

**County Government Land Purchasing**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Mark A. Strong**

Senate Sponsor:

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**LONG TITLE****General Description:**

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

**Highlighted Provisions:**

This bill:

- provides that a county may not acquire real property that is located in another county through exchange, purchase, or lease unless:
  - the legislative body of the county where the real property provides express permission;
- and
- the county's acquisition is a joint acquisition with another political subdivision as part of an interlocal agreement;
- provides that real property owned by a county that is located outside the geographical boundaries of the county is not exempt from taxation under Title 59, Chapter 2, Property Tax Act; and
- makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:****AMENDS:**

- 11-13-227**, as last amended by Laws of Utah 2025, First Special Session, Chapter 15
- 17-60-202**, as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 13
- 17-78-103**, as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 14
- 17-78-201**, as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 14

31 **17C-1-202**, as last amended by Laws of Utah 2025, First Special Session, Chapter 16  
32 **17C-1-207**, as last amended by Laws of Utah 2025, First Special Session, Chapter 16  
33 **59-2-1101**, as last amended by Laws of Utah 2025, First Special Session, Chapter 15

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

36 Section 1. Section **11-13-227** is amended to read:

37 **11-13-227 . Transportation reinvestment zones.**

- 38 (1) Subject to the provisions of this part, any two or more public agencies may enter into an  
39 agreement with one another to create a transportation reinvestment zone as described in  
40 this section.
- 41 (2) To create a transportation reinvestment zone, two or more public agencies, at least one  
42 of which has land use authority over the transportation reinvestment zone area, shall:
- 43 (a) define the transportation infrastructure need and proposed improvement;  
44 (b) define the boundaries of the zone;  
45 (c) establish terms for sharing sales tax revenue among the members of the agreement;  
46 (d) establish a base year to calculate the increase of property tax revenue within the zone;  
47 (e) establish terms for sharing any increase in property tax revenue within the zone; and  
48 (f) before an agreement is approved as required in Section 11-13-202.5, hold a public  
49 hearing regarding the details of the proposed transportation reinvestment zone.
- 50 (3) Any agreement to establish a transportation reinvestment zone is subject to the  
51 requirements of Sections 11-13-202, 11-13-202.5, 11-13-206, and 11-13-207.
- 52 (4)(a) Each public agency that is party to an agreement under this section shall annually  
53 publish a report including a statement of the increased tax revenue and the  
54 expenditures made in accordance with the agreement.
- 55 (b) Each public agency that is party to an agreement under this section shall transmit a  
56 copy of the report described in Subsection (4)(a) to the state auditor.
- 57 (5) If any surplus revenue remains in a tax revenue account created as part of a  
58 transportation reinvestment zone agreement, the parties may use the surplus for other  
59 purposes as determined by agreement of the parties.
- 60 (6)(a) An action taken under this section is not subject to:
- 61 (i) Section 10-8-2;  
62 (ii) Title 10, Chapter 20, Municipal Land Use, Development, and Management Act;  
63 (iii) Title 17, Chapter 79, County Land Use, Development, and Management Act; or  
64 (iv) Section 17-78-103, except the provisions governing a county purchasing,

acquiring, owning, or holding property in Subsection 17-78-1093(3) do apply.

- (b) An ordinance, resolution, or agreement adopted under this title is not a land use regulation as defined in Sections 10-20-102 and 17-79-102.

Section 2. Section **17-60-202** is amended to read:

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

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

(i) as prescribed by statute:

(A) levy a tax;

(B) perform an assessment;

(C) collect a tax;

(D) borrow money; or

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

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

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

(2) A county may:

(a) sue and be sued;

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

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

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

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

(d) as may be necessary to the exercise of its powers, acquire personal property by purchase, lease, contract, or gift, and hold such personal property; and

(e) manage and dispose of its property as the interests of its inhabitants may require.

