

HB0371S04 compared with HB0371

~~deleted text~~ shows text that was in HB0371 but was deleted in HB0371S04.

inserted text shows text that was not in HB0371 but was inserted into HB0371S04.

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Senator Scott D. Sandall proposes the following substitute bill:

WORKING FARM AND RANCH PROTECTION FUND

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Casey Snider

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions related to the management, regulation, conservation, and use of natural resources.

Highlighted Provisions:

This bill:

- defines terms;
- renames the LeRay McAllister Critical Land Conservation Program;
- establishes the LeRay McAllister Working Farm and Ranch ~~Protection~~ Fund;
- addresses county use of rollback taxes; and
- addresses county use of rollback tax funds.

Money Appropriated in this Bill:

None

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Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

4-46-102, as renumbered and amended by Laws of Utah 2022, Chapter 68
4-46-202, as renumbered and amended by Laws of Utah 2022, Chapter 68
4-46-301, as renumbered and amended by Laws of Utah 2022, Chapter 68
4-46-302, as renumbered and amended by Laws of Utah 2022, Chapter 68
4-46-303, as renumbered and amended by Laws of Utah 2022, Chapter 68
39A-8-104, as renumbered and amended by Laws of Utah 2022, Chapter 373
59-2-506, as last amended by Laws of Utah 2017, Chapter 319
59-2-511, as last amended by Laws of Utah 2007, Chapter 329
59-2-1705, as last amended by Laws of Utah 2017, Chapter 319
59-2-1710, as enacted by Laws of Utah 2012, Chapter 197
63J-1-602.2, as last amended by Laws of Utah 2022, Chapters 59, 68, 154, 224, 236, 242, and 447 and last amended by Coordination Clause, Laws of Utah 2022, Chapter 154

ENACTS:

17-41-601, Utah Code Annotated 1953
17-41-602, Utah Code Annotated 1953

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

Section 1. Section **4-46-102** is amended to read:

4-46-102. Definitions.

As used in this chapter:

- (1) "Agricultural land" [~~has the same meaning as~~] means "land in agricultural use," ~~[under]~~ as defined in Section 59-2-502.
- (2) "Board" means the Land Conservation Board established in Section 4-46-201.
- (3) "Conservation commission" means the Conservation Commission created in Section 4-18-104.
- (4) "Conservation district" means a limited purpose local government entity created

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under Title 17D, Chapter 3, Conservation District Act.

(5) "Director" means the director of the Division of Conservation.

(6) "Division" means the Division of Conservation created in Section 4-46-401.

(7) "Fund" means the LeRay McAllister Working Farm and Ranch ~~Protection~~ Fund created in Section 4-46-301.

~~(7)~~ (8) "Land use authority" means:

(a) a land use authority, as defined in Section 10-9a-103, of a municipality; or

(b) a land use authority, as defined in Section 17-27a-103, of a county.

~~(8)~~ (9) "Local entity" means a county, city, or town.

~~(9)~~ (10) (a) "Open land" means land that is:

(i) preserved in or restored to a predominantly natural, open, and undeveloped condition; and

(ii) used for:

(A) wildlife habitat;

(B) cultural or recreational use;

(C) watershed protection; or

(D) another use consistent with the preservation of the land in, or restoration of the land to, a predominantly natural, open, and undeveloped condition.

~~[(b)(i) "Open land" does not include land whose predominant use is as a developed facility for active recreational activities, including baseball, tennis, soccer, golf, or other sporting or similar activity.]~~

~~[(ii) (b) [The condition of land does not change from a natural, open, and undeveloped condition because of the development or presence on the land of]~~ "Open land" includes land described in Subsection (10)(a) that contains facilities, including trails, waterways, and grassy areas, that:

~~(A)~~ (i) enhance the natural, scenic, or aesthetic qualities of the land; or

~~(B)~~ (ii) facilitate the public's access to or use of the land for the enjoyment of the land's natural, scenic, or aesthetic qualities and for compatible recreational activities.

(c) "Open land" does not include land whose predominant use is as a developed facility for active recreational activities, including baseball, tennis, soccer, golf, or other sporting or similar activities.

