

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 144 Session of
2011

INTRODUCED BY PICKETT, MAJOR, MAHER, BOYD, FLECK, GINGRICH,
HESS, MILLARD, OBERLANDER, SAYLOR, VULAKOVICH, MILLER, GEIST,
MOUL, GROVE AND DENLINGER, FEBRUARY 9, 2011

SENATOR CORMAN, APPROPRIATIONS, IN SENATE, RE-REPORTED AS
AMENDED, JUNE 21, 2011

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, FOR LAND DEVOTED TO AGRICULTURAL ←
9 USE, AGRICULTURAL RESERVE, AND/OR FOREST RESERVE AND for
10 utilization of land or conveyance of rights for exploration
11 or extraction of gas, oil or coal bed methane.

12 The General Assembly of the Commonwealth of Pennsylvania
13 hereby enacts as follows:

14 ~~Section 1. Section 6(c.1) of the act of December 19, 1974 ←~~
15 ~~(P.L.973, No.319), known as the Pennsylvania Farmland and Forest~~
16 ~~Land Assessment Act of 1974, added October 27, 2010 (P.L.866,~~
17 ~~No.88), is amended to read:~~

18 SECTION 1. THE DEFINITION OF "AGRICULTURAL USE" IN SECTION 2 ←
19 OF THE ACT OF DECEMBER 19, 1974 (P.L.973, NO.319), KNOWN AS THE
20 PENNSYLVANIA FARMLAND AND FOREST LAND ASSESSMENT ACT OF 1974,

1 AMENDED NOVEMBER 23, 2010 (P.L.1095, NO.109), IS AMENDED AND THE
2 SECTION IS AMENDED BY ADDING A DEFINITION TO READ:

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

6 * * *

7 "AGRICULTURAL USE." LAND WHICH IS USED FOR THE PURPOSE OF
8 PRODUCING AN AGRICULTURAL COMMODITY OR IS DEVOTED TO AND MEETS
9 THE REQUIREMENTS AND QUALIFICATIONS FOR PAYMENTS OR OTHER
10 COMPENSATION PURSUANT TO A SOIL CONSERVATION PROGRAM UNDER AN
11 AGREEMENT WITH AN AGENCY OF THE FEDERAL GOVERNMENT. THE TERM
12 INCLUDES:

13 (1) ANY FARMSTEAD LAND ON THE TRACT;

14 (2) A WOODLOT;

15 (3) ANY LAND WHICH IS RENTED TO ANOTHER PERSON AND USED FOR
16 THE PURPOSE OF PRODUCING AN AGRICULTURAL COMMODITY; [AND]

17 (4) ANY LAND DEVOTED TO THE DEVELOPMENT AND OPERATION OF AN
18 ALTERNATIVE ENERGY SYSTEM, IF A MAJORITY OF THE ENERGY ANNUALLY
19 GENERATED IS UTILIZED ON THE TRACT[.]; AND

20 (5) ANY LAND DEVOTED TO COMPOSTING.

21 * * *

22 "COMPOSTING." THE PROCESSING OF AGRICULTURAL MANURES INTO
23 MATERIAL, PRODUCTS OR SUBSTANCES USEFUL TO HUMANKIND, INCLUDING
24 FINISHED COMPOST TRANSPORTED OR INTENDED TO BE TRANSPORTED IN
25 COMMERCE. THE TERM INCLUDES ANY LAND, FACILITIES, BUILDINGS,
26 STRUCTURES, EQUIPMENT OR OPERATIONS USED TO ENHANCE THE FORM,
27 ECONOMIC VALUE OR ENERGY VALUE OF THE MANURE AND SUCH MATTER. IF
28 MATERIALS OTHER THAN MANURE ARE USED AS INGREDIENTS IN THE
29 COMPOSTING PROCESS, THE AMOUNT OF THOSE OTHER MATERIALS BY
30 WEIGHT SHALL NOT EXCEED THE AMOUNT OF MANURE USED BY WEIGHT. THE

1 TERM SHALL ALSO INCLUDE OTHER BENEFICIAL USES OF SUCH
2 AGRICULTURAL MANURES, AGRICULTURAL WASTE MATERIAL AND BYPRODUCTS
3 THEREFROM, INCLUDING METHANE AND OTHER DIGESTERS, SUCH USES AS
4 MAY BE SET FORTH IN THE DULY APPROVED NUTRIENT MANAGEMENT PLAN
5 FOR THE ENROLLED LAND AND SUCH USES ADOPTED IN FURTHERANCE OF
6 AND IN COMPLIANCE WITH THE ENVIRONMENTAL LAWS OF THE UNITED
7 STATES AND OF THIS COMMONWEALTH, INCLUDING THOSE RELATING TO THE
8 RESTORATION OF THE CHESAPEAKE BAY.

9 * * *

10 SECTION 2. SECTION 3(A.1) OF THE ACT IS AMENDED BY ADDING A
11 PARAGRAPH TO READ:

12 SECTION 3. LAND DEVOTED TO AGRICULTURAL USE, AGRICULTURAL
13 RESERVE, AND/OR FOREST RESERVE.--* * *

14 (A.1) THE FOLLOWING APPLY TO ENROLLMENT:

15 * * *

16 (3) LAND ENROLLED AS DEVOTED TO COMPOSTING SHALL BE LIMITED
17 TO THE LAND ACTUALLY USED FOR COMPOSTING AND SHALL NOT INCLUDE
18 ADJACENT LAND THAT IS OTHERWISE USED.

