

Urban Farming Assessment Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Rex P. Shipp

LONG TITLE**General Description:**

This bill modifies provisions related to property tax assessment under the Urban Farming Assessment Act.

Highlighted Provisions:

This bill:

- replaces agricultural production levels with gross sales requirements in order for land to qualify for urban farming assessment;
- modifies the length of time in which land devoted to urban farming may qualify for urban farming assessment;
- requires an applicant for urban farming assessment to submit documentation to the county assessor demonstrating the land meets gross sales requirements;
- clarifies that a portion of land may qualify for urban farming assessment even if other portions of the land do not qualify;
- repeals the requirement for an owner of land approved for urban farming assessment to submit an annual renewal application;
- establishes circumstances under which a county assessor may request additional information from an owner of land approved for urban farming assessment; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill has retrospective operation.

Utah Code Sections Affected:

AMENDS:

59-2-1702, as last amended by Laws of Utah 2021, Chapter 384

59-2-1703, as last amended by Laws of Utah 2024, Chapter 89

59-2-1704, as enacted by Laws of Utah 2012, Chapter 197

59-2-1706, as enacted by Laws of Utah 2012, Chapter 197

59-2-1707, as last amended by Laws of Utah 2023, Chapter 189

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

Section 1. Section 59-2-1702 is amended 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; and

(b) agricultural production on the land generates annual gross sales of at least \$1,000 for each quarter-acre of land 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) "Urban farming" means:

(a) cultivating food or other marketable crop or engaging in livestock production, including grazing; and

(b) performing the activity described in Subsection (3)(a) with a reasonable expectation of profit and from irrigated land located in a county that has adopted an ordinance governing urban farming in accordance with Section 59-2-1714.

(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 including that:

(a) an owner voluntarily requests that the land be withdrawn from this part;

(b) the land is no longer actively devoted to urban farming;

(c)(i) the land has a change in ownership; and

(ii)(A) the new owner fails to apply for assessment under this part as required by Section 59-2-1707; or

(B) an owner applies for assessment under this part, as required by Section 59-2-1707, but the land does not meet the requirements of this part to be assessed under this part;

(d)(i) the legal description of the land changes; and

(ii)(A) an owner fails to apply for assessment under this part, as required by Section 59-2-1707; or

- (B) an owner applies for assessment under this part, as required by Section 59-2-1707, but the land does not meet the requirements of this part to be assessed under this part;
- (e) the owner of the land fails to file an application as provided in Section 59-2-1707; or
- (f) except as provided in Section 59-2-1703, the land fails to meet a requirement of Section 59-2-1703.

Section 2. Section **59-2-1703** is amended to read:

59-2-1703 . Qualifications for urban farming assessment.

- (1)(a) 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:

- (i) is actively devoted to urban farming;
- (ii) is at least one contiguous acre, but less than five acres, in size; and
- (iii)(A) has been actively devoted to urban farming for at least ~~[two successive years]~~ three of the five calendar years immediately preceding the tax year for which the land is assessed under this part; or

- (B) was assessed under Part 5, Farmland Assessment Act, for the preceding tax year.

- (b) Land that is not actively devoted to urban farming may not be assessed as provided in Subsection (1)(a), even if the land is part of a parcel that includes land actively devoted to urban farming.

- (2)~~[(a) In determining whether land is actively devoted to urban farming, production per acre for a given county or area and a given type of land shall be determined by using the first applicable of the following:]~~
- ~~[(i) production levels reported in the current publication of Utah Agricultural Statistics;]~~
 - ~~[(ii) current crop budgets developed and published by Utah State University; or]~~
 - ~~[(iii) the highest per acre value used for land assessed under the Farmland Assessment Act for the county in which the property is located.]~~

- ~~[(b)]~~ A county assessor may not assess land actively devoted to urban farming on the basis of the value that the land has for agricultural use under this part unless an owner~~[annually]~~ files documentation with the county assessor:
- ~~[(i)]~~ (a) on a form provided by the county assessor;
 - ~~[(ii)]~~ (b) demonstrating to the satisfaction of the county assessor that the land meets the ~~[production levels required under this part]~~ gross sales requirements for agricultural production described in Subsection 59-2-1702(1)(b); and

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

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

104 (a) on appeal by an owner; and

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

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

109 (A) eminent domain; or

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

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

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

113 (4)(a) Notwithstanding Subsection (1) and except as provided in Subsection (4)(d), land
114 for urban farming that is intentionally allowed to lay fallow for one or more growing
115 seasons qualifies for assessment under this part if the following is conducted:

116 (i) during periods of limited water supply;

117 (ii) as part of a prudent farm management practice, including crop rotation, rotational
118 grazing, or soil water management; or

119 (iii) to facilitate voluntary participation in a water management or agricultural water
120 optimization program.

