

PROPERTY TAX ASSESSMENT APPEAL AMENDMENTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Joel K. Briscoe

Senate Sponsor: Daniel Hemmert

LONG TITLE

Committee Note:

The Revenue and Taxation Interim Committee recommended this bill.

General Description:

This bill establishes the time periods for filing an appeal under the Farmland Assessment Act and the Urban Farming Assessment Act.

Highlighted Provisions:

This bill:

- ▶ establishes the time periods for filing an appeal under the Farmland Assessment Act and the Urban Farming Assessment Act; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-2-506, as last amended by Laws of Utah 2014, Chapter 279

59-2-1705, as last amended by Laws of Utah 2014, Chapters 279 and 413

ENACTS:

59-2-516, Utah Code Annotated 1953



28 **59-2-1713**, Utah Code Annotated 1953



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

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

32 **59-2-506. Rollback tax -- Penalty -- Computation of tax -- Procedure -- Lien --**
33 **Interest -- Notice -- Collection -- Distribution -- Appeal to county board of equalization.**

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35 is withdrawn from this part, the land is subject to a rollback tax imposed in accordance with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

37 (2) (a) An owner shall notify the county assessor that land is withdrawn from this part
38 within 120 days after the day on which the land is withdrawn from this part.

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40 withdrawn from this part is subject to a penalty equal to the greater of:

41 (i) \$10; or

42 (ii) 2% of the rollback tax due for the last year of the rollback period.

43 (3) (a) The county assessor shall determine the amount of the rollback tax by
44 computing the difference for the rollback period described in Subsection (3)(b) between:

45 (i) the tax paid while the land was assessed under this part; and

46 (ii) the tax that would have been paid had the property not been assessed under this
47 part.

48 (b) For purposes of this section, the rollback period is a time period that:

49 (i) begins on the later of:

50 (A) the date the land is first assessed under this part; or

51 (B) five years preceding the day on which the county assessor mails the notice required
52 by Subsection (5); and

53 (ii) ends the day on which the county assessor mails the notice required by Subsection
54 (5).

55 (4) (a) The county treasurer shall:

56 (i) collect the rollback tax; and

57 (ii) after the rollback tax is paid, certify to the county recorder that the rollback tax lien
58 on the property has been satisfied by:

59 (A) preparing a document that certifies that the rollback tax lien on the property has
60 been satisfied; and

61 (B) providing the document described in Subsection (4)(a)(ii)(A) to the county recorder
62 for recordation.

63 (b) The county treasurer shall pay the rollback tax collected under this section [~~shall~~]:

64 (i) [~~be paid~~] into the county treasury; and

65 (ii) [~~be paid by the county treasurer~~] to the various taxing entities pro rata in
66 accordance with the property tax levies for the current year.

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

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

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

71 (iii) the rollback tax is delinquent if the owner of the land does not pay the tax within
72 30 days after the day on which the county assessor mails the notice described in this Subsection
73 (5)(a).

74 (b) (i) The rollback tax is due and payable on the day the county assessor mails the
75 notice required by Subsection (5)(a).

76 (ii) Subject to Subsection (7), the rollback tax is delinquent if an owner of the land that
77 is withdrawn from this part does not pay the rollback tax within 30 days after the day on which
78 the county assessor mails the notice required by Subsection (5)(a).

79 (6) (a) Subject to Subsection (6)(b), the following are a lien on the land assessed under
80 this part:

81 (i) the rollback tax; and

82 (ii) interest imposed in accordance with Subsection (7).

83 (b) The lien described in Subsection (6)(a) shall:

84 (i) arise upon the imposition of the rollback tax under this section;

85 (ii) end on the day on which the rollback tax and interest imposed in accordance with
86 Subsection (7) are paid in full; and

87 (iii) relate back to the first day of the rollback period described in Subsection (3)(b).

88 (7) (a) A delinquent rollback tax under this section shall accrue interest:

89 (i) from the date of delinquency until paid; and

90 (ii) at the interest rate established under Section 59-2-1331 and in effect on January 1
91 of the year in which the delinquency occurs.

