
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1056

Session of
1973

INTRODUCED BY MESSRS. KENNEDY, WEIDNER, THOMAS, R. W. WILT,
DeVERTER, GRIECO, KLINGAMAN, C. S. SMITH, BRANDT, FOOR,
SHUMAN, ZELLER, MORRIS, PIPER, ANDERSON, YAHNER, A. C. FOSTER
JR., DREIBELBIS, TURNER, MCGINNIS AND BIXLER, MAY 30, 1973

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
APRIL 29, 1974

AN ACT

1 Prescribing the procedure under which an owner may have land
2 devoted to agricultural use, agricultural reserve use, or
3 forest reserve use, valued for tax purposes at the value it
4 has for such uses, and providing for reassessment and certain
5 interest payments when such land is applied to other uses.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Short Title.--This act shall be known and may be
9 cited as the "Pennsylvania Farmland and Forest Land Assessment
10 Act of 1974."

11 Section 2. Definitions.--As used in this act, the following
12 words and phrases shall have the meanings ascribed to them in
13 this section unless the context obviously otherwise requires:

14 "Agricultural commodity." Any and all plant and animal
15 products INCLUDING CHRISTMAS TREES produced in this State for
16 commercial purposes.

17 "Agricultural reserve." Land which has a potential to

<—

1 produce agricultural commodities.

2 "Agricultural use." Use of the land for the purpose of
3 producing an agricultural commodity or when devoted to and
4 meeting the requirements and qualifications for payments or
5 other compensation pursuant to a soil conservation program under
6 an agreement with an agency of the Federal Government.

7 "FARMER-OWNER-OPERATOR." A NATURAL PERSON WHO DERIVES INCOME <—
8 FROM THE AGRICULTURAL YIELD OF LAND DEVOTED TO AGRICULTURAL USE
9 WHICH HE OWNS AND OPERATES.

10 "Forest reserve." Land, ten acres or more, stocked by forest
11 trees of any size and capable of producing timber or other wood
12 products.

13 Section 3. Land Devoted to Agricultural Use, Agricultural
14 Reserve, and/or Forest Reserve, Woodlots.--(a) For general
15 property tax purposes, the value of land which is presently
16 devoted to agricultural use, agricultural reserve, and/or forest
17 reserve shall on application of the owner and approval thereof
18 as hereinafter provided be that value which such land has for
19 its particular use if it also meets the following conditions:

20 (1) Land presently devoted to agricultural use: Such land
21 was devoted to agricultural use the preceding three years and is
22 not less than ten contiguous acres in area or has an anticipated
23 yearly gross income of two thousand dollars (\$2,000).

24 (2) Land presently devoted to agricultural reserve: Such
25 land is not less than ten contiguous acres in area.

26 (3) Land presently devoted to forest reserve: Such land is
27 not less than ten contiguous acres in area.

28 (b) The assessor when determining the value of land in
29 agricultural use, agricultural reserve use, or forest reserve
30 use, shall, in arriving at the value of such land for its

1 particular use, consider available evidence of such lands'
2 capability for its particular use as derived from the soil
3 survey at the Pennsylvania State University, the National
4 Cooperative Soil Survey, the United States Census of
5 Agricultural Categories of land use classes, and evidence of the
6 capability of land devoted to such use.

7 (c) Farm woodlots, contiguous to, and held by the same
8 ownership as other agricultural or agricultural reserve land is
9 not required to conform to the ten acre minimum forest reserve
10 requirement.

11 Section 4. County Board of Assessment and Revision of
12 Taxes.--(a) The county board for the assessment and revision of
13 taxes shall have the responsibility to accept and process
14 applications for preferential assessments as prescribed by this
15 act.

16 (b) In addition to keeping such records as are now or
17 hereafter required by law, the county shall clearly indicate on
18 the appropriate records those parcels that are assessed under
19 the provisions of this act. It shall be the duty of the county
20 board for the assessment and revision of taxes to immediately
21 notify the appropriate taxing bodies of any preferential
22 assessment granted or cancelled within their taxing
23 jurisdictions.

