

FALLOW LAND AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jason B. Kyle

Senate Sponsor: _____

LONG TITLE**General Description:**

This bill addresses the applicability of fallow land to agricultural and urban farming property tax assessment.

Highlighted Provisions:

This bill:

- clarifies that land allowed to lay fallow or uncultivated for agricultural purposes qualifies for agricultural and urban farming assessment;
- allows a county assessor to require the owner of fallow land to prepare and submit a land management plan with certain information and limitations; and
- disqualifies fallow land from agricultural and urban farming assessment if the owner fails to comply with any land management plan requirements.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-2-503, as last amended by Laws of Utah 2023, Chapter 72

59-2-1703, as last amended by Laws of Utah 2023, Chapter 189



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

Section 1. Section **59-2-503** 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:

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

(i) if:

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

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

(ii) as provided under Subsections (4) and (5); and

(b) except as provided in Subsection (6) or (7):

(i) is actively devoted to agricultural use; and

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

(2) In determining whether land is actively devoted to agricultural use, 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:

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

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

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

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

(a) is subject to the privilege tax imposed by Section [59-4-101](#);

(b) is owned by the state or any of the state's political subdivisions; and

(c) meets the requirements of Subsection (1).

(4) Notwithstanding Subsection (1)(a), the commission or a county board of

equalization may grant a waiver of the acreage limitation for land upon:

(a) appeal by the owner; and

(b) 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) Notwithstanding Subsection (1)(a), the commission or a county board of equalization shall grant a waiver of the acreage limitation for land upon:

(a) appeal by the owner; and

(b) submission of proof that:

(i) the failure to meet the acreage requirement arose solely as a result of an acquisition by a public utility or a governmental entity by:

(A) eminent domain; or

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

(ii) the land is actively devoted to agricultural use.

(6) (a) The commission or a county board of equalization may grant a waiver of the requirement that the land is actively devoted to agricultural use for the tax year for which the land is being assessed under this part upon:

(i) appeal by the owner; and

(ii) submission of proof that:

(A) the land was assessed 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.

(b) As used in Subsection (6)(a), "fault" does not include:

(i) 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 levels required for land actively devoted to agricultural use; or

(ii) 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 levels required for land actively devoted to agricultural use.

(7) Land that otherwise qualifies for assessment under this part qualifies for assessment

under this part in the first year the land resumes being actively devoted to agricultural use if:

(a) the land becomes ineligible for assessment under this part only as a result of a split estate mineral rights owner exercising the right to extract a mineral; and

(b) the land qualified for assessment under this part in the year immediately preceding the year the land became ineligible for assessment under this part only as a result of a split estate mineral rights owner exercising the right to extract a mineral.

(8) Land that otherwise qualifies under Subsection (1) to be assessed on the basis of the value that the land has for agricultural use does not lose that qualification by becoming subject to a forest stewardship plan developed under Section 65A-8a-106 under which the land is subject to a temporary period of limited use or nonuse.

(9) (a) Notwithstanding Subsection (1)(a) and except as provided in Subsection (9)(c), land qualifies for assessment under this part if the land does not meet the requirements of this section only as a result of the owner allowing the land to lay fallow or uncultivated for one or more growing periods in order to facilitate land recovery and extend the use of the land for agricultural production.

(b) (i) A county assessor may require an owner of land described in Subsection (9)(a) to prepare and submit to the county assessor a land management plan that:

(A) identifies the owner's objectives in allowing the land to lay fallow or uncultivated;

(B) provides adequate assurances to the county assessor that the land will become actively devoted to agricultural use in a later growing period; and

(C) includes any other information requested by the county assessor.

(ii) If a county assessor requires a land management plan under this Subsection (9)(b), the county assessor may not require the owner to submit a new or additional land management plan for the same land within the three-year period following the day on which the owner submits a land management plan meeting the requirements of Subsection (9)(b)(i).

(c) Land described in Subsection (9)(a) becomes ineligible for assessment under this part upon the owner's failure to comply with any requirements under Subsection (9)(b).

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:

- 121 (i) is actively devoted to urban farming;
- 122 (ii) is at least one contiguous acre, but less than five acres, in size; and
- 123 (iii) (A) has been actively devoted to urban farming for at least two successive years
- 124 immediately preceding the tax year for which the land is assessed under this part; or
- 125 (B) was assessed under Part 5, Farmland Assessment Act, for the preceding tax year.
- 126 (b) Land that is not actively devoted to urban farming may not be assessed as provided
- 127 in Subsection (1)(a), even if the land is part of a parcel that includes land actively devoted to
- 128 urban farming.
- 129 (2) (a) In determining whether land is actively devoted to urban farming, production
- 130 per acre for a given county or area and a given type of land shall be determined by using the
- 131 first applicable of the following:
- 132 (i) production levels reported in the current publication of Utah Agricultural Statistics;
- 133 (ii) current crop budgets developed and published by Utah State University; or
- 134 (iii) the highest per acre value used for land assessed under the Farmland Assessment
- 135 Act for the county in which the property is located.
- 136 (b) A county assessor may not assess land actively devoted to urban farming on the
- 137 basis of the value that the land has for agricultural use under this part unless an owner annually
- 138 files documentation with the county assessor:
- 139 (i) on a form provided by the county assessor;
- 140 (ii) demonstrating to the satisfaction of the county assessor that the land meets the
- 141 production levels required under this part; and
- 142 (iii) except as provided in Subsection 59-2-1707(2)(c)(i), no later than January 30 for
- 143 each tax year in which the owner applies for assessment under this part.
- 144 (3) Notwithstanding Subsection (1)(a)(ii), a county board of equalization may grant a
- 145 waiver of the acreage requirements of Subsection (1)(a)(ii):
- 146 (a) on appeal by an owner; and
- 147 (b) if the owner submits documentation to the county assessor demonstrating to the
- 148 satisfaction of the county assessor that:
- 149 (i) the failure to meet the acreage requirements of Subsection (1)(a)(ii) arose solely as a
- 150 result of an acquisition by a governmental entity by:
- 151 (A) eminent domain; or

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

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

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

(4) (a) Notwithstanding Subsection (1)(a) and except as provided in Subsection (4)(c), land qualifies for assessment under this part if the land does not meet the requirements of this section only as a result of the owner allowing the land to lay fallow or uncultivated for one or more growing periods in order to facilitate land recovery and extend the use of the land for urban farming.

(b) (i) A county assessor may require an owner of land described in Subsection (4)(a) to prepare and submit to the county assessor a land management plan that:

(A) identifies the owner's objectives in allowing the land to lay fallow or uncultivated;

(B) provides adequate assurances to the county assessor that the land will become actively devoted to urban farming in a later growing period; and

(C) includes any other information requested by the county assessor.

(ii) If a county assessor requires a land management plan under this Subsection (4)(b), the county assessor may not require the owner to submit a new or additional land management plan for the same land within the three-year period following the day on which the owner submits a land management plan meeting the requirements of Subsection (4)(b)(i).

(c) Land described in Subsection (4)(a) becomes ineligible for assessment under this part upon the owner's failure to comply with any requirements under Subsection (4)(b).

Section 3. Effective date.

This bill takes effect on May 1, 2024.