92 (b) [A] The county treasurer shall include in the notice required by Section 59-2-1317 a
93 rollback tax that is delinquent on September 1 of any year [~~shall be included on the notice~~
94 ~~required by Section 59-2-1317, along with~~] and interest calculated on that delinquent amount
95 through November 30 of the year in which the county treasurer provides the notice under
96 Section 59-2-1317.

97 (8) (a) Land that becomes ineligible for assessment under this part only as a result of an
98 amendment to this part is not subject to the rollback tax if the owner of the land notifies the
99 county assessor, in accordance with Subsection (2), that the land is withdrawn from this part
100 [~~in accordance with Subsection (2)~~].

101 (b) Land described in Subsection (8)(a) that is withdrawn from this part as a result of
102 an event other than an amendment to this part, whether voluntary or involuntary, is subject to
103 the rollback tax.

104 (9) Except as provided in Section 59-2-511, land that becomes exempt from taxation
105 under Utah Constitution, Article XIII, Section 3, is not subject to the rollback tax if the land
106 meets the requirements of Section 59-2-503 to be assessed under this part.

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

110 (a) (i) for the portion of the land required by a split estate mineral rights owner to
111 extract a mineral if, after the split estate mineral rights owner exercises the right to extract a
112 mineral, the portion of the property that remains in agricultural production still meets the
113 acreage requirements of Section 59-2-503 for assessment under this part; or

114 (ii) for the entire acreage that would otherwise qualify for assessment under this part if,
115 after the split estate mineral rights owner exercises the right to extract a mineral, the entire
116 acreage that would otherwise qualify for assessment under this part no longer meets the acreage
117 requirements of Section 59-2-503 for assessment under this part only due to the extraction of
118 the mineral by the split estate mineral rights owner; and

119 (b) for the period of time that the property described in Subsection (10)(a) is ineligible
120 for assessment under this part due to the extraction of a mineral by the split estate mineral

121 rights owner.

122 ~~[(11)(a) Subject to Subsection (11)(b), an owner of land may appeal to the county~~
 123 ~~board of equalization:]~~

124 ~~[(i) a decision by a county assessor to withdraw land from assessment under this part;~~
 125 ~~or]~~

126 ~~[(ii) the imposition of a rollback tax under this section.]~~

127 ~~[(b) An owner shall file an appeal under Subsection (11)(a) no later than 45 days after~~
 128 ~~the day on which the county assessor mails the notice required by Subsection (5).]~~

129 Section 2. Section **59-2-516** is enacted to read:

130 **59-2-516. Appeal to the county board of equalization.**

131 Notwithstanding Section [59-2-1004](#) or [63G-4-301](#), the owner of land may appeal the
 132 determination or denial of a county assessor to the county board of equalization within 45 days
 133 after the day on which:

134 (1) the county assessor makes a determination under this part; or

135 (2) the county assessor's failure to make a determination results in the owner's request
 136 being considered denied under this part.

137 Section 3. Section **59-2-1705** is amended to read:

138 **59-2-1705. Rollback tax -- Penalty -- Computation of tax -- Procedure -- Lien --**
 139 **Interest -- Notice -- Collection -- Distribution -- Appeal to county board of equalization.**

140 (1) Except as provided in this section or Section [59-2-1710](#), land that is withdrawn
 141 from this part is subject to a rollback tax imposed as provided in this section.

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

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

146 (i) \$10; or

147 (ii) 2% of the rollback tax due for the last year of the rollback period.

148 (3) (a) The county assessor shall determine the amount of the rollback tax by
 149 computing the difference for the rollback period described in Subsection (3)(b) between:

150 (i) the tax paid while the land was assessed under this part; and

151 (ii) the tax that would have been paid had the property not been assessed under this

152 part.

153 (b) For purposes of this section, the rollback period is a time period that:

154 (i) begins on the later of:

155 (A) the date the land is first assessed under this part; or

156 (B) five years preceding the day on which the county assessor mails the notice required
157 by Subsection (5); and

158 (ii) ends the day on which the county assessor mails the notice required by Subsection
159 (5).

