

State Farmland Evaluation Advisory Committee

MEETING MINUTES

Wednesday, September 28, 2016, 10:00 a.m.,

Room 1000

Utah State Tax Commission Building

210 North 1950 West, Salt Lake City, Utah

Participating:

Robert Pero, Chair, State Farmland Evaluation Advisory Committee; Commissioner, Utah State Tax Commission

Dr. Dillon Feuz, Professor and Department Head of Applied Economics Department (APEC), Utah State University; appointee of the President of Utah State University

Mr. Scott Ericson, Deputy Commissioner, Utah Department of Agriculture, appointee of the Commissioner of the State Department of Agriculture and Food

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 - *Excused*

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, USTC

Mr. Craig Jolley, Assistant Division Director, Property Tax Division, USTC

Ms. Jennifer Condie, Assistant Division Director, Property Tax Division, USTC

Mr. Gerald Osborne, Real Property Manager, Property Tax Division, USTC

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

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

Commissioner Pero called the meeting to order at 10:00 a.m.

II. Introduction of Committee Members

Those who were present introduced themselves at the meeting into the oral record.

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

A PowerPoint presentation was done on 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 Pero noted that no one from the public wished to address the Committee.

IV. Approval of the 2015 State Farmland Evaluation Advisory Committee minutes of Tuesday, September 29, 2015.

MOTION: Mr. Larsen moved approval of the 2015 State Farmland Evaluation Advisory Committee minutes of Tuesday, September 29, 2015. The motion passed unanimously.

V. Presentation of the 2016 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. Feuz introduced Mr. Robert Lee, Utah State University, who will be presenting the report.

Mr. Lee explained that the changes are summarized according to land use as follows:

Changes in land values are recommended to Utah State Tax Commission for the 2016 year as a result of the study for farmland production values. The data represents the 2015 production year. The changes are summarized according to land use as follows: Irrigated Cropland- Irrigated Crop land values be increased across the state. Due to the large amount of alfalfa acreage in most counties in the state, any change in hay returns has a greater impact on the average county land values. Average alfalfa price decreases were offset by a reduction in the cost of inputs to producers, causing an increase in the value of acres planted in alfalfa. Irrigated cropland values increased from a high of 2.8 percent in Carbon County, to a low of .6 percent in Beaver County. The remaining counties in the state had an increase of between 1 percent and 2.7 percent. Orchard Cropland- Orchard land values be increased by 2 percent. The average increase in production and price of tart cherries are the main reason for the slight increase. Apricots saw the highest average price increase and the greatest decrease in average production, but with limited acres in production apricots only had a slight effect on land value. Meadow Cropland- Meadow land values should also be increased slightly across the state. Dry Cropland-Increases in land values are also recommended for dry land acreage. Average wheat and barley prices decreased and yields remained relatively constant, while the cost of inputs decreased by 6.3 percent. The average price of alfalfa decreased less than the reduction in costs causing the remaining land values to go up slightly. Grazing Land- Grazing land values remained constant, with only small increases across the state. Non Production Land- No change in value for nonproduction land has been recommended.

VI. Recommendation to the Utah State Tax Commission for a range of values for land in the various areas of the state based upon productive capabilities of the land when devoted to agricultural uses per Utah Code Annotated 59-2-514.

MOTION: Dr. Feuz moved to accept the Farmland Assessment Report of September 28, 2016, the recommend range of values in the report to the Utah State Tax Commission for 2017. The Motion passed unanimously.

Commissioner Pero reviewed the final steps of the process. He stated the values would be incorporated by the Property Tax Division into a proposed Tax Commission Administrative Rule R884-24P-53 Valuation Guides for Valuation of Land Subject to the Farmland Assessment Act. On Tuesday, October 4, 2016 the Commission would vote to accept and publish the proposed values in the Rules Bulletin for public comment. The proposed rule amendment would be available for public comment for 30 days from November 1, 2016 to December 1, 2016. The rule will likely be scheduled for final consideration at the public Commission meeting on December 8, 2016.

VII. Next meeting time

Commissioner Pero stated that next meeting will be held on Wednesday, September 20, 2017 at 10:00 a.m. at the Utah State Tax Commission.

VIII. Adjourn

Commissioner Pero adjourned the meeting at 10:37 a.m.

Approved on: Wednesday, September 20, 2017

Attested: Christa Johnson
Executive Assistant
Utah State Tax Commission