

State Farmland Evaluation Advisory Committee

PENDING MEETING MINUTES

Thursday, September 19, 2019, 10:00 a.m.

Room 1000

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

Participating:

Mr. Lawrence Walters, Chair, State Farmland Evaluation Advisory Committee; Commissioner, Utah State Tax Commission.

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

Mr. Kelly Pehrson, 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 agricultural community, appointed by fellow committee members.

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

Ms. Jennifer Hansen, Deputy Director, Property Tax Division, USTC

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

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

Ms. Jennifer Franklin, Executive Assistant, Office of the Commission, USTC

Mr. Brady Kelsey, Tax Appraisal Specialist, Property Tax Division, USTC

Mr. Joshua Nielsen, Research Consultant, Property Tax Division, 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 Walters called the meeting to order at 10:07 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 video PowerPoint presentation narrated 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)

Commissioners Walters noted that no one from the public wished to address the Committee.

V. Approval of the 2018 State Farmland Evaluation Advisory Committee minutes of Thursday, September 20, 2018.

MOTION: Rex Larsen moved for approval of the 2018 State Farmland Evaluation Advisory Committee minutes of Thursday, September 20, 2018. The motion passed unanimously.

VI. Presentation of the 2019 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. 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 2019 year because of the study for farmland production values. The data represents the 2018 production year values and the 2017 ag-census data. The changes are summarized according to land use as follows:

Irrigated Cropland- Irrigated Crop land values should be decreased across most of 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 increased in the state. But a decrease in production and an increase in the cost of the inputs, caused a decrease in alfalfa production land values. The only increase in land values are in Box Elder and Salt Lake County. The increase is caused by an increase in the value of wheat production. These two counties

have a larger number of acres in wheat production. The greatest increase is in Salt Lake County, with a value of seven dollars. The greatest proposed decrease in value is for Iron and Washington County with a 15-dollar value decrease.

Orchard Cropland- The price and production of orchard land was calculated this year using tart cherries, apples and peaches. Proposed orchard land values should be decreased by 15.8 percent, based on the production of tart cherries, apples, and peaches, with a decrease in the average yield for tart cherries and a decrease in the average price of apples, tart cherries, and peaches being the main reason for the decrease.

Meadow Cropland- Meadow land values should also be decreased across the state.

Dry Cropland-Decreases in land values are also recommended for most of the dry land acreage. Most average crop prices decreased across the state and yields remained relatively constant. An increase in the cost of production caused the decrease as well.

Grazing Land- Grazing land values should also decrease in most counties as well.

Non-Production Land- No change in value for nonproduction land has been recommended. Commissioner Lawrence Walters asked Director Lytle for his input on the recommendation.

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: Committee Chair Walters moved to accept the recommended range of values in the Farmland Assessment Report of September 19, 2019 to the Utah State Tax Commission for 2019.

The Motion passed unanimously.

Commissioner Walters 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 26, 2019 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, 2019 through November 14, 2019. The rule will likely be scheduled for final consideration at the public Commission meeting on December 12, 2019.

VIII. Other Items

There were no other items to discuss.

IX. Set next meeting time

Commissioner Walters stated that next meeting will be held on Thursday, September 17, 2020 at 10:00 a.m. at the Utah State Tax Commission.

X. Adjourn

Commission Walters adjourned the meeting at 10:55 a.m.

Approved on: _____

Attested: Jennifer Franklin
Executive Assistant
Utah State Tax Commission

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