

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL**No. 1056** Session of
1973

INTRODUCED BY MESSRS. KENNEDY, WEIDNER, THOMAS, R. W. WILT,
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JR., DREIBELBIS, TURNER, MCGINNIS AND BIXLER, MAY 30, 1973

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
APRIL 23, 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 produced in this State for commercial purposes.

16 "Agricultural reserve." Land which has a potential to
17 produce agricultural commodities.

18 "Agricultural use." Use of the land for the purpose of

1 producing an agricultural commodity or when devoted to and
2 meeting the requirements and qualifications for payments or
3 other compensation pursuant to a soil conservation program under
4 an agreement with an agency of the Federal Government.

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

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

15 (1) Land presently devoted to agricultural use: Such land
16 was devoted to agricultural use the preceding three years and is
17 not less than ten contiguous acres in area or has an anticipated
18 yearly gross income of ~~one thousand dollars (\$1,000)~~. TWO ←
19 THOUSAND DOLLARS (\$2,000).

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

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

24 (b) The assessor when determining the value of land in
25 agricultural use, agricultural reserve use, or forest reserve
26 use, shall, in arriving at the value of such land for its
27 particular use, consider available evidence of such lands'
28 capability for its particular use as derived from the soil
29 survey at the Pennsylvania State University, the National
30 Cooperative Soil Survey, the United States Census of

1 Agricultural Categories of land use classes, and evidence of the
2 capability of land devoted to such use.

3 (c) Farm woodlots, contiguous to, and held by the same
4 ownership as other agricultural or agricultural reserve land is
5 not required to conform to the ten acre minimum forest reserve
6 requirement.

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

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

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

29 (b) There shall be uniform application forms for
30 preferential assessment in all counties. Such application forms

1 shall be developed by the Department of Agriculture. In addition
2 to the information which the Department of Agriculture shall
3 deem appropriate, the following statement shall be included:

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

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

11 Section 6. Separation or Split-off.--(A) Separation or ←
12 split-off of a part of the land which is being valued, assessed
13 and taxed under this act either by conveyance or other action of
14 the owner of such land for a use other than agricultural or
15 agricultural reserve or forest reserve shall subject the land so
16 separated and the entire parcel from which the land was
17 separated to liability for the roll-back taxes as set forth in
18 section ~~10~~ 8 of this act EXCEPT AS PROVIDED IN SUBSECTION (B) OF ←
19 THIS SECTION.

20 ~~(b) In the case of land in agricultural reserve and/or ←~~
21 ~~forest reserve, separation or split-off of a part of the land~~
22 ~~which is being valued, assessed and taxed under this act either~~
23 ~~by conveyance or other action of the owner of such land for a~~
24 ~~use other than agricultural use, agricultural reserve or forest~~
25 ~~reserve shall subject the entire tract to liability for the~~
26 ~~roll back taxes as set forth in section 8 of this act applicable~~
27 ~~thereto except in cases of transfers to family members.~~

28 ~~(c)~~ (B) The owner of property subject to a preferential tax ←
29 assessment may transfer land covered by the preferential tax
30 assessment to any member of his immediate family without

1 incurring roll-back taxes: Provided, That the tract of land so
2 transferred shall not exceed two acres and may only be used for
3 the construction of a residential dwelling to be occupied by the
4 family member to which the land is transferred. The transfer of
5 a parcel of land to a family member which meets the requirements
6 of this section shall not invalidate the preferential tax
7 assessment and the land retained by the landowner shall continue
8 to be eligible for use value assessment if it continues to meet
9 the minimum acreage OR, IF DEVOTED TO AGRICULTURAL USE, GROSS <—
10 INCOME requirements established by this act.

11 ~~(d)~~ (C) Any change in use of a separation or split-off of <—
12 land shall be in compliance with the zoning ordinances of the
13 local municipality, if in effect.

