

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 1056 Session of
1973

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DREIBELBIS, TURNER AND MCGINNIS, MAY 30, 1973

REFERRED TO COMMITTEE ON AGRICULTURE AND DAIRY INDUSTRIES,
MAY 30, 1973

AN ACT

1 Prescribing the procedure under which an owner may have land
2 devoted to agricultural use valued for tax purposes at the
3 value it has for such uses and creating in each county a
4 county commission for agricultural tax assessment; and
5 providing for reassessment and certain interest payments when
6 such land is applied to other uses.

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

9 Section 1. Short Title.--This act shall be known and may be
10 cited as the "Pennsylvania Farmland Assessment Act of 1973."

11 Section 2. Legislative Findings and Policy Declaration.--(a)
12 The preservation of a maximum amount of the limited supply of
13 prime agricultural land is necessary to the conservation of the
14 State's economic resources, and is necessary not only to the
15 agricultural economy of the State, but also for the assurance of
16 adequate, healthful and nutritious food for future residents of
17 the State and Nation.

18 (b) The discouragement of premature and unnecessary

1 conversion of prime agricultural land to urban uses is a matter
2 of public interest and will benefit urban dwellers themselves in
3 that it will discourage discontinuous urban development patterns
4 which unnecessarily increase the costs of community services to
5 community residents.

6 (c) In a rapidly urbanizing society agricultural lands have
7 a definite public ecological value as open space and the
8 preservation in agricultural production of such lands, the use
9 of which may be limited under the provisions of this law,
10 constitutes an important physical, social, esthetic and economic
11 asset to existing or pending urban or metropolitan developments.

12 Section 3. Definitions.--As used in this act, the following
13 words and phrases shall have the meanings ascribed to them in
14 this section unless the context obviously otherwise requires:

15 (1) "Agricultural commodity." Any and all plant and animal
16 products produced, including but not limited to, forages and sod
17 crops; grains and feed crops; dairy animals and dairy products;
18 poultry and poultry products; livestock, including beef cattle,
19 sheep, swine, horses, ponies, mules or goats, including the
20 breeding and grazing of any of all such animals; bees and apiary
21 products; fur animals; trees and forest products, fruits of all
22 kinds, including grapes, nuts and berries, vegetables, nursery,
23 floral, ornamental and greenhouse products.

24 (2) "Agricultural reserve." Land shall be deemed to be in
25 agricultural reserve when devoted to agricultural uses, even
26 though not actively. It is so designated as reserve for its
27 potential to produce agricultural commodities. Land maintained
28 in such use shall preserve ecological characteristics, natural
29 beauty and environmental balance.

30 (3) "Agricultural use." Use of the land for the purpose of

1 producing an agricultural commodity.

2 (4) "Commission." The County Commission for Agricultural
3 Tax Assessments established by this act in each county making
4 assessments and contracts under this act.

5 (5) "Prime agricultural land." All land in agricultural use
6 qualification for which shall be determined by consideration of
7 soil type and ecological impact.

8 Section 4. Land Devoted to Agricultural Use.--(a) For
9 general property tax purposes, the value of land, not less than
10 five acres in area, which is actively devoted to agricultural
11 use and which has been so devoted for at least three of the
12 preceding five years immediately preceding the tax year in
13 issue, shall, on application of the owner, and approval thereof
14 as hereinafter provided, be that value which such land has for
15 agricultural use.

16 (b) In determining the total area of land actively devoted
17 to agricultural, or agricultural reserve use, there shall be
18 included the area of all land under barns, sheds, silos, cribs,
19 greenhouses and like structures, lakes, dams, ponds, streams,
20 irrigation ditches and like facilities but land under and such
21 additional land as may be actually used in connection with the
22 farmhouse shall be excluded in determining such total area.

23 (c) All structures, which are located on land in
24 agricultural or agricultural reserve use and the structures and
25 the land on which the structures are located, together with the
26 additional land used in connection therewith, shall be valued,
27 assessed and taxed by the same standards, methods and procedures
28 as other taxable structures and other land in the taxing
29 district.

30 Section 5. County Commission for Agricultural Tax

1 Assessments.--(a) Each county entering into contracts under this
2 act shall have a County Commission for Agricultural Tax
3 Assessment whose members shall include the county tax assessor,
4 a representative of the conservation district whose livelihood
5 must reflect an income of which seventy-five per cent be from
6 agriculture, and a school board member appointed by the chairman
7 of the county commissioners.

8 (b) It shall be the responsibility of this commission to
9 review applications for preferential tax assessment and make
10 written recommendations with reference to assessments thereof.
11 The commission shall also record with an Agricultural Land
12 Registry Office under the State Department of Agriculture a copy
13 of the deed to land under preferential assessment. A number
14 shall be assigned to each contracted area in accordance with the
15 county number and a serial number for the deeded land.

