

**ROLLBACK TAX AND IN LIEU FEES -
DEDICATIONS OF PUBLIC RIGHTS-OF-WAY**

1999 GENERAL SESSION

STATE OF UTAH

Sponsor: Dennis H. Iverson

AN ACT RELATING TO THE PROPERTY TAX ACT; PROVIDING DEFINITIONS;
CLARIFYING THE APPLICATION OF THE ROLLBACK TAX AND IN LIEU FEES UNDER
THE FARMLAND ASSESSMENT ACT; PROVIDING FOR THE TAX TREATMENT OF
DEDICATIONS OF PUBLIC RIGHTS-OF-WAY; AND MAKING TECHNICAL CHANGES.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

59-2-511, as last amended by Chapter 260, Laws of Utah 1990

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

Section 1. Section **59-2-511** is amended to read:

59-2-511. Acquisition of property by governmental entity -- Requirements.

~~[(1) The acquisition by a government agency of land which is being valued, assessed, and taxed under this part, if there is a change in use, subjects the land so acquired to the rollback tax imposed by this part, unless:]~~

(1) For purposes of this section, "governmental entity" means:

(a) the United States;

(b) the state;

(c) a political subdivision of the state, including:

(i) a county;

(ii) a city;

(iii) a town;

(iv) a school district; or

(v) a special district; or

(d) an entity created by the state or the United States, including:

(i) an agency;

- (ii) a board;
- (iii) a bureau;
- (iv) a commission;
- (v) a committee;
- (vi) a department;
- (vii) a division;
- (viii) an institution;
- (ix) an instrumentality; or
- (x) an office.

(2) (a) Except as provided in Subsections (3) and (4), property acquired by a governmental entity is subject to the rollback tax imposed by this part if:

(i) prior to the governmental entity acquiring the property, the property is:

- (A) valued under this part;
- (B) assessed under this part; and
- (C) taxed under this part; and

(ii) after the governmental entity acquires the property, the property is not actively devoted to agricultural use.

(b) If property is subject to the rollback tax under Subsection (2)(a):

(i) the owner of record shall pay the rollback tax imposed by this part before title may pass;

and

(ii) prior to the governmental entity acquiring the property, the governmental entity shall:

(A) provide notice of the sale to the county assessor of the county in which the property is

located; and

(B) receive a clearance from the county assessor of the county in which the property is

located stating that:

(I) rollback taxes have been paid; or

(II) the property is not subject to rollback taxes imposed by this part.

(c) A person dedicating a public right-of-way to a governmental entity shall pay the rollback

tax imposed by this part if:

(i) a portion of the public right-of-way is located within a subdivision as defined in Section 10-9-103; or

(ii) in exchange for the dedication, the person dedicating the public right-of-way receives:

(A) money; or

(B) other consideration.

(3) (a) Except as provided in Subsection (4), property acquired by a governmental entity is not subject to the rollback tax imposed by this part, but is subject to a one-time in lieu fee payment as provided in Subsection (3)(b), if:

~~[(a)]~~ (i) the [land acquisition is] governmental entity acquires the property by eminent domain;

~~[(b)]~~ (ii) (A) the [land] property is under the threat or imminence of eminent domain proceedings; and

(B) the governmental entity provides written notice of the proceedings to the owner of record [is notified in writing of the proceedings]; or

~~[(c) the land]~~ (iii) the property is donated to [a] the governmental entity[, but excluding dedications of public rights-of-way].

~~[(2) The tax shall be paid by the owner of record before title may pass. Prior to payment by the acquiring agency, it shall notify the county assessor of the county in which the property is located of the sale and receive a clearance from the assessor that rollback taxes have been paid or that the property is not subject to the assessment.]~~

~~[(3) If land is acquired pursuant to Subsection (1)(a), (b), or (c), the acquiring government agency shall make a one-time in lieu fee payment to the taxing entity entitled to the rollback tax in the amount of the rollback tax due and payable.]~~

(b) (i) If a governmental entity acquires property under Subsection (3)(a), the governmental entity shall make a one-time in lieu fee payment:

(A) to the county assessor of the county in which the property is located; and

(B) in an amount equal to the amount of rollback tax calculated under Section 59-2-506.

(ii) A county receiving an in lieu fee payment under Subsection (3)(b)(i) shall distribute the revenues generated by the payment:

(A) to the taxing entities in which the property is located; and

(B) in the same proportion as the revenue from real property taxes is distributed.

(4) Except as provided in Section 59-2-506, if a governmental entity acquires property and converts the property into a conservation easement under Section 59-2-506:

(a) the property is not subject to the rollback tax imposed by this part; and

(b) the governmental entity acquiring the property is not required to make an in lieu fee payment under Subsection (3)(b).