

1 **PROPERTY TAX ASSESSMENT APPEAL AMENDMENTS**

2 2017 GENERAL SESSION

3 STATE OF UTAH

4

5 **LONG TITLE**

6 **General Description:**

7 This bill establishes the time periods for filing an appeal under the Farmland
8 Assessment Act and the Urban Farming Assessment Act.

9 **Highlighted Provisions:**

10 This bill:

- 11 ▶ establishes the time periods for filing an appeal under the Farmland Assessment Act
- 12 and the Urban Farming Assessment Act; and
- 13 ▶ makes technical changes.

14 **Money Appropriated in this Bill:**

15 None

16 **Other Special Clauses:**

17 None

18 **Utah Code Sections Affected:**

19 AMENDS:

20 **59-2-506**, as last amended by Laws of Utah 2014, Chapter 279

21 **59-2-1705**, as last amended by Laws of Utah 2014, Chapters 279 and 413

22 ENACTS:

23 **59-2-516**, Utah Code Annotated 1953

24 **59-2-1713**, Utah Code Annotated 1953

25

26 *Be it enacted by the Legislature of the state of Utah:*

27 Section 1. Section **59-2-506** is amended to read:

28 **59-2-506. Rollback tax -- Penalty -- Computation of tax -- Procedure -- Lien --**
29 **Interest -- Notice -- Collection -- Distribution -- Appeal to county board of equalization.**

30 (1) Except as provided in this section, Section 59-2-506.5, or Section 59-2-511, if land
31 is withdrawn from this part, the land is subject to a rollback tax imposed in accordance with
32 this section.

33 (2) (a) An owner shall notify the county assessor that land is withdrawn from this part
34 within 120 days after the day on which the land is withdrawn from this part.

35 (b) An owner that fails to notify the county assessor under Subsection (2)(a) that land is
36 withdrawn from this part is subject to a penalty equal to the greater of:

37 (i) \$10; or

38 (ii) 2% of the rollback tax due for the last year of the rollback period.

39 (3) (a) The county assessor shall determine the amount of the rollback tax by
40 computing the difference for the rollback period described in Subsection (3)(b) between:

41 (i) the tax paid while the land was assessed under this part; and

42 (ii) the tax that would have been paid had the property not been assessed under this
43 part.

44 (b) For purposes of this section, the rollback period is a time period that:

45 (i) begins on the later of:

46 (A) the date the land is first assessed under this part; or

47 (B) five years preceding the day on which the county assessor mails the notice required
48 by Subsection (5); and

49 (ii) ends the day on which the county assessor mails the notice required by Subsection
50 (5).

51 (4) (a) The county treasurer shall:

52 (i) collect the rollback tax; and

53 (ii) after the rollback tax is paid, certify to the county recorder that the rollback tax lien
54 on the property has been satisfied by:

55 (A) preparing a document that certifies that the rollback tax lien on the property has
56 been satisfied; and

57 (B) providing the document described in Subsection (4)(a)(ii)(A) to the county recorder
58 for recordation.

59 (b) The county treasurer shall pay the rollback tax collected under this section [~~shall~~]:

60 (i) [~~be paid~~] into the county treasury; and

61 (ii) [~~be paid by the county treasurer~~] to the various taxing entities pro rata in
62 accordance with the property tax levies for the current year.

63 (5) (a) The county assessor shall mail to an owner of the land that is subject to a

64 rollback tax a notice that:

65 (i) the land is withdrawn from this part;

66 (ii) the land is subject to a rollback tax under this section; and

67 (iii) the rollback tax is delinquent if the owner of the land does not pay the tax within

68 30 days after the day on which the county assessor mails the notice described in this Subsection

69 (5)(a).

70 (b) (i) The rollback tax is due and payable on the day the county assessor mails the

71 notice required by Subsection (5)(a).

72 (ii) Subject to Subsection (7), the rollback tax is delinquent if an owner of the land that

73 is withdrawn from this part does not pay the rollback tax within 30 days after the day on which

74 the county assessor mails the notice required by Subsection (5)(a).

75 (6) (a) Subject to Subsection (6)(b), the following are a lien on the land assessed under

76 this part:

77 (i) the rollback tax; and

78 (ii) interest imposed in accordance with Subsection (7).

79 (b) The lien described in Subsection (6)(a) shall:

80 (i) arise upon the imposition of the rollback tax under this section;

81 (ii) end on the day on which the rollback tax and interest imposed in accordance with

82 Subsection (7) are paid in full; and

83 (iii) relate back to the first day of the rollback period described in Subsection (3)(b).

