



Agriculture & Rural Affairs Committee

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SENATE BILL: 298

PRINTER'S NUMBER: 593

PRIME SPONSOR: YAW

SUMMARY:

Senate Bill 298 amends Act 319 of 1974, Clean and Green, by explicitly allowing for the leasing of land for gas and oil exploration. In addition, drilling and extraction of oil and gas is permitted if each tract of land so drilled is accessible and the land is not sold or subdivided. Roll-back taxes shall be imposed upon the land used for oil and gas drilling but such activity shall not invalidate preferential assessment on the remainder of the land, as long as it continues to qualify under Act 319. A lease of land is not considered a subdivision.

Under SB 298, the lessee of the tract is solely responsible for obtaining any required permits and a municipality cannot deny a permit for any reason other than failure to strictly comply with permit application procedures.

This bill becomes effective in 60 days.

SUMMARY OF RELEVANT EXISTING LAW:

SB 298 amends the Pennsylvania Farmland and Forestland Assessment Act of 1974 (Act 319 of 1974), commonly known as the Clean & Green Act. Article 8, Section 2 of the Pennsylvania Constitution provides the authority for The Pennsylvania Farmland and Forest Land Assessment Act of 1974 (Act 319):

(b) The General Assembly may, by law:

(i) Establish standards and qualifications for private forest reserves, agriculture reserves, and land actively devoted to agricultural use, and make special provision for the taxation thereof...

The law is administered by county assessment offices and the Bureau of Farmland Preservation at the Department of Agriculture. Every county must participate if an application is filed by a landowner. Applications are due each year by June 1.

A minimum of ten acres and eligibility in one of three designated categories (agricultural use, agricultural reserve or forest reserve) is required to qualify for preferential assessment. In exchange for keeping land in one of three designated uses, a landowner is eligible to receive preferential tax assessment on that land until a land use change takes place which would disqualify the property for inclusion in the program. Preferential assessment is based on the use value of the land rather than the market value.

The Department of Agriculture annually provides use values to each county and the county must either use the state values or lesser values. The values are given for each soil class and are based on actual soil productivity capabilities. They are developed in consultation with Penn State, USDA and using actual data from the Pennsylvania Agricultural Statistics Service.

Penalties in the form of roll-back taxes plus interest are charged if a landowner changes the use of preferentially assessed land to a use which does not meet the qualifications for the program.

Regulations for the program are at 7 PaCode, Chapter 137b.