  - Penalty for Change of Use
- Types of Tax Benefits for Agricultural Use
- Summary

# Source



Significant Features of the Property Tax.

[http://datatoolkits.lincolninst.edu/subcenters/significant-features-property-tax/Report\\_Tax\\_Treatment\\_of\\_Agricultural\\_Property.aspx](http://datatoolkits.lincolninst.edu/subcenters/significant-features-property-tax/Report_Tax_Treatment_of_Agricultural_Property.aspx)

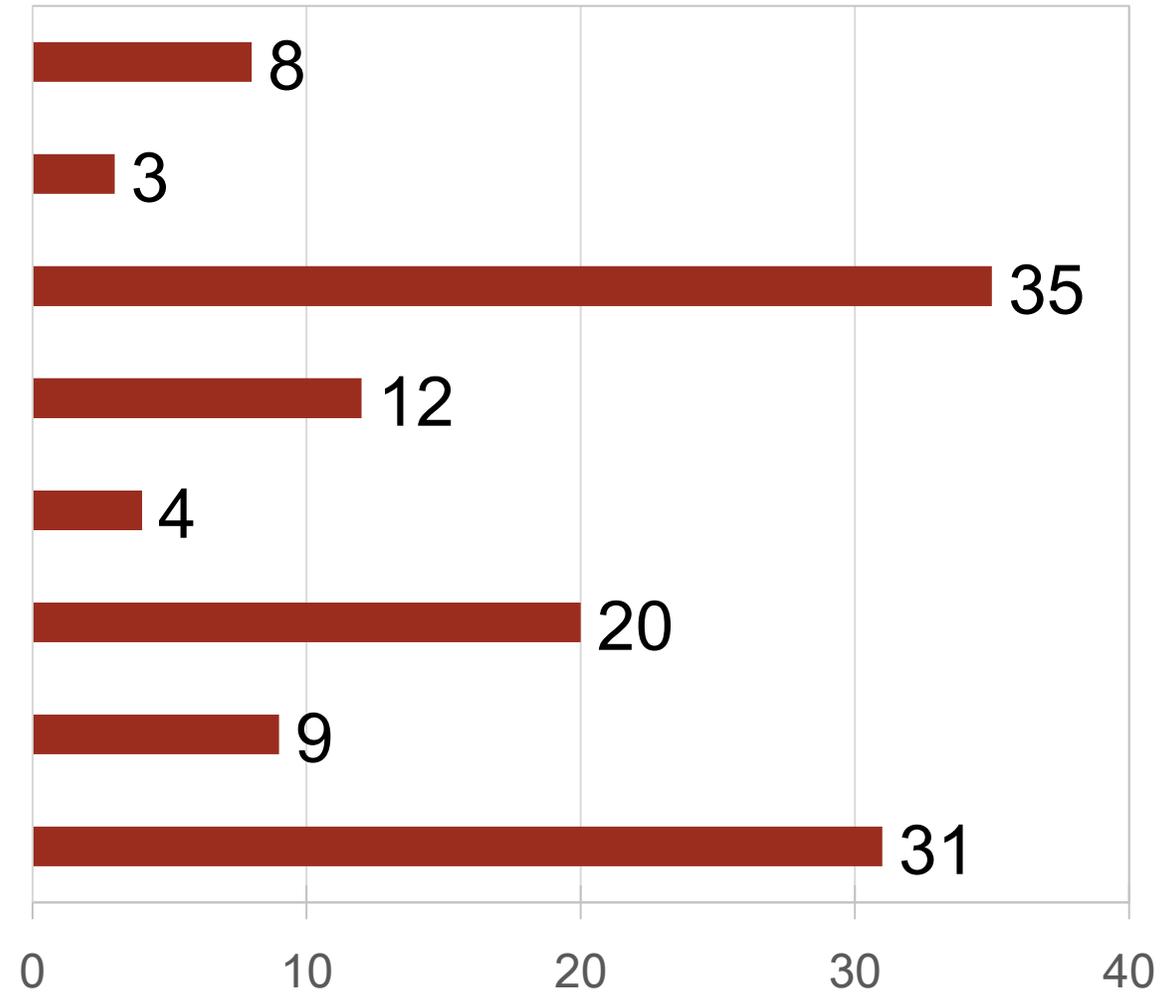
Lincoln Institute of Land Policy and George Washington Institute of Public Policy.

(Tax Treatment of Agricultural Property - 2014)

# Greenbelt Qualification: Eligibility Criteria Used by the States

No Criteria Other than Ag. Use  
Prerequisite Designation or Certification  
**Plot/Land Size**  
Multi-Year Commitment  
Location  
**Prior Years' Land Use**  
**Management Plan**  
**Income Production**

**Utah  
Criteria**



Number of States

# Greenbelt Qualification: Plot/Land Size Criteria

## Utah's Plot/Land Size Criteria

Qualifying farmland must be at least **5 acres**. If less than 5 acres of land, property may qualify if it is devoted to agricultural use in conjunction with other eligible land under same ownership.

