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RESEARCH &  
GENERAL COUNSEL



# The Farmland Assessment Act

Julie Humberstone

Policy Analyst, Revenue and Taxation Interim Committee

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# Property tax: land in agricultural use

“The Legislature may provide by statute that land used for agricultural purposes be assessed based on its value for agricultural use.” (Utah Constitution, Article VIII, Section 2)

Farmland Assessment Act (FAA) provides for the assessment of land in agricultural use based on its productive capability instead of fair market value.



# Definition: 'land in agricultural use'

Land in agricultural use means:

- a) Land devoted to the raising of useful plants and animals with a reasonable expectation of profit, including
  - i. forages and sod crops;
  - ii. grains and feed crops;
  - iii. livestock as defined in Section 59-2-102;
  - iv. trees and fruits; or
  - v. vegetables, nursery, floral, and ornamental stock; or
- b) Land devoted to and meeting the requirements and qualifications for payments or other compensation under a crop-land retirement program with an agency of the state or federal government.

*Source: UCA 59-2-503*



# Qualifying under FAA: requirements



**at least five  
contiguous acres**

smaller areas of land  
may be eligible if used  
in conjunction with  
other eligible acreage  
under identical  
ownership



**actively devoted  
to agricultural  
use**

produce in excess of  
**50% of the average  
agricultural  
production per acre**  
based on the type of  
land and county



**actively devoted to  
agricultural use  
during the preceding  
two years**



**application by  
property owner  
to the county  
assessor**



# Qualifying under FAA: Average production



**Average production per acre determined by county assessors using information from:**

Utah Agricultural Statistics

Utah State University

Utah Tax Commission



**Examples:**

The average annual production of alfalfa in a given area is four tons per acre per year. To qualify an alfalfa farmer in that area must produce more than 2 tons per acre per year.

A rancher has land that would reasonably support 10 cows or 50 sheep through the grazing season. To qualify, the rancher will need to graze more than 5 cows or 25 sheep.



# Assessment under FAA: Productive value

**Table 1.**

*Summary of all 2021 proposed Utah land values.*

County	Irrigated Land Values			
	I	II	III	IV
Beaver	0	0	515	425
Box Elder	694	610	479	397
Cache	594	507	384	298
Carbon	453	360	241	154
Daggett	0	0	0	163
Davis	735	646	521	434
Duchesne	0	418	294	206
Emery	429	345	216	135
Garfield	0	0	181	97
Grand	0	333	211	128
Iron	689	604	479	392
Juab	0	386	261	173
Kane	358	277	153	68
Millard	683	600	474	385

*Source: Excerpt from Table 1, 2021 Report to the Farmland Advisory Committee, prepared for the Utah Tax Commission, Department of Applied Economics, USU*

## Department of Applied Economics, Utah State University

- Produces annual report
- Provides per acre land values for different types of land (irrigated, dryland, grazing, orchard, meadow) by county

## State Farmland Evaluation Advisory Committee

- Five-member advisory committee
- Reviews annual report
- Makes recommendations to Tax Commission

## Tax Commission

- Uses recommended values to create schedules of per acre land values by land classification and county



# Withdrawal from FAA: Rollback taxes

## Rollback tax amount

- Difference between
  - tax paid while land was assessed under FAA; and
  - tax that would have been paid if the land was not assessed under FAA

## Rollback tax period

- Begins the later of:
  - date the land was first assessed under FAA; and
  - five years preceding the day on which the land is withdrawn from FAA



# Questions?



- Julie Humberstone, [jhumberstone@le.utah.gov](mailto:jhumberstone@le.utah.gov)
- Kristina King, [kking@le.utah.gov](mailto:kking@le.utah.gov)
- Andrea Valenti Arthur, [avarthur@le.utah.gov](mailto:avarthur@le.utah.gov)
- Christine R. Gilbert, [cgilbert@le.utah.gov](mailto:cgilbert@le.utah.gov)