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~~[(10) "Program" means the LeRay McAllister Critical Land Conservation Program established in Section 4-46-301.]~~

(11) (a) "State conservation efforts" includes:

(i) efforts to optimize and preserve the uses of land for the benefit of the state's agricultural industry and natural resources; and

(ii) conservation of working landscapes that if conserved, preserves the state's agricultural industry and natural resources, such as working agricultural land.

(b) "State conservation efforts" does not include the purpose of opening private property to public access without the consent of the owner of the private property.

(12) (a) "Working agricultural land" means agricultural land for which an owner or producer engages in the activity of producing for commercial purposes crops, orchards, livestock, poultry, aquaculture, livestock products, or poultry products and the facilities, equipment, and property used to facilitate the activity.

(b) "Working agricultural land" includes an agricultural protection area established under Title 17, Chapter 41, Agriculture, Industrial, or Critical Infrastructure Materials Protection Areas.

Section 2. Section ~~4-46-202~~ is amended to read:

4-46-202. Board duties and powers -- No regulatory authority -- Criteria.

(1) The board shall:

(a) administer the ~~[program]~~ fund as provided in this chapter; and

(b) fulfill other responsibilities imposed on the board by the Legislature.

(2) The board may not exercise any regulatory authority.

(3) In carrying out the board's powers and duties under this chapter, the board shall adopt ranking criteria that is substantially similar to the ranking criteria used by the Agriculture Conservation Easement Program and Agriculture Land Easement as determined by the Natural Resources Conservation Service under the United States Department of Agriculture.

Section 3. Section ~~4-46-301~~ is amended to read:

Part 3. LeRay McAllister Working Farm and Ranch ~~{Protection}~~ Fund

4-46-301. LeRay McAllister Working Farm and Ranch ~~{Protection}~~ Fund.

(1) There is created a ~~[program]~~ restricted account within the General Fund entitled the "[~~LeRay McAllister Critical Land Conservation Program~~] LeRay McAllister Working Farm

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and Ranch ~~{ Protection }~~ Fund."

(2) ~~[Funding for the { } program { } fund]~~ shall be a line item in the budget of the board.
~~The line item shall be nonlapsing.]~~ The restricted account shall consist of:

- (a) appropriations by the Legislature;
- (b) grants from federal or private sources; and
- (c) interest and earnings from the account.

(3) The Land Conservation Board created in Section 4-46-201 may use appropriations from the fund in accordance with Section 4-46-302.

Section 4. Section **4-46-302** is amended to read:

4-46-302. Use of money in fund -- Criteria -- Administration.

(1) Subject to Subsection (2), the board may authorize the use of money in the
[program] fund, by grant, to:

- (a) a local entity;
- (b) the Department of Natural Resources created under Section 79-2-201;
- (c) an entity within the department; or
- (d) a charitable organization that qualifies as being tax exempt under Section 501(c)(3),

Internal Revenue Code.

(2) (a) The money in the [program] fund shall be used for preserving or restoring open land and agricultural land.

(b) [(+)] Except as provided in Subsection [(2)(b)(ii) ~~{ }~~ { } (2)(c)], money from the
[program] fund:

(i) may be used to:

(A) establish a conservation easement under Title 57, Chapter 18, Land Conservation Easement Act; or

(B) fund similar methods to preserve open land or agricultural land; and

(ii) may not be used to ~~{ }~~ { };

(A) purchase a fee interest in real property to preserve open land or agricultural land[;
~~but may be used to establish a conservation easement under Title 57, Chapter 18, Land Conservation Easement Act, or to fund similar methods to preserve open land or agricultural land.]; or~~

(B) purchase additional property for the purpose of tax deferral. ~~{ }~~ { };

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~~[(ii)]~~ (c) ~~[Notwithstanding Subsection (2)(b)(i), money]~~ Money from the ~~[program]~~ fund may be used to purchase a fee interest in real property to preserve open land or agricultural land if:

~~[(A)]~~ (i) the ~~[parcel]~~ property to be purchased is no more than 20 acres in size; and

~~[(B)]~~ (ii) with respect to a parcel purchased in a county in which over 50% of the land area is publicly owned, real property roughly equivalent in size and located within that county is contemporaneously transferred to private ownership from the governmental entity that purchased the fee interest in real property.

~~[(iii)]~~ (d) Eminent domain may not be used or threatened in connection with any purchase using money from the ~~[program]~~ fund.

