

Security and Land Restriction Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Candice B. Pierucci

Senate Sponsor:

LONG TITLE**General Description:**

This bill amends provisions dealing with the sale of land to restricted foreign entities.

Highlighted Provisions:

This bill:

- lowers the percentage of ownership a restricted foreign entity may maintain in a separate entity before the separate entity is considered a restricted foreign entity;
- provides that the Department of Public Safety (department) shall send a letter to an entity the department suspects of being a restricted foreign entity;
- provides that an entity to which the department sends a letter shall provide evidence that demonstrates the entity is not a restricted foreign entity within 30 days after the day on which the entity receives the letter;
- provides that the attorney general shall coordinate with the Division of Facilities and Construction Management when conducting a sale of a restricted foreign entity's interest in land;
- provides that if an entity does not respond to a letter from the department, the department may impose a fine for each day the entity does not respond; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:**AMENDS:**

63L-13-101, as last amended by Laws of Utah 2024, Chapters 84, 504

63L-13-201, as last amended by Laws of Utah 2025, Chapter 266

63L-13-204, as enacted by Laws of Utah 2025, Chapter 266

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

32 Section 1. Section **63L-13-101** is amended to read:

33 **63L-13-101 . Definitions.**

34 As used in this chapter:

35 (1)(a) "Conservation lease" means a lease on a parcel of public land that:

- 36 (i) restricts the use of the parcel for the sole or primary purpose of preserving or
- 37 protecting the land or the land's natural resources;
- 38 (ii) prohibits the extraction of the land's natural resources; or
- 39 (iii) is managed according to an agreement that contradicts the principles of multiple
- 40 use and sustained yield, including the multiple-use, sustained-yield principles in
- 41 the Federal Land Policy and Management Act, 43 U.S.C. Sec. 1732, and the
- 42 National Forest Management Act, 16 U.S.C. Sec. 1604.

43 (b) "Conservation lease" includes a lease that is wholly or partially similar to a lease

44 described in Subsection (1)(a).

45 (c) "Conservation lease" does not include a conservation easement, as that term is

46 defined in Section 57-18-2.

47 (2)(a) "Ecosystem services" mean the natural and biological processes on a parcel of

48 land that benefit human well-being and quality of life.

49 (b) "Ecosystem services" include the:

- 50 (i) conversion of carbon dioxide to oxygen in plants through photosynthesis;
- 51 (ii) purification of in-stream surface water or groundwater by naturally-occurring
- 52 microorganisms, soil or bedrock percolation, or chemical detoxification; and
- 53 (iii) noncommercial recreational benefit of natural lands.

54 (3) "Interest in land" means any right, title, lien, claim, interest, or estate with respect to

55 land.

56 (4)(a) "Land" means all real property within the state.

57 (b) "Land" includes:

- 58 (i) agricultural land, as defined in Section 4-46-102;
- 59 (ii) land owned or controlled by a political subdivision;
- 60 (iii) land owned or controlled by a school district;
- 61 (iv) non-federal land, as defined in Section 9-9-402;
- 62 (v) private land;
- 63 (vi) public land;
- 64 (vii) state land, as defined in Subsection 9-9-402(14)(a);

(viii) waters of the state, as defined in Subsection 19-5-102(23)(a); and

(ix) subsurface land.

(c) "Land" does not include real property that is owned, controlled, or held in trust by the federal government.

(5) "Land conveyance" means the transfer of any interest in land from one party to another.

(6)(a) "Natural asset company" means a company that has the meaning given under the notice of the Securities and Exchange Commission titled Notice of Filing of Proposed Rule Change To Amend the NYSE Listed Company Manual To Adopt Listing Standards for Natural Asset Companies, 88 Fed. Reg. 68811, published October 4, 2023.

(b) "Natural asset company" includes a company that is substantially similar to a company described in Subsection (6)(a).

(7) "Restricted foreign entity" means:

(a) a company that the United States Secretary of Defense is required to identify and report as a military company under Section 1260H of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021, Pub. L. No. 116-283;

(b) an entity that ~~[is owned or directly controlled by]~~ the government of China, Iran, North Korea, or Russia owns or directly controls;

(c) an affiliate, subsidiary, or holding company of an entity described in Subsection (7)(a) or (b);

(d) a country with a commercial or defense industrial base of which an entity described in Subsection (7)(a), (b), or (c) is a part;

(e) a state, province, region, prefecture, subdivision, or municipality of a country described in Subsection (7)(d);

(f) an agency, bureau, committee, or department of a country described in Subsection (7)(d); or

(g) ~~[any]~~ an entity in which ~~[any]~~ an entity described in Subsections (7)(a) through (f) maintains at least a ~~[51%]~~ 25% ownership interest.

Section 2. Section **63L-13-201** is amended to read:

63L-13-201 . Acquisition of land prohibited -- Exceptions -- Enforcement.

(1) As used in this section, "department" means the Department of Public Safety created under Section 53-1-103.

