

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, IN SENATE, OCTOBER 7, 1974

AN ACT

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

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 and Forest Land Assessment
11 Act of 1974."

12 Section 2. 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 "Agricultural commodity." Any and all plant and animal
16 products including Christmas trees produced in this State for
17 commercial purposes.

18 ~~"Agricultural reserve." Land which has a potential to~~ <—

1 ~~produce agricultural commodities.~~

2 AGRICULTURAL RESERVE." NONCOMMERCIAL OPEN SPACE LANDS USED <—
3 FOR OUTDOOR RECREATION OR THE ENJOYMENT OF SCENIC OR NATURAL
4 BEAUTY AND OPEN TO THE PUBLIC FOR SUCH USE, WITHOUT CHARGE OR
5 FEE, ON A NONDISCRIMINATORY BASIS.

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

11 ~~"Farmer owner operator." A natural person who derives income~~ <—
12 ~~from the agricultural yield of land devoted to agricultural use~~
13 ~~which he owns and operates.~~

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

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

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

29 (2) ~~Land presently devoted to agricultural reserve: Such~~ <—
30 ~~land is not less than ten contiguous acres in area.~~ LAND <—

1 PRESENTLY DEVOTED TO AGRICULTURAL RESERVE: SUCH LAND IS NOT LESS
2 THAN TEN CONTIGUOUS ACRES IN AREA.

3 ~~(3)~~ (3) Land presently devoted to forest reserve: Such land <—
4 is not less than ten contiguous acres in area.

5 ~~(4)~~ (4) THE CONTIGUOUS TRACT OF LAND FOR WHICH APPLICATION <—
6 IS MADE IS NOT LESS THAN THE ENTIRE CONTIGUOUS AREA USED BY THE
7 OWNER FOR AGRICULTURAL OR FOREST RESERVE PURPOSES.

8 (b) The assessor when determining the value of land in
9 agricultural use, ~~agricultural reserve use,~~, AGRICULTURAL <—
10 RESERVE USE, or forest reserve use, shall, in arriving at the
11 value of such land for its particular use, consider available
12 evidence of such lands' capability for its particular use as
13 derived from the soil survey at the Pennsylvania State
14 University, the National Cooperative Soil Survey, the United
15 States Census of Agricultural Categories of land use classes,
16 and evidence of the capability of land devoted to such use.

17 (c) Farm woodlots, contiguous to, and held by the same
18 ownership as other agricultural ~~or agricultural reserve~~ land is <—
19 not required to conform to the ten acre minimum forest reserve
20 requirement.

21 ~~Section 4. County Board of Assessment and Revision of~~ <—
22 ~~Taxes. (a) The county board for the assessment and revision of~~
23 ~~taxes shall have the responsibility to accept and process~~
24 ~~applications for preferential assessments as prescribed by this~~
25 ~~act.~~

26 ~~(b) In addition to keeping such records as are now or~~
27 ~~hereafter required by law, the county shall clearly indicate on~~
28 ~~the appropriate records those parcels that are assessed under~~
29 ~~the provisions of this act. It shall be the duty of the county~~
30 ~~board for the assessment and revision of taxes to immediately~~

1 ~~notify the appropriate taxing bodies of any preferential~~
2 ~~assessment granted or cancelled within their taxing~~
3 ~~jurisdictions.~~

4 ~~Section 5. Applications for Preferential Assessment. (a)~~
5 ~~Each owner of agricultural land, agricultural reserve and/or~~
6 ~~forest reserve, desiring preferential use assessment under this~~
7 ~~act, shall make application to the county board for the~~
8 ~~assessment and revision of taxes of the county in which the land~~
9 ~~is located. Such application must be submitted on or before July~~
10 ~~first of the year immediately preceding the tax year.~~
11 ~~Preferential assessment shall continue under the initial~~
12 ~~application until land use change takes place.~~

13 ~~(b) There shall be uniform application forms for~~
14 ~~preferential assessment in all counties. Such application forms~~
15 ~~shall be developed by the Department of Agriculture. In addition~~
16 ~~to the information which the Department of Agriculture shall~~
17 ~~deem appropriate, the following statement shall be included:~~

