

Urban Farming Assessment Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Rex P. Shipp

Senate Sponsor: Keven J. Stratton

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

- allows for land to qualify for urban farming assessment based on gross sales in addition to qualifying based on agricultural production;
- provides for land to continue to qualify for urban farming assessment based on gross sales upon failing to meet certain timing requirements;
- requires an applicant for urban farming assessment to submit documentation to the county assessor demonstrating the land meets the agricultural production or 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)(i) the land produces greater than 50% of the average agricultural production per acre:

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

[(ii)] (B) for the given type of land and the given county or area[-] ; or

(ii) 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.

(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

- 62 (B) an owner applies for assessment under this part, as required by Section
63 59-2-1707, but the land does not meet the requirements of this part to be
64 assessed under this part;
- 65 (d)(i) the legal description of the land changes; and
66 (ii)(A) an owner fails to apply for assessment under this part, as required by
67 Section 59-2-1707; or
68 (B) an owner applies for assessment under this part, as required by Section
69 59-2-1707, but the land does not meet the requirements of this part to be
70 assessed under this part;
- 71 (e) the owner of the land fails to file an application as provided in Section 59-2-1707; or
72 (f) except as provided in Section 59-2-1703, the land fails to meet a requirement of
73 Section 59-2-1703.

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

75 **59-2-1703 . Qualifications for urban farming assessment.**

- 76 (1)(a) For general property tax purposes, land may be assessed on the basis of the value
77 that the land has for agricultural use if the land:
78 (i) is actively devoted to urban farming;
79 (ii) is at least one contiguous acre, but less than five acres, in size; and
80 (iii)(A) has been actively devoted to urban farming for at least two successive
81 years immediately preceding the tax year for which the land is assessed under
82 this part; or
83 (B) was assessed under Part 5, Farmland Assessment Act, for the preceding tax
84 year.
- 85 (b) Land that is not actively devoted to urban farming may not be assessed as provided
86 in Subsection (1)(a), even if the land is part of a parcel that includes land actively
87 devoted to urban farming.
- 88 (2)(a) In determining whether land [~~is actively devoted to urban farming~~] meets the
89 production requirement in Subsection 59-2-1702(1)(b)(i), production per acre for a
90 given county or area and a given type of land shall be determined by using the first
91 applicable of the following:
92 (i) production levels reported in the current publication of Utah Agricultural Statistics;
93 (ii) current crop budgets developed and published by Utah State University; or
94 (iii) the highest per acre value used for land assessed under the Farmland Assessment
95 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) on a form provided by the county assessor;
 - (ii) demonstrating to the satisfaction of the county assessor that the land meets:
 - (A) the production [~~levels required under this part~~] requirement in Subsection 59-2-1702(1)(b)(i); or
 - (B) the gross sales requirement in Subsection 59-2-1702(1)(b)(ii); and
 - (iii) except as provided in Subsection 59-2-1707(2)(c)(i), no later than January 30 [~~for each~~] of the tax year in which the owner applies for assessment under this part.
- (3) Notwithstanding Subsection (1)(a)(ii), a county board of equalization may grant a waiver of the acreage requirements of Subsection (1)(a)(ii):
- (a) on appeal by an owner; and
 - (b) if the owner submits documentation to the county assessor demonstrating to the satisfaction of the county assessor that:
 - (i) the failure to meet the acreage requirements of Subsection (1)(a)(ii) arose solely as a result of an acquisition by a governmental entity by:
 - (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) and except as provided in Subsection (4)(d), land for urban farming that is intentionally allowed to lay fallow for one or more growing seasons qualifies for assessment under this part if the fallowing is conducted:
- (i) during periods of limited water supply;
 - (ii) as part of a prudent farm management practice, including crop rotation, rotational grazing, or soil water management; or
 - (iii) to facilitate voluntary participation in a water management or agricultural water optimization program.
- (b) If the owner of land assessed under this part fallows the land during any period in a calendar year, the owner may, on or before December 31 of the year in which the land is fallowed, provide to the county assessor written notice that:
- (i) identifies the land that was fallowed during any period of the calendar year in which the notice is provided, including the acreage of the fallowed land;

