

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

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



26 one-time appropriation:

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

28 **Other Special Clauses:**

29 This bill provides a contingent effective date.

30 **Utah Code Sections Affected:**

31 AMENDS:

32 **63I-1-259**, as last amended by Laws of Utah 2019, Chapters 29 and 479

33 ENACTS:

34 **59-2-1118**, Utah Code Annotated 1953



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

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

38 **59-2-1118. Exemption for wildfire preparedness.**

39 (1) As used in this section:

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

41 (b) "Division" means the Division of Forestry, Fire, and State Lands created in Section

42 65A-1-4.

43 (c) "Property tax exemption document" means the document issued by the division

44 under Subsection (5).

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

46 (i) the division determines is at high risk for wildfire and designates as eligible for an

47 exemption under this section; and

48 (ii) (A) on or after January 1, 2021, and before January 1, 2022, is located in a county

49 of the first class; or

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

51 (e) "Wildfire preparedness action" means one or more expenses paid by a claimant

52 during a calendar year to reduce the risk of wildfire on the claimant's qualifying property.

53 (2) (a) In accordance with this section, a percentage of the taxable value of a claimant's

54 qualifying property is exempt from taxation for a calendar year beginning:

55 (i) on or after January 1, 2022;

56 (ii) before January 1, 2027; and

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

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

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

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

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

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

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

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

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

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

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

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

80 and

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

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

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

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

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

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

92 **63I-1-259. Repeal dates, Title 59.**

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

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

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

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

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

98 [~~5~~] (6) Section 59-7-618 is repealed July 1, 2020.

99 [~~6~~] (7) Section 59-9-102.5 is repealed December 31, 2020.

100 [~~7~~] (8) Section 59-10-1033 is repealed July 1, 2020.

101 [~~8~~] (9) Subsection 59-12-2219(13), which addresses new revenue supplanting
102 existing allocations, is repealed on June 30, 2020.

103 [~~9~~] (10) Title 59, Chapter 28, State Transient Room Tax Act, is repealed on January
104 1, 2023.

105 Section 3. **Appropriation.**

106 The following sums of money are appropriated for the fiscal year beginning July 1,
107 2020, and ending June 30, 2021. These are additions to amounts previously appropriated for
108 fiscal year 2021. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures
109 Act, the Legislature appropriates the following sums of money from the funds or accounts
110 indicated for the use and support of the government of the state of Utah.

111 ITEM 1

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

113 From Sovereign Lands Management Account \$10,000

114 From Sovereign Lands Management Account, One-time \$40,000

115 Schedule of Programs:

116 Fire Management \$50,000

117 The Legislature intends that the appropriation under this section be used by the Division
118 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.