

1

**County Government Land Purchasing**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Mark A. Strong**

Senate Sponsor: Daniel McCay

2

3

---

---

**LONG TITLE**

4

**General Description:**

5

This bill deals with a county's acquisition of real property located in another county.

6

**Highlighted Provisions:**

7

This bill:

8

▸ provides that a county may not acquire real property that is located in another county

9

through exchange, purchase, or lease unless:

10

• the county where the real property is located provides express permission; and

11

• the county's acquisition is a joint acquisition with another political subdivision as part

12

of an interlocal agreement;

13

▸ provides that real property owned by a county that is located outside the geographical

14

boundaries of the county is not exempt from taxation under Title 59, Chapter 2, Property

15

Tax Act, unless exceptions apply; and

16

▸ makes technical and conforming changes.

17

**Money Appropriated in this Bill:**

18

None

19

**Other Special Clauses:**

20

None

21

**Utah Code Sections Affected:**

22

AMENDS:

23

**17-60-202**, as renumbered and amended by Laws of Utah 2025, First Special Session,

24

Chapter 13

25

**17-78-103**, as renumbered and amended by Laws of Utah 2025, First Special Session,

26

Chapter 14

27

**17-78-201**, as renumbered and amended by Laws of Utah 2025, First Special Session,

28

Chapter 14

29 **17C-1-202**, as last amended by Laws of Utah 2025, First Special Session, Chapter 16  
 30 **17C-1-207**, as last amended by Laws of Utah 2025, First Special Session, Chapter 16  
 31 **59-2-1101**, as last amended by Laws of Utah 2025, First Special Session, Chapter 15

---

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

34 Section 1. Section **17-60-202** is amended to read:

35 **17-60-202 . Counties authorized to levy and collect taxes, sue and be sued, and**  
 36 **acquire property.**

37 (1)(a) Except as provided in Subsection (1)(b), a county may:

38 (i) as prescribed by statute:

39 (A) levy a tax;

40 (B) perform an assessment;

41 (C) collect a tax;

42 (D) borrow money; or

43 (E) levy and collect a special assessment for a conferred benefit; or

44 (ii) provide a service, exercise a power, or perform a function that is reasonably  
 45 related to the safety, health, morals, and welfare of county inhabitants.

46 (b) A county or a governmental instrumentality of a county may not perform an action  
 47 described in Subsection (1)(a)(i) or provide a service, exercise a power, or perform a  
 48 function described in Subsection (1)(a)(ii) in another county or a municipality within  
 49 the other county without first entering into an agreement under Title 11, Chapter 13,  
 50 Interlocal Cooperation Act, or other contract with the other county to perform the  
 51 action, provide the service, exercise the power, or perform the function.

52 (2) A county may:

53 (a) sue and be sued;

54 (b)(i) subject to Subsection (4), acquire real property by tax sale, purchase, lease,  
 55 contract, or gift; and

56 (ii) [-]hold the real property acquired under Subsection (2)(b)(i) as necessary and  
 57 proper for county purposes;

58 (c)(i) subject to [~~Subsections (3)(a) and (b)~~] Subsection (3), acquire real property by  
 59 condemnation, as provided in Title 78B, Chapter 6, Part 5, Eminent Domain; and

60 (ii) hold the real property acquired under Subsection (2)(c)(i) as necessary and proper  
 61 for county purposes;

62 (d) as may be necessary to the exercise of its powers, acquire personal property by

- 63 purchase, lease, contract, or gift, and hold such personal property; and
- 64 (e) manage and dispose of its property as the interests of its inhabitants may require.
- 65 (3)(a) For purposes of Subsection (2)(c), water rights that are not appurtenant to land do
- 66 not constitute real property that may be acquired by the county through
- 67 condemnation.
- 68 (b) Nothing in Subsection (2)(c) may be construed to authorize a county to acquire by
- 69 condemnation the rights to water unless the land to which those water rights are
- 70 appurtenant is acquired by condemnation.
- 71 (4) Except as provided in Subsection (6) and subject to Section 17-78-103, each county
- 72 intending to acquire real property for the purpose of expanding the county's
- 73 infrastructure or other facilities used for providing services that the county offers or
- 74 intends to offer shall provide written notice of the county's intent to acquire the property
- 75 if:
- 76 (a) the property is located:
- 77 (i) outside the boundaries of the unincorporated area of the county; and
- 78 (ii) in a county of the first or second class; and
- 79 (b) the intended use of the property is contrary to:
- 80 (i) the anticipated use of the property under the general plan of the county in whose
- 81 unincorporated area or the municipality in whose boundaries the property is
- 82 located; or
- 83 (ii) the property's current zoning designation.
- 84 (5)(a) Each notice under Subsection (4) shall:
- 85 (i) indicate that the county intends to acquire real property;
- 86 (ii) identify the real property; and
- 87 (iii) be sent to:
- 88 (A) each county in whose unincorporated area and each municipality in whose
- 89 boundaries the property is located; and
- 90 (B) each affected entity.
- 91 (b) A notice under Subsection (4) is a protected record as provided in Subsection
- 92 63G-2-305(8).
- 93 (6) The notice requirement of Subsection (4) does not apply if the county previously
- 94 provided notice under Section 17-79-203 identifying the general location within the
- 95 municipality or unincorporated part of the county where the property to be acquired is
- 96 located.

