

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL**No. 1515** Session of
1993

INTRODUCED BY B. SMITH, LLOYD, KREBS, HERSHEY, CARONE, STAIRS,
BARLEY, MILLER, ARMSTRONG, TRELLO, PERZEL, JAROLIN, GEIST,
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HECKLER, ARGALL, KING, GERLACH, HARLEY, STERN, STEIL, CIVERA,
WAUGH AND HENNESSEY, MAY 3, 1993

AS RE-REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF
REPRESENTATIVES, AS AMENDED, JUNE 23, 1993

AN ACT

1 Providing for the assessment of real property subject to an
2 agricultural conservation easement.

3 The General Assembly finds and declares as follows:

4 (1) The Commonwealth has undertaken a Statewide program
5 to encourage landowners of prime agricultural land to sell
6 their rights to develop the land. Other public and private
7 programs promote the donation of development rights as a way
8 of preserving farmland. Farmland owners who sell or donate
9 their development rights need to have the assurance that
10 their properties will be valued for use restricted to
11 agriculture.

12 (2) It is the intent of this General Assembly that land
13 covered by an agricultural conservation easement by which
14 development rights were transferred should be valued and
15 assessed at its restricted farmland market value for the

1 duration of the easement. This action will complement the
2 State and private programs whose intent is to preserve
3 farmland as well as to preserve the economic viability of
4 agriculture in this Commonwealth.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Short title.

8 This act shall be known and may be cited as the Preserved
9 Farmland Tax Stabilization Act.

10 Section 2. Definitions.

11 The following words and phrases when used in this act shall
12 have the meanings given to them in this section unless the
13 context clearly indicates otherwise:

14 "Agricultural conservation easement." A holder's
15 nonpossessory interest in real property, whether appurtenant or
16 in gross, imposing limitations or affirmative obligations, the
17 purpose of which is to assure its availability for agricultural
18 use, and which contains a third-party right of enforcement.

19 "Common level ratio." The ratio of assessed value to current
20 market value used generally in the county as last determined by
21 the State Tax Equalization Board pursuant to the act of June 27,
22 1947 (P.L.1046, No.447), referred to as the State Tax
23 Equalization Board Law.

24 "Established predetermined ratio." The ratio of assessed
25 value to market value established by the board of county
26 commissioners and uniformly applied in determining assessed
27 value in any year pursuant to the act of May 22, 1933 (P.L.853,
28 No.155), known as The General County Assessment Law.

29 "Holder." The term includes the following:

30 (1) A governmental body empowered to hold an interest in

1 real property under the laws of this Commonwealth or the
2 United States.

3 (2) A charitable corporation, charitable association or
4 charitable trust registered with the Bureau of Charitable
5 Organizations of the Department of State and exempt from
6 taxation under section 501(c)(3) of the Internal Revenue Code
7 of 1986 (Public Law 99-514, 26 U.S.C. § 501(c)(3)), or other
8 Federal or Commonwealth statutes or regulations, the purposes
9 or powers of which include assuring the availability of real
10 property for agricultural use.

11 "Restricted farmland market value." The fair market value of
12 farmland that has been restricted by an agricultural
13 conservation easement, thus limiting the highest and best use of
14 the land to agricultural purposes.

15 "Third-party right of enforcement." A right provided in an
16 agricultural conservation easement, in order to enforce any of
17 its terms, granted to either:

18 (1) a governmental body; or

19 (2) a charitable corporation, charitable association or
20 charitable trust;

21 which, although eligible to be a holder, is not a holder.

22 Section 3. Assessment of land containing agricultural
23 conservation easement.

24 (a) Assessment.--The assessed value of land, but not the
25 buildings thereon, which is subject to either a perpetual
26 agricultural conservation easement or an agricultural
27 conservation easement for less than perpetuity, shall be
28 determined by determining the restricted farmland market value
29 of the land and by applying the current established
30 predetermined ratio of the county to the restricted farmland

1 market value, unless the appropriate common level ratio
2 determined by the State Tax Equalization Board varies by more
3 than 15% from the established predetermined ratio, in which case
4 the common level ratio shall be applied to the restricted
5 farmland market value.

6 (b) Revaluation.--

7 (1) After the initial assessment of land which is
8 subject to perpetual agricultural conservation easement under
9 subsection (a), the assessed value of that land may be
10 decreased but shall not be increased unless a county has
11 effected a countywide revision of assessments.

12 (2) After the initial assessment of land which is
13 subject to an agricultural conservation easement for less
14 than perpetuity under subsection (a), the assessed value of
15 that land may be changed as a result of a countywide revision
16 of assessments and may annually be subject to revaluation, IN ←
17 ACCORDANCE WITH THE PROVISIONS OF SUBSECTION (A), pursuant to
18 the appeal procedures of the applicable law governing
19 assessments in the county in which the land is located.

20 (c) Countywide revision of assessments.--In the event that
21 there is a countywide revision of assessments involving either
22 the revaluing of properties or a mathematical change in the
23 assessment base, the assessed value of land, but not the
24 buildings thereon, which is subject to either a perpetual
25 agricultural conservation easement or an agricultural
26 conservation easement for less than perpetuity shall be
27 determined ~~by applying~~ IN ACCORDANCE WITH THE PROVISIONS OF ←
28 SUBSECTION (A) PURSUANT TO the procedure for determining
29 assessed value of property in assessment appeals after a
30 countywide revision of assessments.

1 Section 4. Other preferential assessments of land ~~containing~~ ←
2 COVERED BY agricultural conservation easement. ←

3 The provisions of this act shall not be applied to determine
4 assessed value of land which is subject to either a perpetual
5 agricultural conservation easement or an agricultural
6 conservation easement for less than perpetuity if the result
7 would be a higher assessment than would be obtained by applying
8 other authorized methods of assessment. Land which qualifies to
9 be assessed pursuant to this act shall not be prohibited from
10 qualifying for preferential assessment pursuant to any other law
11 and shall be assessed at the lowest preferential assessment for
12 which it qualifies.

13 Section 5. Repeals.

14 All acts and parts of acts are repealed insofar as they are
15 inconsistent with this act.

16 Section 6. Applicability.

17 This act shall apply to all lands subject to an agricultural
18 conservation easement on the effective date of this act and to
19 subsequent agricultural conservation easements which become
20 applicable after the effective date of this act, provided that
21 this act shall apply to the taxes owed on such easements only
22 for tax years beginning on or after the effective date of this
23 act.

24 Section 7. Effective date.

25 This act shall take effect immediately.