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

21 Section 8. Determination of Amounts of Taxes When Use
22 Abandoned.--(a) When any tract of land which is in agricultural
23 use, or agricultural reserve use or forest reserve use and which
24 is being valued, assessed and taxed under the provisions of this
25 act, is applied to a use other than agricultural, agricultural
26 reserve or forest reserve, or for any other reason is removed
27 from the category of land preferentially assessed and taxed
28 under this act, the land so removed and the entire tract of
29 which it was a part shall be subject to taxes in an amount equal
30 to the difference, hereinafter referred to as roll-back taxes,

1 if any, between the taxes paid or payable on the basis of the
2 valuation and the assessment authorized hereunder and the taxes
3 that would have been paid or payable had that land been valued,
4 assessed and taxed as other land in the taxing district in the
5 current tax year, the year of change, and in nine of the
6 previous tax years or the number of years of preferential
7 assessment up to ten, plus interest at a rate derived from
8 averaging during such period, the monthly maximum lawful rates
9 of interest for residential mortgages fixed and published in the
10 Pennsylvania Bulletin pursuant to section 301 of the act of
11 January 30, 1974 (P.L. , No.6), entitled "An act regulating
12 agreements for the loan or use of money; establishing a maximum
13 lawful interest rate in the Commonwealth; providing for a legal
14 rate of interest; detailing exceptions to the maximum lawful
15 interest rate for residential mortgages and for any loans in the
16 principal amount of more than fifty thousand dollars and
17 Federally insured or guaranteed loans and unsecured,
18 noncollateralized loans in excess of thirty-five thousand
19 dollars and business loans in excess of ten thousand dollars;
20 providing protections to debtors to whom loans are made
21 including the provision for disclosure of facts relevant to the
22 making of residential mortgages, providing for notice of
23 intention to foreclose and establishment of a right to cure
24 defaults on residential mortgage obligations, provision for the
25 payment of attorney's fees with regard to residential mortgage
26 obligations and providing for certain interest rates by banks
27 and bank and trust companies; clarifying the substantive law on
28 the filing of and execution on a confessed judgment; prohibiting
29 waiver of provisions of this act, specifying powers and duties
30 of the Secretary of Banking, and establishing remedies and

1 providing penalties for violations of this act." After the first
2 ten years of preferential assessment, the roll-back shall apply
3 to the ten most recent tax years.

4 (b) Unpaid roll-back taxes shall be a lien upon the property
5 collectible in the manner provided by law for the collection of
6 delinquent taxes. Roll-back taxes shall become due on the date
7 of change of use, or any other termination of preferential
8 assessment and shall be paid by the owner of the land at the
9 time of change in use, or any other termination of assessment,
10 to the county treasurer whose responsibility it shall be to make
11 proper distribution of the taxes and interest to the taxing
12 bodies wherein the property is located.

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

16 Section 10. Renegotiation of Open Space Agreements.--Any
17 county which has covenanted with land owners of farm or forest
18 land as to assessments and open space use of such land under the
19 act of January 13, 1966 (1965 P.L.1292, No.515), entitled "An
20 act enabling certain counties of the Commonwealth to covenant
21 with land owners for preservation of land in farm, forest, water
22 supply, or open space uses," may, at ~~its option~~ THE LANDOWNER'S ←
23 OPTION, renegotiate such agreements so as to make them conform
24 to the provisions of this act as to preferential assessments.

25 Section 11. Applicability to Tax Year and Subsequent Tax
26 Years.--The tax year 1974 shall be deemed to be the first tax
27 year in which the provisions of this act shall apply, and this
28 act shall apply to the tax year 1974 and subsequent tax years.

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

1 Section 13. Severability; Inconsistent Laws.--If any
2 section, provision, or clause of this act shall be declared
3 invalid or inapplicable to any persons or circumstances, such
4 action shall not be construed to affect the rest of the act or
5 circumstances not so affected. All laws or portions of laws
6 inconsistent with the policy and provisions of this act are
7 hereby repealed to that extent.