24 Section 5. Applications for Preferential Assessment.--(a)
25 Each owner of agricultural land, agricultural reserve and/or
26 forest reserve, desiring preferential use assessment under this
27 act, shall make application to the county board for the
28 assessment and revision of taxes of the county in which the land
29 is located. Such application must be submitted on or before July
30 first of the year immediately preceding the tax year.

1 Preferential assessment shall continue under the initial
2 application until land use change takes place.

3 (b) There shall be uniform application forms for
4 preferential assessment in all counties. Such application forms
5 shall be developed by the Department of Agriculture. In addition
6 to the information which the Department of Agriculture shall
7 deem appropriate, the following statement shall be included:

8 "The applicant for preferential assessment hereby agrees that
9 if his application is approved for preferential assessment to
10 submit ten days' notice to the county assessor of a proposed
11 change in use of the land, a split-off of a portion of the land,
12 or a conveyance of the land."

13 The assessor shall notify the prospective buyer of any roll-
14 back tax due if a change in use occurs.

15 Section 6. Separation or Split-off.--(a) Separation or
16 split-off of a part of the land which is being valued, assessed
17 and taxed under this act either by conveyance or other action of
18 the owner of such land for a use other than agricultural or
19 agricultural reserve or forest reserve shall, EXCEPT WHEN THE <—
20 SEPARATION OCCURS THROUGH CONDEMNATION, subject the land so
21 separated and the entire parcel from which the land was
22 separated to liability for the roll-back taxes as set forth in
23 section 8 of this act except as provided in ~~subsection (b)~~ <—
24 SUBSECTIONS (B) OR (C) of this section. <—

25 (b) The owner of property subject to a preferential tax
26 assessment may transfer land covered by the preferential tax
27 assessment to any member of his immediate family without
28 incurring roll-back taxes: Provided, That the tract of land so
29 transferred shall not exceed two acres and may only be used for
30 the construction of a residential dwelling to be occupied by the

1 family member to which the land is transferred. The transfer of
2 a parcel of land to a family member which meets the requirements
3 of this section shall not invalidate the preferential tax
4 assessment and the land retained by the landowner shall continue
5 to be eligible for use value assessment if it continues to meet
6 the minimum acreage or, if devoted to agricultural use, gross
7 income requirements established by this act.

8 (C) A PRESENT OWNER OR A FARMER-OWNER-OPERATOR OF LAND <—
9 DEVOTED TO AGRICULTURAL USE AND SUBJECT TO PREFERENTIAL
10 ASSESSMENT MAY SPLIT-OFF NOT MORE THAN TEN ACRES IN ANY YEAR
11 WITHOUT INCURRING ROLL-BACK TAXES ON THE REMAINING LAND AND
12 WITHOUT IMPAIRING THE RIGHT OF THE REMAINING LAND TO CONTINUE
13 ITS PREFERENTIAL ASSESSMENT STATUS SO LONG AS IT OTHERWISE MEETS
14 THE REQUIREMENTS OF THIS ACT. IN EACH SUCH CASE, THE LAND
15 SEPARATED SHALL BE SUBJECT TO ROLL-BACK TAXES AS SET FORTH IN
16 SECTION 8(B).

17 ~~(e)~~ (D) Any change in use of a separation or split-off of <—
18 land shall be in compliance with the zoning ordinances of the
19 local municipality, if in effect.

20 Section 7. Contiguous Land in More Than One Taxing
21 District.--Where contiguous land in agricultural, or
22 agricultural reserve, and/or forest reserve use in one ownership
23 is located in more than one taxing district, compliance with the
24 minimum area requirement shall be determined on the basis of the
25 total area of such land and not the area which is located in the
26 particular taxing district.

