

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1298 Session of
2011

INTRODUCED BY SMUCKER, VOGEL, D. WHITE, ALLOWAY, FONTANA,
WASHINGTON, WAUGH, M. WHITE, FOLMER, EICHELBERGER AND
BRUBAKER, OCTOBER 18, 2011

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES,
SEPTEMBER 25, 2012

AN ACT

1 ~~Amending the act of December 19, 1974 (P.L.973, No.319),~~ ←
2 ~~entitled "An act prescribing the procedure under which an~~
3 ~~owner may have land devoted to agricultural use, agricultural~~
4 ~~reserve use, or forest reserve use, valued for tax purposes~~
5 ~~at the value it has for such uses, and providing for~~
6 ~~reassessment and certain interest payments when such land is~~
7 ~~applied to other uses and making editorial changes," further~~
8 ~~providing for definitions and for land devoted to~~
9 ~~agricultural use, agricultural reserve, and/or forest~~
10 ~~reserve.~~

11 AMENDING THE ACT OF DECEMBER 19, 1974 (P.L.973, NO.319), ←
12 ENTITLED "AN ACT PRESCRIBING THE PROCEDURE UNDER WHICH AN
13 OWNER MAY HAVE LAND DEVOTED TO AGRICULTURAL USE, AGRICULTURAL
14 RESERVE USE, OR FOREST RESERVE USE, VALUED FOR TAX PURPOSES
15 AT THE VALUE IT HAS FOR SUCH USES, AND PROVIDING FOR
16 REASSESSMENT AND CERTAIN INTEREST PAYMENTS WHEN SUCH LAND IS
17 APPLIED TO OTHER USES AND MAKING EDITORIAL CHANGES," FURTHER
18 PROVIDING FOR DEFINITIONS, FOR ROLL-BACK TAXES AND SPECIAL ←
19 CIRCUMSTANCES AND FOR APPEALS.

20 The General Assembly of the Commonwealth of Pennsylvania
21 hereby enacts as follows:

22 ~~Section 1. The definition of "agricultural use" in section 2~~ ←
23 ~~of the act of December 19, 1974 (P.L.973, No.319), known as the~~
24 ~~Pennsylvania Farmland and Forest Land Assessment Act of 1974,~~
25 ~~amended November 23, 2010 (P.L.1095, No.109), is amended and the~~

~~section is amended by adding definitions to read:~~

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

~~* * *~~

~~"Agricultural use." Land which is used for the purpose of producing an agricultural commodity or is devoted to and meets the requirements and qualifications for payments or other compensation pursuant to a soil conservation program under an agreement with an agency of the Federal Government. The term includes:~~

~~(1) any farmstead land on the tract;~~

~~(2) a woodlot;~~

~~(3) any land which is rented to another person and used for the purpose of producing an agricultural commodity; [and]~~

~~(4) any land devoted to the development and operation of an alternative energy system, if a majority of the energy annually generated is utilized on the tract[.]; and~~

~~(5) any land devoted to composting or used for nutrient management.~~

~~* * *~~

~~"Composting." As follows:~~

~~(1) The processing of agricultural manures into materials, products or substances.~~

~~(2) The term includes:~~

~~(i) Finished compost transported or intended to be transported in commerce.~~

~~(ii) Any land, facility, building structure, equipment or operation used to enhance the form, economic value or energy value of the processed manure.~~

~~(3) The term does not include a composting process if materials other than manure are used as ingredients in the composting process and the amount of the other materials by weight exceeds the amount of manure used by weight.~~

~~* * *~~

~~"Nutrient management." An activity directly and solely related to the implementation of best management practices as set forth in publications of the Environmental Protection Agency relating to the implementation of 40 CFR Parts 9 (relating to OMB approvals under the Paperwork Reduction Act), 122 (relating to EPA administered permit programs: The national pollutant discharge elimination system) and 412 (relating to concentrated animal feeding operations). The term shall not include land or an activity used in combination with any activity, facility or operation otherwise prohibited under this act.~~

~~* * *~~

~~Section 2. Section 3(a.1) of the act is amended by adding paragraphs to read:~~

~~Section 3. Land Devoted to Agricultural Use, Agricultural Reserve, and/or Forest Reserve. * * *~~

~~(a.1) The following apply to enrollment:~~

~~* * *~~

~~(3) Land enrolled as devoted to composting.~~

~~(4) Land used for nutrient management.~~

~~* * *~~

~~Section 3. The amendment of section 2 of the act shall be applicable to any composting use already in existence that is located upon land enrolled under the act of December 19, 1974 (P.L.973, No.319), known as the Pennsylvania Farmland and Forest Land Assessment Act of 1974, including those composting uses~~

~~existing as of the effective date of this act for which rollback tax may have been assessed for a composting use. Provided an enrolled owner has filed an appeal from a decision of a county assessor, a board of assessment appeals or a court with jurisdiction, no rollback tax shall be due or collected from an enrolled owner as to any composting use as composting is defined in section 2 of the act.~~

~~Section 4. This act shall take effect in 60 days.~~

SECTION 1. THE DEFINITION OF "AGRICULTURAL COMMODITY" IN SECTION 2 OF THE ACT OF DECEMBER 19, 1974 (P.L.973, NO.319), KNOWN AS THE PENNSYLVANIA FARMLAND AND FOREST LAND ASSESSMENT ACT OF 1974, AMENDED DECEMBER 21, 1998 (P.L.1225, NO.156), IS AMENDED AND THE SECTION IS AMENDED BY ADDING A DEFINITION TO READ:

SECTION 2. DEFINITIONS.--AS USED IN THIS ACT, THE FOLLOWING WORDS AND PHRASES SHALL HAVE THE MEANINGS ASCRIBED TO THEM IN THIS SECTION UNLESS THE CONTEXT OBVIOUSLY OTHERWISE REQUIRES:

"AGRICULTURAL COMMODITY." ANY OF THE FOLLOWING:

(1) AGRICULTURAL, APICULTURAL, AQUACULTURAL, HORTICULTURAL, FLORICULTURAL, SILVICULTURAL, VITICULTURAL AND DAIRY PRODUCTS.

