

State Farmland Evaluation Advisory Committee

**MEETING MINUTES**

Wednesday, October 3, 2012, 1:30 p.m.,  
Room 1000

Utah State Tax Commission Building  
210 North 1950 West, Salt Lake City, Utah

**Participating:**

D'Arcy Dixon Pignanelli, Chair, State Farmland Evaluation Advisory Committee;  
Commissioner, Utah State Tax Commission

Dr. Donald L. Snyder, Professor and Associate Director, Utah Agricultural Experiment Station (UAES), Applied Economics Department, Utah State University; appointee of the President of Utah State University

Mr. Rex Larsen, Larsen Farm Products, representative of the farming and ranching community, appointed by fellow committee members

Mr. Kyle Stephens, Deputy Commissioner, Utah Department of Agriculture; appointee of the Commissioner of the State Department of Agriculture and Food.

Mr. Gregg Garff, Assessor, Duchesne County; appointee of the state County Assessors' Association

Mr. Sterling Brown, Vice President for Public Policy, Utah Farm Bureau Federation, ad hoc, non-voting member

**Tax Commission Staff Present:**

Mr. Denny Lytle, Director, Property Tax Division (PTD), Utah Tax Commission (UTC)

Mr. Craig Jolley, Assistant Division Director, PTD, UTC

Mr. Gerald Osborne, Real Property Manager, PTD, UTC

Ms. Christa Johnson, Executive Assistant, Office of the Commission, UTC

**Note:** A copy of related materials and an audio recording of the meeting can be obtained from the Office of the Commission at 801-297-3901.

**Call to Order**

Commissioner Dixon called the meeting to order at 1:32 p.m. and acknowledged that all committee members were present.

**Introduction of Committee Members**

Commissioner Dixon placed the names of all those present at the meeting in the oral record.

**Open and Public Meetings Act training pursuant to Utah Code Annotated 52-4-104.**

Commissioner Dixon said that the State Farmland Evaluation Advisory Committee falls under the Open and Public Meetings Act. Commissioner Dixon conducted the Open and Public Meetings Act training required under Utah Code Annotated 52-4-104.

**Public Comment** (members of the public wishing to address the Commissioners for up to three minutes on matters not related to a pending or reasonably imminent appeal to the Tax Commission)

Commission Dixon noted that no one from the public wished to address the Committee.

**Approval of the 2011 State Farmland Evaluation Advisory Committee minutes of November 7, 2011.**

**MOTION:** Deputy Commissioner Kyle Stephens moved approval of the minutes. The motion passed unanimously.

**Presentation of the 2012 DRAFT Farmland Evaluation Report by Utah State University on the several classifications of land in agricultural use in the various areas of the state.**

Dr. Snyder, with Utah State University, gave a summary on the 2012 study for the 2013 productive values for lands that qualify for the Farmland Assessment Act (FAA).

Commissioner Dixon asked if Committee members had received any comments from producers whose land falls under the FAA.

The Committee shared comments which were primarily questions on how the farmland values were determined.

The committee members suggested the report include an explanation of the methodology and the steps used to determine values.

Mr. Brown suggested the explanation be placed on the Tax Commission website.

Commissioner Dixon suggested the report include an Executive Summary of the increases, decreases or no change for the six land classifications.

Committee members made minor suggestions and corrections to the report.

**MOTION:** Mr. Larsen moved to accept the 2012 study for the 2013 values and recommend the values in the report to the Tax Commission. The motion passed unanimously.

Commissioner Dixon thanked Dr. Snyder for his work and the Committee for its recommendation.

**Proposed Administrative Rule on Urban Farming**

Commissioner Dixon stated the proposed tax commission administrative rule R884-24P-73 Urban Farming Assessment Pursuant to Utah Code Ann. Section 59-2-1703 has been presented in a public Commission meeting that was held on Thursday, September 27, 2012. The Commission voted to publish the rule for public comment. The proposed rule amendment will be available for

public comment from October 15 to November 14, 2012. The rule will likely be scheduled for final consideration at the public Commission meeting on December 13, 2012.

Commissioner Dixon read the following rule text into the oral record:

- (1) For purposes of the property tax assessment for land used for urban farming, land is actively devoted to urban farming under Subsection 59-2-1703(2)(a)(iii) if the production per acre for a given area and a given type of land meets the productive capabilities of land classified as Irrigated I.
- (2) The value of land qualifying for valuation under Section 59-2-1703 shall be determined by reference to Table 1, Irrigated I, in R884-24P-53.

Commissioner Dixon asked Mr. Denny Lyle, Property Tax Division Director, to explain the background on the proposed rule.

Mr. Lytle explained that SB 122 was amended during the legislative session to direct Salt Lake County to provide annually to the Tax Commission a study on which to determine urban farmland values rather than having the Tax Commission conduct the study. Due to time constraints, Salt Lake County did not provide the study. Rule R884-24P-73 will implement a reasonable approach to value the land for at least 2013, until the data can be collected and a study completed. The Property Tax Division does not have data on berries, vegetables and other truck crops that would typically be produced on urban farming land. The Property Tax Division, therefore, does not have the necessary crop budgets to generate the agricultural values as they typically would do for the normal assessment program. Rule R884-24P-73 will implement a reasonable approach to valuing land assessed under the Urban Farming Act for the 2013 tax year.

The Committee members discussed the proposed rule amendment.

Mr. Lytle explained that there will be less of an impact since the Utah Farmland Assessment Act is a separate act from the urban farming act.

### **Next meeting time**

Commissioner Dixon set the next meeting date for Tuesday, November 13, 2012, at 2:30 p.m., which will be a brief meeting to approve minutes, and noted that Committee members may participate electronically.

### **Adjourn**

**MOTION:** Assessor Garff moved to adjourn. The motion passed unanimously. Commission Dixon adjourned the meeting at 3:23 p.m.

**Approved on:** Tuesday, November 13, 2012

**Attested:** Christa Johnson  
Executive Assistant  
Utah State Tax Commission