- 97 (7) If a county is not required to comply with the notice requirement of Subsection (4)  
 98 because of application of Subsection (6), the county shall provide the notice specified in  
 99 Subsection (4) as soon as practicable after the county's acquisition of the real property.

100 Section 2. Section **17-78-103** is amended to read:

101 **17-78-103 . Acquisition, management, and disposal of property.**

- 102 (1) ~~[Subject to Subsection (4), a-]~~ A county may purchase, receive, hold, sell, lease, convey,  
 103 or otherwise acquire and dispose of any real or personal property or any interest in [such]  
 104 real or personal property if the action:

105 (a) is in the public interest; and

106 (b) complies with:

107 (i) this section; and

108 (ii) [-]other law.

- 109 (2) Any property interest acquired by the county shall be held in the name of the county  
 110 unless specifically otherwise provided by law.

- 111 (3)(a) Except as provided in Subsection (3)(c), before a county may acquire real  
 112 property that is located within the geographic boundaries of another county by  
 113 exchange, purchase, or lease, the acquiring county shall obtain the express  
 114 permission of the county where the real property is located.

115 (b) Express permission, as described in Subsection (3)(a), requires, at minimum:

116 (i) formal action of the legislative body; or

117 (ii) an executed memorandum of understanding or other contractual agreement  
 118 between the county that is acquiring real property and the county where the real  
 119 property is located.

120 (c) Subsection (3)(a) does not apply to a county's acquisition of a joint interest in real  
 121 property that is located within the geographic boundaries of another county as part of  
 122 a joint project, including public buildings, public infrastructure, or public initiatives,  
 123 between two or more counties or other political subdivisions through an agreement  
 124 governed by Title 11, Chapter 13, Interlocal Cooperation Act.

- 125 ~~[(3)]~~ (4) The county legislative body shall provide by ordinance, resolution, rule, or  
 126 regulation for the manner in which property shall be acquired, managed, and disposed of.

- 127 ~~[(4)]~~ (5)(a) Before a county may dispose of a significant parcel of real property, the  
 128 county shall:

129 (i) provide reasonable notice of the proposed disposition at least 14 days before the  
 130 opportunity for public comment under Subsection ~~[(4)(a)(ii)]~~ (5)(a)(ii); and

- 131 (ii) allow an opportunity for public comment on the proposed disposition.
- 132 (b) Each county shall, by ordinance, define what constitutes:
  - 133 (i) a significant parcel of real property for purposes of Subsection [~~(4)~~(a)] (5)(a); and
  - 134 (ii) reasonable notice for purposes of Subsection [~~(4)~~(a)(i)] (5)(a)(i).
- 135 [~~(5)~~] (6)(a) A county may dispose of a significant parcel of real property in exchange for
  - 136 less than the present fair market value of the significant parcel of real property if the
  - 137 adjusted present value of the significant parcel of real property is equal to or greater
  - 138 than the present fair market value of the significant parcel of real property.
- 139 (b) Subsection [~~(5)~~(a)] (6)(a) does not affect a county's authority to dispose of a
  - 140 significant parcel of real property in a manner different from Subsection [~~(5)~~(a)] (6)(a)
  - 141 and in accordance with applicable law.
- 142 [~~(6)~~] (7) Before a county agrees to dispose of a significant parcel of real property, the county
  - 143 may require the potential purchaser or lessee to provide evidence that:
    - 144 (a) the potential purchaser's or lessee's offer is bona fide;
    - 145 (b) the potential purchaser or lessee has the ability to pay the disposition price; or
    - 146 (c) any future benefits to the county from the disposal of the significant parcel of real
    - 147 property are reasonably anticipated.
- 148 [~~(7)~~] (8) If a county receives an unsolicited offer to purchase or lease a significant parcel of
  - 149 real property:
    - 150 (a) the county is not required to consider the offer; and
    - 151 (b) a person may not consider the offer in determining the present fair market value of
    - 152 the significant parcel of real property, unless considering the offer is warranted under
    - 153 generally accepted standards of professional appraisal practice.
- 154 [~~(8)~~] (9) A county may presume that the present fair market value of a significant parcel of
  - 155 real property is equal to the average of two appraised values each of which is based upon
  - 156 fair market value and calculated by a unique, independent appraiser who is licensed or
  - 157 certified in accordance with Title 61, Chapter 2g, Real Estate Appraiser Licensing and
  - 158 Certification Act.

