



Kate Bradshaw

Director of Government Affairs
801.799.5711
Salt Lake City
kabradshaw@hollandhart.com

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Utah's Greenbelt Law:

The Utah Farmland Assessment Act (commonly called “Greenbelt”) was passed in 1969 and allows qualified agricultural property to be assessed and taxed on its productive value instead of its market value. Taxpayers must apply to the county assessor to participate in this assessment program.

There are approximately 7 million acres currently assessed as Greenbelt in Utah (5.2 million acres of grazing land and 900,000 acres of irrigated cropland). To qualify, a parcel must:

- Have two prior qualifying years of agricultural use;
- Produce in excess of 50% of the average production for the given area and classification of land (there are 16 different classifications allowed); and
- There must be a minimum of five acres dedicated to agricultural use.

Greenbelt Assessment Changes Being Pushed by County Assessors

In the July meeting of the Revenue & Taxation Interim Committee of the Utah State Legislature, the Utah Association of Counties presented concerns about abuse of Greenbelt designations by property owners to “cheat” counties out of property tax collections. The allegations are that some property owners have a dual use for the land and therefore shouldn't be given a preferential Greenbelt tax status. For instance, one land use might be an agricultural use conducted at a minimal level in order to meet the Greenbelt requirements. The other use might be a non-agricultural commercial enterprise. Examples cited in the committee's meeting include land that was grazed in the summer months but used as a ski resort in the winter months. Another example of potential abuse was farmers participating in the federal Conservation Reserve Program (CRP) that are receiving payments to remove environmentally sensitive land from agricultural production.

The Utah Association of Counties would like the Legislature to consider changes to the Greenbelt assessment that would restrict dual use and CRP properties from receiving preferential tax status. This law is rarely opened for amendments, and this may be a once in a generation update to this section of the state code. There are many public policy reasons that businesses and communities may want to give preferential tax treatment to lands used for agriculture, if only on a part-time basis, or to buffer open

space from manufacturing facilities, or for lands that provide wildlife or recreation value. It is expected that the Utah Association of Counties will propose legislation during the 2017 General Session in January regardless of whether farmers, ranchers, or other types of property owners object to the changes.

Clients that believe they may be impacted by changes to Greenbelt designations may want to seek the advice of their legal counsel or speak to the firm's Director of Government Affairs.

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