84 (7) (a) A delinquent rollback tax under this section shall accrue interest:

85 (i) from the date of delinquency until paid; and

86 (ii) at the interest rate established under Section 59-2-1331 and in effect on January 1

87 of the year in which the delinquency occurs.

88 (b) [~~A~~] The county treasurer shall include in the notice required by Section 59-2-1317 a

89 rollback tax that is delinquent on September 1 of any year [~~shall be included on the notice~~

90 ~~required by Section 59-2-1317, along with]~~ and interest calculated on that delinquent amount

91 through November 30 of the year in which the county treasurer provides the notice under

92 Section 59-2-1317.

93 (8) (a) Land that becomes ineligible for assessment under this part only as a result of an

94 amendment to this part is not subject to the rollback tax if the owner of the land notifies the

95 county assessor, in accordance with Subsection (2), that the land is withdrawn from this part
96 [~~in accordance with Subsection (2)~~].

97 (b) Land described in Subsection (8)(a) that is withdrawn from this part as a result of
98 an event other than an amendment to this part, whether voluntary or involuntary, is subject to
99 the rollback tax.

100 (9) Except as provided in Section 59-2-511, land that becomes exempt from taxation
101 under Utah Constitution, Article XIII, Section 3, is not subject to the rollback tax if the land
102 meets the requirements of Section 59-2-503 to be assessed under this part.

103 (10) Land that becomes ineligible for assessment under this part only as a result of a
104 split estate mineral rights owner exercising the right to extract a mineral is not subject to the
105 rollback tax:

106 (a) (i) for the portion of the land required by a split estate mineral rights owner to
107 extract a mineral if, after the split estate mineral rights owner exercises the right to extract a
108 mineral, the portion of the property that remains in agricultural production still meets the
109 acreage requirements of Section 59-2-503 for assessment under this part; or

110 (ii) for the entire acreage that would otherwise qualify for assessment under this part if,
111 after the split estate mineral rights owner exercises the right to extract a mineral, the entire
112 acreage that would otherwise qualify for assessment under this part no longer meets the acreage
113 requirements of Section 59-2-503 for assessment under this part only due to the extraction of
114 the mineral by the split estate mineral rights owner; and

115 (b) for the period of time that the property described in Subsection (10)(a) is ineligible
116 for assessment under this part due to the extraction of a mineral by the split estate mineral
117 rights owner.

118 [~~(11)(a) Subject to Subsection (11)(b), an owner of land may appeal to the county
119 board of equalization:]~~

120 [~~(i) a decision by a county assessor to withdraw land from assessment under this part,
121 or]~~

122 [~~(ii) the imposition of a rollback tax under this section.]~~

123 [~~(b) An owner shall file an appeal under Subsection (11)(a) no later than 45 days after
124 the day on which the county assessor mails the notice required by Subsection (5).]~~

125 Section 2. Section **59-2-516** is enacted to read:

126 **59-2-516. Appeal to the county board of equalization.**

127 Notwithstanding Section 59-2-1004 or 63G-4-301, the owner of land may appeal the
 128 determination or denial of a county assessor to the county board of equalization within 45 days
 129 after the day on which:

130 (1) the county assessor makes a determination under this part; or

131 (2) the county assessor's failure to make a determination results in the owner's request
 132 being considered denied under this part.

133 Section 3. Section **59-2-1705** is amended to read:

134 **59-2-1705. Rollback tax -- Penalty -- Computation of tax -- Procedure -- Lien --**
 135 **Interest -- Notice -- Collection -- Distribution -- Appeal to county board of equalization.**

136 (1) Except as provided in this section or Section 59-2-1710, land that is withdrawn
 137 from this part is subject to a rollback tax imposed as provided in this section.

138 (2) (a) An owner shall notify the county assessor that land is withdrawn from this part
 139 within 120 days after the day on which the land is withdrawn from this part.

140 (b) An owner who fails to notify the county assessor under Subsection (2)(a) that land
 141 is withdrawn from this part is subject to a penalty equal to the greater of:

142 (i) \$10; or

143 (ii) 2% of the rollback tax due for the last year of the rollback period.

144 (3) (a) The county assessor shall determine the amount of the rollback tax by
 145 computing the difference for the rollback period described in Subsection (3)(b) between:

146 (i) the tax paid while the land was assessed under this part; and

147 (ii) the tax that would have been paid had the property not been assessed under this
 148 part.