~~[(iv)]~~ (e) A parcel of land larger than 20 acres in size may not be divided ~~[into separate parcels smaller than 20 acres each to meet the requirement of]~~ to create one or more parcels that are smaller than 20 acres in order to comply with Subsection ~~[(2)(b)(ii)]~~ (2)(c)(i).

~~[(e)]~~ (f) A local entity, department, or organization under Subsection (1) may not receive money from the ~~[program]~~ fund unless the local entity, department, or organization provides matching funds equal to or greater than the amount of money received from the ~~[program]~~ fund.

~~[(d)]~~ (g) In granting money from the ~~[program]~~ fund, the board may impose conditions on the recipient as to how the money is to be spent.

~~[(e)]~~ (h) The board shall give priority to:

(i) working agricultural land; and

(ii) after giving priority to working agricultural land under Subsection ~~[(2)(e)(i)]~~ (2)(h)(i), requests from the Department of Natural Resources for up to 20% of each annual increase in the amount of money in the ~~[program]~~ fund if the money is used for the protection of wildlife or watershed.

~~[(f)]~~ (i) (i) The board may not make a grant from the ~~[program]~~ fund that exceeds \$1,000,000 until after making a report to the Legislative Management Committee about the grant.

(ii) The Legislative Management Committee may make a recommendation to the board concerning the intended grant, but the recommendation is not binding on the board.

(3) In determining the amount and type of financial assistance to provide a local entity,

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department, or organization under Subsection (1) and subject to Subsection [(2)(f)] (2)(i), the board shall consider:

(a) the nature and amount of open land and agricultural land proposed to be preserved or restored;

(b) the qualities of the open land and agricultural land proposed to be preserved or restored;

(c) the cost effectiveness of the project to preserve or restore open land or agricultural land;

(d) the funds available;

(e) the number of actual and potential applications for financial assistance and the amount of money sought by those applications;

(f) the open land preservation plan of the local entity where the project is located and the priority placed on the project by that local entity;

(g) the effects on housing affordability and diversity; and

(h) whether the project protects against the loss of private property ownership.

(4) If a local entity, department, or organization under Subsection (1) seeks money from the [program] fund for a project whose purpose is to protect critical watershed, the board shall require that the needs and quality of that project be verified by the state engineer.

(5) An interest in real property purchased with money from the [program] fund shall be held and administered by the state or a local entity.

(6) (a) The board may not authorize the use of money under this section for a project unless the land use authority for the land in which the project is located consents to the project.

(b) To obtain consent to a project, the person who is seeking money from the [program] fund shall submit a request for consent to a project with the applicable land use authority. The land use authority may grant or deny consent. If the land use authority does not take action within 60 days from the day on which the request for consent is filed with the land use authority under this Subsection (6), the board shall treat the project as having the consent of the land use authority.

(c) An action of a land use authority under this Subsection (6) is not a land use decision subject to:

(i) Title 10, Chapter 9a, Municipal Land Use, Development, and Management Act; or

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(ii) Title 17, Chapter 27a, County Land Use, Development, and Management Act.

Section 5. Section **4-46-303** is amended to read:

4-46-303. Board to report annually.

The board shall submit an annual report to the Infrastructure and General Government and Natural Resources, Agriculture, and Environmental Quality Appropriations

Subcommittees:

- (1) specifying the amount of each disbursement from the [program] fund;
- (2) identifying the recipient of each disbursement and describing the project for which money was disbursed; and
- (3) detailing the conditions, if any, placed by the board on disbursements from the [program] fund.

Section 6. Section **17-41-601** is enacted to read:

Part 6. Open Land and Working Agricultural Land Use

17-41-601. Definitions.

As used in this part:

- (1) "Agricultural land" means "land in agricultural use," as defined in Section 59-2-502.
- (2) (a) "Open land" means land that is:
 - (i) preserved in or restored to a predominantly natural, open, and undeveloped condition; and
 - (ii) used for:
 - (A) wildlife habitat;
 - (B) cultural or recreational use;
 - (C) watershed protection; or
 - (D) another use consistent with the preservation of the land in, or restoration of the land to, a predominantly natural, open, and undeveloped condition.
- (b) "Open land" includes land described in Subsection (2)(a) that contains facilities, including trails, waterways, and grassy areas, that, in the judgment of the county legislative body:
 - (i) enhance the natural, scenic, or aesthetic qualities of the land; or
 - (ii) facilitate the public's access to, or use of, the land for the enjoyment of the land's

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natural, scenic, or aesthetic qualities and for compatible recreational activities.