27 Section 8. Determination of Amounts of Taxes When Use
28 Abandoned.--(a) When any tract of land which is in agricultural
29 use, or agricultural reserve use or forest reserve use and which
30 is being valued, assessed and taxed under the provisions of this

1 act, is applied to a use other than agricultural, agricultural
2 reserve or forest reserve, or for any other reason, EXCEPT <—
3 CONDEMNATION THEREOF, is removed from the category of land
4 preferentially assessed and taxed under this act, the land so
5 removed and the entire tract of which it was a part shall be
6 subject to taxes in an amount equal to the difference,

7 hereinafter referred to as roll-back taxes, if any, between the
8 taxes paid or payable on the basis of the valuation and the
9 assessment authorized hereunder and the taxes that would have
10 been paid or payable had that land been valued, assessed and
11 taxed as other land in the taxing district in the current tax
12 year, the year of change, and in nine of the previous tax years
13 or the number of years of preferential assessment up to ten,

14 plus interest at a rate derived from averaging during such <—
15 period, the monthly maximum lawful rates of interest for
16 residential mortgages fixed and published in the Pennsylvania
17 Bulletin pursuant to section 301 of the act of January 30, 1974
18 (P.L. —, No.6), entitled "An act regulating agreements for the
19 loan or use of money; establishing a maximum lawful interest
20 rate in the Commonwealth; providing for a legal rate of
21 interest; detailing exceptions to the maximum lawful interest
22 rate for residential mortgages and for any loans in the
23 principal amount of more than fifty thousand dollars and
24 Federally insured or guaranteed loans and unsecured,
25 noncollateralized loans in excess of thirty five thousand
26 dollars and business loans in excess of ten thousand dollars;
27 providing protections to debtors to whom loans are made
28 including the provision for disclosure of facts relevant to the
29 making of residential mortgages, providing for notice of
30 intention to foreclose and establishment of a right to cure

1 ~~defaults on residential mortgage obligations, provision for the~~
2 ~~payment of attorney's fees with regard to residential mortgage~~
3 ~~obligations and providing for certain interest rates by banks~~
4 ~~and bank and trust companies; clarifying the substantive law on~~
5 ~~the filing of and execution on a confessed judgment; prohibiting~~
6 ~~waiver of provisions of this act, specifying powers and duties~~
7 ~~of the Secretary of Banking, and establishing remedies and~~
8 ~~providing penalties for violations of this act."~~ ON EACH YEAR'S <—
9 ROLL-BACK TAX AT THE RATE OF SIX PER CENT (6%) PER ANNUM. After
10 the first ten years of preferential assessment, the roll-back
11 shall apply to the ten most recent tax years.

12 (b) Unpaid roll-back taxes shall be a lien upon the property
13 collectible in the manner provided by law for the collection of
14 delinquent taxes. Roll-back taxes shall become due on the date
15 of change of use, or any other termination of preferential
16 assessment and shall be paid by the owner of the land at the
17 time of change in use, or any other termination of assessment,
18 to the county treasurer whose responsibility it shall be to make
19 proper distribution of the taxes and interest to the taxing
20 bodies wherein the property is located.

21 Section 9. Appeals.--There shall be a right of appeal which
22 shall conform to practice in the particular county in which
23 preferential assessment is being sought.

24 Section 10. Renegotiation of Open Space Agreements.--Any
25 county which has covenanted with land owners of farm or forest
26 land as to assessments and open space use of such land under the
27 act of January 13, 1966 (1965 P.L.1292, No.515), entitled "An
28 act enabling certain counties of the Commonwealth to covenant
29 with land owners for preservation of land in farm, forest, water
30 supply, or open space uses," may, at the landowner's option,

1 renegotiate such agreements so as to make them conform to the
2 provisions of this act as to preferential assessments.

3 Section 11. Applicability to Tax Year and Subsequent Tax
4 Years.--The tax year 1974 shall be deemed to be the first tax
5 year in which the provisions of this act shall apply, and this
6 act shall apply to the tax year 1974 and subsequent tax years.

7 Section 12. Applicability.--This act shall apply to all
8 counties of the Commonwealth of Pennsylvania.

9 Section 13. Severability; Inconsistent Laws.--If any
10 section, provision, or clause of this act shall be declared
11 invalid or inapplicable to any persons or circumstances, such
12 action shall not be construed to affect the rest of the act or
13 circumstances not so affected. All laws or portions of laws
14 inconsistent with the policy and provisions of this act are
15 hereby repealed to that extent.