149 (b) For purposes of this section, the rollback period is a time period that:

150 (i) begins on the later of:

151 (A) the date the land is first assessed under this part; or

152 (B) five years preceding the day on which the county assessor mails the notice required
 153 by Subsection (5); and

154 (ii) ends the day on which the county assessor mails the notice required by Subsection
 155 (5).

156 (4) (a) The county treasurer shall:

- 157 (i) collect the rollback tax; and
- 158 (ii) after the rollback tax is paid, certify to the county recorder that the rollback tax lien
159 on the property has been satisfied by:
- 160 (A) preparing a document that certifies that the rollback tax lien on the property has
161 been satisfied; and
- 162 (B) providing the document described in Subsection (4)(a)(ii)(A) to the county recorder
163 for recording.
- 164 (b) The county treasurer shall pay the rollback tax collected under this section [~~shall~~]:
- 165 (i) [~~be paid~~] into the county treasury; and
- 166 (ii) [~~be paid by the county treasurer~~] to the various taxing entities pro rata in
167 accordance with the property tax levies for the current year.
- 168 (5) (a) The county assessor shall mail to an owner of the land that is subject to a
169 rollback tax a notice that:
- 170 (i) the land is withdrawn from this part;
- 171 (ii) the land is subject to a rollback tax under this section; and
- 172 (iii) the rollback tax is delinquent if the owner of the land does not pay the tax within
173 30 days after the day on which the county assessor mails the notice described in this Subsection
174 (5)(a).
- 175 (b) (i) The rollback tax is due and payable on the day the county assessor mails the
176 notice required by Subsection (5)(a).
- 177 (ii) Subject to Subsection (7), the rollback tax is delinquent if an owner of the land that
178 is withdrawn from this part does not pay the rollback tax within 30 days after the day on which
179 the county assessor mails the notice required by Subsection (5)(a).
- 180 (6) (a) Subject to Subsection (6)(b), the rollback tax and interest imposed under
181 Subsection (7) are a lien on the land assessed under this part.
- 182 (b) The lien described in Subsection (6)(a) shall:
- 183 (i) arise upon the imposition of the rollback tax under this section;
- 184 (ii) end on the day on which the rollback tax and interest imposed under Subsection (7)
185 are paid in full; and
- 186 (iii) relate back to the first day of the rollback period described in Subsection (3)(b).
- 187 (7) (a) A delinquent rollback tax under this section shall accrue interest:

188 (i) from the date of delinquency until paid; and

189 (ii) at the interest rate established under Section 59-2-1331 and in effect on January 1
190 of the year in which the delinquency occurs.

191 (b) ~~[A] The county treasurer shall include in the notice required by Section 59-2-1317 a~~
192 ~~rollback tax that is delinquent on September 1 of any year [shall be included on the notice~~
193 ~~required by Section 59-2-1317, along with] and~~ interest calculated on that delinquent amount
194 through November 30 of the year in which the county treasurer provides the notice under
195 Section 59-2-1317.

196 (8) (a) Land that becomes ineligible for assessment under this part only as a result of an
197 amendment to this part is not subject to the rollback tax if the owner of the land notifies the
198 county assessor, in accordance with Subsection (2), that the land is withdrawn from this part
199 ~~[in accordance with Subsection (2)]~~.

200 (b) Land described in Subsection (8)(a) that is withdrawn from this part as a result of
201 an event other than an amendment to this part, whether voluntary or involuntary, is subject to
202 the rollback tax.

203 (9) Except as provided in Section 59-2-1710, land that becomes exempt from taxation
204 under Utah Constitution, Article XIII, Section 3, is not subject to the rollback tax if the land
205 meets the requirements of Section 59-2-1703 to be assessed under this part.

206 ~~[(10) (a) Subject to Subsection (10)(b), an owner of land may appeal to the county~~
207 ~~board of equalization:]~~

208 ~~[(i) a decision by a county assessor to withdraw land from assessment under this part;~~
209 ~~or]~~

210 ~~[(ii) the imposition of a rollback tax under this section:]~~

211 ~~[(b) An owner shall file an appeal under Subsection (10)(a) no later than 45 days after~~
212 ~~the day on which the county assessor mails the notice required by Subsection (5):]~~

213 Section 4. Section **59-2-1713** is enacted to read:

214 **59-2-1713. Appeal to the county board of equalization.**

215 Notwithstanding Section 59-2-1004 or 63G-4-301, the owner of land may appeal the
216 determination or denial of a county assessor to the county board of equalization within 45 days
217 after the day on which:

218 (1) the county assessor makes a determination under this part; or

219 (2) the county assessor's failure to make a determination results in the owner's request
220 being considered denied under this part.