- 99 (3)(a) For purposes of Subsection (2)(c), water rights that are not appurtenant to land do  
100 not constitute real property that may be acquired by the county through  
101 condemnation.
- 102 (b) Nothing in Subsection (2)(c) may be construed to authorize a county to acquire by  
103 condemnation the rights to water unless the land to which those water rights are  
104 appurtenant is acquired by condemnation.
- 105 (4) Except as provided in Subsection (6) and subject to Section 17-78-103, each county  
106 intending to acquire real property for the purpose of expanding the county's  
107 infrastructure or other facilities used for providing services that the county offers or  
108 intends to offer shall provide written notice of the county's intent to acquire the property  
109 if:
- 110 (a) the property is located:
- 111 (i) outside the boundaries of the unincorporated area of the county; and  
112 (ii) in a county of the first or second class; and
- 113 (b) the intended use of the property is contrary to:
- 114 (i) the anticipated use of the property under the general plan of the county in whose  
115 unincorporated area or the municipality in whose boundaries the property is  
116 located; or  
117 (ii) the property's current zoning designation.
- 118 (5)(a) Each notice under Subsection (4) shall:
- 119 (i) indicate that the county intends to acquire real property;  
120 (ii) identify the real property; and  
121 (iii) be sent to:
- 122 (A) each county in whose unincorporated area and each municipality in whose  
123 boundaries the property is located; and  
124 (B) each affected entity.
- 125 (b) A notice under Subsection (4) is a protected record as provided in Subsection  
126 63G-2-305(8).
- 127 (6) The notice requirement of Subsection (4) does not apply if the county previously  
128 provided notice under Section 17-79-203 identifying the general location within the  
129 municipality or unincorporated part of the county where the property to be acquired is  
130 located.
- 131 (7) If a county is not required to comply with the notice requirement of Subsection (4)  
132 because of application of Subsection (6), the county shall provide the notice specified in

Subsection (4) as soon as practicable after the county's acquisition of the real property.

Section 3. Section **17-78-103** is amended to read:

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

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

(a) if the action is in the public interest and complies with other law[-] ; and

(b) in accordance with the requirements of this section.

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

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

(b) Express permission, as described in Subsection (3)(a), requires formal legislative action of the legislative body.

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

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

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

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

(ii) allow an opportunity for public comment on the proposed disposition.

(b) Each county shall, by ordinance, define what constitutes:

(i) a significant parcel of real property for purposes of Subsection ~~[(4)(a)]~~ (5)(a); and

(ii) reasonable notice for purposes of Subsection ~~[(4)(a)(i)]~~ (5)(a)(i).

~~[(5)]~~ (6)(a) A county may dispose of a significant parcel of real property in exchange for less than the present fair market value of the significant parcel of real property if the adjusted present value of the significant parcel of real property is equal to or greater

167 than the present fair market value of the significant parcel of real property.

168 (b) Subsection ~~[(5)(a)]~~ (6)(a) does not affect a county's authority to dispose of a  
169 significant parcel of real property in a manner different from Subsection ~~[(5)(a)]~~ (6)(a)  
170 and in accordance with applicable law.

171 ~~[(6)]~~ (7) Before a county agrees to dispose of a significant parcel of real property, the county  
172 may require the potential purchaser or lessee to provide evidence that:

- 173 (a) the potential purchaser's or lessee's offer is bona fide;  
174 (b) the potential purchaser or lessee has the ability to pay the disposition price; or  
175 (c) any future benefits to the county from the disposal of the significant parcel of real  
176 property are reasonably anticipated.

177 ~~[(7)]~~ (8) If a county receives an unsolicited offer to purchase or lease a significant parcel of  
178 real property:

- 179 (a) the county is not required to consider the offer; and  
180 (b) a person may not consider the offer in determining the present fair market value of  
181 the significant parcel of real property, unless considering the offer is warranted under  
182 generally accepted standards of professional appraisal practice.

183 ~~[(8)]~~ (9) A county may presume that the present fair market value of a significant parcel of  
184 real property is equal to the average of two appraised values each of which is based upon  
185 fair market value and calculated by a unique, independent appraiser who is licensed or  
186 certified in accordance with Title 61, Chapter 2g, Real Estate Appraiser Licensing and  
187 Certification Act.