159 Section 3. Section **17-78-201** is amended to read:

160 **17-78-201 . Development of county resources.**

- 161 (1) A county may provide for the development of the county's mineral, water, [~~manpower~~] personnel, industrial, historical, cultural, and other resources.
- 162
- 163 (2) Nothing in this section modifies the requirements of Section 17-78-103.

164 Section 4. Section **17C-1-202** is amended to read:

- 165           **17C-1-202 . Agency powers.**
- 166       (1) An agency may:
- 167           (a) sue and be sued;
- 168           (b) enter into contracts generally;
- 169           (c) buy, obtain an option upon, acquire by gift, or otherwise acquire any interest in real
- 170                 or personal property;
- 171           (d) hold, sell, convey, grant, gift, or otherwise dispose of any interest in real or personal
- 172                 property;
- 173           (e) own, hold, maintain, utilize, manage, or operate real or personal property, which may
- 174                 include the use of agency funds or the collection of revenue;
- 175           (f) enter into a lease agreement on real or personal property, either as lessee or lessor;
- 176           (g) provide for project area development as provided in this title;
- 177           (h) receive and use agency funds as provided in this title;
- 178           (i) if disposing of or leasing land, retain controls or establish restrictions and covenants
- 179                 running with the land consistent with the project area plan;
- 180           (j) accept financial or other assistance from any public or private source for the agency's
- 181                 activities, powers, and duties, and expend any funds the agency receives for any
- 182                 purpose described in this title;
- 183           (k) borrow money or accept financial or other assistance from a public entity or any
- 184                 other source for any of the purposes of this title and comply with any conditions of
- 185                 any loan or assistance;
- 186           (l) issue bonds to finance the undertaking of any project area development or for any of
- 187                 the agency's other purposes, including:
- 188                 (i) reimbursing an advance made by the agency or by a public entity to the agency;
- 189                 (ii) refunding bonds to pay or retire bonds previously issued by the agency; and
- 190                 (iii) refunding bonds to pay or retire bonds previously issued by the community that
- 191                         created the agency for expenses associated with project area development;
- 192           (m) pay an impact fee, exaction, or other fee imposed by a community in connection
- 193                 with land development;
- 194           (n) subject to Part 10, Agency Taxing Authority, levy a property tax; or
- 195           (o) transact other business and exercise all other powers described in this title.
- 196       (2) The establishment of controls or restrictions and covenants under Subsection (1)(i) is a
- 197           public purpose.
- 198       (3) An agency may acquire real property under Subsection (1)(c) that is outside a project

