

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

3                                   1999 GENERAL SESSION

4                                   STATE OF UTAH

5                                   **Sponsor: Dennis H. Iverson**

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

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

11 AMENDS:

12                   **59-2-511**, as last amended by Chapter 260, Laws of Utah 1990

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

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

15                   **59-2-511. Acquisition of farmland by government agency -- Requirements.**

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

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

20                   (a) the United States;

21                   (b) the state;

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

23                   (i) a county;

24                   (ii) a city;

25                   (iii) a town;

26                   (iv) a school district; or

27                   (v) a special district; or

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

29 (i) an agency;

30 (ii) a board;

31 (iii) a bureau;

32 (iv) a commission;

33 (v) a committee;

34 (vi) a department;

35 (vii) a division;

36 (viii) an institution;

37 (ix) an instrumentality; or

38 (x) an office.

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

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

42 (A) valued under this part;

43 (B) assessed under this part; and

44 (C) taxed under this part; and

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

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

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

49 and

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

51 (A) provide notice of the sale to the county assessor of the county in which the property  
52 is located; and

53 (B) receive a clearance from the county assessor of the county in which the property is  
54 located stating that:

55 (I) rollback taxes have been paid; or

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

57 (c) A person dedicating a public right-of-way to a governmental entity shall pay the  
58 rollback tax imposed by this part if:

59 (i) a portion of the public right-of-way is located within a subdivision as defined in Section  
60 10-9-103; or

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

62 (A) money; or

63 (B) other consideration.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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**Legislative Review Note**

**as of 2-9-99 2:37 PM**

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

**Office of Legislative Research and General Counsel**