188 Section 4. Section **17-78-201** is amended to read:

189 **17-78-201 . Development of county resources.**

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

193 Section 5. Section **17C-1-202** is amended to read:

194 **17C-1-202 . Agency powers.**

- 195 (1) An agency may:  
196 (a) sue and be sued;  
197 (b) enter into contracts generally;  
198 (c) buy, obtain an option upon, acquire by gift, or otherwise acquire any interest in real  
199 or personal property;  
200 (d) hold, sell, convey, grant, gift, or otherwise dispose of any interest in real or personal

- 201 property;
- 202 (e) own, hold, maintain, utilize, manage, or operate real or personal property, which may
- 203 include the use of agency funds or the collection of revenue;
- 204 (f) enter into a lease agreement on real or personal property, either as lessee or lessor;
- 205 (g) provide for project area development as provided in this title;
- 206 (h) receive and use agency funds as provided in this title;
- 207 (i) if disposing of or leasing land, retain controls or establish restrictions and covenants
- 208 running with the land consistent with the project area plan;
- 209 (j) accept financial or other assistance from any public or private source for the agency's
- 210 activities, powers, and duties, and expend any funds the agency receives for any
- 211 purpose described in this title;
- 212 (k) borrow money or accept financial or other assistance from a public entity or any
- 213 other source for any of the purposes of this title and comply with any conditions of
- 214 any loan or assistance;
- 215 (l) issue bonds to finance the undertaking of any project area development or for any of
- 216 the agency's other purposes, including:
- 217 (i) reimbursing an advance made by the agency or by a public entity to the agency;
- 218 (ii) refunding bonds to pay or retire bonds previously issued by the agency; and
- 219 (iii) refunding bonds to pay or retire bonds previously issued by the community that
- 220 created the agency for expenses associated with project area development;
- 221 (m) pay an impact fee, exaction, or other fee imposed by a community in connection
- 222 with land development;
- 223 (n) subject to Part 10, Agency Taxing Authority, levy a property tax; or
- 224 (o) transact other business and exercise all other powers described in this title.
- 225 (2) The establishment of controls or restrictions and covenants under Subsection (1)(i) is a
- 226 public purpose.
- 227 (3) An agency may acquire real property under Subsection (1)(c) that is outside a project
- 228 area only if the board determines that the property will benefit a project area.
- 229 (4)(a) ~~[An]~~ Except as provided in Subsection (4)(b), an agency is not subject to Section
- 230 10-8-2 or 17-78-103.
- 231 (b) An agency may not facilitate or assist a county in violating Subsection 17-78-103(3).
- 232 (5)(a) An agency may, subject to Subsection (5)(c), enter into a participation agreement
- 233 with a person to govern the development the person will undertake within a project
- 234 area.

- (b) A participation agreement under Subsection (5)(a) shall include a description of:
- (i) the project area development that the person will undertake;
  - (ii) the amount of project area funds the agency agrees to pay to the person to facilitate the development; and
  - (iii) the terms and conditions under which the agency agrees to pay project area funds to the person.
- (c)(i) A participation agreement under Subsection (5)(a) is subject to board approval by resolution of the board.
- (ii) A resolution under Subsection (5)(c)(i) shall include a finding by the board describing how the project area development described in the participation agreement will contribute to achieving the goals, policies, and purposes of the project area plan.
- (d)(i) Beginning on May 7, 2025, any participation agreement under this Subsection (5) shall include a provision authorizing the agency, directly or through the county in which the agency operates, to use funding that would otherwise be provided to the participant to pay a participant's delinquent property tax or privilege tax or resolve a political subdivision lien against the participant, as described in Subsection 17C-1-409(6).
- (ii) An agency that has entered into a participation agreement before May 7, 2025, shall, as soon as reasonably practical, enter into an amendment to the participation agreement with a participant to include a provision authorizing the agency to use funding that would otherwise be provided to the participant to pay a participant's delinquent property tax or privilege tax or resolve a political subdivision lien against the participant, as described in Subsection 17C-1-409(6).

Section 6. Section **17C-1-207** is amended to read:

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

- (1) In order to assist and cooperate in the planning, undertaking, construction, or operation of project area development within an area in which the public entity is authorized to act, a public entity may:
- (a)(i) provide or cause to be furnished:
    - (A) parks, playgrounds, or other recreational facilities;
    - (B) community, educational, water, sewer, or drainage facilities; or
    - (C) any other works which the public entity is otherwise empowered to undertake;



