

Point of the Mountain State Land Authority Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jerry W. Stevenson

House Sponsor:

LONG TITLE**General Description:**

This bill modifies provisions related to the Point of the Mountain State Land Authority.

Highlighted Provisions:

This bill:

- modifies definitions;
- provides that a private person that leases property on point of the mountain state land under a lease agreement is subject to a privilege tax;
- describes the method for a county treasurer to distribute privilege tax to the Point of the Mountain State Land Authority;
- modifies the procedure for the Point of the Mountain State Land Authority to provide notice of a public hearing; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:**AMENDS:**

11-59-102, as last amended by Laws of Utah 2024, Chapters 53, 207 and 438

11-59-207, as last amended by Laws of Utah 2024, Chapter 207

11-59-401, as last amended by Laws of Utah 2021, Chapters 84, 345

51-4-2, as last amended by Laws of Utah 2023, Chapter 16

59-4-101, as last amended by Laws of Utah 2024, Chapter 419

REPEALS:

11-59-305, as enacted by Laws of Utah 2018, Chapter 388

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

Section 1. Section **11-59-102** is amended to read:

11-59-102 . Definitions.

As used in this chapter:

- (1) "Authority" means the Point of the Mountain State Land Authority, created in Section 11-59-201.
- (2) "Board" means the authority's board, created in Section 11-59-301.
- (3) "Development":
 - (a) means the construction, reconstruction, modification, expansion, or improvement of a building, utility, infrastructure, landscape, parking lot, park, trail, recreational amenity, or other facility, including:
 - (i) the demolition or preservation or repurposing of a building, infrastructure, or other facility;
 - (ii) surveying, testing, locating existing utilities and other infrastructure, and other preliminary site work; and
 - (iii) any associated planning, design, engineering, and related activities; and
 - (b) includes all activities associated with:
 - (i) marketing and business recruiting activities and efforts;
 - (ii) leasing, or selling or otherwise disposing of, all or any part of the point of the mountain state land; and
 - (iii) planning and funding for mass transit infrastructure to service the point of the mountain state land.
- (4) "Facilities division" means the Division of Facilities Construction and Management, created in Section 63A-5b-301.
- (5) "New correctional facility" means the state correctional facility being developed in Salt Lake City to replace the state correctional facility in Draper.
- (6) "Point of the mountain state land" means:
 - (a) the approximately 700 acres of state-owned land in Draper, including land used for the operation of a state correctional facility until completion of the new correctional facility and state-owned land in the vicinity of the current state correctional facility; and
 - (b) any land, in addition to the land described in Subsection (6)(a), that:
 - (i) the state or authority acquires; and
 - (ii) is contiguous to the land described in Subsection (6)(a).
- (7) "Public entity" means:

- (a) the state, including each department, division, or other agency of the state; or
- (b) a county, city, town, school district, special district, special service district, interlocal cooperation entity, community reinvestment agency, or other political subdivision of the state, including the authority.

(8) "Publicly owned infrastructure and improvements":

- (a) means infrastructure, improvements, facilities, or buildings that:
 - (i) benefit the public; and
 - (ii)(A) are owned by a public entity or a utility; or
 - (B) are publicly maintained or operated by a public entity; and
- (b) includes:
 - (i) facilities, lines, or systems that provide:
 - (A) water, chilled water, or steam; or
 - (B) sewer, storm drainage, natural gas, electricity, energy storage, clean energy, microgrids, or telecommunications service;
 - (ii) streets, roads, curb, gutter, sidewalk, walkways, solid waste facilities, parking facilities, and public transportation facilities; and
 - (iii) greenspace, parks, trails, recreational amenities, or other similar facilities.

(9) "Taxing entity" means the same as that term is defined in Section 59-2-102.

Section 2. Section **11-59-207** is amended to read:

11-59-207 . Privilege tax on leased property on state-owned land.

(1) As used in this section:

- ~~[(a) "Annual assessment" means an assessment:]~~
 - ~~[(i) that is levied and collected each year, as provided in this section; and]~~
 - ~~[(ii) in an amount that is the equivalent of the cumulative real property tax that would be levied and collected on leased property by all taxing entities if the leased property were not exempt property.]~~
- ~~[(b)]~~ (a) "Exempt property" means real property that is exempt from ad valorem property tax because the real property is owned by the state.
- ~~[(c)]~~ (b) "Lease agreement" means an agreement by which a private person leases from the state real property that is part of the point of the mountain state land.
- ~~[(d)]~~ (c)(i) "Leased property" means real property that:
 - (A) is part of the point of the mountain state land;
 - (B) is leased by a private person; and
 - (C) would be subject to ad valorem property tax if the real property were owned

