

**AGRICULTURAL ASSESSMENT AMENDMENTS**

2022 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Michael L. Kohler**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill modifies provisions of the Farmland Assessment Act and the Urban Farming Assessment Act.

**Highlighted Provisions:**

This bill:

- ▶ provides that if a person withdraws land from assessment under the Farmland Assessment Act, any portion of the land that is assessed under the Urban Farming Assessment Act is not subject to a rollback tax;
- ▶ establishes a renewal application under the Urban Farming Assessment Act;
- ▶ for property that was previously assessed under the Farmland Assessment Act, addresses eligibility and application of the rollback tax under the Urban Farming Assessment Act; and
- ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides retrospective operation.

**Utah Code Sections Affected:**

AMENDS:

**59-2-506**, as last amended by Laws of Utah 2017, Chapter 319



28 **59-2-1703**, as last amended by Laws of Utah 2019, Chapter 492  
 29 **59-2-1705**, as last amended by Laws of Utah 2017, Chapter 319  
 30 **59-2-1707**, as last amended by Laws of Utah 2017, Chapter 319



31  
 32 *Be it enacted by the Legislature of the state of Utah:*

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

34 **59-2-506. Rollback tax -- Penalty -- Computation of tax -- Procedure -- Lien --**  
 35 **Interest -- Notice -- Collection -- Distribution.**

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 37 is withdrawn from this part, the land is subject to a rollback tax imposed in accordance with  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

39 (2) (a) An owner shall notify the county assessor that land is withdrawn from this part  
 40 within 120 days after the day on which the land is withdrawn from this part.

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 42 withdrawn from this part is subject to a penalty equal to the greater of:

43 (i) \$10; or

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

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

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

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

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

51 (i) begins on the later of:

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

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

55 (ii) ends the day on which the county assessor mails the notice required by Subsection  
 56 (5).

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

58 (i) collect the rollback tax; and

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

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

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

65 (b) The county treasurer shall pay the rollback tax collected under this section:

66 (i) into the county treasury; and

67 (ii) to the various taxing entities pro rata in accordance with the property tax levies for  
68 the current year.

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

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

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

73 (iii) the rollback tax is delinquent if the owner of the land does not pay the tax within  
74 30 days after the day on which the county assessor mails the notice described in this Subsection  
75 (5)(a).

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

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

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

83 (i) the rollback tax; and

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

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

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

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

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

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

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

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

94 (b) The county treasurer shall include in the notice required by Section 59-2-1317 a  
95 rollback tax that is delinquent on September 1 of any year and interest calculated on that  
96 delinquent amount through November 30 of the year in which the county treasurer provides the  
97 notice under Section 59-2-1317.

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

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) If a person withdraws land from this part, any portion of the withdrawn land that  
123 is assessed under Part 17, Urban Farming Assessment Act, is not subject to the rollback tax.

124 Section 2. Section **59-2-1703** is amended to read:

125 **59-2-1703. Qualifications for urban farming assessment.**

126 (1) (a) For general property tax purposes, land may be assessed on the basis of the  
127 value that the land has for agricultural use if the land:

128 (i) is actively devoted to urban farming;

129 (ii) is at least one contiguous acre, but less than five acres, in size; and

130 (iii) (A) has been actively devoted to urban farming for at least two successive years  
131 immediately preceding the tax year for which the land is assessed under this part[-]; or

132 (B) was assessed under Part 5, Farmland Assessment Act, for the preceding tax year.

133 (b) Land that is not actively devoted to urban farming may not be assessed as provided  
134 in Subsection (1)(a), even if the land is part of a parcel that includes land actively devoted to  
135 urban farming.

136 (2) (a) In determining whether land is actively devoted to urban farming, production  
137 per acre for a given county or area and a given type of land shall be determined by using the  
138 first applicable of the following:

139 (i) production levels reported in the current publication of Utah Agricultural Statistics;

140 (ii) current crop budgets developed and published by Utah State University; or

141 (iii) the highest per acre value used for land assessed under the Farmland Assessment  
142 Act for the county in which the property is located.