- 130 (ii) demonstrates how the fallowed land qualifies under Subsection (4)(a); and
131 (iii) specifies whether the owner intends to fallow the land during any period in the
132 following calendar year, and, if so, the intended duration of the fallowing period.
- 133 (c)(i) If a written notice under Subsection (4)(b) indicates that the owner intends to
134 fallow the land during any period in the following calendar year, the county
135 assessor may, within 45 days of receiving the written notice, require the owner to
136 submit to the county assessor a land management plan in a form prescribed by the
137 county assessor that:
- 138 (A) identifies the owner's objectives in fallowing the land for the intended
139 duration of the fallowing period;
- 140 (B) provides adequate assurances to the county assessor that the fallowed land will
141 become actively devoted to urban farming upon the expiration of the intended
142 fallowing period; and
- 143 (C) includes any other information required by the county assessor.
- 144 (ii) If the owner submits to the county assessor a land management plan for fallowed
145 land that meets the requirements of Subsection (4)(c)(i), the county assessor may
146 not require the owner to submit a new or additional land management plan for the
147 same land within three years from the day on which the owner submitted the plan.
- 148 (d) Fallowed land is withdrawn from this part if:
- 149 (i) the county assessor determines that the land does not qualify under Subsection
150 (4)(a);
- 151 (ii) the owner fails to return the fallowed land to active urban farming upon the
152 expiration of the intended fallowing period as specified in the written notice; or
- 153 (iii) the owner fails to comply with the requirements of Subsection (4)(c), if a land
154 management plan is required.

155 (5) Notwithstanding Subsection (1), land that has been assessed under this part for meeting
156 the gross sales requirement in Subsection 59-2-1702(1)(b)(ii) is not withdrawn from this
157 part solely as a result of failing to meet the requirement of Subsection (1)(a)(iii)(A) if
158 the land met the gross sales requirement in Subsection 59-2-1702(1)(b)(ii) for at least
159 one of the three years immediately preceding the tax year for which the land is being
160 assessed.

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

162 **59-2-1704 . Indicia of value for urban farming assessment -- Inclusion of fair**
163 **market value on certain property tax notices.**

- (1) The county assessor shall consider only those indicia of value that the land has for agricultural use as determined by the commission when assessing land:
- (a) that meets the requirements of Section 59-2-1703 to be assessed under this part; and
 - (b) for which the owner has:
 - (i) made a timely application in accordance with Section 59-2-1707 for assessment under this part~~[for the tax year for which the land is being assessed]~~; and
 - (ii) obtained approval of the application described in Subsection (1)(b)(i) from the county assessor.
- (2) In addition to the value determined in accordance with Subsection (1), the fair market value assessment shall be included on the notices described in:
- (a) Section 59-2-919.1; and
 - (b) Section 59-2-1317.
- (3) The county board of equalization shall review the agricultural use value and fair market 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 Subsection 59-2-1703(2)(a)]~~ production requirement in Subsection 59-2-1702(1)(b)(i) or the gross sales requirement in Subsection 59-2-1702(1)(b)(ii), as applicable.
- (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:

(A) by the county assessor; and

(B) at the request of an owner;

(b) provide for the reporting of information related to this part;

(c) be submitted by:

(i) May 1 of the tax year in which assessment under Subsection (1) is requested if the land was not assessed under this part in the year before the application is submitted; or

(ii) the date otherwise required by this part for land that before the application being submitted has been assessed under this part;

(d) be signed by all of the owners of the land that under the application would be assessed under this part;

(e) be accompanied by the prescribed fees made payable to the county recorder;

(f) include a certification by an owner that the facts set forth in the application or signed statement are true;

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

(h) be recorded by the county recorder.

