

State Farmland Evaluation Advisory Committee

MEETING MINUTES

Wednesday, October 5, 2011 10:00 a.m.,
Room 1026

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

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

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, Research Assistant, PTD, UTC

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

Mr. Charlie Roberts, Public Information Officer, 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.

I. Call to Order

Commission Dixon called the meeting to order at 10:05 a.m.

- II.** Approval of the 2011 State Farmland Evaluation Advisory Committee minutes of September 13, 2011.

MOTION: Mr. Rex Larsen moved approval of the minutes. The motion passed unanimously.

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

Commissioner Dixon asked Mr. Lytle to give the history and purpose of the report prepared by Utah State University and when the Property Tax Division began contracting with Utah State University for the report.

Mr. Denny Lytle, Director of the Property Tax Division explained that years ago it was suggested the Property Tax Division seek an independent study from Utah State University of productive values of land that qualify for the Farmland Assessment Act (FAA). For approximately 20 years the Property Tax Division has contracted with Utah State University for a report to present to the State Farmland Evaluation Advisory Committee. Based upon the Committee's review of the values in the report and final recommended values to the Tax Commission, the Property Tax Division uses the Committee's recommended values to prepare schedules for the upcoming tax year to be used by County Assessors when valuing land that qualify for the FAA. The schedules are prepared in an administrative rule amendment and presented to the Commission.

Commissioner Dixon stated the contract with the Utah State University is an item administered by the Property Tax Division. The President of the Utah State University by statute appoints a member to the Committee; the President chose to appoint Dr. Don Snyder, who prepared the report.

Dr. Snyder explained that to derive the values in the report he looks at prices, costs, yields (or productivity) and crop mix; these items are augmented by data limitations. The price and cost data are from 2010 because that is the first full year available at the time the report is prepared. The final values are based on a five year average.

Dr. Snyder asked if anyone had concerns on using the five-year period average or if 10-year average period should be used.

Mr. Sterling Brown spoke in favor of at least a five year average because it provides more stability and predictability from a property tax stand point for ranchers and farmers.

The committee members suggested Dr. Snyder prepares graphs looking at five-year and ten-year averages for the committee to review next year.

Committee members had minor suggestions and corrections to the report, but no concerns with the values in the report.

MOTION: Deputy Commissioner Kyle Stephens moved to accept the 2011 Farmland Evaluation Report by Utah State University 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 their recommendation. She stated the values will be placed in a rule amendment to tax commission rule R884-24P-53 and presented in the public commission meeting on Thursday, October 13, 2011. The Commission will vote to have the ruled amendment published for public comment. The proposed rule amendment will be available for public comment from November 1 to

November 30. The rule will most likely be scheduled for final consideration at the public Commission meeting on December 8, 2011.

IV. Presentation of DRAFT Production Guidelines for Grazing Irrigated Land by representatives of the Property Tax Division, State Tax Commission.

Mr. Lytle explained that the Property Tax Division, in discussion with Dr. Snyder, had developed guidelines for County Assessors to use in valuing irrigated tillable land used for grazing. Because there are not a lot of land used this way it is recommended it be done by guideline.

Commissioner Dixon noted no action was necessary by the Committee.

V. Set next meeting time

The next meeting will be held Monday, November 7, 2011 at 2:00 p.m. to approve the minutes of this meeting to meet the requirements of the Open and Public Meetings Act.

Commissioner Dixon noted that Utah Code Annotated 59-2-514 says the committee members shall meet to review the several classifications of land in agricultural use in the various areas of the state and recommend a range of values for each of the classifications based upon productive capabilities of the land when devoted to agricultural uses. The committee is to recommend values to the Tax Commission prior to October 2 of each year. She notes this is an advisory date. The Committee has met its statutory responsibilities and thanked the Committee for their work.

VI. Adjourn

MOTION: Assessor Gregg Garff moved for adjournment. The motion passed unanimously.

Commission Dixon adjourned the meeting at 11:58 a.m.

Approved on: Monday, November 7, 2011

Attested: Christa Johnson
Executive Assistant
Utah State Tax Commission