- 199 area only if the board determines that the property will benefit a project area.
- 200 (4)(a) [~~An~~] Except as provided in Subsection (4)(b), an agency is not subject to Section  
201 10-8-2 or 17-78-103.
- 202 (b) An agency may not facilitate or assist a county in violating Subsection 17-78-103(3).
- 203 (5)(a) An agency may, subject to Subsection (5)(c), enter into a participation agreement  
204 with a person to govern the development the person will undertake within a project  
205 area.
- 206 (b) A participation agreement under Subsection (5)(a) shall include a description of:
- 207 (i) the project area development that the person will undertake;
- 208 (ii) the amount of project area funds the agency agrees to pay to the person to  
209 facilitate the development; and
- 210 (iii) the terms and conditions under which the agency agrees to pay project area funds  
211 to the person.
- 212 (c)(i) A participation agreement under Subsection (5)(a) is subject to board approval  
213 by resolution of the board.
- 214 (ii) A resolution under Subsection (5)(c)(i) shall include a finding by the board  
215 describing how the project area development described in the participation  
216 agreement will contribute to achieving the goals, policies, and purposes of the  
217 project area plan.
- 218 (d)(i) Beginning on May 7, 2025, any participation agreement under this Subsection  
219 (5) shall include a provision authorizing the agency, directly or through the county  
220 in which the agency operates, to use funding that would otherwise be provided to  
221 the participant to pay a participant's delinquent property tax or privilege tax or  
222 resolve a political subdivision lien against the participant, as described in  
223 Subsection 17C-1-409(6).
- 224 (ii) An agency that has entered into a participation agreement before May 7, 2025,  
225 shall, as soon as reasonably practical, enter into an amendment to the participation  
226 agreement with a participant to include a provision authorizing the agency to use  
227 funding that would otherwise be provided to the participant to pay a participant's  
228 delinquent property tax or privilege tax or resolve a political subdivision lien  
229 against the participant, as described in Subsection 17C-1-409(6).

230 Section 5. Section **17C-1-207** is amended to read:

231 **17C-1-207 . Public entities may assist with project area development -- Notice**  
232 **requirements.**

- 233 (1) In order to assist and cooperate in the planning, undertaking, construction, or operation  
234 of project area development within an area in which the public entity is authorized to  
235 act, a public entity may:
- 236 (a)(i) provide or cause to be furnished:
- 237 (A) parks, playgrounds, or other recreational facilities;
- 238 (B) community, educational, water, sewer, or drainage facilities; or
- 239 (C) any other works which the public entity is otherwise empowered to undertake;
- 240 (ii) provide, furnish, dedicate, close, vacate, pave, install, grade, regrade, plan, or  
241 replan streets, roads, roadways, alleys, sidewalks, or other places;
- 242 (iii) in any part of the project area:
- 243 (A)(I) plan or replan any property within the project area;
- 244 (II) plat or replat any property within the project area;
- 245 (III) vacate a plat;
- 246 (IV) amend a plat; or
- 247 (V) zone or rezone any property within the project area; and
- 248 (B) make any legal exceptions from building regulations and ordinances;
- 249 (iv) purchase or legally invest in any of the bonds of an agency and exercise all of the  
250 rights of any holder of the bonds;
- 251 (v) notwithstanding any law to the contrary, enter into an agreement for a period of  
252 time with another public entity concerning action to be taken pursuant to any of  
253 the powers granted in this title;
- 254 (vi) do anything necessary to aid or cooperate in the planning or implementation of  
255 the project area development;
- 256 (vii) in connection with the project area plan, become obligated to the extent  
257 authorized and funds have been made available to make required improvements or  
258 construct required structures; and
- 259 (viii) lend, grant, or contribute funds to an agency for project area development or  
260 proposed project area development, including assigning revenue or taxes in  
261 support of an agency bond or obligation; and
- 262 (b) for less than fair market value or for no consideration, and subject to Subsection (3):
- 263 (i) purchase or otherwise acquire property from an agency;
- 264 (ii) lease property from an agency;
- 265 (iii) sell, grant, convey, donate, or otherwise dispose of the public entity's property to  
266 an agency; or

- 267 (iv) lease the public entity's property to an agency.
- 268 (2)(a) ~~[The]~~ Except as provided in Subsection (2)(b), the following are not subject to
- 269 Section 10-8-2, 17-60-203, or 17-78-103:
- 270 ~~[(a)]~~ (i) project area development assistance that a public entity provides under this
- 271 section; or
- 272 ~~[(b)]~~ (ii) a transfer of funds or property from an agency to a public entity.
- 273 (b) An agency may not transfer property to a county if the transfer would result in the
- 274 county violating Subsection 17-78-103(3).
- 275 (3) A public entity may provide assistance described in Subsection (1)(b) no sooner than 15
- 276 days after the day on which the public entity completes the requirements for publishing
- 277 notice of the assistance for the public entity's jurisdiction, as a class A notice under
- 278 Section 63G-30-102, for at least 15 days.
- 279 Section 6. Section **59-2-1101** is amended to read:
- 280 **59-2-1101 . Definitions -- Exemption of certain property -- Proportional**
- 281 **payments for certain property -- Exception -- County legislative body authority to adopt**
- 282 **rules or ordinances.**
- 283 (1) As used in this section:
- 284 (a) "Charitable purposes" means:
- 285 (i) for property used as a nonprofit hospital or a nursing home, the standards outlined
- 286 in *Howell v. County Board of Cache County ex rel. IHC Hospitals, Inc.*, 881 P.2d
- 287 880 (Utah 1994); and
- 288 (ii) for property other than property described in Subsection (1)(a)(i), providing a gift
- 289 to the community.
- 290 (b) "Compliance period" means a period equal to 15 taxable years beginning with the
- 291 first taxable year for which the taxpayer claims a tax credit under Section 42, Internal
- 292 Revenue Code, or Section 59-7-607 or 59-10-1010.
- 293 (c)(i) "Educational purposes" means purposes carried on by an educational
- 294 organization that normally:
- 295 (A) maintains a regular faculty and curriculum; and
- 296 (B) has a regularly enrolled body of pupils and students.
- 297 (ii) "Educational purposes" includes:
- 298 (A) the physical or mental teaching, training, or conditioning of competitive
- 299 athletes by a national governing body of sport recognized by the United States
- 300 Olympic Committee that qualifies as being tax exempt under Section

