

**1st Sub. H.B. 74**  
**PROPERTY TAX MODIFICATIONS**

Representative **Earl D. Tanner** proposes the following amendments:

1. *Page 11, Line 313 through Page 12, Line 345:*

313 all rights and privileges appertaining to these; and

314 (c) improvements.

**(31) "Relationship with an owner of the property's land surface rights" means a relationship described in Subsection 267(b), Internal Revenue Code:**

**(a) except that notwithstanding Subsection 267(b), Internal Revenue Code, the term 1% shall be substituted for the term 50% in Subsection 267(b), Internal Revenue Code; and**

**(b) using the ownership rules of Subsection 267(c), Internal Revenue Code, for determining the ownership of stock.**

315 ~~{(31)}~~ (32) "Residential property," for the purposes of the reductions and adjustments under  
316 this chapter, means any property used for residential purposes as a primary residence. It does  
317 not include property used for transient residential use or condominiums used in rental pools.

318 ~~{(32)}~~ (33) "Split estate mineral rights owner" means a person who:

319 (a) has a legal right to extract a mineral from property;

320 (b) does not hold more than a 1% interest in:

321 (i) the property's land surface rights; or

322 (ii) an entity with an ownership interest in the property's land surface rights;

323 (c) is not an entity in which the owner of the property's land surface rights holds more  
324 than a 1% interest; and

325 (d) does not have a relationship with an owner of the property's land surface rights ~~{that~~  
326 is a relationship described in Subsection 267(b), Internal Revenue Code, except that the term  
327 1% shall be substituted for the term 50% in Subsection 267(b), Internal Revenue Code. }

328 ~~[(32)]~~ ~~{(33)}~~ (34) (a) "State-assessed commercial vehicle" means:

329 (i) any commercial vehicle, trailer, or semitrailer which operates interstate or intrastate  
330 to transport passengers, freight, merchandise, or other property for hire; or

331 (ii) any commercial vehicle, trailer, or semitrailer which operates interstate and  
332 transports the vehicle owner's goods or property in furtherance of the owner's commercial  
333 enterprise.

334 (b) "State-assessed commercial vehicle" does not include vehicles used for hire which  
335 are specified in Subsection (8)(c) as county-assessed commercial vehicles.

336 ~~[(33)]~~ ~~{(34)}~~ (35) "Taxable value" means fair market value less any applicable reduction

337 allowed for residential property under Section 59-2-103.

338        [(34)] {~~(35)~~} (36) "Tax area" means a geographic area created by the overlapping boundaries  
339 of one or more taxing entities.

340        [(35)] {~~(36)~~} (37) "Taxing entity" means any county, city, town, school district, special taxing  
341 district, local district under Title 17B, Limited Purpose Local Government Entities - Local  
342 Districts, or other political subdivision of the state with the authority to levy a tax on property.

343        [(36)] {~~(37)~~} (38) "Tax roll" means a permanent record of the taxes charged on property, as  
344 extended on the assessment roll and may be maintained on the same record or records as the  
345 assessment roll or may be maintained on a separate record properly indexed to the assessment

2. *Page 16, Line 489 through Page 17, Line 502:*

489        (10) Land that becomes ineligible for assessment under this part only as a result of a  
490 split estate mineral rights owner exercising the right to extract a mineral is not subject to the  
491 rollback tax:

492        (a) (i) for the portion of the land required by a split estate mineral rights owner to  
493 extract a mineral if, after the split estate mineral rights owner exercises the right to extract a  
494 mineral, the **portion of the** property **that remains in agricultural production** still meets the acreage  
requirements of Section 59-2-503 for assessment

495 under this part; or

496        (ii) for the entire acreage that would otherwise qualify for assessment under this part if,  
497 after the split estate mineral rights owner exercises the right to extract a mineral, the {~~property~~} **entire**  
**acreage that would otherwise qualify for assessment under this part**  
498 no longer meets the acreage requirements of Section 59-2-503 for assessment under this part  
499 only due to the extraction of the mineral by the split estate mineral rights owner; and

500        (b) for the period of time that the property described in Subsection (10)(a) is ineligible  
501 for assessment under this part due to the extraction of a mineral by the split estate mineral  
502 rights owner.