

PROPERTY TAX - GREENBELT ROLLBACK

2009 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ronda Rudd Menlove

Senate Sponsor: _____

LONG TITLE**General Description:**

This bill amends provisions in the Farmland Assessment Act related to the rollback tax.

Highlighted Provisions:

This bill:

- ▶ amends the Farmland Assessment Act to exempt from the rollback tax certain land that is donated to a nonprofit entity and subsequently qualifies for a property tax exemption; and
- ▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill provides retrospective operation for a taxable year beginning on or after January 1, 2009.

Utah Code Sections Affected:

AMENDS:

59-2-506, as last amended by Laws of Utah 2003, Chapter 208

ENACTS:

59-2-506.7, Utah Code Annotated 1953

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



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

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

(1) Except as provided in this section, Section 59-2-506.5, Section 59-2-506.7, or Section 59-2-511, if land is withdrawn from this part, the land is subject to a rollback tax imposed in accordance with this section.

(2) (a) An owner shall notify the county assessor that land is withdrawn from this part within 120 days after the day on which the land is withdrawn from this part.

(b) An owner that fails to notify the county assessor under Subsection (2)(a) that land is withdrawn from this part is subject to a penalty equal to the greater of: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

59 for recordation.

60 (b) The rollback tax collected under this section shall:

61 (i) be paid into the county treasury; and

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

64 (5) (a) The county assessor shall mail to an owner of the land that is subject to a
65 rollback tax a notice that:

66 (i) the land is withdrawn from this part;

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

68 (iii) the rollback tax is delinquent if the owner of the land does not pay the tax within
69 30 days after the day on which the county assessor mails the notice.

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 rollback tax that is delinquent on September 1 of any year shall be included on
89 the notice required by Section 59-2-1317, along with interest calculated on that delinquent

amount through November 30 of the year in which the notice under Section 59-2-1317 is mailed.

(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 that the land is withdrawn from this part in accordance with Subsection (2).

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

(i) a decision by a county assessor to withdraw land from assessment under this part; or

(ii) the imposition of a rollback tax under this section.

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

Section 2. Section **59-2-506.7** is enacted to read:

59-2-506.7. Waiver of rollback tax if land becomes exempt.

(1) Notwithstanding Section 59-2-506 and subject to the requirements of this section, land is not subject to the rollback tax under Section 59-2-506 if:

(a) the land is withdrawn from this part;

(b) the land is donated to a nonprofit entity;

(c) after the land is donated as described in Subsection (1)(b), the land does not meet the requirements of Section 59-2-503; and

(d) the land becomes exempt from taxation under Utah Constitution Article XIII, Section 3.

(2) Except as provided in Subsection (3), the land is subject to the rollback tax under Section 59-2-506 if the land is subject to a tax under this chapter within the three-year period from the date the land described in Subsection (1) was donated.

(3) (a) Notwithstanding Subsection (2), land described in Subsection (1) is not subject

121 to the rollback tax required under Section 59-2-506 if:

122 (i) an owner of the land applies for assessment of the land as land in agricultural use
123 under this part within 30 days after the day on which the owner acquires the land; and

124 (ii) the application for assessment of the land described in Subsection (3)(a)(i) is
125 approved within two years from the day on which the application was filed.

126 (b) Notwithstanding Subsection (3)(a), if the land described in Subsection (3)(a)(i)
127 does not receive approval for assessment as land in agricultural use under this part within two
128 years after the day on which the application was filed under Subsection (3)(a), an owner of the
129 land shall:

130 (i) within 30 days after the day on which the two-year period expires, notify the county
131 assessor that the two-year period expired; and

132 (ii) pay the rollback tax required under Section 59-2-506.

133 **Section 3. Retrospective operation.**

134 This bill provides retrospective operation for a taxable year beginning on or after
135 January 1, 2009.

Legislative Review Note
as of 2-5-09 2:43 PM

Office of Legislative Research and General Counsel

H.B. 193 - Property Tax - Greenbelt Rollback

Fiscal Note

2009 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill could result in a shift in property taxes between tax types.