121 (b) If the owner of land assessed under this part fallows the land during any period in a
122 calendar year, the owner may, on or before December 31 of the year in which the
123 land is fallowed, provide to the county assessor written notice that:

124 (i) identifies the land that was fallowed during any period of the calendar year in
125 which the notice is provided, including the acreage of the fallowed land;

126 (ii) demonstrates how the fallowed land qualifies under Subsection (4)(a); and

127 (iii) specifies whether the owner intends to fallow the land during any period in the
128 following calendar year, and, if so, the intended duration of the fallowing period.

129 (c)(i) If a written notice under Subsection (4)(b) indicates that the owner intends to
130 fallow the land during any period in the following calendar year, the county
131 assessor may, within 45 days of receiving the written notice, require the owner to
132 submit to the county assessor a land management plan in a form prescribed by the
133 county assessor that:

- 134 (A) identifies the owner's objectives in fallowing the land for the intended
135 duration of the fallowing period;
- 136 (B) provides adequate assurances to the county assessor that the fallowed land will
137 become actively devoted to urban farming upon the expiration of the intended
138 fallowing period; and
- 139 (C) includes any other information required by the county assessor.
- 140 (ii) If the owner submits to the county assessor a land management plan for fallowed
141 land that meets the requirements of Subsection (4)(c)(i), the county assessor may
142 not require the owner to submit a new or additional land management plan for the
143 same land within three years from the day on which the owner submitted the plan.
- 144 (d) Fallowed land is withdrawn from this part if:
- 145 (i) the county assessor determines that the land does not qualify under Subsection
146 (4)(a);
- 147 (ii) the owner fails to return the fallowed land to active urban farming upon the
148 expiration of the intended fallowing period as specified in the written notice; or
- 149 (iii) the owner fails to comply with the requirements of Subsection (4)(c), if a land
150 management plan is required.

151 Section 3. Section 59-2-1704 is amended to read:

152 **59-2-1704 . Indicia of value for urban farming assessment -- Inclusion of fair**
153 **market value on certain property tax notices.**

- 154 (1) The county assessor shall consider only those indicia of value that the land has for
155 agricultural use as determined by the commission when assessing land:
- 156 (a) that meets the requirements of Section 59-2-1703 to be assessed under this part; and
157 (b) for which the owner has:
- 158 (i) made a timely application in accordance with Section 59-2-1707 for assessment
159 under this part[~~for the tax year for which the land is being assessed~~]; and
- 160 (ii) obtained approval of the application described in Subsection (1)(b)(i) from the
161 county assessor.
- 162 (2) In addition to the value determined in accordance with Subsection (1), the fair market
163 value assessment shall be included on the notices described in:
- 164 (a) Section 59-2-919.1; and
165 (b) Section 59-2-1317.
- 166 (3) The county board of equalization shall review the agricultural use value and fair market
167 value assessments each year as provided under Section 59-2-1001.

Section 4. Section 59-2-1706 is amended to read:

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

(1)(a) Land under a structure used in or related to urban farming, including a barn, shed, silo, crib, or greenhouse, or under a facility used in or related to urban farming, including a lake, dam, pond, stream, or irrigation ditch, is included in determining the total area of land actively devoted to urban farming.

(b) The land described in Subsection (1)(a) shall be included in determining if the land meets the ~~[urban farming production requirements of]~~ gross sales requirements for agricultural production described in Subsection ~~[59-2-1703(2)(a)]~~ 59-2-1702(1)(b).

(2)(a) Except as provided in this part, land under a residence and land used in connection with residential use may not be included in determining the total area of land actively devoted to urban farming.

(b) Land described in Subsection (2)(a) shall be valued, assessed, and taxed in accordance with this chapter other than this part.

(c) The exclusion from assessment under this part of land described in Subsection (2)(a) that is part of a parcel does not disqualify any remaining portion of the land that meets the requirements of Section 59-2-1703 from assessment under this part.

Section 5. Section 59-2-1707 is amended to read:

59-2-1707 . Application -- Signed statement -- Consent to creation of a lien --

Consent to audit and review -- Notice.

(1) ~~[For land to be assessed]~~ Before a county assessor may assess land under this part, an owner of land eligible for assessment under this part shall submit ~~[annually]~~ an application described in Subsection (2) to the county assessor of the county in which the land is located[:] .