- 269 (ii) provide, furnish, dedicate, close, vacate, pave, install, grade, regrade, plan, or  
 270 replan streets, roads, roadways, alleys, sidewalks, or other places;  
 271 (iii) in any part of the project area:  
 272 (A)(I) plan or replan any property within the project area;  
 273 (II) plat or replat any property within the project area;  
 274 (III) vacate a plat;  
 275 (IV) amend a plat; or  
 276 (V) zone or rezone any property within the project area; and  
 277 (B) make any legal exceptions from building regulations and ordinances;  
 278 (iv) purchase or legally invest in any of the bonds of an agency and exercise all of the  
 279 rights of any holder of the bonds;  
 280 (v) notwithstanding any law to the contrary, enter into an agreement for a period of  
 281 time with another public entity concerning action to be taken pursuant to any of  
 282 the powers granted in this title;  
 283 (vi) do anything necessary to aid or cooperate in the planning or implementation of  
 284 the project area development;  
 285 (vii) in connection with the project area plan, become obligated to the extent  
 286 authorized and funds have been made available to make required improvements or  
 287 construct required structures; and  
 288 (viii) lend, grant, or contribute funds to an agency for project area development or  
 289 proposed project area development, including assigning revenue or taxes in  
 290 support of an agency bond or obligation; and  
 291 (b) for less than fair market value or for no consideration, and subject to Subsection (3):  
 292 (i) purchase or otherwise acquire property from an agency;  
 293 (ii) lease property from an agency;  
 294 (iii) sell, grant, convey, donate, or otherwise dispose of the public entity's property to  
 295 an agency; or  
 296 (iv) lease the public entity's property to an agency.  
 297 (2)(a) ~~[The]~~ Except as provided in Subsection (2)(b), the following are not subject to  
 298 Section 10-8-2, 17-60-203, or 17-78-103:  
 299 ~~[(a)]~~ (i) project area development assistance that a public entity provides under this  
 300 section; or  
 301 ~~[(b)]~~ (ii) a transfer of funds or property from an agency to a public entity.  
 302 (b) An agency may not transfer property to a county if the transfer would result in the

303 county violating Subsection 17-78-103(3).

- 304 (3) A public entity may provide assistance described in Subsection (1)(b) no sooner than 15  
305 days after the day on which the public entity completes the requirements for publishing  
306 notice of the assistance for the public entity's jurisdiction, as a class A notice under  
307 Section 63G-30-102, for at least 15 days.

308 Section 7. Section **59-2-1101** is amended to read:

309 **59-2-1101 . Definitions -- Exemption of certain property -- Proportional**  
310 **payments for certain property -- Exception -- County legislative body authority to adopt**  
311 **rules or ordinances.**

- 312 (1) As used in this section:

313 (a) "Charitable purposes" means:

- 314 (i) for property used as a nonprofit hospital or a nursing home, the standards outlined  
315 in *Howell v. County Board of Cache County ex rel. IHC Hospitals, Inc.*, 881 P.2d  
316 880 (Utah 1994); and

- 317 (ii) for property other than property described in Subsection (1)(a)(i), providing a gift  
318 to the community.

- 319 (b) "Compliance period" means a period equal to 15 taxable years beginning with the  
320 first taxable year for which the taxpayer claims a tax credit under Section 42, Internal  
321 Revenue Code, or Section 59-7-607 or 59-10-1010.

- 322 (c)(i) "Educational purposes" means purposes carried on by an educational  
323 organization that normally:

- 324 (A) maintains a regular faculty and curriculum; and  
325 (B) has a regularly enrolled body of pupils and students.

- 326 (ii) "Educational purposes" includes:

- 327 (A) the physical or mental teaching, training, or conditioning of competitive  
328 athletes by a national governing body of sport recognized by the United States  
329 Olympic Committee that qualifies as being tax exempt under Section  
330 501(c)(3), Internal Revenue Code; and

- 331 (B) an activity in support of or incidental to the teaching, training, or conditioning  
332 described in this Subsection (1)(c)(ii).

- 333 (d) "Exclusive use exemption" means a property tax exemption under Subsection  
334 (3)(a)(iv), for property owned by a nonprofit entity used exclusively for one or more  
335 of the following purposes:

- 336 (i) religious purposes;

(ii) charitable purposes; or

(iii) educational purposes.

(e)(i) "Farm machinery and equipment" means tractors, milking equipment and storage and cooling facilities, feed handling equipment, irrigation equipment, harvesters, choppers, grain drills and planters, tillage tools, scales, combines, spreaders, sprayers, haying equipment, including balers and cubers, and any other machinery or equipment used primarily for agricultural purposes.

(ii) "Farm machinery and equipment" does not include vehicles required to be registered with the Motor Vehicle Division or vehicles or other equipment used for business purposes other than farming.

