

COMMON AREA ASSESSMENT AMENDMENTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Gage Froerer

Senate Sponsor: Curtis S. Bramble

LONG TITLE

General Description:

This bill amends a provision related to assessment of property by a county assessor.

Highlighted Provisions:

This bill:

▶ allows a county assessor to consider that a property is a common area or facility when assessing the fair market value of the property.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-2-301.1, as last amended by Laws of Utah 2011, Chapter 157

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

Section 1. Section **59-2-301.1** is amended to read:

**59-2-301.1. Assessment of property subject to a conservation easement --
Assessment of golf course or hunting club -- Assessment of common areas.**

(1) In assessing the fair market value of property subject to a conservation easement under Title 57, Chapter 18, Land Conservation Easement Act, a county assessor shall consider



28 factors relating to the property and neighboring property that affect the fair market value of the
29 property being assessed, including:

- 30 (a) value that transfers to neighboring property because of the presence of a
31 conservation easement on the property being assessed;
- 32 (b) practical and legal restrictions on the development potential of the property because
33 of the presence of the conservation easement;
- 34 (c) the absence of neighboring property similarly subject to a conservation easement to
35 provide a basis for comparing values between properties; and
- 36 (d) any other factor that causes the fair market value of the property to be affected
37 because of the presence of a conservation easement.

38 (2) (a) In assessing the fair market value of a golf course or hunting club, a county
39 assessor shall consider factors relating to the golf course or hunting club and neighboring
40 property that affect the fair market value of the golf course or hunting club, including:

- 41 (i) value that transfers to neighboring property because of the presence of the golf
42 course or hunting club;
- 43 (ii) practical and legal restrictions on the development potential of the golf course or
44 hunting club; and
- 45 (iii) the history of operation of the golf course or hunting club and the likelihood that
46 the present use will continue into the future.

47 (b) The valuation method a county assessor may use in determining the fair market
48 value of a golf course or hunting club includes:

- 49 (i) the cost approach;
- 50 (ii) the income capitalization approach; and
- 51 (iii) the sales comparison approach.

52 (3) In assessing the fair market value of property that is a common area or facility
53 under Title 57, Chapter 8, Condominium Ownership Act, or a common area under Title 57,
54 Chapter 8a, Community Association Act, a county assessor shall consider factors relating to the
55 property and neighboring property that affect the fair market value of the property being
56 assessed, including:

- 57 (a) value that transfers to neighboring property because the property is a common area
58 or facility;

59 (b) practical and legal restrictions on the development potential of the property because
60 the property is a common area or facility;

61 (c) the absence of neighboring property similarly situated as a common area or facility
62 to provide a basis for comparing values between properties; and

63 (d) any other factor that causes the fair market value of the property to be affected
64 because the property is a common area or facility.

Legislative Review Note
Office of Legislative Research and General Counsel