18 ~~"The applicant for preferential assessment hereby agrees that~~
19 ~~if his application is approved for preferential assessment to~~
20 ~~submit ten days' notice to the county assessor of a proposed~~
21 ~~change in use of the land, a split off of a portion of the land,~~
22 ~~or a conveyance of the land."~~

23 ~~The assessor shall notify the prospective buyer of any roll~~
24 ~~back tax due if a change in use occurs.~~

25 ~~SECTION 4. APPLICATIONS FOR PREFERENTIAL ASSESSMENTS. -- (A)~~ <—
26 ~~THE COUNTY BOARD FOR ASSESSMENT APPEALS SHALL HAVE THE~~
27 ~~RESPONSIBILITY TO ACCEPT AND PROCESS APPLICATIONS FOR~~
28 ~~PREFERENTIAL ASSESSMENTS AS PRESCRIBED BY THIS ACT.~~

29 ~~(B) EACH OWNER OF AGRICULTURAL LAND, AGRICULTURAL RESERVE ,~~ <—
30 ~~AGRICULTURAL RESERVE AND/OR FOREST RESERVE, DESIRING~~

1 PREFERENTIAL USE ASSESSMENT UNDER THIS ACT, SHALL MAKE
2 APPLICATION TO THE COUNTY BOARD OF ASSESSMENT APPEALS OF THE
3 COUNTY IN WHICH THE LAND IS LOCATED. SUCH APPLICATION MUST BE
4 SUBMITTED ON OR BEFORE JULY FIRST OF THE YEAR IMMEDIATELY
5 PRECEDING THE TAX YEAR. PREFERENTIAL ASSESSMENT SHALL CONTINUE
6 UNDER THE INITIAL APPLICATION UNTIL LAND USE CHANGE TAKES PLACE.

7 (C) THERE SHALL BE UNIFORM APPLICATION FORMS FOR
8 PREFERENTIAL ASSESSMENT IN ALL COUNTIES. SUCH APPLICATION FORMS
9 SHALL BE DEVELOPED BY THE DEPARTMENT OF AGRICULTURE. IN ADDITION
10 TO THE INFORMATION WHICH THE DEPARTMENT OF AGRICULTURE SHALL
11 DEEM APPROPRIATE, THE FOLLOWING STATEMENT SHALL BE INCLUDED:

12 "THE APPLICANT FOR PREFERENTIAL ASSESSMENT HEREBY AGREES, IF
13 HIS APPLICATION IS APPROVED FOR PREFERENTIAL ASSESSMENT, TO
14 SUBMIT THIRTY DAYS NOTICE TO THE COUNTY ASSESSOR OF A PROPOSED
15 CHANGE IN USE OF THE LAND, A SPLIT-OFF OF A PORTION OF THE LAND,
16 OR A CONVEYANCE OF THE LAND."

17 SECTION 5. RESPONSIBILITIES OF THE COUNTY ASSESSOR.--(A) IN
18 ADDITION TO KEEPING SUCH RECORDS AS ARE NOW OR HEREAFTER
19 REQUIRED BY LAW, IT SHALL BE THE DUTY OF THE COUNTY ASSESSOR:

20 (1) TO INDICATE ON PROPERTY RECORD CARDS, ASSESSMENT ROLLS,
21 AND ANY OTHER APPROPRIATE RECORDS, THE FAIR MARKET VALUE, THE
22 NORMAL ASSESSED VALUE AND THE PREFERENTIALLY ASSESSED VALUE OF
23 EACH PARCEL GRANTED PREFERENTIAL USE ASSESSMENTS UNDER THIS ACT;
24 AND ANNUALLY, TO RECORD ON SUCH RECORDS ALL CHANGES, IF ANY, IN
25 THE FAIR MARKET VALUE, THE NORMAL ASSESSED VALUE AND THE
26 PREFERENTIALLY ASSESSED VALUE OF SUCH PROPERTIES.