~~[(3) A renewal application required by Subsection (1) shall:]~~

~~[(a) be on a form:]~~

- 232 [(i) approved by the commission; and]
233 [(ii) provided to an owner:]
234 [(A) by the county assessor; and]
235 [(B) at the request of an owner;]
236 [(b) provide for the reporting of the information described in Subsection 59-2-1703(2)(b);]
237 [(c) be submitted on or before January 30 of the tax year in which the owner requests
238 assessment under this part;]
239 [(d) be signed by all of the owners of the land;]
240 [(e) be accompanied by the prescribed fees made payable to the county recorder;]
241 [(f) include a certification by an owner that the following are true:]
242 [(i) the facts set forth in the renewal application or signed statement; and]
243 [(ii) other than the information described in Subsection 59-2-1703(2)(b), the facts set
244 forth in the most recently submitted application described in Subsection (2), as of
245 the date the renewal application is submitted;]
246 [(g) include a statement that the renewal application constitutes consent by the owners of
247 the land to the creation of a lien upon the land as provided in this part; and]
248 [(h) be recorded by the county recorder.]
249 [(4)] (3) An application described in Subsection (2) [or a renewal application described in
250 Subsection (3)] constitutes consent by the owners of the land to the creation of a lien
251 upon the land as provided in this part.
252 [(5)] (4)(a) If the county determines that a timely filed application [or a timely filed
253 renewal application] is incomplete, the county shall:
254 (i) notify the owner of the incomplete application [or renewal application]; and
255 (ii) allow the owner to complete the application [or renewal application] within 30
256 days from the day on which the county provides notice to the owner.
257 (b) An application that has not been completed within 30 days of the day of the notice
258 described in Subsection [(5)(a) shall be] (4)(a) is considered denied.
259 [(6)] (5)(a) [Except as provided in Subsections (1) through (3), a] Once the application
260 required by Subsection (1) has been approved, the county assessor may [not require
261 an] :
262 (i) require, by written request of the county assessor, the owner to submit a new
263 application or a signed statement that verifies that the land qualifies for
264 assessment under this part; or
265 (ii) except as provided in Subsection (5)(b), require no additional signed statement or

- 266 application for assessment under this part.
- 267 (b) ~~[Notwithstanding Subsection (6)(a), a]~~ A county assessor shall require that:
- 268 (i) an owner provide notice if land is withdrawn from this part as provided in Section
- 269 59-2-1705[.] ; and
- 270 (ii) a new owner submit an application in accordance with this section.
- 271 (c) An owner shall submit an application or signed statement required under Subsection
- 272 (5)(a) by the date specified in the written request of the county assessor for the
- 273 application or signed statement.
- 274 ~~[(7)] (6)~~ A certification under Subsection (2)(f) ~~[or (3)(f)]~~ is considered as if made under
- 275 oath and subject to the same penalties as provided by law for perjury.
- 276 ~~[(8)] (7)(a)~~ An owner applying for participation under this part or a purchaser or lessee
- 277 that signs a statement under Subsection ~~[(9)] (8)~~ is considered to have given consent
- 278 to a field audit and review by:
- 279 (i) the commission;
- 280 (ii) the county assessor; or
- 281 (iii) the commission and the county assessor.
- 282 (b) The consent described in Subsection ~~[(8)(a)] (7)(a)~~ is a condition to the acceptance of
- 283 an application or signed statement.
- 284 ~~[(9)] (8)~~ An owner of land eligible for assessment under this part, because a purchaser or
- 285 lessee actively devotes the land to agricultural use as required by Section 59-2-1703,
- 286 may qualify the land for assessment under this part by submitting, with the application
- 287 described in Subsection (2) ~~[or the renewal application described in Subsection (3)]~~, a
- 288 signed statement from that purchaser or lessee certifying those facts that would be
- 289 necessary to meet the requirements of Section 59-2-1703 for assessment under this part.

290 **Section 6. Effective Date.**

291 This bill takes effect on May 7, 2025.

292 **Section 7. Retrospective operation.**

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

294 2025.