

1 **URBAN FARMING ASSESSMENT ACT**

2 2012 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Wayne L. Niederhauser**

5 House Sponsor: Derek E. Brown

7 **LONG TITLE**

8 **General Description:**

9 This bill enacts provisions related to urban farming in counties of the first ~~H~~→ or
9a second ←~~H~~ class.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ provides that land in a county of the first ~~H~~→ or second ←~~H~~ class that is used for urban
12a farming may be
13 assessed based on its value for agricultural purposes;
14 ▶ provides for a 10-year rollback of taxes if the land ceases to be eligible for
15 assessment under the urban farming provisions; and
16 ▶ enacts provisions relating to the assessment of land used for urban farming.

17 **Money Appropriated in this Bill:**

18 None

19 **Other Special Clauses:**

20 This bill takes effect on January 1, 2013.

21 **Utah Code Sections Affected:**

22 ENACTS:

23 **59-2-1701**, Utah Code Annotated 1953

24 **59-2-1702**, Utah Code Annotated 1953

25 **59-2-1703**, Utah Code Annotated 1953

26 **59-2-1704**, Utah Code Annotated 1953

27 **59-2-1705**, Utah Code Annotated 1953



- 28 **59-2-1706**, Utah Code Annotated 1953
- 29 **59-2-1707**, Utah Code Annotated 1953
- 30 **59-2-1708**, Utah Code Annotated 1953
- 31 **59-2-1709**, Utah Code Annotated 1953
- 32 **59-2-1710**, Utah Code Annotated 1953
- 33 **59-2-1711**, Utah Code Annotated 1953
- 34 **59-2-1712**, Utah Code Annotated 1953

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

Section 1. Section **59-2-1701** is enacted to read:

Part 17. Urban Farming Assessment Act

59-2-1701. Title.

This part is known as the "Urban Farming Assessment Act."

Section 2. Section **59-2-1702** is enacted to read:

59-2-1702. Definitions.

As used in this part:

(1) "Actively devoted to urban farming" means that:

(a) land is devoted to active urban farming activities;

(b) the land produces greater than 50% of the average agricultural production per acre:

(i) as determined under Section 59-2-1703; and

(ii) for the given type of land and the given county or area.

(2) "Rollback tax" means the tax imposed under Section 59-2-1705.

(3) (a) Subject to Subsection (3)(b), "urban farming" means cultivating ~~§→~~ ~~[, processing,~~
and distributing] ~~←§~~ food:

(i) with a reasonable expectation of profit ~~§→~~ from the sale of the food ~~←§~~ ; and

(ii) from irrigated land located in a county of the first ~~Ĥ→~~ or second ~~←Ĥ~~ class.

(b) "Urban farming" does not include:

(i) cultivating ~~§→~~ ~~[, processing, and distributing]~~ ~~←§~~ food derived from an animal; or

(ii) grazing.

(4) "Withdrawn from this part" means that land that has been assessed under this part is
no longer assessed under this part or eligible for assessment under this part for any reason

90 (i) production levels reported in the current publication of Utah Agricultural Statistics;
 91 (ii) current crop budgets developed and published by Utah State University; or
 92 (iii) other acceptable standards of agricultural production designated by the
 93 commission by rule adopted in accordance with Title 63G, Chapter 3, Utah Administrative
 94 Rulemaking Act ~~§~~ , using:

94a (A) information provided annually to the commission by the county assessor in a
 94b county where urban farming occurs; and

94c (B) other information the commission determines is appropriate ~~←~~§ .

95 (b) A county assessor may not assess land actively devoted to urban farming on the
 96 basis of the value that the land has for agricultural use under this part unless an owner annually
 97 files documentation with the county assessor:

98 (i) on a form provided by the county assessor;

99 (ii) demonstrating to the satisfaction of the county assessor that the land meets the
 100 production levels required under this part; and

101 (iii) except as provided in Subsection 59-2-1707(2)(c)(i), no later than January 30 for
 102 each tax year in which the owner applies for assessment under this part.

103 (3) Notwithstanding Subsection (1)(a)(ii), a county board of equalization may grant a
 104 waiver of the acreage requirements of Subsection (1)(a)(ii):

105 (a) on appeal by an owner; and

106 (b) if the owner submits documentation to the county assessor demonstrating to the
 107 satisfaction of the county assessor that:

108 (i) the failure to meet the acreage requirements of Subsection (1)(a)(ii) arose solely as a
 109 result of an acquisition by a governmental entity by:

110 (A) eminent domain; or

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

112 (ii) the land is actively devoted to urban farming; and

113 (iii) no change occurs in the ownership of the land.

114 Section 4. Section **59-2-1704** is enacted to read:

115 **59-2-1704. Indicia of value for urban farming assessment -- Inclusion of fair**
 116 **market value on certain property tax notices.**

117 (1) The county assessor shall consider only those indicia of value that the land has for
 118 agricultural use as determined by the commission when assessing land:

119 (a) that meets the requirements of Section 59-2-1703 to be assessed under this part; and

120 (b) for which the owner has:

183 (iii) relate back to the first day of the rollback period described in Subsection (3)(b).

184 (7) (a) A delinquent rollback tax under this section shall accrue interest:

185 (i) from the date of delinquency until paid; and

186 (ii) at the interest rate established under Section 59-2-1331 and in effect on January 1
187 of the year in which the delinquency occurs.

188 (b) A rollback tax that is delinquent on September 1 of any year shall be included on
189 the notice required by Section 59-2-1317, along with interest calculated on that delinquent
190 amount through November 30 of the year in which the notice under Section 59-2-1317 is
191 mailed.

192 (8) (a) Land that becomes ineligible for assessment under this part only as a result of an
193 amendment to this part is not subject to the rollback tax if the owner of the land notifies the
194 county assessor that the land is withdrawn from this part in accordance with Subsection (2).

195 (b) Land described in Subsection (8)(a) that is withdrawn from this part as a result of
196 an event other than an amendment to this part, whether voluntary or involuntary, is subject to
197 the rollback tax.

198 (9) Except as provided in Section 59-2-1710, land that becomes exempt from taxation
199 under Utah Constitution Article XIII, Section 3, is not subject to the rollback tax if the land
200 meets the requirements of Section 59-2-1703 to be assessed under this part.

201 (10) (a) Subject to Subsection (10)(b), an owner of land may appeal to the county
202 board of equalization:

203 (i) a decision by a county assessor to withdraw land from assessment under this part; or

204 (ii) the imposition of a rollback tax under this section.

205 (b) An owner shall file an appeal under Subsection (10)(a) no later than 45 days after
206 the day on which the county assessor mails the notice required by Subsection (5).

207 Section 6. Section **59-2-1706** is enacted to read:

208 **59-2-1706. Land included as urban farming.**

209 (1) ~~§~~→ (a) ←~~§~~ Land under a structure used in or related to urban farming, including a barn,
209a shed,

210 silos, cribs, or greenhouses, or under a facility used in or related to urban farming, including a

211 lake, dam, pond, stream, or irrigation ditch, is included in determining the total area of land

212 actively devoted to urban farming.

212a **~~§~~→ (b) The land described in Subsection (1)(a) shall be included in determining if the**
212b **land meets the urban farming production requirements of Subsection 59-2-1703(2)(a). ←~~§~~**

213 (2) (a) Except as provided in this part, land under a residence and land used in