

Representative Dixon M. Pitcher proposes the following substitute bill:

ASSESSMENT OF PROPERTY WITH CONSERVATION EASEMENT

2011 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Dixon M. Pitcher

Senate Sponsor: Scott K. Jenkins

LONG TITLE

General Description:

This bill modifies provisions relating to the assessment of property by county assessors.

Highlighted Provisions:

This bill:

- ▶ modifies a provision requiring a county assessor to consider the effects of a conservation easement on the value of property;
- ▶ adds factors that a county assessor is required to consider in assessing property that is subject to a conservation easement; and
- ▶ requires the owner of property for which a conservation easement is granted to notify the county assessor of the conservation easement.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

57-18-4, as enacted by Laws of Utah 1985, Chapter 155

59-2-301.1, as last amended by Laws of Utah 2010, Chapter 261



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

Section 1. Section **57-18-4** is amended to read:

57-18-4. Requirements for creation.

(1) Any property owner may grant a conservation easement to any other qualified person as defined in Section 57-18-3 in the same manner and with the same effect as any other conveyance of an interest in real property.

(2) (a) A conservation easement shall be in writing and shall be recorded in the office of the recorder of the county in which the easement is granted.

(b) Within 10 days after a conservation easement is recorded, the owner of real property for which the conservation easement is granted shall deliver to the assessor of the county in which the property is located a copy of the conservation easement and proof that the conservation easement has been recorded.

(c) Before January 1, 2012, each owner of property subject to a conservation easement recorded before May 10, 2011 shall deliver to the assessor of the county in which the property is located a copy of the conservation easement and proof that the conservation easement has been recorded.

(3) The instrument that creates a conservation easement shall identify and describe the land subject to the conservation easement by legal description, specify the purpose for which the easement is created, and include a termination date or a statement that the easement continue in perpetuity.

(4) Any qualified person, as defined in Section 57-18-3, that receives a conservation easement shall disclose to the easement's grantor, at least three days prior to the granting of the easement, the types of conservation easements available, the legal effect of each easement, and that the grantor should contact an attorney concerning any possible legal and tax implications of granting a conservation easement.

Section 2. Section **59-2-301.1** is amended to read:

**59-2-301.1. Assessment of property subject to a conservation easement --
Assessment of golf course or hunting club.**

(1) In assessing the fair market value of property subject to a conservation easement under Title 57, Chapter 18, Land Conservation Easement Act, a county assessor shall ~~include~~

57 as part of the assessment any effects the conservation easement may have on] consider factors
58 relating to the property and neighboring property that affect the fair market value of the
59 property[:] being assessed, including:

60 (a) value that transfers to neighboring property because of the presence of a
61 conservation easement on the property being assessed;

62 (b) practical and legal restrictions on the development potential of the property because
63 of the presence of the conservation easement;

64 (c) the absence of neighboring property similarly subject to a conservation easement to
65 provide a basis for comparing values between properties; and

66 (d) any other factor that causes the fair market value of the property to be affected
67 because of the presence of a conservation easement.

68 (2) (a) In assessing the fair market value of a golf course or hunting club, a county
69 assessor shall consider factors relating to the golf course or hunting club and neighboring
70 property that affect the fair market value of the golf course or hunting club, including:

71 (i) value that transfers to neighboring property because of the presence of the golf
72 course or hunting club;

73 (ii) practical and legal restrictions on the development potential of the golf course or
74 hunting club; and

75 (iii) the history of operation of the golf course or hunting club and the likelihood that
76 the present use will continue into the future.

77 (b) The valuation method a county assessor may use in determining the fair market
78 value of a golf course or hunting club includes:

79 (i) the cost approach;

80 (ii) the income capitalization approach; and

81 (iii) the sales comparison approach.

FISCAL NOTE

H.B. 156 1st Sub. (Buff)

SHORT TITLE: **Assessment of Property with Conservation Easement**

SPONSOR: **Pitcher, D.**

2011 GENERAL SESSION, STATE OF UTAH

STATE GOVERNMENT (UCA 36-12-13(2)(b))

Enactment of this bill likely will not materially impact the state budget.

LOCAL GOVERNMENTS (UCA 36-12-13(2)(c))

Enactment of this bill likely will not result in direct, measurable costs for local governments.

DIRECT EXPENDITURES BY UTAH RESIDENTS AND BUSINESSES (UCA 36-12-13(2)(d))

Enactment of this bill likely will not result in direct, measurable expenditures by Utah residents or businesses.