(c) "Open land" does not include land whose predominant use is as a developed facility for active recreational activities played on fields or courses, including baseball, tennis, soccer, golf, or other sporting or similar activities.

(3) "Public land county" means a county in which over 50% of the land area is publicly owned.

(4) "Rollback tax funds" means the rollback taxes paid to a county in accordance with Sections 59-2-506, 59-2-511, 59-2-1705, and 59-2-1710.

Section 7. Section **17-41-602** is enacted to read:

17-41-602. Use of money -- Criteria -- Administration.

(1) The county treasurer shall:

(a) pay rollback taxes in accordance with Sections 59-2-506, 59-2-511, 59-2-1705, and 59-2-1710; and

(b) deposit 20% of the rollback tax funds into an account or fund of the county set aside for preserving or restoring open land and agricultural land.

(2) The percentage of rollback tax funds described in Subsection (1)(b):

(a) may be used to establish a conservation easement under Title 57, Chapter 18, Land Conservation Easement Act, or to fund similar methods to preserve open land or agricultural land; and

(b) ~~if the property to be purchased is in a public land county,~~ may not be used to purchase a fee interest in real property to preserve open land or agricultural land, unless:

~~— (i) for a county other than a county of the first class, the property to be purchased is no more than 20 acres in size; and~~

~~— (ii) if the property to be purchased is in a public land county,~~ the governmental entity purchasing the property contemporaneously transfers to the private ownership real property, in the same public land county, that is roughly equivalent in size to the property to be purchased.

(3) Eminent domain may not be used or threatened in connection with any purchase using the percentage of rollback tax funds described in Subsection (1)(b).

(4) ~~{A parcel of land larger than 20 acres in size may not be divided to create one or more parcels that are smaller than 20 acres in order to comply with Subsection (2)(b)(i)}~~ ~~The funds collected by the account or fund of the county may roll over from year-to-year.~~

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Section 8. Section **39A-8-104** is amended to read:

39A-8-104. Committee responsibilities.

(1) The committee shall:

(a) identify lands to be included in the designated sentinel landscape;

(b) develop strategies and recommendations to encourage landowners within the sentinel landscape to voluntarily participate in and begin or continue land uses compatible with Camp Williams's military mission; and

(c) publish any policies and procedures as administrative rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

(2) In designating sentinel lands, the coordinating committee shall include all working or natural lands that the coordinating committee believes contribute to the long-term sustainability of the military missions conducted at Camp Williams.

(3) The committee shall determine the appropriate level of state resources required to adequately protect Camp Williams's military mission and may apply for grants from the [~~LeRay McAllister Critical Lands Conservation Program~~] LeRay McAllister Working Farm and Ranch ~~{Protection}~~ Fund to aid in securing those resources.

(4) In determining lands to designate, the coordinating committee shall seek input from:

(a) the director of the Department of Defense Readiness and Environmental Protection Integration Program; and

(b) the director of the National Guard Bureau Army Compatible Use Buffer Program, as authorized under 10 U.S.C. Sec. 2684(a).

(5) The committee shall provide a written report of its activities if state funds are expended during the previous calendar year no later than July 31 annually to:

(a) the governor;

(b) the Government Operations Interim Committee; and

(c) the Executive Appropriations Committee.

Section 9. Section **59-2-506** is amended to read:

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

(1) Except as provided in this section, Section 59-2-506.5, or Section 59-2-511, if land

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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 for recordation.

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

(i) [~~into the county treasury~~] 20% to the county for use for open land and working

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agricultural land as those terms are defined in Section 4-46-102; and

(ii) 80% to the various taxing entities pro rata in accordance with the property tax levies for the current year.

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

(i) the land is withdrawn from this part;

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

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

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

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

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

(i) the rollback tax; and

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

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

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

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

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

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

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

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

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

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notice under Section 59-2-1317.

