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Farm Ownership & Corporate Farming Laws: *Utah*



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Farm Ownership & Corporate Farming Laws: Utah

Fast Find:

- 1) Prohibition: Utah Code Ann. §§ 63L-13-101; 201; 202
- 2) Permission: Not Expressly
- 3) Reporting: None
- 4) Corporate Farming: Utah Code Ann. §§ 63L-13-101; 201; 202

Utah Code Ann. §§ 63L-13-101 to 202

Current through laws passed during the 2024 General Session of the 65th Utah State Legislature.

§ 63L-13-101. Definitions.

As used in this chapter:

(1)(a) “Conservation lease” means a lease on a parcel of public land that:

- (i) restricts the use of the parcel for the sole or primary purpose of preserving or protecting the land or the land's natural resources;
- (ii) prohibits the extraction of the land's natural resources; or
- (iii) is managed according to an agreement that contradicts the principles of multiple use and sustained yield, including the multiple-use, sustained-yield principles in the Federal Land Policy and Management Act, 43 U.S.C. Sec. 1732, and the National Forest Management Act, 16 U.S.C. Sec. 1604.

(b) “Conservation lease” includes a lease that is wholly or partially similar to a lease described in Subsection (1)(a).

(c) “Conservation lease” does not include a conservation easement, as that term is defined in Section 57-18-2.

(2)(a) “Ecosystem services” mean the natural and biological processes on a parcel of land that benefit human well-being and quality of life.

(b) “Ecosystem services” include the:

- (i) conversion of carbon dioxide to oxygen in plants through photosynthesis;
- (ii) purification of in-stream surface water or groundwater by naturally-occurring microorganisms, soil or bedrock percolation, or chemical detoxification; and



- (iii) noncommercial recreational benefit of natural lands.
- (3) "Interest in land" means any right, title, lien, claim, interest, or estate with respect to land.
- (4)(a) "Land" means all real property within the state.
 - (b) "Land" includes:
 - (i) agricultural land, as defined in Section 4-46-102;
 - (ii) land owned or controlled by a political subdivision;
 - (iii) land owned or controlled by a school district;
 - (iv) non-federal land, as defined in Section 9-9-402;
 - (v) private land;
 - (vi) public land;
 - (vii) state land, as defined in Subsection 9-9-402(14)(a);
 - (viii) waters of the state, as defined in Subsection 19-5-102(23)(a); and
 - (ix) subsurface land.
 - (c) "Land" does not include real property that is owned, controlled, or held in trust by the federal government.
- (5) "Land conveyance" means the transfer of any interest in land from one party to another.
- (6)(a) "Natural asset company" means a company that has the meaning given under the notice of the Securities and Exchange Commission titled Notice of Filing of Proposed Rule Change To Amend the NYSE Listed Company Manual To Adopt Listing Standards for Natural Asset Companies, 88 Fed. Reg. 68811, published October 4, 2023.
 - (b) "Natural asset company" includes a company that is substantially similar to a company described in Subsection (6)(a).
- (7) "Restricted foreign entity" means:
 - (a) a company that the United States Secretary of Defense is required to identify and report as a military company under Section 1260H of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021, Pub. L. No. 116-283;
 - (b) an entity that is owned or directly controlled by the government of China, Iran, North Korea, or Russia;
 - (c) an affiliate, subsidiary, or holding company of an entity described in Subsection (7)(a) or (b);



- (d) a country with a commercial or defense industrial base of which an entity described in Subsection (7)(a), (b), or (c) is a part;
- (e) a state, province, region, prefecture, subdivision, or municipality of a country described in Subsection (7)(d);
- (f) an agency, bureau, committee, or department of a country described in Subsection (7)(d); or
- (g) any entity in which any entity described in Subsections (7)(a) through (f) maintains at least a 51% ownership interest.

§ 63L-13-201. Acquisition of land prohibited—exceptions—enforcement.

- (1) As used in this section, “department” means the Department of Public Safety created under Section 53-1-103.
- (2) Subject to Subsection (3) and Section 63L-13-202, a restricted foreign entity may not acquire an interest in land in this state.
- (3) A restricted foreign entity that, in violation of Subsection (2), obtains an interest in land shall alienate the interest in accordance with Section 63L-13-202.
- (4) The department shall:
 - (a) maintain a publicly available list of restricted foreign entities;
 - (b) create a process by which a county recorder may report a land conveyance the county recorder suspects is prohibited under this section;
 - (c) provide an annual notice to each county recorder in the state that includes:
 - (i) instruction on how to identify a restricted foreign entity;
 - (ii) the process by which a county recorder may report to the department a land conveyance the county recorder suspects is prohibited under this section; and
 - (iii) any additional information the department deems necessary;
 - (d) investigate the validity of each land conveyance a county recorder reports under this section;
 - (e) when, after investigation, the department determines that a land conveyance violates this section:
 - (i) give notice to the restricted foreign entity that:
 - (A) the land conveyance violates this section; and
 - (B) Section 63L-13-202 requires the restricted foreign entity to alienate the restricted foreign entity's interest in the land within one year or the Division of Facilities Construction and Management will sell the interest in accordance with Subsection 63L-13-202(3); and



(ii) notify the county recorder of the county in which the land is located of the land conveyance; and

(f) coordinate with the Division of Facilities Construction and Management to facilitate a sale of the interest in land as described in Section 63L-13-202.

(5) A county recorder:

(a) is not liable for a conveyance to a restricted foreign entity; and

(b) shall, upon notice from the department under Subsection (4)(e)(ii), create a public record of each violation of this section.

§ 63L-13-202. Alienate within one year— sale of property.

(1)(a) A restricted foreign entity that acquires an interest in land on or after May 1, 2024, shall alienate the interest within one year after the date of acquisition.

(b) A restricted foreign entity that acquired an interest in land before May 1, 2024, shall alienate the interest on or before May 1, 2025.

(2) If a restricted foreign entity fails to alienate an interest in land as described in Subsection (1), the Division of Facilities Construction and Management shall sell the interest in land in accordance with Subsection (3).

(3) The Division of Facilities Construction and Management shall sell an interest in land described in Subsection (2):

(a) at public auction;

(b) when practicable, in the city, town, or precinct where the land is located;

(c) the day after the one year time period described in Subsection (1) elapses, but not longer than one year after the day on which the time period in Subsection (1) elapses;

(d) after publication of the date, time, and place of sale:

(i) in a newspaper having general circulation in the county, once in each of the two successive weeks immediately preceding the date of the sale; and

(ii) in accordance with Section 45-1-101 for the two weeks immediately preceding the date of the sale; and

(e) after notification, sent by certified mail at least 10 days before the first date of publication described in Subsection (3)(d), to:

(i) the restricted foreign entity;

(ii) all lien holders of record; and

(iii) any other person known to have an interest in the land.



(4) If a political subdivision sold an interest in land described in Subsection (2) to the restricted foreign entity, the political subdivision has a right of first refusal before the sale described in Subsection (3).

(5) After the sale of the interest in land described in Subsection (3), the Division of Facilities Construction and Management shall submit to the county recorder for recording notice of a sale described in this section.

(6) Proceeds from a sale under Subsection (3) shall:

(a) satisfy any outstanding liens on the interest in land; and

(b) after satisfying any outstanding liens, be deposited into the General Fund.