(2) Subject to Subsection (3) and Section 63L-13-202, a restricted foreign entity may not

99 acquire an interest in land in this state.

100 (3) A restricted foreign entity that, in violation of Subsection (2), obtains an interest in land
101 shall alienate the interest in accordance with Section 63L-13-202.

102 (4) The department shall:

103 (a) maintain a publicly available list of restricted foreign entities;

104 (b) create a process by which a county recorder may report a land conveyance the county
105 recorder suspects is prohibited under this section;

106 (c) provide an annual notice to each county recorder in the state that includes:

107 (i) instruction on how to identify a restricted foreign entity;

108 (ii) the process by which a county recorder may report to the department a land
109 conveyance the county recorder suspects is prohibited under this section; and

110 (iii) any additional information the department deems necessary; and

111 (d) investigate the validity of each land conveyance a county recorder reports under this
112 section[;] .

113 ~~[(e)]~~ (5) After receiving a report from a county recorder in accordance with Subsection (4),
114 the department shall send a letter to each party involved in the land conveyance
115 described in the report that states that:

116 (a) the department has reasonable suspicion that one or more of the parties to the land
117 conveyance is a restricted foreign entity;

118 (b) the department's reasonable suspicion described in Subsection (5)(a) is a
119 presumption that each entity about which the department has reasonable suspicion is
120 a restricted foreign entity has the burden to overcome;

121 (c) each entity the department suspects is a restricted foreign entity has 30 days after the
122 day on which the restricted foreign entity receives the letter to provide evidence to
123 the department that will overcome the presumption described in Subsection (5)(b);
124 (d) if, after the time period described in Subsection (5)(c), the entity fails to provide
125 evidence to the department or the department determines that the evidence the entity
126 provides does not overcome the presumption, the department will proceed with the
127 requirements of Subsection (6); and

128 (e) if the entity fails to respond to the department within the time period described in
129 Subsection (5)(c), the entity will be subject to the penalty described in Subsection (8).

130 ~~(6) [when, after investigation, the department determines that a land conveyance violates~~
131 ~~this section]~~ If an entity about which the department has reasonable suspicion that the
132 entity is a restricted foreign entity does not provide evidence that the department

determines sufficient to overcome the presumption that the entity is a restricted foreign entity within the time period described in Subsection (5)(c), the department shall:

~~[(i)]~~ (a) give notice to the restricted foreign entity that:

~~[(A)]~~ (i) the land conveyance violates this section; and

~~[(B)]~~ (ii) Section 63L-13-202 requires the restricted foreign entity to alienate the restricted foreign entity's interest in the land within one year or the Division of Facilities Construction and Management will sell the interest in accordance with Subsection 63L-13-202(3);~~[-and]~~

~~[(ii)]~~ (b) notify the county recorder of the county in which the land is located of the land conveyance; and

~~[(f)]~~ (c) coordinate with the attorney general and the Division of Facilities Construction and Management to facilitate a sale of the interest in land as described in Section 63L-13-202.

~~[(5)]~~ (7) A county recorder:

(a) is not liable for a conveyance to a restricted foreign entity;

(b) shall, upon notice from the department under Subsection ~~[(4)(e)(ii)]~~ (6)(b), create a public record of each violation of this section;

(c) shall make available a form on which an individual purchasing an interest in land may disclose that the individual served in the military of a restricted foreign entity; and

(d) shall send a form on which an individual makes a disclosure as described in Subsection ~~[(5)(e)]~~ (7)(c) to the department.

(8)(a) Subject to Subsection (8)(b), the department may impose on an entity that fails to respond to a letter the department sends in accordance with Subsection (5) a fine of \$500 for each day after the day on which the 30 day time period ends that the entity does not respond.

(b) The department may not impose the fine described in Subsection (8)(a) on or after the day on which the interest in land is sold in accordance with Subsection (6)(c).

Section 3. Section **63L-13-204** is amended to read:

63L-13-204 . Purchase of interest of land or lease of an interest in land on behalf of restricted foreign entity prohibited -- Disclosure required.

(1) A person may not purchase an interest in land or lease an interest in land on behalf of a restricted foreign entity.

(2) A person violates Subsection (1) if the person knowingly purchases an interest in land

or leases an interest in land:

(a) using funds provided by a restricted foreign entity; or

(b) under the direction of a restricted foreign entity.

(3) An individual purchasing an interest in land shall disclose if the individual served in the military of a restricted foreign entity.

(4) An individual violates Subsection (3) if the individual fails to disclose to the county recorder of the county in which the interest in land is located, on a form described in [~~Subsection 63L-13-201(5)~~] Subsection 63L-13-201(7), that the individual served in the military of a restricted foreign entity.

(5) A person that violates Subsection (1) is guilty of a third degree felony.

(6) An individual who violates Subsection (3) is guilty of a third degree felony.

Section 4. Effective Date.

This bill takes effect on May 6, 2026.