- 301                   501(c)(3), Internal Revenue Code; and
- 302                   (B) an activity in support of or incidental to the teaching, training, or conditioning
- 303                   described in this Subsection (1)(c)(ii).
- 304           (d) "Exclusive use exemption" means a property tax exemption under Subsection
- 305                   (3)(a)(iv), for property owned by a nonprofit entity used exclusively for one or more
- 306                   of the following purposes:
- 307                   (i) religious purposes;
- 308                   (ii) charitable purposes; or
- 309                   (iii) educational purposes.
- 310           (e)(i) "Farm machinery and equipment" means tractors, milking equipment and
- 311                   storage and cooling facilities, feed handling equipment, irrigation equipment,
- 312                   harvesters, choppers, grain drills and planters, tillage tools, scales, combines,
- 313                   spreaders, sprayers, haying equipment, including balers and cubers, and any other
- 314                   machinery or equipment used primarily for agricultural purposes.
- 315                   (ii) "Farm machinery and equipment" does not include vehicles required to be
- 316                   registered with the Motor Vehicle Division or vehicles or other equipment used
- 317                   for business purposes other than farming.
- 318           (f) "Gift to the community" means:
- 319                   (i) the lessening of a government burden; or
- 320                   (ii)(A) the provision of a significant service to others without immediate
- 321                   expectation of material reward;
- 322                   (B) the use of the property is supported to a material degree by donations and gifts
- 323                   including volunteer service;
- 324                   (C) the recipients of the charitable activities provided on the property are not
- 325                   required to pay for the assistance received, in whole or in part, except that if in
- 326                   part, to a material degree;
- 327                   (D) the beneficiaries of the charitable activities provided on the property are
- 328                   unrestricted or, if restricted, the restriction bears a reasonable relationship to
- 329                   the charitable objectives of the nonprofit entity that owns the property; and
- 330                   (E) any commercial activities provided on the property are subordinate or
- 331                   incidental to charitable activities provided on the property.
- 332           (g) "Government exemption" means a property tax exemption provided under
- 333                   Subsection (3)(a)(i), (ii), or (iii).
- 334           (h)(i) "Nonprofit entity" means an entity:

- 335 (A) that is organized on a nonprofit basis, that dedicates the entity's property to the  
336 entity's nonprofit purpose, and that makes no dividend or other form of  
337 financial benefit available to a private interest;
- 338 (B) for which, upon dissolution, the entity's assets are distributable only for  
339 exempt purposes under state law or to the government for a public purpose; and
- 340 (C) for which none of the net earnings or donations made to the entity inure to the  
341 benefit of private shareholders or other individuals, as the private inurement  
342 standard has been interpreted under Section 501(c)(3), Internal Revenue Code.
- 343 (ii) "Nonprofit entity" includes an entity:
- 344 (A) if the entity is treated as a disregarded entity for federal income tax purposes  
345 and wholly owned by, and controlled under the direction of, a nonprofit entity;  
346 and
- 347 (B) for which none of the net earnings and profits of the entity inure to the benefit  
348 of any person other than a nonprofit entity.
- 349 (iii) "Nonprofit entity" includes an entity that is not an entity described in Subsection  
350 (1)(h)(i) if the entity jointly owns a property that:
- 351 (A) is used for the purpose of providing permanent supportive housing;
- 352 (B) has an owner that is an entity described in Subsection (1)(h)(i) or that is a  
353 housing authority that operates the permanent supportive housing;
- 354 (C) has an owner that receives public funding from a federal, state, or local  
355 government entity to provide support services and rental subsidies to the  
356 permanent supportive housing;
- 357 (D) is intended to be transferred at or before the end of the compliance period to  
358 an entity described in Subsection (1)(h)(i) or a housing authority that will  
359 continue to operate the property as permanent supportive housing; and
- 360 (E) has been certified by the Utah Housing Corporation as meeting the  
361 requirements described in Subsections (1)(h)(iii)(A) through (D).
- 362 (iv) "Nonprofit entity" includes an entity that is not an entity described in Subsection  
363 (1)(h)(i) if:
- 364 (A) the entity is a housing organization as defined in Subsection 35A-8-2401(1)(a);  
365 and
- 366 (B) the entity is owned by an entity described in Subsection (1)(h)(i) or a housing  
367 authority.
- 368 (i) "Permanent supportive housing" means a housing facility that:

