

1 **STATE LAND PURCHASE RESTRICTIONS**

2 2023 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Candice B. Pierucci**

5 Senate Sponsor: Michael K. McKell

7 **LONG TITLE**

8 **General Description:**

9 This bill enacts the Restrictions on Foreign Acquisitions of Land Act.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ defines terms;
- 13 ▶ prohibits a restricted foreign entity from acquiring an interest in land;
- 14 ▶ requires a restricted foreign entity to alienate certain interests in land; and
- 15 ▶ provides that certain interests in land escheat to the state after a specified time.

16 **Money Appropriated in this Bill:**

17 None

18 **Other Special Clauses:**

19 None

20 **Utah Code Sections Affected:**

21 ENACTS:

22 **63L-13-101**, Utah Code Annotated 1953

23 **63L-13-201**, Utah Code Annotated 1953

24 **63L-13-202**, Utah Code Annotated 1953

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

27 Section 1. Section **63L-13-101** is enacted to read:



28 **63L-13-101. Definitions.**

29 As used in this chapter:

30 (1) "Interest in land" means any right, title, lien, claim, interest, or estate with respect to
31 land.

32 (2) (a) "Land" means all real property within the state.

33 (b) "Land" includes:

34 (i) agricultural land, as defined in Section [4-46-102](#);

35 (ii) land owned or controlled by a political subdivision;

36 (iii) land owned or controlled by a school district;

37 (iv) non-federal land, as defined in Section [9-9-402](#);

38 (v) private land;

39 (vi) public land;

40 (vii) state land, as defined in Subsection [9-9-402\(14\)\(a\)](#);

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

42 (ix) subsurface land.

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

45 (3) "Restricted foreign entity" means:

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

49 (b) an affiliate, subsidiary, or holding company of a company described in Subsection
50 (3)(a);

51 (c) a country with a commercial or defense industrial base of which a company
52 described in Subsection (3)(a) or (b) is a part;

53 (d) a state, province, region, prefecture, subdivision, or municipality of a country
54 described in Subsection (3)(c); and

55 (e) an agency, bureau, committee, or department of a country described in Subsection
56 (3)(c).

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

58 **Part 2. Interests in Land**

59 **63L-13-201. Acquisition of land prohibited -- Exceptions.**

60 (1) Subject to Subsection (2) and Section 63L-13-202, a restricted foreign entity may
61 not acquire an interest in land in this state.

62 (2) Subsection (1) does not apply to an interest in land that a restricted foreign entity
63 acquired before May 3, 2023:

64 (a) by purchase, grant, gift, donation, devise, or bequest;

65 (b) as security for the repayment of a debt; or

66 (c) as a party to a contract for the transfer or conveyance of an interest in land to the
67 restricted foreign entity.

68 (3) A deed or other written instrument, other than in probate, purporting to convey an
69 interest in land to a restricted foreign entity in violation of Subsection (1) is invalid.

70 Section 3. Section **63L-13-202** is enacted to read:

71 **63L-13-202. Alienate within five years - Escheat.**

72 (1) A restricted foreign entity that acquires an interest in land on or after May 3, 2023,
73 by grant, gift, donation, devise, or bequest shall alienate the interest within five years after the
74 date of acquisition.

75 (2) If a restricted foreign entity fails to alienate an interest in land in accordance with
76 Subsection (1), the interest escheats to the state.