143 (b) A county assessor may not assess land actively devoted to urban farming on the  
144 basis of the value that the land has for agricultural use under this part unless an owner annually  
145 files documentation with the county assessor:

146 (i) on a form provided by the county assessor;

147 (ii) demonstrating to the satisfaction of the county assessor that the land meets the  
148 production levels required under this part; and

149 (iii) except as provided in Subsection **59-2-1707(2)(c)(i)**, no later than January 30 for  
150 each tax year in which the owner applies for assessment under this part.

151 (3) Notwithstanding Subsection (1)(a)(ii), a county board of equalization may grant a

152 waiver of the acreage requirements of Subsection (1)(a)(ii):

153 (a) on appeal by an owner; and

154 (b) if the owner submits documentation to the county assessor demonstrating to the  
155 satisfaction of the county assessor that:

156 (i) the failure to meet the acreage requirements of Subsection (1)(a)(ii) arose solely as a  
157 result of an acquisition by a governmental entity by:

158 (A) eminent domain; or

159 (B) the threat or imminence of an eminent domain proceeding;

160 (ii) the land is actively devoted to urban farming; and

161 (iii) no change occurs in the ownership of the land.

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

163 **59-2-1705. Rollback tax -- Penalty -- Computation of tax -- Procedure -- Lien --**  
164 **Interest -- Notice -- Collection -- Distribution -- Appeal to county board of equalization.**

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

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

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

171 (i) \$10; or

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

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

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

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

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

179 (i) begins on the later of:

180 (A) except as provided in Subsection (3)(c), the date the land is first assessed under  
181 this part; or

182 (B) five years preceding the day on which the county assessor mails the notice required

183 by Subsection (5); and

184 (ii) ends the day on which the county assessor mails the notice required by Subsection  
185 (5).

186 (c) For land that was previously assessed under Part 5, Farmland Assessment Act, the  
187 date described in Subsection (3)(b)(i)(A) is the date the land was first assessed under Part 5,  
188 Farmland Assessment Act, unless the land was subject to a rollback tax imposed under Section  
189 59-2-506.

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

191 (i) collect the rollback tax; and

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

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

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

198 (b) The county treasurer shall pay the rollback tax collected under this section:

199 (i) into the county treasury; and

200 (ii) to the various taxing entities pro rata in accordance with the property tax levies for  
201 the current year.

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

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

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

206 (iii) the rollback tax is delinquent if the owner of the land does not pay the tax within  
207 30 days after the day on which the county assessor mails the notice described in this Subsection  
208 (5)(a).

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

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

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

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

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

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

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

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

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

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

225 (b) The county treasurer shall include in the notice required by Section 59-2-1317 a  
226 rollback tax that is delinquent on September 1 of any year and interest calculated on that  
227 delinquent amount through November 30 of the year in which the county treasurer provides the  
228 notice under Section 59-2-1317.

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

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

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

238 Section 4. Section 59-2-1707 is amended to read:

239 **59-2-1707. Application -- Signed statement -- Consent to creation of a lien --**

240 **Consent to audit and review -- Notice.**

241 (1) For land to be assessed under this part, an owner of land eligible for assessment  
242 under this part shall annually submit [~~an application annually~~] to the county assessor of the  
243 county in which the land is located[-];