- 369 (i) provides supportive services;
- 370 (ii) makes a 15-year commitment to provide rent subsidies to tenants of the housing  
371 facility when the housing facility is placed in service;
- 372 (iii) receives an allocation of federal low-income housing tax credits in accordance  
373 with 26 U.S.C. Sec. 42; and
- 374 (iv) leases each unit to a tenant:
- 375 (A) who, immediately before leasing the housing, was homeless as defined in 24  
376 C.F.R. 583.5; and
- 377 (B) whose rent is capped at no more than 30% of the tenant's household income.
- 378 (j)(i) "Property of" means property that an entity listed in Subsection (3)(a)(ii) or (iii)  
379 has a legal right to possess.
- 380 (ii) "Property of" includes a lease of real property if:
- 381 (A) the property is wholly leased to a state or political subdivision entity listed in  
382 Subsection (3)(a)(ii) or (iii) under a triple net lease; and
- 383 (B) the lease is in effect for the entire calendar year.
- 384 (k) "Supportive service" means a service that is an eligible cost under 24 C.F.R. 578.53.
- 385 (l) "Triple net lease" means a lease agreement under which the lessee is responsible for  
386 the real estate taxes, building insurance, and maintenance of the property separate  
387 from and in addition to the rental price.
- 388 (2)(a) Except as provided in Subsection (2)(b), an exemption under this part may be  
389 allowed only if the claimant is the owner of the property as of January 1 of the year  
390 the exemption is claimed.
- 391 (b) A claimant shall collect and pay a proportional tax based upon the length of time that  
392 the property was not owned by the claimant if:
- 393 (i) the claimant is a federal, state, or political subdivision entity described in  
394 Subsection (3)(a)(i), (ii), or (iii); or
- 395 (ii) in accordance with Subsection (3)(a)(iv):
- 396 (A) the claimant is a nonprofit entity; and
- 397 (B) the property is used exclusively for religious, charitable, or educational  
398 purposes.
- 399 (3)(a) The following property is exempt from taxation:
- 400 (i) property exempt under the laws of the United States;
- 401 (ii) property of:
- 402 (A) the state;

- 403 (B) school districts; and  
404 (C) public libraries;
- 405 (iii) except as provided in Title 11, Chapter 13, Interlocal Cooperation Act, or in  
406 Subsection (6), property of:  
407 (A) counties;  
408 (B) cities;  
409 (C) towns;  
410 (D) special districts;  
411 (E) special service districts; and  
412 (F) all other political subdivisions of the state;
- 413 (iv) except as provided in Subsection [~~(6) or (7)~~] (7) or (8), property owned by a  
414 nonprofit entity used exclusively for one or more of the following purposes:  
415 (A) religious purposes;  
416 (B) charitable purposes; or  
417 (C) educational purposes;
- 418 (v) places of burial not held or used for private or corporate benefit;  
419 (vi) farm machinery and equipment;  
420 (vii) a high tunnel, as defined in Section 10-20-613;  
421 (viii) intangible property; and  
422 (ix) the ownership interest of an out-of-state public agency, as defined in Section  
423 11-13-103:  
424 (A) if that ownership interest is in property providing additional project capacity,  
425 as defined in Section 11-13-103; and  
426 (B) on which a fee in lieu of ad valorem property tax is payable under Section  
427 11-13-302.
- 428 (b) For purposes of a property tax exemption for property of school districts under  
429 Subsection (3)(a)(ii)(B), a charter school under Title 53G, Chapter 5, Charter  
430 Schools, is considered to be a school district.
- 431 (4) Subject to Subsection (5), if property that is allowed an exclusive use exemption or a  
432 government exemption ceases to qualify for the exemption because of a change in the  
433 ownership of the property:  
434 (a) the new owner of the property shall pay a proportional tax based upon the period of  
435 time:  
436 (i) beginning on the day that the new owner acquired the property; and