(f) "Gift to the community" means:

(i) the lessening of a government burden; or

(ii)(A) the provision of a significant service to others without immediate expectation of material reward;

(B) the use of the property is supported to a material degree by donations and gifts including volunteer service;

(C) the recipients of the charitable activities provided on the property are not required to pay for the assistance received, in whole or in part, except that if in part, to a material degree;

(D) the beneficiaries of the charitable activities provided on the property are unrestricted or, if restricted, the restriction bears a reasonable relationship to the charitable objectives of the nonprofit entity that owns the property; and

(E) any commercial activities provided on the property are subordinate or incidental to charitable activities provided on the property.

(g) "Government exemption" means a property tax exemption provided under Subsection (3)(a)(i), (ii), or (iii).

(h)(i) "Nonprofit entity" means an entity:

(A) that is organized on a nonprofit basis, that dedicates the entity's property to the entity's nonprofit purpose, and that makes no dividend or other form of financial benefit available to a private interest;

(B) for which, upon dissolution, the entity's assets are distributable only for exempt purposes under state law or to the government for a public purpose; and

(C) for which none of the net earnings or donations made to the entity inure to the benefit of private shareholders or other individuals, as the private inurement

- 371 standard has been interpreted under Section 501(c)(3), Internal Revenue Code.
- 372 (ii) "Nonprofit entity" includes an entity:
- 373 (A) if the entity is treated as a disregarded entity for federal income tax purposes
- 374 and wholly owned by, and controlled under the direction of, a nonprofit entity;
- 375 and
- 376 (B) for which none of the net earnings and profits of the entity inure to the benefit
- 377 of any person other than a nonprofit entity.
- 378 (iii) "Nonprofit entity" includes an entity that is not an entity described in Subsection
- 379 (1)(h)(i) if the entity jointly owns a property that:
- 380 (A) is used for the purpose of providing permanent supportive housing;
- 381 (B) has an owner that is an entity described in Subsection (1)(h)(i) or that is a
- 382 housing authority that operates the permanent supportive housing;
- 383 (C) has an owner that receives public funding from a federal, state, or local
- 384 government entity to provide support services and rental subsidies to the
- 385 permanent supportive housing;
- 386 (D) is intended to be transferred at or before the end of the compliance period to
- 387 an entity described in Subsection (1)(h)(i) or a housing authority that will
- 388 continue to operate the property as permanent supportive housing; and
- 389 (E) has been certified by the Utah Housing Corporation as meeting the
- 390 requirements described in Subsections (1)(h)(iii)(A) through (D).
- 391 (iv) "Nonprofit entity" includes an entity that is not an entity described in Subsection
- 392 (1)(h)(i) if:
- 393 (A) the entity is a housing organization as defined in Subsection 35A-8-2401(1)(a);
- 394 and
- 395 (B) the entity is owned by an entity described in Subsection (1)(h)(i) or a housing
- 396 authority.
- 397 (i) "Permanent supportive housing" means a housing facility that:
- 398 (i) provides supportive services;
- 399 (ii) makes a 15-year commitment to provide rent subsidies to tenants of the housing
- 400 facility when the housing facility is placed in service;
- 401 (iii) receives an allocation of federal low-income housing tax credits in accordance
- 402 with 26 U.S.C. Sec. 42; and
- 403 (iv) leases each unit to a tenant:
- 404 (A) who, immediately before leasing the housing, was homeless as defined in 24