244 (a) an application described in Subsection (2); or



- 245 (b) a renewal application described in Subsection (3), if:  
246 (i) the land was assessed under this part for the preceding year; and  
247 (ii) there have been no changes to the eligibility information provided in the most  
248 recently submitted application described in Subsection (2), other than information described in  
249 Subsection 59-2-1703(2)(b).
- 250 (2) An application required by Subsection (1) shall:  
251 (a) be on a form:  
252 (i) approved by the commission; and  
253 (ii) provided to an owner:  
254 (A) by the county assessor; and  
255 (B) at the request of an owner;  
256 (b) provide for the reporting of information related to this part;  
257 (c) be submitted by:  
258 (i) May 1 of the tax year in which assessment under Subsection (1) is requested if the  
259 land was not assessed under this part in the year before the application is submitted; or  
260 (ii) the date otherwise required by this part for land that before the application being  
261 submitted has been assessed under this part;  
262 (d) be signed by all of the owners of the land that under the application would be  
263 assessed under this part;  
264 (e) be accompanied by the prescribed fees made payable to the county recorder;  
265 (f) include a certification by an owner that the facts set forth in the application or  
266 signed statement are true;  
267 (g) include a statement that the application constitutes consent by the owners of the  
268 land to the creation of a lien upon the land as provided in this part; and  
269 (h) be recorded by the county recorder.
- 270 (3) A renewal application required by Subsection (1) shall:  
271 (a) be on a form:  
272 (i) approved by the commission; and  
273 (ii) provided to an owner:  
274 (A) by the county assessor; and  
275 (B) at the request of an owner;

276 (b) provide for the reporting of the information described in Subsection  
277 59-2-1703(2)(b);  
278 (c) be submitted on or before January 30 of the tax year in which the owner requests  
279 assessment under this part;  
280 (d) be signed by all of the owners of the land;  
281 (e) be accompanied by the prescribed fees made payable to the county recorder;  
282 (f) include a certification by an owner that the following are true:  
283 (i) the facts set forth in the renewal application or signed statement; and  
284 (ii) other than the information described in Subsection 59-2-1703(2)(b), the facts set  
285 forth in the most recently submitted application described in Subsection (2), as of the date the  
286 renewal application is submitted;  
287 (g) include a statement that the renewal application constitutes consent by the owners  
288 of the land to the creation of a lien upon the land as provided in this part; and  
289 (h) be recorded by the county recorder.  
290 [~~(3)~~] (4) [The] An application described in Subsection (2) or a renewal application  
291 described in Subsection (3) constitutes consent by the owners of the land to the creation of a  
292 lien upon the land as provided in this part.  
293 [~~(4)~~] (5) (a) If the county determines that [an application that was] a timely filed  
294 application or a timely filed renewal application is incomplete, the county shall:  
295 (i) notify the owner of the incomplete application or renewal application; and  
296 (ii) allow the owner to complete the application or the renewal application within 30  
297 days from the day on which the county provides notice to the owner.  
298 (b) An application or a renewal application that has not been completed within 30 days  
299 of the day of the notice described in Subsection [~~(4)(a) shall be] (5)(a) is considered denied.~~  
300 [~~(5)~~] (6) (a) Except as provided in Subsections (1) [~~and (2)~~] through (3), a county  
301 assessor may not require an additional signed statement or application for assessment under  
302 this part.  
303 (b) Notwithstanding Subsection [~~(5)~~] (6)(a), a county shall require that an owner  
304 provide notice if land is withdrawn from this part as provided in Section 59-2-1705.  
305 [~~(6)~~] (7) A certification under Subsection (2)(f) or (3)(f) is considered as if made under  
306 oath and subject to the same penalties as provided by law for perjury.

307            [~~(7)~~] (8) (a) An owner applying for participation under this part or a purchaser or lessee  
308 that signs a statement under Subsection [~~(8)~~] (9) is considered to have given consent to a field  
309 audit and review by:

- 310            (i) the commission;
- 311            (ii) the county assessor; or
- 312            (iii) the commission and the county assessor.

313            (b) The consent described in Subsection [~~(7)~~] (8)(a) is a condition to the acceptance of  
314 an application or signed statement.

315            [~~(8)~~] (9) An owner of land eligible for assessment under this part, because a purchaser  
316 or lessee actively devotes the land to agricultural use as required by Section 59-2-1703, may  
317 qualify the land for assessment under this part by submitting, with the application described in  
318 Subsection (2) or the renewal application described in Subsection (3), a signed statement from  
319 that purchaser or lessee certifying those facts that would be necessary to meet the requirements  
320 of Section 59-2-1703 for assessment under this part.

321            Section 5. **Retrospective operation.**

322            The changes to Sections 59-2-506, 59-2-1705, and 59-2-1707 have retrospective  
323 operation to May 5, 2021.