

**Senator Daniel Hemmert** proposes the following substitute bill:

**PROPERTY TAX EXEMPTION FOR WILDFIRE  
PREVENTION**

2020 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Daniel Hemmert**

House Sponsor: Casey Snider

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**LONG TITLE**

**General Description:**

This bill provides a property tax exemption related to wildfire prevention on certain property.

**Highlighted Provisions:**

This bill:

- ▶ enacts a property tax exemption for qualifying property on which the owner takes one or more wildfire preparedness actions;
- ▶ gives rulemaking authority to the Division of Forestry, Fire, and State Lands to:
  - identify which property and which expenses qualify for the exemption; and
  - establish a process for issuing property tax abatement documents; and
- ▶ provides a repeal date following a legislative review.

**Money Appropriated in this Bill:**

This bill appropriates in fiscal year 2021:

- ▶ to the Department of Natural Resources -- Forestry, Fire, and State Lands, as an ongoing appropriation:
  - from the Sovereign Lands Management Account, \$10,000.
- ▶ to the Department of Natural Resources -- Forestry, Fire, and State Lands, as a



one-time appropriation:

- from the Sovereign Lands Management Account, One-time, \$40,000.

**Other Special Clauses:**

This bill provides a contingent effective date.

**Utah Code Sections Affected:**

AMENDS:

**63I-1-259**, as last amended by Laws of Utah 2019, Chapters 29 and 479

ENACTS:

**59-2-1118**, Utah Code Annotated 1953

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

Section 1. Section **59-2-1118** is enacted to read:

**59-2-1118. Exemption for wildfire preparedness.**

(1) As used in this section:

(a) "Claimant" means an owner of qualifying property.

(b) "Division" means the Division of Forestry, Fire, and State Lands created in Section **65A-1-4**.

(c) "Property tax exemption document" means the document issued by the division under Subsection (5).

(d) "Qualifying property" means real property that:

(i) the division determines is at high risk for wildfire and designates as eligible for an exemption under this section; and

(ii) (A) on or after January 1, 2021, and before January 1, 2022, is located in a county of the first class; or

(B) on or after January 1, 2022, is located in a county of the first, second, or third class.

(e) "Wildfire preparedness action" means one or more expenses paid by a claimant during a calendar year to reduce the risk of wildfire on the claimant's qualifying property.

(2) (a) In accordance with this section, a percentage of the taxable value of a claimant's qualifying property is exempt from taxation for a calendar year beginning:

(i) on or after January 1, 2022;

(ii) before January 1, 2027; and

(iii) immediately following the calendar year in which a wildfire preparedness action occurs on the claimant's qualifying property.

(b) The percentage described in Subsection (2)(a) is equal to the lesser of:

(i) the percentage calculated by dividing the amount of the wildfire preparedness action by the amount of the property tax liability on the qualifying property for the calendar year in which the wildfire preparedness action occurred;

(ii) the percentage established by the county in accordance with Subsection (3); or

(iii) the percentage that, accounting for all other applicable exemptions, makes the total reduction of the qualifying property's taxable value 80% of the taxable value.

(3) A county legislative body may by resolution establish a percentage that represents the maximum portion of the taxable value of qualifying property that may be exempt from taxation under this section.

(4) To receive the exemption described in Subsection (2), no later than April 1 of the calendar year immediately following the calendar year in which the wildfire preparedness action occurs, the claimant shall submit to the county an application:

(a) on a form prescribed by the commission; and

(b) that includes a copy of the property tax exemption document.

(5) (a) To obtain a property tax exemption document, a property owner shall submit to the division proof of a wildfire preparedness action.

(b) If the division determines that the property owner qualifies for a property tax exemption under this section, the division shall provide the property owner a written property tax exemption document that states:

(i) that the property owner qualifies for a property tax exemption under this section; and

(ii) the amount of the wildfire preparedness action as provided in the proof submitted to the division in accordance with Subsection (5)(a).

(6) When the division makes a designation that results in qualifying property constituting more than 10% of the taxable value of property within a taxing entity, the division shall provide written notification to the taxing entity.

(7) The division shall make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to establish:

(a) a process and standards for determining whether a property qualifies for a property tax exemption under this section; and

(b) procedures for issuing a property tax exemption document.

Section 2. Section **63I-1-259** is amended to read:

**63I-1-259. Repeal dates, Title 59.**

(1) Section 59-1-213.1 is repealed on May 9, 2024.

(2) Section 59-1-213.2 is repealed on May 9, 2024.

(3) Subsection 59-1-405(1)(g) is repealed on May 9, 2024.

(4) Subsection 59-1-405(2)(b) is repealed on May 9, 2024.

(5) Section 59-2-1118 is repealed July 1, 2027.

~~[(5)]~~ (6) Section 59-7-618 is repealed July 1, 2020.

~~[(6)]~~ (7) Section 59-9-102.5 is repealed December 31, 2020.

~~[(7)]~~ (8) Section 59-10-1033 is repealed July 1, 2020.

~~[(8)]~~ (9) Subsection 59-12-2219(13), which addresses new revenue supplanting existing allocations, is repealed on June 30, 2020.

~~[(9)]~~ (10) Title 59, Chapter 28, State Transient Room Tax Act, is repealed on January 1, 2023.

Section 3. **Appropriation.**

The following sums of money are appropriated for the fiscal year beginning July 1, 2020, and ending June 30, 2021. These are additions to amounts previously appropriated for fiscal year 2021. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the Legislature appropriates the following sums of money from the funds or accounts indicated for the use and support of the government of the state of Utah.

ITEM 1

To Department of Natural Resources - Forestry, Fire, and State Lands

<u>From Sovereign Lands Management Account</u>	<u>\$10,000</u>
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<u>From Sovereign Lands Management Account, One-time</u>	<u>\$40,000</u>
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Schedule of Programs:

<u>Fire Management</u>	<u>\$50,000</u>
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The Legislature intends that the appropriation under this section be used by the Division of Forestry, Fire, and State Lands to carry out the requirements of Section 59-2-1118.

119           Section 4. **Contingent effective date.**

120           This bill takes effect on January 1, 2021, if the amendment to the Utah Constitution  
121 proposed by S.J.R. 10, Proposal to Amend Utah Constitution -- Property Tax Exemption for  
122 Wildfire Prevention, 2020 General Session, passes the Legislature and is approved by a  
123 majority of those voting on it at the next regular general election.