

State Farmland Evaluation Advisory Committee

**MEETING MINUTES**

Wednesday, September 20, 2017, 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

**Tax Commission Staff Present:**

Mr. Denny Lytle, Director, Property Tax Division, USTC

Mr. Craig Jolley, 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**

Commission 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 2016 State Farmland Evaluation Advisory Committee minutes of Wednesday, September 28, 2016.**

**MOTION:** Mr. Larsen moved approval of the 2016 State Farmland Evaluation Advisory Committee minutes of Wednesday, September 28, 2016. The motion passed unanimously.

**V. Presentation of the 2017 draft Farmland Evaluation Report by Utah State University on the several classifications of land in agricultural use in the various areas of the state.**

Mr. Ryan Larsen, Utah State University, 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 2017 year as a result of the study for farmland production values. The data represents the 2016 production year. The changes are summarized according to land use as follows: ***Irrigated Cropland***- Irrigated Crop land values should be decreased 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. The average alfalfa price decreases along with stable production caused a decrease in value of production that could not be offset by a decrease in cost of the inputs. In addition to the decreases in alfalfa value, the counties where wheat is the primary crop showed an even great decrease due to the drop in the five year average price received by producers. The largest proposed decreases are in Davis and San Juan County, with a decrease in irrigated land value of 5.7 percent. Box Elder County has the next greatest decrease in value, with a proposed 5.1 percent decrease. The higher 4 rates in these counties can be attributed to the higher percent of the production of wheat. The remaining rates are between 4.8 percent and a low of 4.2 percent. These rates result in irrigated land values decreasing from a high of 41 dollars in Box Elder County to 4 dollars in Kane and Rich County. ***Orchard Cropland***- The price and production of fruit was more difficult to calculate this year because NASS has discontinued the collection of data on apple, sweet cherries and apricots. Therefore, orchard land values increased by less than one percent, based on only the production of tart cherries and peaches, with an increase in the average yield and an increase in the average price of tart cherries being the main reason for the increase. Moving forward we will need to evaluate the method that we use to calculate the value of orchard land. ***Meadow Cropland***- Meadow land values should also be decreased across the state. ***Dry Cropland***-Decreases in land values are also recommended for dry land acreage. Average wheat and barley prices decreased by more than ten percent and yields remained relatively constant. ***Grazing Land***- Grazing land values should also decrease. ***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 20, 2017, 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 Thursday, September 28, 2017 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 October 15, 2017 through November 14, 2017. The rule will likely be scheduled for final consideration at the public Commission meeting on December 14, 2017.

#### **VII. Next meeting time**

Commissioner Pero stated that next meeting will be held on Thursday, September 20, 2018 at 10:00 a.m. at the Utah State Tax Commission.

#### **VIII. Adjourn**

Commissioner Pero adjourned the meeting at 10:32 a.m.

**Approved on: September 20, 2018**

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