27 (2) TO NOTIFY THE APPROPRIATE TAXING BODIES OF ANY
28 PREFERENTIAL ASSESSMENTS GRANTED OR TERMINATED WITHIN THEIR
29 TAXING JURISDICTION WITHIN FIVE DAYS OF SUCH CHANGE.

30 (3) TO NOTIFY THE OWNER OF A PROPERTY THAT IS PREFERENTIALLY

1 ASSESSED UNDER THIS ACT AND THE TAXING BODIES OF THE DISTRICT IN
2 WHICH SUCH PROPERTY IS SITUATED OF ANY CHANGES IN THE FAIR
3 MARKET VALUE, THE NORMAL ASSESSED VALUE OR PREFERENTIALLY
4 ASSESSED VALUE WITHIN FIVE DAYS OF SUCH CHANGE. THERE SHALL BE A
5 RIGHT OF APPEAL AS PROVIDED FOR IN SECTION 9 OF THIS ACT.

6 (4) TO MAINTAIN A PERMANENT RECORD OF THE TAX RATES IN MILLS
7 LEVIED BY EACH OF THE TAXING AUTHORITIES IN THE COUNTY FOR EACH
8 TAX YEAR.

9 (B) IT SHALL BE THE DUTY OF THE COUNTY ASSESSOR, AS SET
10 FORTH UNDER SECTION 8(C) OF THIS ACT, TO CALCULATE ROLL-BACK
11 TAXES, GIVE NOTICE OF THE AMOUNTS DUE TO INTERESTED PARTIES AND
12 TO ~~ESTABLISH~~ FILE LIENS FOR UNPAID ROLL-BACK TAXES. <—

13 (C) THE PREFERENTIAL USE ASSESSMENTS GRANTED UNDER THIS ACT <—
14 SHALL NOT BE CONSIDERED BY THE STATE TAX EQUALIZATION BOARD IN
15 DETERMINING THE MARKET VALUE OF TAXABLE REAL PROPERTY FOR SCHOOL
16 SUBSIDY PURPOSES.

17 Section 6. Separation or Split-off.--(a) Separation or
18 split-off of a part of the land which is being valued, assessed
19 and taxed under this act either by conveyance or other action of
20 the owner of such land for a use other than agricultural ~~or~~ <—
21 ~~agricultural reserve~~ OR AGRICULTURAL RESERVE or forest reserve <—
22 shall, except when the separation occurs through condemnation,
23 subject the land so separated and the entire parcel from which
24 the land was separated to liability for the roll-back taxes as
25 set forth in section 8 of this act except as provided in
26 ~~subsections (b) or (c) of this section~~ SUBSECTION (B). <—

27 (b) The owner of property subject to a preferential tax
28 assessment may transfer land covered by the preferential tax
29 assessment: ~~to any member of his immediate family without~~ <—
30 ~~incurring roll-back taxes.~~ Provided, That the tract of land so

1 transferred shall not exceed two acres ANNUALLY and may only be <—
2 used for RESIDENTIAL, AGRICULTURAL, OR FOREST RESERVE USE DURING <—
3 SUCH TIME AS THE LAND RETAINED SHALL CONTINUE TO RECEIVE
4 PREFERENTIAL TAX ASSESSMENT AND the construction of a
5 residential dwelling to be occupied by the ~~family member to~~ <—
6 ~~which~~ PERSON TO WHOM the land is transferred: AND FURTHER <—
7 PROVIDED, THAT THE TOTAL PARCEL OR PARCELS OF LAND SO
8 TRANSFERRED UNDER THE PROVISIONS OF THIS SUBSECTION SHALL NOT
9 EXCEED TEN PERCENT OR TEN ACRES, WHICHEVER IS LESSER, OF THE <—
10 ENTIRE TRACT SUBJECT TO THE PREFERENTIAL TAX ASSESSMENT. ANY
11 PERSON MAY BRING AN ACTION IN EQUITY TO ENJOIN ANY USE OF THE
12 LAND INCONSISTENT WITH THE USE PROVIDED IN THIS SUBSECTION. SUCH
13 LAND SHALL BE SUBJECT TO ROLL-BACK TAXES DUE FOR EACH PARCEL
14 SEPARATED AND FOR SUCH PERIOD OF TIME AS PROVIDED BY SECTION 8
15 OF THIS ACT. The transfer of a parcel of land ~~to a family member~~ <—
16 which meets the requirements of this section shall not
17 invalidate the preferential tax assessment and the land retained
18 by the landowner shall continue to be eligible for use value
19 assessment if it continues to meet the minimum acreage or, if
20 devoted to agricultural use, gross income requirements
21 established by this act.