19 * * *

20 SECTION 3. SECTION 6(C.1) OF THE ACT, ADDED OCTOBER 27, 2010
21 (P.L.866, NO.88), IS AMENDED TO READ:

22 Section 6. Split-off, Separation or Transfer; Leasing for
23 Wireless Service; Utilization of Land or Conveyance of Rights
24 for Exploration or Extraction of Gas, Oil or Coal Bed Methane;
25 Utilization of Land for Commercial Alternative Energy
26 Generation; Death of Landowner; Temporary Leases.--* * *

27 (c.1) The following apply:

28 (1) Land subject to preferential assessment may be leased or
29 otherwise devoted to the exploration for and removal of gas and
30 oil, including the extraction of coal bed methane, and the

1 development of appurtenant facilities, including new roads and
2 bridges, pipelines and other buildings or structures, related to
3 exploration for and removal of gas and oil and the extraction of
4 coal bed methane.

5 (2) Portions of land subject to preferential assessment may
6 be used for exploration for and removal of gas and oil,
7 including the extraction of coal bed methane, and the
8 development of appurtenant facilities, including new roads and
9 bridges, pipelines and other buildings or structures, related to
10 those activities.

11 (3) Roll-back taxes shall be imposed upon those portions of
12 land actually devoted to activities set forth in paragraph (2),
13 excluding land devoted to subsurface transmission or gathering
14 lines, which shall not be subject to roll-back tax. The portion
15 of land subject to roll-back tax shall be the [restored] well
16 site and land which is incapable of being immediately used for
17 the agricultural use, agricultural reserve or forest reserve
18 activities required under section 3, as [measured from the]
19 determined when a well [site restoration] production report
20 [approved by] is first due to the Department of Environmental
21 Protection as required by section 212 of the act of December 19,
22 1984 (P.L.1140, No.223), known as the "Oil and Gas Act," and
23 Pa. Code [78.65 (relating to site restoration)] § 78.121
24 (relating to annual production report) or its subsequent
25 version. A copy of this report shall be [submitted] provided by
26 the Department of Environmental Protection to the county
27 assessor within ten days of its [approval] submission. The fair
28 market value of the [restored] well site and land which is
29 incapable of being immediately used for the agricultural use,
30 agricultural reserve or forest reserve activities required under

1 section 3 shall be adjusted retroactively to the date a permit
2 was approved under section 201 of [the act of December 19, 1984
3 (P.L.1140, No.223), known as] the "Oil and Gas Act." The tax
4 calculated based on the adjusted fair market value shall be due
5 and payable in the tax year immediately following the year in
6 which a well production report is provided to the county
7 assessor. Roll-back taxes shall become due upon the [filing of
8 the approved well site restoration] receipt of a well production
9 report [with] by the county assessor. The utilization of a
10 portion of land for activities set forth in paragraph (2) shall
11 not invalidate the preferential assessment of the land which is
12 not so utilized and the land shall continue to receive
13 preferential assessment if it continues to meet the requirements
14 of section 3.

15 (4) Notwithstanding paragraph (3), no roll-back tax shall be
16 imposed upon a landowner for activities related to the
17 exploration for or removal of oil or gas, including the
18 extraction of coal bed methane, conducted by parties other than
19 the landowner that hold the rights to conduct such activities
20 pursuant to an instrument, conveyance or other vesting of the
21 rights if the transfer of the rights occurred:

22 (i) before the land was enrolled for preferential assessment
23 under this act; and

24 (ii) before the effective date of this section.

25 * * *

26 SECTION 4. THE AMENDMENT OF SECTION 2 OF THE ACT SHALL BE
27 APPLICABLE TO ANY COMPOSTING USE ALREADY IN EXISTENCE THAT IS
28 LOCATED UPON LAND ENROLLED UNDER THE ACT OF DECEMBER 19, 1974
29 (P.L.973, NO.319), KNOWN AS THE PENNSYLVANIA FARMLAND AND FOREST
30 LAND ASSESSMENT ACT OF 1974, INCLUDING THOSE COMPOSTING USES

1 EXISTING AS OF THE EFFECTIVE DATE OF THIS ACT FOR WHICH ROLLBACK
2 TAX MAY HAVE BEEN ASSESSED FOR A COMPOSTING USE. PROVIDED AN
3 ENROLLED OWNER HAS FILED AN APPEAL FROM A DECISION OF A COUNTY
4 ASSESSOR, A BOARD OF ASSESSMENT APPEALS OR A COURT WITH
5 JURISDICTION, NO ROLLBACK TAX SHALL BE DUE OR COLLECTED FROM AN
6 ENROLLED OWNER AS TO ANY COMPOSTING USE AS COMPOSTING IS DEFINED
7 IN SECTION 2 OF THE ACT.

8 Section 2 5. This act shall take effect immediately.