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

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

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

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

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

Section 10. Section **59-2-511** is amended to read:

59-2-511. Acquisition of land by governmental entity -- Requirements -- Rollback tax -- One-time in lieu fee payment -- Passage of title.

(1) For purposes of this section, "governmental entity" means:

(a) the United States;

(b) the state;

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(c) a political subdivision of the state, including:

- (i) a county;
- (ii) a city;
- (iii) a town;
- (iv) a school district;
- (v) a local district; or
- (vi) a special service district; or

(d) an entity created by the state or the United States, including:

- (i) an agency;
- (ii) a board;
- (iii) a bureau;
- (iv) a commission;
- (v) a committee;
- (vi) a department;
- (vii) a division;
- (viii) an institution;
- (ix) an instrumentality; or
- (x) an office.

(2) (a) Except as provided in Subsections (3) and (4), land acquired by a governmental entity is subject to the rollback tax imposed by this part if:

(i) prior to the governmental entity acquiring the land, the land is assessed under this part; and

(ii) after the governmental entity acquires the land, the land does not meet the requirements of Section 59-2-503 for assessment under this part.

(b) A person dedicating a public right-of-way to a governmental entity shall pay the rollback tax imposed by this part if:

(i) a portion of the public right-of-way is located within a subdivision as defined in Section 10-9a-103; or

(ii) in exchange for the dedication, the person dedicating the public right-of-way receives:

- (A) money; or

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(B) other consideration.

(3) (a) Except as provided in Subsection (4), land acquired by a governmental entity is not subject to the rollback tax imposed by this part, but is subject to a one-time in lieu fee payment as provided in Subsection (3)(b), if:

- (i) the governmental entity acquires the land by eminent domain;
- (ii) (A) the land is under the threat or imminence of eminent domain proceedings; and
(B) the governmental entity provides written notice of the proceedings to the owner; or
- (iii) the land is donated to the governmental entity.

(b) (i) If a governmental entity acquires land under Subsection (3)(a)(iii), the governmental entity shall make a one-time in lieu fee payment:

- (A) to the county treasurer of the county in which the land is located; and
- (B) in an amount equal to the amount of rollback tax calculated under Section

59-2-506.

(ii) If a governmental entity acquires land under Subsection (3)(a)(i) or (3)(a)(ii), the governmental entity shall make a one-time in lieu fee payment:

- (A) to the county treasurer of the county in which the land is located; and
- (B) (I) if the land remaining after the acquisition by the governmental entity meets the requirements of Section 59-2-503, in an amount equal to the rollback tax under Section 59-2-506 on the land acquired by the governmental entity; or

(II) if the land remaining after the acquisition by the governmental entity is less than five acres, in an amount equal to the rollback tax under Section 59-2-506 on the land acquired by the governmental entity and the land remaining after the acquisition by the governmental entity.

(iii) For purposes of Subsection (3)(b)(ii), "land remaining after the acquisition by the governmental entity" includes other eligible acreage that is used in conjunction with the land remaining after the acquisition by the governmental entity.

(c) A county receiving an in lieu fee payment under Subsection (3)(b) shall distribute the revenues generated by the payment as follows:

(i) 20% to the county for use for open land and working agricultural land as those terms are defined in Section 4-46-102; and

(ii) 80% to the taxing entities in which the land is located~~;~~and.

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~~[(ii) in the same proportion as the revenue from real property taxes is distributed.]~~

(4) Except as provided in Section 59-2-506.5, if land acquired by a governmental entity is made subject to a conservation easement in accordance with Section 59-2-506.5:

(a) the land is not subject to the rollback tax imposed by this part; and

(b) the governmental entity acquiring the land is not required to make an in lieu fee payment under Subsection (3)(b).

(5) If a governmental entity acquires land subject to assessment under this part, title to the land may not pass to the governmental entity until the following are paid to the county treasurer:

(a) any tax due under this part;

(b) any one-time in lieu fee payment due under this part; and

(c) any interest due under this part.

Section 11. Section **59-2-1705** is amended to read:

59-2-1705. 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 or Section 59-2-1710, land that is withdrawn from this part is subject to a rollback tax imposed as provided in 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 who 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

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(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 for recording.