22 ~~(c) A present owner or a farmer owner operator of land~~ <—
23 ~~devoted to agricultural use and subject to preferential~~
24 ~~assessment may split off not more than ten acres in any year~~
25 ~~without incurring roll back taxes on the remaining land and~~
26 ~~without impairing the right of the remaining land to continue~~
27 ~~its preferential assessment status so long as it otherwise meets~~
28 ~~the requirements of this act. In each such case, the land~~
29 ~~separated shall be subject to roll back taxes as set forth in~~
30 ~~section 8(b).~~

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

4 Section 7. Contiguous Land in More Than One Taxing
5 District.--Where contiguous land in agricultural, ~~or~~ <—
6 ~~agricultural reserve~~, , OR AGRICULTURAL RESERVE, and/or forest <—
7 reserve use in one ownership is located in more than one taxing
8 district, compliance with the minimum area requirement shall be
9 determined on the basis of the total area of such land and not
10 the area which is located in the particular taxing district.

11 Section 8. Determination of Amounts of Taxes When Use
12 Abandoned.--(a) When any tract of land which is in agricultural
13 use, ~~or agricultural reserve use~~ , OR AGRICULTURAL RESERVE USE <—
14 or forest reserve use and which is being valued, assessed and
15 taxed under the provisions of this act, is applied to a use
16 other than agricultural, ~~agricultural reserve~~ , AGRICULTURAL <—
17 RESERVE or forest reserve, or for any other reason, except
18 condemnation thereof, is removed from the category of land
19 preferentially assessed and taxed under this act, the land so
20 removed and the entire tract of which it was a part shall be
21 subject to taxes in an amount equal to the difference,
22 hereinafter referred to as roll-back taxes, if any, between the
23 taxes paid or payable on the basis of the valuation and the
24 assessment authorized hereunder and the taxes that would have
25 been paid or payable had that land been valued, assessed and
26 taxed as other land in the taxing district in the current tax
27 year, the year of change, and in ~~nine~~ FOUR SIX of the previous <—
28 tax years or the number of years of preferential assessment up
29 to ~~ten FIVE~~, SEVEN plus interest on each year's roll-back tax at <—
30 the rate of six percent (6%) per annum. After the first ~~ten FIVE~~ <—

1 SEVEN years of preferential assessment, the roll-back shall <—
2 apply to the ~~ten FIVE~~ SEVEN most recent tax years. <—

3 (b) Unpaid roll-back taxes shall be a lien upon the property
4 collectible in the manner provided by law for the collection of
5 delinquent taxes. Roll-back taxes shall become due on the date
6 of change of use, or any other termination of preferential
7 assessment and shall be paid by the owner of the land at the
8 time of change in use, or any other termination of PREFERENTIAL <—
9 assessment, to the county treasurer OR TO THE TAX CLAIM BUREAU, <—
10 AS THE CASE MAY BE, 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 (C) WITHIN FIVE WORKING DAYS AFTER RECEIPT OF A NOTICE FROM <—
14 THE OWNER OF A PROPERTY, WHICH IS PREFERENTIALLY ASSESSED, OF A
15 PROPOSED CHANGE IN THE USE OF THE LAND, A SPLIT-OFF OF A PORTION
16 OF THE LAND, OR A CONVEYANCE OF THE LAND, AS PROVIDED FOR UNDER
17 SECTION 4(C), THE COUNTY ASSESSOR SHALL:

18 (1) CALCULATE BY YEARS THE TOTAL OF ALL ROLL-BACK TAXES DUE
19 AT THE TIME OF CHANGE AND SHALL NOTIFY THE PROPERTY OWNER OF
20 SUCH AMOUNTS. IN THE CASE OF A CONVEYANCE OF ALL OR PART OF SAID
21 LAND, HE SHALL NOTIFY THE PROSPECTIVE BUYER, IF KNOWN, OF SUCH
22 AMOUNTS.