- 99 by the private person.
- 100 (ii) "Leased property" includes attachments and other improvements to the real
101 property that would be included in an assessment of the value of the real property
102 if the real property were not exempt property.
- 103 ~~[(e)]~~ (d) "Leased property value" means the value that leased property would have if the
104 leased property were subject to ad valorem property tax.
- 105 ~~[(f)]~~ (e) "Lessee" means a private person that leases property that is part of the point of
106 the mountain state land under a lease agreement.
- 107 (f) "Privilege tax" means a tax imposed under Section 59-4-101.
- 108 (2) Beginning January 1 of the year immediately following the execution of a lease
109 agreement~~[-]~~ :
- 110 (a) the possession or beneficial use of property on point of the mountain state land
111 through a lease agreement is subject to privilege tax; and
- 112 (b) a lessee under the lease agreement shall pay [an annual assessment] privilege tax with
113 respect to the leased property that is the subject of the lease agreement.
- 114 (3) The treasurer of the county in which the point of the mountain state land is located shall,
115 in the manner and at the time provided in Section 59-2-1365:
- 116 (a) collect privilege tax from a lessee; and
- 117 (b) distribute privilege tax revenue to the authority in the following percentages:
- 118 (i) beginning January 1, 2025, 100% of the revenue generated by the privilege tax on
119 point of the mountain state land;
- 120 (ii) beginning January 1, 2034, 96.3% of the revenue generated by the privilege tax
121 on point of the mountain state land;
- 122 (iii) beginning January 1, 2040, 92.5% of the revenue generated by the privilege tax
123 on point of the mountain state land;
- 124 (iv) beginning January 1, 2050, 87.5% of the revenue generated by the privilege tax
125 on point of the mountain state land; and
- 126 (v) beginning January 1, 2064, 25% of the revenue generated by the privilege tax on
127 point of the mountain state land.
- 128 ~~[(3) In a county in which the point of the mountain state land is located:]~~
- 129 ~~[(a) the county assessor shall determine the leased property value of leased property that~~
130 ~~is subject to an annual assessment as though the leased property were subject to ad~~
131 ~~valorem property tax;]~~
- 132 ~~[(b) the county treasurer shall collect an annual assessment in the same way and at the~~

same time that the treasurer would collect ad valorem property tax on the leased property if the leased property were subject to ad valorem property tax;]

[(c) the county may retain an administrative fee for collecting and distributing the annual assessment in the same amount that would apply if the leased property were not exempt property; and]

[(d) the county treasurer shall distribute to the authority all revenue from an annual assessment on leased property in the same way and at the same time as the treasurer distributes ad valorem property tax revenue to taxing entities in accordance with Section 59-2-1365.]

[(4) Leased property is not subject to a privilege tax under Title 59, Chapter 4, Privilege Tax.]

Section 3. Section **11-59-401** is amended to read:

11-59-401 . Annual authority budget -- Fiscal year -- Public hearing and notice required -- Auditor forms.

(1) The authority shall prepare and its board adopt an annual budget of revenues and expenditures for the authority for each fiscal year.

(2) Each annual authority budget shall be adopted before June 22.

(3) The authority's fiscal year shall be the period from July 1 to the following June 30.

(4)(a) Before adopting an annual budget, the authority board shall hold a public hearing on the annual budget.

(b) The authority shall provide notice of the public hearing on the annual budget by publishing notice[.]

[(i) at least once in a newspaper of general circulation within the state, one week before the public hearing; and]

[(ii)] _on the Utah Public Notice Website created in Section 63A-16-601, for at least one week immediately before the public hearing.

(c) The authority shall make the annual budget available for public inspection at least three days before the date of the public hearing.

(5) The state auditor shall prescribe the budget forms and the categories to be contained in each authority budget, including:

(a) revenues and expenditures for the budget year;

(b) legal fees; and

(c) administrative costs, including rent, supplies, and other materials, and salaries of authority personnel.

Section 4. Section 51-4-2 is amended to read:

51-4-2 . Deposits by political subdivisions.

(1) As used in this section:

(a) "Officer" means each:

(i) county treasurer, county auditor, county assessor, county clerk, clerk of the district court, city treasurer, city clerk, justice court judge; and

(ii) other officer of a political subdivision.

(b) "Political subdivision" means a county, city, town, school district, special district, and special service district.

(2)(a) Each officer shall deposit all public funds daily, if practicable, but no later than once every three banking days.

(b) Each officer shall deposit all public funds only in qualified depositories unless the public funds need to be deposited in a bank outside Utah in order to provide for:

(i) payment of maturing bonds or other evidences of indebtedness; or

(ii) payment of the interest on bonds or other evidences of indebtedness.

(3)(a)(i) Each officer shall require all checks to be made payable to the office of the officer receiving funds or to the political subdivision's treasurer.

(ii) An officer may not accept a check unless it is made payable to the office of the officer receiving funds or to the political subdivision's treasurer.

(b) Each officer shall deposit all money the officer collects into an account controlled by the political subdivision's treasurer.

(4)(a) Except as provided in Subsection (4)(b) and unless a shorter time for depositing funds is otherwise required by law, each political subdivision that has collected funds that are due to the state or to another political subdivision of the state shall, on or before the tenth day of each month, pay all of those funds that were receipted during the last month:

(i) to a qualified depository for the credit of the appropriate public treasurer; or

(ii) to the appropriate public treasurer.