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

(i) [~~into the county treasury~~] 20% to the county for use for open land and working agricultural land as those terms are defined in Section 4-46-102; and

(ii) 80% to the various taxing entities pro rata in accordance with the property tax levies for the current year.

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

(i) the land is withdrawn from this part;

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

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

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

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

(6) (a) Subject to Subsection (6)(b), the rollback tax and interest imposed under

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Subsection (7) are a lien on the land assessed under this part.

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

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

(ii) end on the day on which the rollback tax and interest imposed under Subsection (7)

are paid in full; and

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

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

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

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

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

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

(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 59-2-1710, 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 59-2-1703 to be assessed under this part.

Section 12. Section **59-2-1710** is amended to read:

59-2-1710. Acquisition of land by governmental entity -- Requirements --

Rollback tax -- One-time in lieu fee payment -- Passage of title.

(1) For purposes of this section, "governmental entity" means:

(a) the United States;

(b) the state;

(c) a political subdivision of the state, including a county, city, town, school district, local district, or special service district; or

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(d) an entity created by the state or the United States, including an agency, board, bureau, commission, committee, department, division, institution, instrumentality, or office.

(2) (a) Except as provided in Subsections (3) and (4), land acquired by a governmental entity is subject to the rollback tax imposed by this part if:

(i) before the governmental entity acquires the land, the land is assessed under this part; and

(ii) after the governmental entity acquires the land, the land does not meet the requirements of Section 59-2-1703 for assessment under this part.

(b) A person dedicating a public right-of-way to a governmental entity shall pay the rollback tax imposed by this part if:

(i) a portion of the public right-of-way is located within a subdivision as defined in Section 10-9a-103; or

(ii) in exchange for the dedication, the person dedicating the public right-of-way receives money or other consideration.

(3) (a) Land acquired by a governmental entity is not subject to the rollback tax imposed by this part, but is subject to a one-time in lieu fee payment as provided in Subsection (3)(b), if:

(i) the governmental entity acquires the land by eminent domain;

(ii) (A) the land is under the threat or imminence of eminent domain proceedings; and

(B) the governmental entity provides written notice of the proceedings to the owner; or

(iii) the land is donated to the governmental entity.

(b) (i) If a governmental entity acquires land under Subsection (3)(a)(iii), the governmental entity shall make a one-time in lieu fee payment:

(A) to the county treasurer of the county in which the land is located; and

(B) in an amount equal to the amount of rollback tax calculated under Section 59-2-1705.

(ii) A governmental entity that acquires land under Subsection (3)(a)(i) or (ii) shall make a one-time in lieu fee payment to the county treasurer of the county in which the land is located:

(A) if the land remaining after the acquisition by the governmental entity meets the requirements of Section 59-2-1703, in an amount equal to the rollback tax under Section

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59-2-1705 on the land acquired by the governmental entity; or

(B) if the land remaining after the acquisition by the governmental entity is less than two acres, in an amount equal to the rollback tax under Section 59-2-1705 on the land acquired by the governmental entity and the land remaining after the acquisition by the governmental entity.

(c) A county receiving an in lieu fee payment under Subsection (3)(b) shall distribute the revenues collected from the payment as follows:

(i) 20% to the county for use for open land and working agricultural land as those terms are defined in Section 4-46-102; and

(ii) 80% to the taxing entities in which the land is located[; and].

~~[(ii) in the same proportion as the revenue from real property taxes is distributed.]~~

(4) If a governmental entity acquires land subject to assessment under this part, title to the land may not pass to the governmental entity until any tax, one-time in lieu fee payment, and applicable interest due under this part are paid to the county treasurer.

Section 13. Section **63J-1-602.2** is amended to read:

63J-1-602.2. List of nonlapsing appropriations to programs.

Appropriations made to the following programs are nonlapsing:

(1) The Legislature and the Legislature's committees.

(2) The State Board of Education, including all appropriations to agencies, line items, and programs under the jurisdiction of the State Board of Education, in accordance with Section 53F-9-103.

(3) The Percent-for-Art Program created in Section 9-6-404.

(4) The ~~[LeRay McAllister Critical Land Conservation Program]~~ LeRay McAllister Working Farm and Ranch ~~(Protection)~~ Fund created in Section 4-46- 301.

(5) The Utah Lake Authority created in Section 11-65-201.