23 (2) WITH RESPECT TO THE ROLL-BACK TAXES FOR THE CURRENT
24 YEAR, HE SHALL NOTIFY THE TAXING BODIES OF THE DISTRICT IN WHICH
25 THE PROPERTY IS LOCATED OF THE ADDITIONAL AMOUNT OF ASSESSMENT
26 UPON WHICH TAXES SHALL BE LEVIED AND COLLECTED. IN THE CASE OF
27 COUNTY PROPERTY TAXES, HE SHALL NOTIFY THE TAX COLLECTOR OF THE
28 APPROPRIATE DISTRICT OF ADDITIONAL COUNTY TAX TO BE COLLECTED.

29 (3) WITH RESPECT TO ROLL-BACK TAXES FOR YEARS PRIOR TO THE
30 CURRENT YEAR WHICH THE ASSESSOR HAS DETERMINED TO BE DUE, HE

1 SHALL FILE A CLAIM FOR SUCH AMOUNTS WITH THE TAX CLAIM BUREAU OR
2 THE COUNTY TREASURER, AS THE CASE MAY BE, WHICH UPON SAID FILING
3 SHALL CONSTITUTE A LIEN HAVING THE SAME FORCE AND EFFECT AS IF
4 FILED BY THE TAXING BODIES.

5 ~~Section 9. Appeals. There shall be a right of appeal which~~ <—
6 ~~shall conform to practice in the particular county in which~~
7 ~~preferential assessment is being sought.~~

8 SECTION 9. APPEALS.--(A) THE OWNER OF A PROPERTY UPON WHICH <—
9 A PREFERENTIAL ASSESSMENT IS SOUGHT, AND THE POLITICAL
10 SUBDIVISION IN WHICH SAID PROPERTY IS SITUATED, SHALL HAVE THE
11 RIGHT OF APPEAL IN ACCORDANCE WITH EXISTING LAW.

12 (B) WHEN ROLL-BACK TAXES FOR PRIOR YEARS ARE TO BE COLLECTED
13 AS PROVIDED ABOVE, NO PERSON AND NO POLITICAL SUBDIVISION SHALL
14 BE PERMITTED TO QUESTION ANY ASSESSMENT OF ANY PRIOR YEAR BEFORE
15 THE BOARD OF ASSESSMENT APPEALS UNLESS A TIMELY APPEAL WAS FILED
16 PURSUANT TO THE REQUIREMENTS OF THE ACTS OF ASSEMBLY RELATING TO
17 ASSESSMENT APPEALS DURING THE TIME PERIOD FOR WHICH APPEALS FOR
18 THAT YEAR WOULD NORMALLY BE TAKEN.

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

28 ~~Section 11. Applicability to Tax Year and Subsequent Tax~~ <—
29 ~~Years. The tax year 1974 1975 shall be deemed to be the first~~ <—
30 ~~tax year in which the provisions of this act shall apply, and~~

1 ~~this act shall apply to the tax year 1974 1975 and subsequent~~ <—
2 ~~tax years.~~

3 SECTION ~~12.~~ 11. RULES AND REGULATIONS.--THE SECRETARY OF THE <—
4 DEPARTMENT OF AGRICULTURE SHALL PROMULGATE RULES AND REGULATIONS
5 NECESSARY TO PROMOTE THE EFFICIENT, UNIFORM, STATEWIDE
6 ADMINISTRATION OF THE ACT.

7 Section ~~12. 13.~~ 12. Applicability.--This act shall apply to <—
8 all counties of the Commonwealth of Pennsylvania.

9 Section ~~13. 14.~~ 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.

16 SECTION 14. EFFECTIVE DATE.--THIS ACT SHALL TAKE EFFECT <—
17 IMMEDIATELY.