Plot/Land Size Minimum	Number of States
5 acres or less	18
6 to 10 acres	10
11 to 25 acres	3
Other	4
None	15
<b>Total</b>	<b>50</b>

Utah

# Greenbelt Qualification: Income Production Criteria

## Utah's Income Production Criteria

Land must produce in excess of 50% of the average agricultural production per acre for the given type and location of land.\*

*\*Note: There are exceptions for certain land uses*

Income Production Criteria	Number of States
Based on owner's income	5
Based on farm's income	22
Expectation of profit	4
Based on crop production	1
None	19
<b>Total*</b>	<b>51</b>

Utah

\*Total greater than 50 because 1 state fits in multiple categories

# Greenbelt Qualification: Prior Years' Land Use Criteria

## Utah's Prior Years' Land Use Criteria

Land must have been devoted to agricultural use for at least **2 successive years** immediately preceding the tax year in which application is made and meet the average annual (per acre) production requirements.

Prior Years' Land Use Criteria	Number of States
2 years or less	8
2 to 5 years	8
Other	4
None	30
<b>Total</b>	<b>50</b>

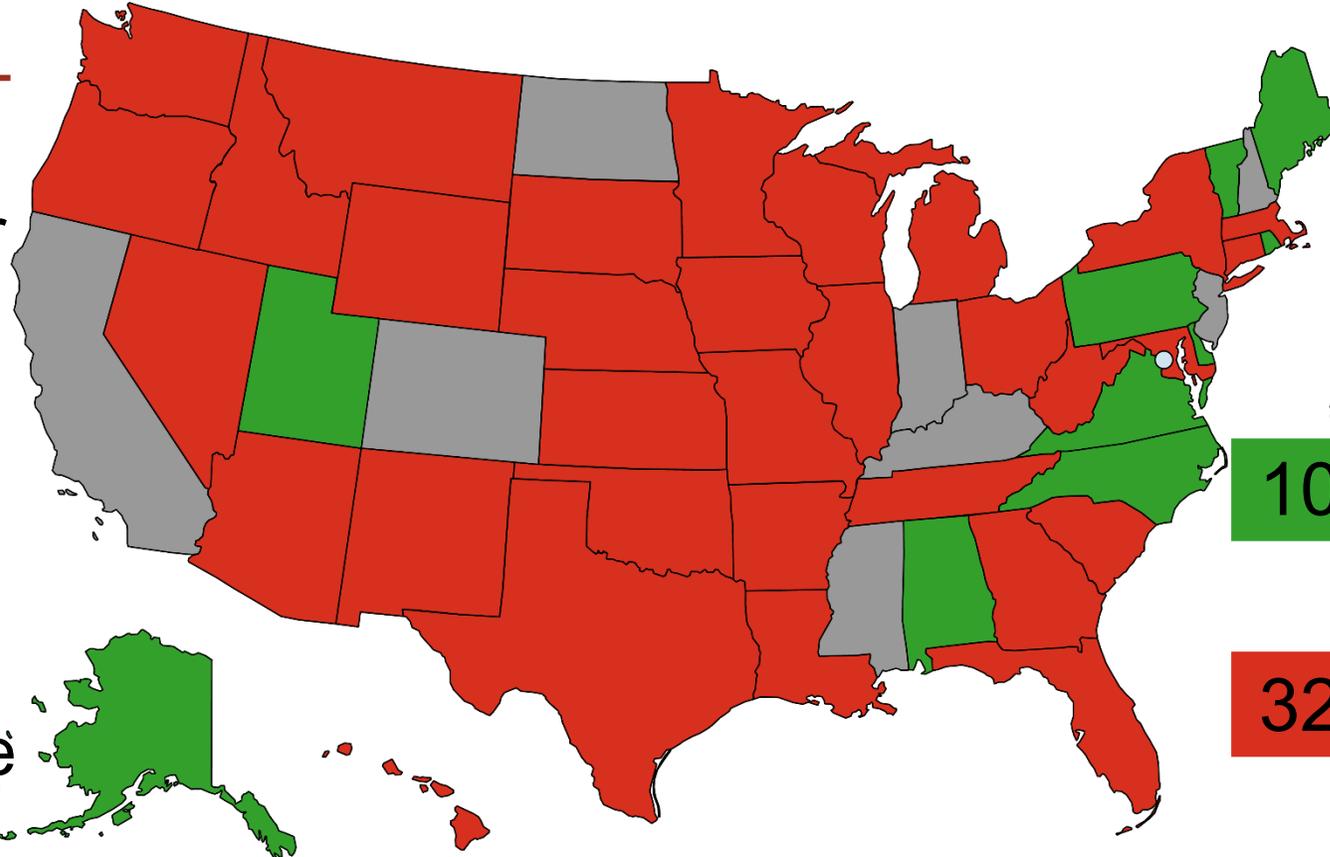
Utah

# Greenbelt Qualification: Primary Use

## Utah

“To be eligible for FAA, it makes no difference whether agricultural use is the **primary or secondary** use of a land parcel. As long as other uses do not hinder or exclude the agricultural use, a parcel may receive FAA assessment.”