(6) Dedicated credits accrued to the Utah Marriage Commission as provided under Subsection 17-16-21(2)(d)(ii).

(7) The Division of Wildlife Resources for the appraisal and purchase of lands under the Pelican Management Act, as provided in Section 23-21a-6.

(8) The Emergency Medical Services Grant Program in Section 26-8a-207.

(9) The primary care grant program created in Section 26-10b-102.

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- (10) Sanctions collected as dedicated credits from Medicaid providers under Subsection 26-18-3(7).
- (11) The Utah Health Care Workforce Financial Assistance Program created in Section 26-46-102.
- (12) The Rural Physician Loan Repayment Program created in Section 26-46a-103.
- (13) The Opiate Overdose Outreach Pilot Program created in Section 26-55-107.
- (14) The Utah Medical Education Council for the:
 - (a) administration of the Utah Medical Education Program created in Section 26-69-403;
 - (b) provision of medical residency grants described in Section 26-69-407; and
 - (c) provision of the forensic psychiatric fellowship grant described in Section 26-69-408.
- (15) Funds that the Department of Alcoholic Beverage Services retains in accordance with Subsection 32B-2-301(8)(a) or (b).
- (16) The General Assistance program administered by the Department of Workforce Services, as provided in Section 35A-3-401.
- (17) The Utah National Guard, created in Title 39, Militia and Armories.
- (18) The State Tax Commission under Section 41-1a-1201 for the:
 - (a) purchase and distribution of license plates and decals; and
 - (b) administration and enforcement of motor vehicle registration requirements.
- (19) The Search and Rescue Financial Assistance Program, as provided in Section 53-2a-1102.
- (20) The Motorcycle Rider Education Program, as provided in Section 53-3-905.
- (21) The Utah Board of Higher Education for teacher preparation programs, as provided in Section 53B-6-104.
- (22) Innovation grants under Section 53G-10-608, except as provided in Subsection 53G-10-608(6).
- (23) The Division of Services for People with Disabilities, as provided in Section 62A-5-102.
- (24) The Division of Fleet Operations for the purpose of upgrading underground storage tanks under Section 63A-9-401.

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- (25) The Utah Seismic Safety Commission, as provided in Section 63C-6-104.
- (26) The Division of Technology Services for technology innovation as provided under Section 63A-16-903.
- (27) The Office of Administrative Rules for publishing, as provided in Section 63G-3-402.
- (28) The Colorado River Authority of Utah, created in Title 63M, Chapter 14, Colorado River Authority of Utah Act.
- (29) The Governor's Office of Economic Opportunity to fund the Enterprise Zone Act, as provided in Title 63N, Chapter 2, Part 2, Enterprise Zone Act.
- (30) The Governor's Office of Economic Opportunity's Rural Employment Expansion Program, as described in Title 63N, Chapter 4, Part 4, Rural Employment Expansion Program.
- (31) Programs for the Jordan River Recreation Area as described in Section 65A-2-8.
- (32) The Division of Human Resource Management user training program, as provided in Section 63A-17-106.
- (33) A public safety answering point's emergency telecommunications service fund, as provided in Section 69-2-301.
- (34) The Traffic Noise Abatement Program created in Section 72-6-112.
- (35) The money appropriated from the Navajo Water Rights Negotiation Account to the Division of Water Rights, created in Section 73-2-1.1, for purposes of participating in a settlement of federal reserved water right claims.
- (36) The Judicial Council for compensation for special prosecutors, as provided in Section 77-10a-19.
- (37) A state rehabilitative employment program, as provided in Section 78A-6-210.
- (38) The Utah Geological Survey, as provided in Section 79-3-401.
- (39) The Bonneville Shoreline Trail Program created under Section 79-5-503.
- (40) Adoption document access as provided in Sections 78B-6-141, 78B-6-144, and 78B-6-144.5.
- (41) Indigent defense as provided in Title 78B, Chapter 22, Part 4, Utah Indigent Defense Commission.
- (42) The program established by the Division of Facilities Construction and Management under Section 63A-5b-703 under which state agencies receive an appropriation

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and pay lease payments for the use and occupancy of buildings owned by the Division of Facilities Construction and Management.

(43) The State Tax Commission for reimbursing counties for deferred property taxes in accordance with Section 59-2-1802.