(2) PASTURE.

(3) LIVESTOCK AND THE PRODUCTS THEREOF.

(4) RANCH-RAISED FURBEARING ANIMALS AND THE PRODUCTS THEREOF.

(5) POULTRY AND THE PRODUCTS OF POULTRY.

(6) PRODUCTS COMMONLY RAISED OR PRODUCED ON FARMS WHICH ARE:

(I) INTENDED FOR HUMAN CONSUMPTION; OR

(II) TRANSPORTED OR INTENDED TO BE TRANSPORTED IN COMMERCE.

(7) PROCESSED OR MANUFACTURED PRODUCTS OF PRODUCTS COMMONLY RAISED OR PRODUCED ON FARMS WHICH ARE:

(I) INTENDED FOR HUMAN CONSUMPTION; OR
(II) TRANSPORTED OR INTENDED TO BE TRANSPORTED IN COMMERCE.
(8) COMPOST.

* * *

"COMPOST." MATERIAL RESULTING FROM THE BIOLOGICAL DIGESTION
OF DEAD ANIMALS, ANIMAL WASTE OR OTHER BIODEGRADABLE MATERIALS,
AT LEAST FIFTY PERCENT (50%) BY VOLUME OF WHICH IS COMPRISED OF
PRODUCTS COMMONLY PRODUCED ON FARMS.

* * *

SECTION 2. SECTION 8(D) OF THE ACT, AMENDED DECEMBER 21,
1998 (P.L.1225, NO.156), IS AMENDED TO READ:

SECTION 8. ROLL-BACK TAXES; SPECIAL CIRCUMSTANCES.--

* * *

(D) (1) A LANDOWNER MAY APPLY A MAXIMUM OF TWO ACRES OF A
TRACT OF LAND SUBJECT TO PREFERENTIAL ASSESSMENT TOWARD DIRECT
COMMERCIAL SALES OF AGRICULTURALLY RELATED PRODUCTS AND
ACTIVITIES OR FOR A RURAL ENTERPRISE INCIDENTAL TO THE
OPERATIONAL UNIT WITHOUT SUBJECTING THE ENTIRE TRACT TO ROLL-
BACK TAXES, PROVIDED THAT:

(I) THE COMMERCIAL ACTIVITY IS OWNED AND OPERATED BY THE
LANDOWNER OR HIS BENEFICIARIES WHO ARE DESIGNATED AS CLASS A FOR
INHERITANCE TAX PURPOSES.

(II) AN ASSESSMENT OF THE INVENTORY OF THE GOODS INVOLVED
VERIFIES THAT IT IS OWNED BY THE LANDOWNER OR HIS BENEFICIARIES.

(III) THE RURAL ENTERPRISE DOES NOT PERMANENTLY RENDER THE
LAND INCAPABLE OF PRODUCING AN AGRICULTURAL COMMODITY.

(2) ROLL-BACK TAXES SHALL BE IMPOSED UPON THAT PORTION OF
THE TRACT WHERE THE COMMERCIAL ACTIVITY TAKES PLACE AND THE FAIR
MARKET VALUE OF THAT TRACT SHALL BE ADJUSTED ACCORDINGLY.

(3) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (2), NO

1 ROLL-BACK TAXES SHALL BE DUE AND NO BREACH OF A PREFERENTIAL
2 ASSESSMENT SHALL BE DEEMED TO HAVE OCCURRED IF THE DIRECT
3 COMMERCIAL SALES OF AGRICULTURALLY RELATED PRODUCTS:

4 (I) TAKE PLACE ON NO MORE THAN ONE HALF OF AN ACRE;

5 (II) ARE OF AT LEAST FIFTY PERCENT (50%) OF PRODUCTS
6 PRODUCED ON THE TRACT; AND

7 (III) REQUIRE NO NEW UTILITIES OR BUILDINGS.

8 * * *

9 SECTION ~~2~~ 3. SECTION 9 OF THE ACT IS AMENDED BY ADDING A
10 SUBSECTION TO READ:

11 SECTION 9. APPEALS.--* * *

12 (A.1) IN THE EVENT A CHANGE RELATING TO COMPOSTING IN THIS
13 ACT BECOMES EFFECTIVE DURING AN ACTIVE APPEAL AND IS APPLICABLE
14 TO THE ACTIVE APPEAL, NO ROLLBACK TAX SHALL BE DUE OR COLLECTED
15 AND THE ROLLBACK TAX SHALL BE REIMBURSED IF ALREADY PAID FOR
16 SUCH ACTIVITIES TO WHICH ROLLBACK TAXES WERE APPLIED.

17 * * *

18 SECTION ~~3~~ 4. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.