

1 **PROPERTY TAX - FARMLAND ASSESSMENT**

2 **ACT AMENDMENTS**

3 2000 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: Pete Suazo**

6 AN ACT RELATING TO REVENUE AND TAXATION; AMENDING THE
7 QUALIFICATIONS FOR ASSESSMENT AS AGRICULTURAL LAND; AND MAKING
8 TECHNICAL CHANGES.

9 This act affects sections of Utah Code Annotated 1953 as follows:

10 AMENDS:

11 **59-2-503**, as last amended by Chapter 235, Laws of Utah 1992

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

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

14 **59-2-503. Qualifications for agricultural use valuation.**

15 (1) For general property tax purposes, land may be assessed based on the value which the
16 land has for agricultural use if the land:

17 (a) is not less than five contiguous acres in area, except [~~where devoted to agricultural use~~
18 ~~in conjunction with other eligible acreage or as provided under Subsection (4)~~];

19 (i) land that was previously assessed for agricultural use under this section and would be
20 not less than five contiguous acres but for an eminent domain proceeding; or

21 (ii) as provided in Subsection (4);

22 (b) is actively devoted to agricultural use; and

23 (c) has been actively devoted to agricultural use for at least two successive years
24 immediately preceding the tax year in issue.

25 (2) (a) For the purpose of Subsection (1), "actively devoted to agricultural use" means that
26 the land produces in excess of 50% of the average agricultural production per acre for the given
27 type of land and the given county or area.

(b) For the purpose of determining production levels for a given county or area and a given type of land the first applicable of the following established authorities shall be used:

- (i) production levels reported in the current publication of the Utah Agricultural Statistics;
- (ii) current crop budgets developed and published by Utah State University; and
- (iii) other acceptable standards of agricultural production designated by the commission by rule adopted in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act.

(3) Land may also be assessed based on its agricultural value if the land is:

- (a) subject to the privilege tax imposed by Section 59-4-101;
- (b) owned by the state or any of its political subdivisions; and
- (c) meets the requirements of Subsection (1).

(4) The commission may grant a waiver of the acreage limitation upon appeal by the owner and submission of proof that 80% or more of the owner's, purchaser's, or lessee's income is derived from agricultural products produced on the property in question.

(5) The commission may grant a waiver of the agricultural production requirements for the tax year in issue upon appeal by the owner and submission of proof that:

- (a) the land was valued on the basis of agricultural use for at least two years immediately preceding that tax year; and
- (b) the failure to meet the agricultural production requirements for that tax year was due to no fault or act of the owner, purchaser, or lessee.

(6) As used in Subsection (5)(b), "fault" does not include any of the following:

(a) intentional planting of crops or trees which, because of the maturation period do not give the owner, purchaser, or lessee a reasonable opportunity to satisfy the production level requirement; or

(b) implementation of a bona-fide range improvement program, crop rotation program, or other similar accepted cultural practices which do not give the owner, purchaser, or lessee a reasonable opportunity to satisfy the production level requirement.

Legislative Review Note
as of 1-20-00 5:25 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel