

Effective 5/7/2025

59-2-506 Rollback tax -- Penalty -- Computation of tax -- Procedure -- Lien -- Interest -- Notice -- Collection -- Distribution.

- (1) Except as provided in this section, Section 59-2-506.5, or Section 59-2-511, if land is withdrawn from this part, the land is subject to a rollback tax imposed in accordance with this section.
- (2)
 - (a) An owner shall notify the county assessor that land is withdrawn from this part within 120 days after the day on which the land is withdrawn from this part.
 - (b) An owner that fails to notify the county assessor under Subsection (2)(a) that land is withdrawn from this part is subject to a penalty equal to the greater of:
 - (i) \$10; or
 - (ii) 2% of the rollback tax due for the last year of the rollback period.
- (3)
 - (a) The county assessor shall determine the amount of the rollback tax by computing the difference for the rollback period described in Subsection (3)(b) between:
 - (i) the tax paid while the land was assessed under this part; and
 - (ii) the tax that would have been paid had the property not been assessed under this part.
 - (b) For purposes of this section, the rollback period is a time period that:
 - (i) begins on the later of:
 - (A) the date the land is first assessed under this part; or
 - (B) five years preceding the day on which the county assessor mails the notice required by Subsection (5); and
 - (ii) ends the day on which the county assessor mails the notice required by Subsection (5).
- (4)
 - (a) The county treasurer shall:
 - (i) collect the rollback tax; and
 - (ii) after the rollback tax is paid, certify to the county recorder that the rollback tax lien on the property has been satisfied by:
 - (A) preparing a document that certifies that the rollback tax lien on the property has been satisfied; and
 - (B) providing the document described in Subsection (4)(a)(ii)(A) to the county recorder for recordation.
 - (b) The county treasurer shall pay 100% of the rollback tax collected under this section to the county, which the county shall deposit and use in accordance with Section 17-41-602.
- (5)
 - (a) The county assessor shall mail to an owner of the land that is subject to a rollback tax a notice that:
 - (i) the land is withdrawn from this part;
 - (ii) the land is subject to a rollback tax under this section; and
 - (iii) the rollback tax is delinquent if the owner of the land does not pay the tax on or before the due date listed on the notice described in this Subsection (5)(a).
 - (b)
 - (i) The rollback tax is due and payable within 60 days after the day on which the county assessor mails the notice required by Subsection (5)(a).
 - (ii) Subject to Subsection (7), the rollback tax is delinquent if an owner of the land that is withdrawn from this part does not pay the rollback tax on or before the due date listed on the notice described in Subsection (5)(a).
- (6)

- (a) Subject to Subsection (6)(b), the following are a lien on the land assessed under this part:
 - (i) the rollback tax; and
 - (ii) interest imposed in accordance with Subsection (7).
- (b) The lien described in Subsection (6)(a) shall:
 - (i) arise upon the imposition of the rollback tax under this section;
 - (ii) end on the day on which the rollback tax and interest imposed in accordance with Subsection (7) are paid in full; and
 - (iii) relate back to the first day of the rollback period described in Subsection (3)(b).
- (7)
 - (a) A delinquent rollback tax under this section shall accrue interest:
 - (i) from the date of delinquency until paid; and
 - (ii) at the interest rate established under Section 59-2-1331 and in effect on January 1 of the year in which the delinquency occurs.
 - (b) The county treasurer shall include in the notice required by Section 59-2-1317 a rollback tax that is delinquent on September 1 of any year and interest calculated on that delinquent amount through November 30 of the year in which the county treasurer provides the notice under Section 59-2-1317.
- (8)
 - (a) Land that becomes ineligible for assessment under this part only as a result of an amendment to this part is not subject to the rollback tax if the owner of the land notifies the county assessor, in accordance with Subsection (2), that the land is withdrawn from this part.
 - (b) Land described in Subsection (8)(a) that is withdrawn from this part as a result of an event other than an amendment to this part, whether voluntary or involuntary, is subject to the rollback tax.
- (9) Except as provided in Section 59-2-511, land that becomes exempt from taxation under Utah Constitution, Article XIII, Section 3, is not subject to the rollback tax if the land meets the requirements of Section 59-2-503 to be assessed under this part.
- (10) Land that becomes ineligible for assessment under this part only as a result of a split estate mineral rights owner exercising the right to extract a mineral is not subject to the rollback tax:
 - (a)
 - (i) for the portion of the land required by a split estate mineral rights owner to extract a mineral if, after the split estate mineral rights owner exercises the right to extract a mineral, the portion of the property that remains in agricultural production still meets the acreage requirements of Section 59-2-503 for assessment under this part; or
 - (ii) for the entire acreage that would otherwise qualify for assessment under this part if, after the split estate mineral rights owner exercises the right to extract a mineral, the entire acreage that would otherwise qualify for assessment under this part no longer meets the acreage requirements of Section 59-2-503 for assessment under this part only due to the extraction of the mineral by the split estate mineral rights owner; and
 - (b) for the period of time that the property described in Subsection (10)(a) is ineligible for assessment under this part due to the extraction of a mineral by the split estate mineral rights owner.
- (11)
 - (a) A portion of land withdrawn from this part is not subject to the rollback tax if the portion of land:
 - (i) qualifies for assessment under Part 17, Urban Farming Assessment Act; and

- (ii) for the tax year immediately following withdrawal, the owner of the portion of land applies in accordance with Section 59-2-1707 for the land to be assessed under Part 17, Urban Farming Assessment Act.
- (b) Any remaining portion of the withdrawn land that does not satisfy the requirements of Subsection (11)(a) is subject to the rollback tax.

Amended by Chapter 143, 2025 General Session