16 Section 6. Applications for Preferential Assessment.--(a)
17 Each owner of agricultural land desiring preferential use
18 assessment under this act shall make application to the assessor
19 of the county in which the land is located. Application shall be
20 submitted in triplicate on or before July 1 of the year
21 immediately preceding the tax year.

22 (b) Upon filing of an application, the assessor shall send a
23 copy each to the Department of Agriculture and to the commission
24 of such county for revision if necessary and recommendations
25 found advisable. Revisions and/or recommendations shall be
26 returned to the county assessor within thirty days of receipt.

27 Section 7. Contracts.--(a) Any county may by contract, and
28 through the assessment of taxes, based on the use of the land,
29 limit the use of prime agricultural land for the purpose of
30 preserving such land pursuant and subject to the conditions set

1 forth in the contract and in this act.

2 (b) No county may contract with respect to any land pursuant
3 to this act unless the land (1) is devoted to agricultural use,
4 (2) is located within an area designated as an agricultural
5 reserve containing not less than five acres, or (3) is
6 classified as prime agricultural land.

7 (c) Every contract shall provide for the exclusion of uses
8 other than agricultural, and other than those related to or
9 compatible with agricultural use, for the duration of the
10 contract. Every contract shall also provide for the transfer of
11 land from the contracting owner to the succeeding owner.

12 (d) If land is zoned non-agricultural while under the
13 provisions of the contract, the owner is not subject to tax
14 evaluations of the rezoned area so long as he meets the
15 requirements of the contract.

16 (e) The term of each contract shall be ten years. The
17 contract shall be automatically renewed at the end of each year
18 for an additional ten-year period, unless notice of non-renewal
19 is given. If either landowner or county desires in any year not
20 to renew the contract, that party shall serve written notice of
21 non-renewal of the contract upon the other party in advance of
22 the annual renewal date of the contract. Unless such written
23 notice is served by the landowner or county agent at least
24 ninety days prior to the renewal date, the contract shall be
25 considered renewed for ten years.

26 (f) If the landowner or the county tax assessor serves
27 notice of non-renewal in any year, the existing contract shall
28 remain in effect for the balance of the period remaining since
29 the original execution or the last renewal of the contract, as
30 the case may be.

(g) Whenever the county enters into a contract with a landowner pursuant to this act, the contract shall be filed with the commission, and it shall be signed by the county tax assessor, and the Department of Agriculture. The copy of the filed contract shall describe the land subject thereto, together with a map reference of the total land area under contract.

Section 8. Procedure for Cancellation of Contract.--(a) Relief from the provisions of contracts entered into pursuant to this act shall be cancelled only when the continued dedication of land under such contracts to agricultural use is neither necessary nor desirable for the purpose of the law, by mutual agreement of all parties to the contract.

(b) Land valued, assessed, and taxed under the provisions of this act shall be subject to a yearly review by the county tax assessor of the county in which said land is located. If the provisions of this act are not followed by the landowner, the commission may cancel the existing contract.

Section 9. Considerations of Assessor in Valuing Land.--(a) The assessor in valuing land which qualifies as land actively devoted to agricultural use or agricultural reserve use under the tests prescribed by this act, and as to which the owner thereof has made timely application for valuation, assessment and taxation hereunder for the tax year in issue, shall consider only those indicia of value which such land has for agricultural or agricultural reserve use. In addition to use of his personal knowledge, judgment and experience as to the value of land in agricultural, or agricultural reserve use, he shall, in arriving at the value of such land, consider available evidence of agricultural land capability derived from the recommendations of value of such land as made by the commission.

1 (b) The factual details to be shown on the assessor's tax
2 list and duplicate with respect to land which is being valued,
3 assessed and taxed under this act shall be the same as those set
4 forth by the assessor with respect to other taxable property in
5 the taxing district.

6 (c) Where contiguous land in agricultural or use in one
7 ownership is located in more than one taxing district,
8 compliance with this act shall be entered into by the county in
9 which the deed to the land is located.

10 Section 10. Determination of Amounts of Taxes When
11 Agricultural Use Abandoned.--When land which is in agricultural
12 use or agricultural reserve use and is being valued, assessed
13 and taxed under the provisions of this act, is applied to a use
14 other than agricultural, or agricultural reserve, it shall be
15 subject to additional taxes equal to one hundred per cent of the
16 regular tax not paid plus compound interest at the rate of five
17 per cent from the time of change up to the ten-year commitment,
18 on the amount not paid in each of the preferentially taxed
19 years. Such additional taxes shall be based on the difference
20 between the agricultural or agricultural reserve use and the
21 market value on an average as determined by the commission. In
22 determining the amounts of the taxes chargeable on land which
23 has undergone a change in use, the assessor shall for each of
24 the tax years involved, ascertain the full and fair value of
25 such land under the valuation standard applicable to other land
26 in the taxing district. Prior to change of use and tax
27 reevaluation whether by transfer or sale, and environmental
28 impact statement must be submitted to the commission. If it is
29 determined that change of use would adversely affect the
30 environment of the area the land may not be withdrawn from

1 contract until the original contract has expired.

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