- 405 C.F.R. 583.5; and
- 406 (B) whose rent is capped at no more than 30% of the tenant's household income.
- 407 (j)(i) "Property of" means property that an entity listed in Subsection (3)(a)(ii) or (iii)
- 408 has a legal right to possess.
- 409 (ii) "Property of" includes a lease of real property if:
- 410 (A) the property is wholly leased to a state or political subdivision entity listed in
- 411 Subsection (3)(a)(ii) or (iii) under a triple net lease; and
- 412 (B) the lease is in effect for the entire calendar year.
- 413 (k) "Supportive service" means a service that is an eligible cost under 24 C.F.R. 578.53.
- 414 (l) "Triple net lease" means a lease agreement under which the lessee is responsible for
- 415 the real estate taxes, building insurance, and maintenance of the property separate
- 416 from and in addition to the rental price.
- 417 (2)(a) Except as provided in Subsection (2)(b), an exemption under this part may be
- 418 allowed only if the claimant is the owner of the property as of January 1 of the year
- 419 the exemption is claimed.
- 420 (b) A claimant shall collect and pay a proportional tax based upon the length of time that
- 421 the property was not owned by the claimant if:
- 422 (i) the claimant is a federal, state, or political subdivision entity described in
- 423 Subsection (3)(a)(i), (ii), or (iii); or
- 424 (ii) in accordance with Subsection (3)(a)(iv):
- 425 (A) the claimant is a nonprofit entity; and
- 426 (B) the property is used exclusively for religious, charitable, or educational
- 427 purposes.
- 428 (3)(a) The following property is exempt from taxation:
- 429 (i) property exempt under the laws of the United States;
- 430 (ii) property of:
- 431 (A) the state;
- 432 (B) school districts; and
- 433 (C) public libraries;
- 434 (iii) except as provided in Title 11, Chapter 13, Interlocal Cooperation Act, or in
- 435 Subsection (6), property of:
- 436 (A) counties;
- 437 (B) cities;
- 438 (C) towns;

- 439 (D) special districts;
- 440 (E) special service districts; and
- 441 (F) all other political subdivisions of the state;
- 442 (iv) except as provided in Subsection [~~(6) or (7)~~] (7) or (8), property owned by a
- 443 nonprofit entity used exclusively for one or more of the following purposes:
- 444 (A) religious purposes;
- 445 (B) charitable purposes; or
- 446 (C) educational purposes;
- 447 (v) places of burial not held or used for private or corporate benefit;
- 448 (vi) farm machinery and equipment;
- 449 (vii) a high tunnel, as defined in Section 10-20-613;
- 450 (viii) intangible property; and
- 451 (ix) the ownership interest of an out-of-state public agency, as defined in Section
- 452 11-13-103:
- 453 (A) if that ownership interest is in property providing additional project capacity,
- 454 as defined in Section 11-13-103; and
- 455 (B) on which a fee in lieu of ad valorem property tax is payable under Section
- 456 11-13-302.
- 457 (b) For purposes of a property tax exemption for property of school districts under
- 458 Subsection (3)(a)(ii)(B), a charter school under Title 53G, Chapter 5, Charter
- 459 Schools, is considered to be a school district.
- 460 (4) Subject to Subsection (5), if property that is allowed an exclusive use exemption or a
- 461 government exemption ceases to qualify for the exemption because of a change in the
- 462 ownership of the property:
- 463 (a) the new owner of the property shall pay a proportional tax based upon the period of
- 464 time:
- 465 (i) beginning on the day that the new owner acquired the property; and
- 466 (ii) ending on the last day of the calendar year during which the new owner acquired
- 467 the property; and
- 468 (b) the new owner of the property and the person from whom the new owner acquires
- 469 the property shall notify the county assessor, in writing, of the change in ownership
- 470 of the property within 30 days from the day that the new owner acquires the property.
- 471 (5) Notwithstanding Subsection (4)(a), the proportional tax described in Subsection (4)(a):
- 472 (a) is subject to any exclusive use exemption or government exemption that the property

is entitled to under the new ownership of the property; and

(b) applies only to property that is acquired after December 31, 2005.

(6)(a) Notwithstanding the exemption in Subsection (3)(a)(iii)(A), beginning January 1, 2026, real property owned by a county that is located outside the geographical boundaries of that county is not exempt from taxation.

(b) Property described in Subsection (6)(a) shall continue to be assessed and taxed at the property's taxable value and use immediately before the county's acquisition of the property, including any assessment under Part 5, Farmland Assessment Act.

(c)(i) If the use of property described in this Subsection (6) changes from an agricultural use to a non-qualifying use, as described in Part 5, Farmland Assessment Act, the county that owns the property shall be subject to the rollback tax described in Section 59-2-506.

(ii) The rollback tax described in Subsection (6)(c)(i) shall be calculated based on the difference between the greenbelt assessment and the fair market value assessment for the preceding five years.

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

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

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

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

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

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

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

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

(a) effectuate an exemption under this part; and

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

~~[(9)]~~ (10) If a person is dissatisfied with an exemption decision made under designated

507 decision-making authority as described in Subsection [~~(8)(b)~~] (9)(b), that person may  
508 appeal the decision to the commission under Section 59-2-1006.

509 Section 8. **Effective Date.**

510 This bill takes effect on May 6, 2026.