Source: *Farmland Assessment Act Standards of Practice, Utah State Tax Commission, May 2016*



## Ag. Land Use

10

Ag. use may be secondary

32

Ag. use must be primary

8

Unclear

1

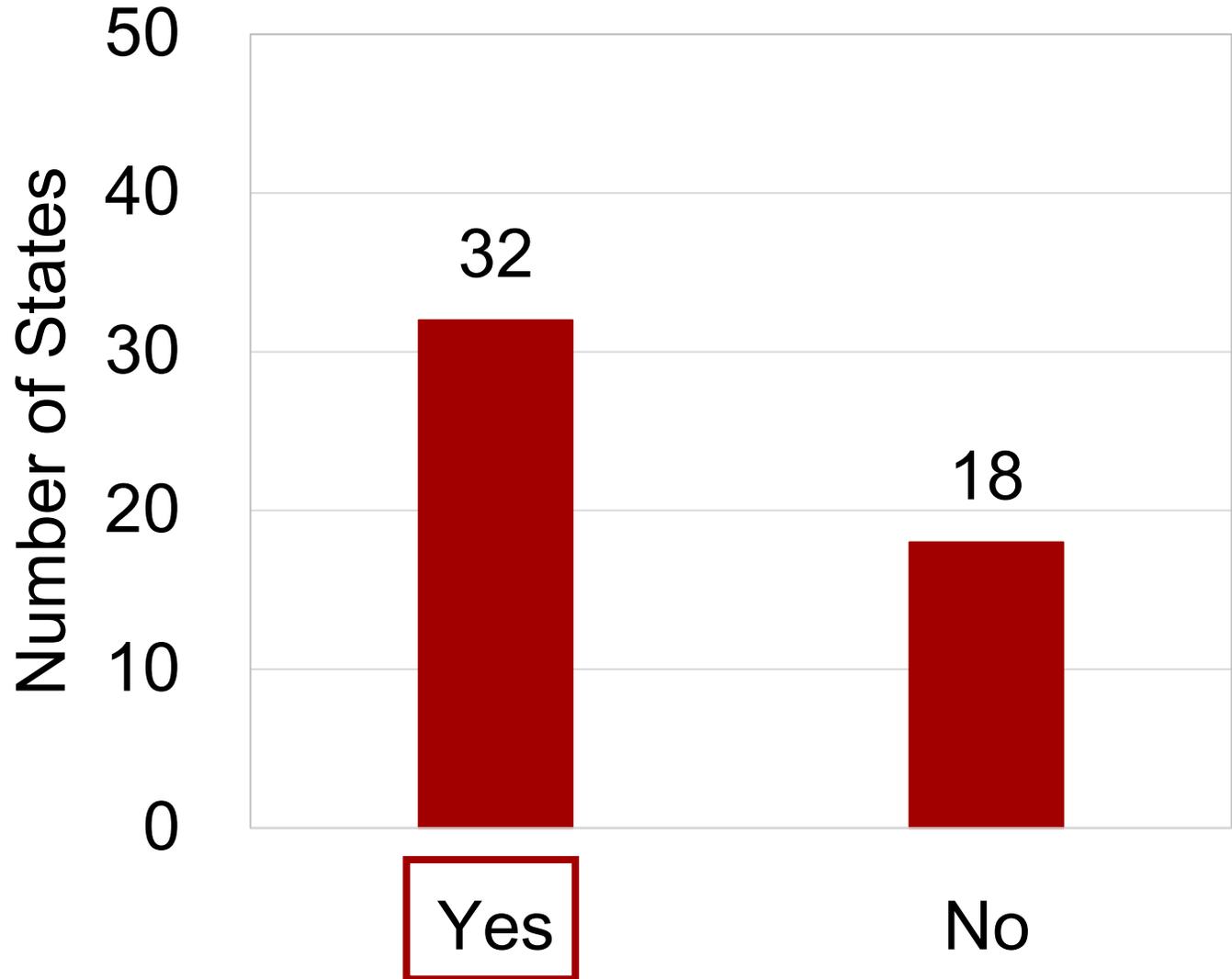
No program

# Greenbelt: Penalty for Change of Use?

## Utah's Penalty for Change of Use

If the land becomes ineligible, the owner will be subject to a rollback tax for up to 5 years. The tax rate and market value for each of the years in question is applied to determine the tax amount.

Utah



Type of Tax Benefit for Agricultural Use	Number of States
General Agricultural Use Assessment	48
Specific Local Option Farmland and Open Space Program	10
Specific Conservation Use Valuation Assessment	3
Specific Urban Agricultural Use Assessment	2
Other Specific Programs	11

# Summary

- Utah is mostly similar to other states
- Differences include:
  - Income qualification is based on crop production (1/50 states)
  - Not requiring that agricultural use be the primary use of the land (10/50 states)
  - Urban Farming Act (2/50 states)