

**FARMLAND ASSESSMENT ACT AMENDMENTS**

2022 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jacob L. Anderegg**

House Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill amends the rollback tax provisions of the Farmland Assessment Act.

**Highlighted Provisions:**

This bill:

► provides that land withdrawn from assessment under the Farmland Assessment Act is not subject to the rollback tax if the use or development of the withdrawn land is limited by certain state or local laws or ordinances.

**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 2017, Chapter 319

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

Section 1. 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



28 is withdrawn from this part, the land is subject to a rollback tax imposed in accordance with  
29 this section.

30 (2) (a) An owner shall notify the county assessor that land is withdrawn from this part  
31 within 120 days after the day on which the land is withdrawn from this part.

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33 withdrawn from this part is subject to a penalty equal to the greater of:

34 (i) \$10; or

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

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

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

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

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

42 (i) begins on the later of:

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

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

46 (ii) ends the day on which the county assessor mails the notice required by Subsection  
47 (5).

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

49 (i) collect the rollback tax; and

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

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

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

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

57 (i) into the county treasury; and

58 (ii) to the various taxing entities pro rata in accordance with the property tax levies for

59 the current year.

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

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

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

64 (iii) the rollback tax is delinquent if the owner of the land does not pay the tax within  
65 30 days after the day on which the county assessor mails the notice described in this Subsection  
66 (5)(a).

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

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

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

74 (i) the rollback tax; and

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

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

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

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

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

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

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

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

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

89 (8) (a) Land that becomes ineligible for assessment under this part only as a result of an

90 amendment to this part is not subject to the rollback tax if the owner of the land notifies the  
91 county assessor, in accordance with Subsection (2), that the land is withdrawn from this part.

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

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

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

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

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

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

113 (11) (a) Land that is withdrawn from assessment under this part is not subject to the  
114 rollback tax if a state or local law or ordinance limits the use or development of the withdrawn  
115 land due to the land's proximity to a stream, river, lake, or other body of water.

116 (b) If withdrawn land described in Subsection (11)(a) is part of a larger piece of land  
117 that is withdrawn from assessment under this part, the rollback tax applies to any portion of the  
118 land that does not meet the requirements of Subsection (11)(a).