~~[(a) an application described in Subsection (2); or]~~

~~[(b) a renewal application described in Subsection (3) if:]~~

~~[(i) the land was assessed under this part for the preceding tax year; and]~~

~~[(ii) there have been no changes to the eligibility information provided in the most recently submitted application described in Subsection (2), other than the information described in Subsection 59-2-1703(2)(b).]~~

(2) An application required by Subsection (1) shall:

(a) be on a form:

(i) approved by the commission; and

(ii) provided to an owner:

- 202 (A) by the county assessor; and
- 203 (B) at the request of an owner;
- 204 (b) provide for the reporting of information ~~[related to this part]~~ described in Subsection
- 205 59-2-1703(2);
- 206 (c) be submitted by:
- 207 (i) May 1 of the tax year in which assessment under Subsection (1) is requested if the
- 208 land was not assessed under this part in the year before the application is
- 209 submitted; or
- 210 (ii) the date otherwise required by this part for land that before the application being
- 211 submitted has been assessed under this part;
- 212 (d) be signed by all of the owners of the land that under the application would be
- 213 assessed under this part;
- 214 (e) be accompanied by the prescribed fees made payable to the county recorder;
- 215 (f) include a certification by an owner that the facts set forth in the application or signed
- 216 statement are true;
- 217 (g) include a statement that the application constitutes consent by the owners of the land
- 218 to the creation of a lien upon the land as provided in this part; and
- 219 (h) be recorded by the county recorder.
- 220 ~~[(3) A renewal application required by Subsection (1) shall:]~~
- 221 ~~[(a) be on a form:]~~
- 222 ~~[(i) approved by the commission; and]~~
- 223 ~~[(ii) provided to an owner:]~~
- 224 ~~[(A) by the county assessor; and]~~
- 225 ~~[(B) at the request of an owner;]~~
- 226 ~~[(b) provide for the reporting of the information described in Subsection 59-2-1703(2)(b);]~~
- 227 ~~[(c) be submitted on or before January 30 of the tax year in which the owner requests~~
- 228 ~~assessment under this part;]~~
- 229 ~~[(d) be signed by all of the owners of the land;]~~
- 230 ~~[(e) be accompanied by the prescribed fees made payable to the county recorder;]~~
- 231 ~~[(f) include a certification by an owner that the following are true:]~~
- 232 ~~[(i) the facts set forth in the renewal application or signed statement; and]~~
- 233 ~~[(ii) other than the information described in Subsection 59-2-1703(2)(b), the facts set forth~~
- 234 ~~in the most recently submitted application described in Subsection (2), as of the date the~~
- 235 ~~renewal application is submitted;]~~

236 [(g) include a statement that the renewal application constitutes consent by the owners of
237 the land to the creation of a lien upon the land as provided in this part; and]

238 [(h) be recorded by the county recorder.]

239 [(4)] (3) An application described in Subsection (2) [or a renewal application described in
240 Subsection (3)] constitutes consent by the owners of the land to the creation of a lien
241 upon the land as provided in this part.

242 [(5)] (4)(a) If the county determines that a timely filed application [or a timely filed
243 renewal application] is incomplete, the county shall:

244 (i) notify the owner of the incomplete application [or renewal application]; and

245 (ii) allow the owner to complete the application [or renewal application] within 30
246 days from the day on which the county provides notice to the owner.

247 (b) An application that has not been completed within 30 days of the day of the notice
248 described in Subsection [(5)(a) shall be] (4)(a) is considered denied.

249 [(6)] (5)(a) [Except as provided in Subsections (1) through (3), a] Once the application
250 required by Subsection (1) has been approved, the county assessor may [not require
251 an] :

252 (i) require, by written request of the county assessor, the owner to submit a new application or a
signed statement that verifies that the land qualifies for assessment under this part; or

253 (ii) except as provided in Subsection (5)(b), require no additional signed statement or
254 application for assessment under this part.

255 (b) [Notwithstanding Subsection (6)(a), a] A county assessor shall require that:

256 (i) an owner provide notice if land is withdrawn from this part as provided in Section
257 59-2-1705[.] ; and

258 (ii) a new owner submit an application in accordance with this section.

259 (c) An owner shall submit an application or signed statement required under Subsection
260 (5)(a) by the date specified in the written request of the county assessor for the
261 application or signed statement.

262 [(7)] (6) A certification under Subsection (2)(f) [or (3)(f)] is considered as if made under
263 oath and subject to the same penalties as provided by law for perjury.

264 [(8)] (7)(a) An owner applying for participation under this part or a purchaser or lessee
265 that signs a statement under Subsection [(9)] (8) is considered to have given consent
266 to a field audit and review by:

267 (i) the commission;

268 (ii) the county assessor; or

269 (iii) the commission and the county assessor.

270 (b) The consent described in Subsection [(8)(a)] (7)(a) is a condition to the acceptance of

271 an application or signed statement.

272 [(9)] (8) An owner of land eligible for assessment under this part, because a purchaser or

273 lessee actively devotes the land to agricultural use as required by Section 59-2-1703,

274 may qualify the land for assessment under this part by submitting, with the application

275 described in Subsection (2)[~~or the renewal application described in Subsection (3)~~], a

276 signed statement from that purchaser or lessee certifying those facts that would be

277 necessary to meet the requirements of Section 59-2-1703 for assessment under this part.

278 Section 6. **Effective Date.**

279 This bill takes effect on May 7, 2025.

280 Section 7. **Retrospective operation.**

281 This bill has retrospective operation for a taxable year beginning on or after January 1,

282 2025.