(b) Property tax collections, or privilege tax collections directed by statute to be treated as property tax collections, shall be apportioned and paid according to Section 59-2-1365.

Section 5. Section 59-4-101 is amended to read:

59-4-101 . Tax basis -- Exceptions -- Assessment and collection -- Designation of person to receive notice.

- (1)(a) Except as provided in Subsections (1)(b), (1)(c), and (3), a tax is imposed on the possession or other beneficial use enjoyed by any person of any real or personal property that is exempt for any reason from taxation, if that property is used in connection with a business conducted for profit.
- (b) Any interest remaining in the state in state lands after subtracting amounts paid or due in part payment of the purchase price as provided in Subsection 59-2-1103 (2)(b)(i) under a contract of sale is subject to taxation under this chapter regardless of whether the property is used in connection with a business conducted for profit.
- (c) The tax imposed under Subsection (1)(a) does not apply to property exempt from taxation under Section 59-2-1114.
- (2)(a) The tax imposed under this chapter is the same amount that the ad valorem property tax would be if the possessor or user were the owner of the property.
- (b) The amount of any payments that are made in lieu of taxes is credited against the tax imposed on the beneficial use of property owned by the federal government.
- (3) A tax is not imposed under this chapter on the following:
- (a) the use of property that is a concession in, or relative to, the use of a public airport, park, fairground, or similar property that is available as a matter of right to the use of the general public;
- (b) the use or possession of property by a religious, educational, or charitable organization;
- (c) the use or possession of property if the revenue generated by the possessor or user of the property through its possession or use of the property inures only to the benefit of a religious, educational, or charitable organization and not to the benefit of any other person;
- (d) the possession or other beneficial use of public land occupied under the terms of an agricultural lease or permit issued by the United States or this state;
- (e) the use or possession of any lease, permit, or easement unless the lease, permit, or easement entitles the lessee or permittee to exclusive possession of the premises to which the lease, permit, or easement relates;
- (f) the use or possession of property by a public agency, as defined in Section 11-13-103, to the extent that the ownership interest of the public agency in that property is subject to a fee in lieu of ad valorem property tax under Section 11-13-302; or
- (g) the possession or beneficial use of public property as a tollway by a private entity through a tollway development agreement as defined in Section 72-6-202.

(4) For purposes of Subsection (3)(e):

(a) every lessee, permittee, or other holder of a right to remove or extract the mineral covered by the holder's lease, right permit, or easement, except from brines of the Great Salt Lake, is considered to be in possession of the premises, regardless of whether another party has a similar right to remove or extract another mineral from the same property; and

(b) a lessee, permittee, or holder of an easement still has exclusive possession of the premises if the owner has the right to enter the premises, approve leasehold improvements, or inspect the premises.

(5)(a) A tax imposed under this chapter is assessed to the possessors or users of the property on the same forms, and collected and, subject to ~~[Section]~~ Sections 11-70-203 and 11-59-207, distributed at the same time and in the same manner, as taxes assessed owners, possessors, or other claimants of property that is subject to ad valorem property taxation.

(b) The tax imposed under this chapter is not a lien against the property, and no tax-exempt property may be attached, encumbered, sold, or otherwise affected for the collection of the tax.

(6)(a)(i) Except as provided in Subsection (6)(a)(ii), if a governmental entity is required under this chapter to send information or notice to a person, the governmental entity shall send the information or notice to:

(A) the person required under the applicable provision of this chapter; and

(B) each person designated in accordance with Subsection (6)(b) by the person described in Subsection (6)(a)(i)(A).

(ii) If a governmental entity is required under Section 59-2-919.1 or 59-2-1317 to send information or notice to a person, the governmental entity shall send the information or notice to:

(A) the person required under the applicable section; or

(B) one person designated in accordance with Subsection (6)(b) by the person described in Subsection (6)(a)(ii)(A).

(b)(i) A person to whom a governmental entity is required under this chapter to send information or notice may designate a person to receive the information or notice in accordance with Subsection (6)(a).

(ii) To make a designation described in Subsection (6)(b)(i), the person shall submit a written request to the governmental entity on a form prescribed by the commission.

(c) A person who makes a designation described in Subsection (6)(b) may revoke the designation by submitting a written request to the governmental entity on a form prescribed by the commission.

(7) Sections 59-2-301.1 through 59-2-301.7 apply for purposes of assessing a tax under this chapter.

Section 6. **Repealer.**

This bill repeals:

Section 11-59-305, **Considering recommendations of the Point of the Mountain Development Commission -- Board recommendations on financing.**

Section 7. **Effective Date.**

This bill takes effect:

(1) except as provided in Subsection (2), May 7, 2025; or

(2) if approved by two-thirds of all members elected to each house:

(a) upon approval by the governor;

(b) without the governor's signature, the day following the constitutional time limit of Utah Constitution, Article VII, Section 8; or

(c) in the case of a veto, the date of veto override.