- 437 (ii) ending on the last day of the calendar year during which the new owner acquired  
438 the property; and
- 439 (b) the new owner of the property and the person from whom the new owner acquires  
440 the property shall notify the county assessor, in writing, of the change in ownership  
441 of the property within 30 days from the day that the new owner acquires the property.
- 442 (5) Notwithstanding Subsection (4)(a), the proportional tax described in Subsection (4)(a):
- 443 (a) is subject to any exclusive use exemption or government exemption that the property  
444 is entitled to under the new ownership of the property; and
- 445 (b) applies only to property that is acquired after December 31, 2005.
- 446 (6)(a) As used in this Subsection (6), "extraterritorial county property" means real  
447 property owned by a county that is located outside the geographical boundaries of the  
448 county.
- 449 (b) Notwithstanding Subsection (3)(a)(iii)(A) and except as provided in Subsection (6)(c):
- 450 (i) beginning January 1, 2027, extraterritorial county property that is acquired on or  
451 after May 6, 2026, is subject to property taxation; and
- 452 (ii) beginning January 1, 2029, extraterritorial county property that was acquired  
453 before May 6, 2026, is subject to property taxation.
- 454 (c) Extraterritorial county property shall retain the exemption described in Subsection  
455 (3)(a)(iii)(A) if the county that owns the property and the county where the property  
456 is located:
- 457 (i) agree to maintain the exemption described in Subsection (3)(a)(iii)(A) in regard to  
458 the extraterritorial county property; and
- 459 (ii) enter into an agreement regarding the extraterritorial county property.
- 460 (d) If extraterritorial county property is subject to property taxation as described in this  
461 Subsection (6), the extraterritorial county property shall be assessed and taxed at the  
462 property's taxable value and use immediately before the county's acquisition of the  
463 extraterritorial county property, including any assessment under Part 5, Farmland  
464 Assessment Act.
- 465 (e)(i) If the use of extraterritorial county property subject to property taxation  
466 changes from an agricultural use to a non-qualifying use, as described in Part 5,  
467 Farmland Assessment Act, the county that owns the property shall be subject to  
468 the rollback tax described in Section 59-2-506.
- 469 (ii) The rollback tax described in Subsection (6)(e)(i) shall be calculated based on the  
470 difference between the greenbelt assessment and the fair market value assessment

471 for the preceding five years.

472 [~~(6)~~] (7)(a) A property may not receive an exemption under Subsection (3)(a)(iv) if:

473 (i) the nonprofit entity that owns the property participates in or intervenes in any  
474 political campaign on behalf of or in opposition to any candidate for public office,  
475 including the publishing or distribution of statements; or

476 (ii) a substantial part of the activities of the nonprofit entity that owns the property  
477 consists of carrying on propaganda or otherwise attempting to influence  
478 legislation, except as provided under Subsection 501(h), Internal Revenue Code.

479 (b) Whether a nonprofit entity is engaged in an activity described in Subsection [~~(6)~~](a)  
480 (7)(a) shall be determined using the standards described in Section 501, Internal  
481 Revenue Code.

482 [~~(7)~~] (8) A property may not receive an exemption under Subsection (3)(a)(iv) if:

483 (a) the property is used for a purpose that is not religious, charitable, or educational; and

484 (b) the use for a purpose that is not religious, charitable, or educational is more than de  
485 minimis.

486 [~~(8)~~] (9) A county legislative body may adopt rules or ordinances to:

487 (a) effectuate an exemption under this part; and

488 (b) designate one or more persons to perform the functions given to the county under  
489 this part.

490 [~~(9)~~] (10) If a person is dissatisfied with an exemption decision made under designated  
491 decision-making authority as described in Subsection [~~(8)~~](b) (9)(b), that person may  
492 appeal the decision to the commission under Section 59-2-1006.

493 **Section 7. Effective Date.**

494 This bill takes effect on May 6, 2026.