

State Farmland Evaluation Advisory Committee

MEETING MINUTES

Thursday, September 20, 2018, 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.

Professor Ryan Larsen, Professor of Applied Economics Department (APEC), 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.

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

Mr. Robert Lee, Researcher II: College of Agriculture and Applied Sciences, APEC
Utah State University

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

Tax Commission Staff Present:

Mr. Michael Cragun, Commissioner, USTC

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

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

Mr. Mark Maxfield, Tax Appraisal Specialist, Property Tax Division, USTC

Ms. Jennifer Franklin, 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 10:20 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 given by Commissioner Michael Cragun on the Open and Public Meetings Act training required under Utah Code Annotated 52-4-104.

IV. 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.

V. Approval of the 2017 State Farmland Evaluation Advisory Committee minutes of Wednesday, September 20, 2017.

MOTION: Commissioner Robert Pero moved approval of the 2017 State Farmland Evaluation Advisory Committee minutes of Wednesday, September 20, 2017. The motion passed unanimously.

VI. Presentation of the 2018 draft Farmland Evaluation Report by Utah State University on the several classifications of land in agricultural use in the various areas of the state.

Prof. 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 2018 year because of the study for farmland production values. The data represents the 2017 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 have a greater impact on the average county land values. The average price of alfalfa received by producers decreased along with stable production and an increase in the cost of the inputs, caused a decrease in alfalfa production land values. In addition to the decreases in the alfalfa land value, all other crops except onions had a decrease in value. Box Elder, Cache, Daggett, Davis,

Duchesne, Emery, Garfield, Kane, Iron, Kane, Millard, Morgan, Piute, Rich, San Juan, Summit, Toole, Uintah, Utah, Wasatch, Washington, and Wayne County all had a decrease of greater than ten percent. The greatest proposed decrease in value is for Millard County, with a 79 dollar value decrease.

Orchard Cropland- The price and production of orchard land was calculated this year using tart cherries and peaches. Therefore, proposed orchard land values should be decreased by 5.4 percent, based on the production of tart cherries and peaches, with a decrease in the both average yields and an increase in the average price of tart cherries being the main reason for the increase. Moving forward we will see what information the new ag-census contains.

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 crop prices decreased across the state and yields remained relatively constant, with the one exception of wheat which had a slight increase in average yields.

Grazing Land- Grazing land values should also decrease.

Non-Production Land- No change in value for nonproduction land is recommended.

Commissioner Robert Pero asked Director Lytle for his input on the recommendation.

Denny Lytle, Property Tax Division Director, expressed appreciation on behalf of the Tax Commission for the work done by Utah State University on the Farmland Evaluation Report. He stated that since they've become involved, disputes relating to FAA Evaluations have gone down dramatically.

VII. 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: Prof. Larsen moved to accept the recommended range of values in the Farmland Assessment Report of September 20, 2018 to the Utah State Tax Commission for 2018.

Mr. Rex Larsen seconded the motion.

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 Monday, October 15, 2018 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, 2018 through December 3, 2018. The rule will likely be scheduled for final consideration at the public Commission meeting on December 13, 2018.

VIII. Other Items

A meeting attendee (he did not identify himself on the record) received a call from a hydroponics grower that would like to obtain Greenbelt status because of how much she is producing. The person who received the call told her that he would have to talk to someone with more expertise. Mr. Lytle indicated that smaller acreages can qualify if they produce more than 80% of their income from that enterprise. He also stated that people with smaller acreages can potentially qualify under the Urban Farming Act.

Commissioner Pero announced that this will be his last State Farmland Evaluation Advisory Committee Meeting as he is retiring in October 2018.

IX. Set next meeting time

Commissioner Pero stated that next meeting will be held on Thursday, September 19, 2019 at 10:00 a.m. at the Utah State Tax Commission.

X. Adjourn

Commissioner Pero adjourned the meeting at 10:56 a.m.

Approved on: September 19, 2019

Attested: Jennifer Franklin
Executive Assistant
Utah State Tax Commission