160 (4) (a) The county treasurer shall:

161 (i) collect the rollback tax; and

162 (ii) after the rollback tax is paid, certify to the county recorder that the rollback tax lien
163 on the property has been satisfied by:

164 (A) preparing a document that certifies that the rollback tax lien on the property has
165 been satisfied; and

166 (B) providing the document described in Subsection (4)(a)(ii)(A) to the county recorder
167 for recording.

168 (b) The county treasurer shall pay the rollback tax collected under this section [~~shall~~]:

169 (i) [~~be paid~~] into the county treasury; and

170 (ii) [~~be paid by the county treasurer~~] to the various taxing entities pro rata in
171 accordance with the property tax levies for the current year.

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

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

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

176 (iii) the rollback tax is delinquent if the owner of the land does not pay the tax within
177 30 days after the day on which the county assessor mails the notice described in this Subsection
178 (5)(a).

179 (b) (i) The rollback tax is due and payable on the day the county assessor mails the
180 notice required by Subsection (5)(a).

181 (ii) Subject to Subsection (7), the rollback tax is delinquent if an owner of the land that
182 is withdrawn from this part does not pay the rollback tax within 30 days after the day on which

183 the county assessor mails the notice required by Subsection (5)(a).

184 (6) (a) Subject to Subsection (6)(b), the rollback tax and interest imposed under
185 Subsection (7) are a lien on the land assessed under this part.

186 (b) The lien described in Subsection (6)(a) shall:

187 (i) arise upon the imposition of the rollback tax under this section;

188 (ii) end on the day on which the rollback tax and interest imposed under Subsection (7)
189 are paid in full; and

190 (iii) relate back to the first day of the rollback period described in Subsection (3)(b).

191 (7) (a) A delinquent rollback tax under this section shall accrue interest:

192 (i) from the date of delinquency until paid; and

193 (ii) at the interest rate established under Section 59-2-1331 and in effect on January 1
194 of the year in which the delinquency occurs.

195 (b) ~~[A]~~ The county treasurer shall include in the notice required by Section 59-2-1317 a
196 rollback tax that is delinquent on September 1 of any year [shall be included on the notice
197 required by Section 59-2-1317, along with] and interest calculated on that delinquent amount
198 through November 30 of the year in which the county treasurer provides the notice under
199 Section 59-2-1317.

200 (8) (a) Land that becomes ineligible for assessment under this part only as a result of an
201 amendment to this part is not subject to the rollback tax if the owner of the land notifies the
202 county assessor, in accordance with Subsection (2), that the land is withdrawn from this part
203 ~~[in accordance with Subsection (2)]~~.

204 (b) Land described in Subsection (8)(a) that is withdrawn from this part as a result of
205 an event other than an amendment to this part, whether voluntary or involuntary, is subject to
206 the rollback tax.

207 (9) Except as provided in Section 59-2-1710, land that becomes exempt from taxation
208 under Utah Constitution, Article XIII, Section 3, is not subject to the rollback tax if the land
209 meets the requirements of Section 59-2-1703 to be assessed under this part.

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

212 ~~[(i) a decision by a county assessor to withdraw land from assessment under this part;~~
213 ~~or]~~

214 ~~[(ii) the imposition of a rollback tax under this section.]~~
215 ~~[(b) An owner shall file an appeal under Subsection (10)(a) no later than 45 days after~~
216 ~~the day on which the county assessor mails the notice required by Subsection (5).]~~
217 Section 4. Section **59-2-1713** is enacted to read:
218 **59-2-1713. Appeal to the county board of equalization.**
219 Notwithstanding Section [59-2-1004](#) or [63G-4-301](#), the owner of land may appeal the
220 determination or denial of a county assessor to the county board of equalization within 45 days
221 after the day on which:
222 (1) the county assessor makes a determination under this part; or
223 (2) the county assessor's failure to make a determination results in the owner's request
224 being considered denied under this part.

Legislative Review Note
Office of Legislative Research and General Counsel