



28 **Money Appropriated in this Bill:**

29 None

30 **Other Special Clauses:**

31 None

32 **Utah Code Sections Affected:**

33 AMENDS:

34 **79-6-1101**, as enacted by Laws of Utah 2025, Chapter 120

35 **79-6-1102**, as enacted by Laws of Utah 2025, Chapter 120

36 **79-6-1103**, as enacted by Laws of Utah 2025, Chapter 375

37 **79-6-1104**, as enacted by Laws of Utah 2025, Chapter 375

38 ENACTS:

39 **17B-2a-1401**, Utah Code Annotated 1953

40 **17B-2a-1402**, Utah Code Annotated 1953

41 **17B-2a-1403**, Utah Code Annotated 1953

42 **17B-2a-1404**, Utah Code Annotated 1953

43 **17B-2a-1405**, Utah Code Annotated 1953

44 **17B-2a-1406**, Utah Code Annotated 1953

45 **17B-2a-1407**, Utah Code Annotated 1953

46 **17B-2a-1408**, Utah Code Annotated 1953

47 **17B-2a-1409**, Utah Code Annotated 1953

48 **17B-2a-1410**, Utah Code Annotated 1953

49 **17B-2a-1411**, Utah Code Annotated 1953



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

52 Section 1. Section **17B-2a-1401** is enacted to read:

53 **Part 14. Utah Energy Infrastructure Service District**

54 **17B-2a-1401 . Definitions.**

55 (1) "Board" means the board of trustees of the Utah Energy Infrastructure Service District.

56 (2) "Commission" means the State Finance Review Commission created in Section  
57 63C-25-201.

58 (3) "Council" means the Utah Energy Council created under Section 79-6-1101.

59 (4) "District" means the Utah Energy Infrastructure Service District created under Section  
60 17B-2a-1403.

61 (5) "Electrical Energy Development Investment Fund" means the fund created under

- 62           Section 79-6-1105.
- 63           (6) "Electrical energy development zone" means the same as that term is defined in Section  
64           79-6-102.
- 65           (7) "Energy infrastructure facility" means any real or personal property, including land,  
66           structures, equipment, water rights, transmission lines, generation assets, storage  
67           facilities, and associated improvements, used or useful for the generation, transmission,  
68           storage, or delivery of energy, including electricity and natural gas.
- 69           (8) "Enterprise fund" means the Energy Infrastructure Enterprise Fund created under  
70           Section 17B-2a-1408.
- 71           (9) "Operating contract" means a contract between the district and an operator for the  
72           management, operation, and maintenance of an energy infrastructure facility owned by  
73           the district.
- 74           (10) "Operator" means an entity that enters into an operating contract with the district.
- 75           (11) "Power purchase agreement" means a contract for the sale of electricity or other energy  
76           produced by or transmitted through an energy infrastructure facility controlled or owned  
77           by the district.
- 78           (12) "Project entity" means the same as that term is defined in Section 11-13-103.
- 79           (13) "Project entity asset" means the same as that term is defined in Section 11-13-318.
- 80           (14) "Retired project entity asset" means a project entity asset that has been removed from  
81           active service before May 6, 2026, by a project entity that the project entity has no intent  
82           to return to service.
- 83           (15) "Retired project entity asset area" means the land upon which a retired project entity  
84           asset is located, together with adjacent land necessary for the operation of that asset.
- 85           (16) "Service area" means a geographic area designated by the board under Section  
86           17B-2a-1405 within which the district owns or proposes to facilitate the acquisition or  
87           construction of an energy infrastructure facility.

88           Section 2. Section **17B-2a-1402** is enacted to read:

89           **17B-2a-1402 . Applicability and conflict.**

- 90           (1) The district is governed by and has the powers stated in:
- 91           (a) this part; and
- 92           (b) Chapter 1, Provisions Applicable to All Special Districts, except as otherwise  
93           provided in this part.
- 94           (2) This part applies only to the district.
- 95           (3) The district is not subject to the provisions of any other part of this chapter.

- 96 (4) If there is a conflict between a provision in Chapter 1, Provisions Applicable to All  
97 Special Districts, and a provision in this part, the provisions in this part govern.  
98 (5) If there is a conflict between a provision of this part and a provision of Title 10, Utah  
99 Municipal Code, or Title 54, Public Utilities, Title 10, Utah Municipal Code, or Title 54,  
100 Public Utilities, as applicable, shall govern.

101 Section 3. Section **17B-2a-1403** is enacted to read:

102 **17B-2a-1403 . Creation and status.**

- 103 (1) The council may create the Utah Energy Infrastructure Service District by adopting a  
104 resolution that:  
105 (a) declares the council's intent to create the district;  
106 (b) describes the service area, including the geographic boundaries of the area within  
107 which the district will operate; and  
108 (c) identifies the type of energy infrastructure facility proposed or located within the  
109 service area.  
110 (2) No later than 30 days after adopting a resolution under Subsection (1), the council shall  
111 file with the lieutenant governor:  
112 (a) a copy of a notice of an impending boundary action, as defined in Section 67-1a-6.5,  
113 that meets the requirements of Section 67-1a-6.5; and  
114 (b) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5,  
115 depicting the service area boundary.  
116 (3) The district is created and exists as a legal entity upon the lieutenant governor's issuance  
117 of a certificate of incorporation under Section 67-1a-6.5.  
118 (4) Upon creation, the district:  
119 (a) is a body politic and corporate with perpetual succession;  
120 (b) is a political subdivision of the state;  
121 (c) is separate and distinct from the state and from any other political subdivision of the  
122 state; and  
123 (d) may sue and be sued.  
124 (5) The debts, obligations, and liabilities of the district:  
125 (a) are the debts, obligations, and liabilities of the district alone; and  
126 (b) are not the debts, obligations, or liabilities of the state or any other political  
127 subdivision of the state.  
128 (6) Notwithstanding Chapter 1, Part 2, Creation of a Special District, the district:  
129 (a) may only be created as provided in this section; and

- 130 (b) is not subject to the petition and creation requirements of Sections 17B-1-203  
131 through 17B-1-214.
- 132 (7) Following the issuance of a certificate of incorporation under Subsection (3), the board  
133 shall annually register the district with the lieutenant governor in accordance with  
134 Section 67-1a-15.

135 Section 4. Section **17B-2a-1404** is enacted to read:

136 **17B-2a-1404 . Board of trustees.**

- 137 (1) Notwithstanding Chapter 1, Part 3, Board of Trustees, the board of trustees of the  
138 district consists of the members of the council appointed under Section 79-6-1102.
- 139 (2)(a) A person serves as a member of the board by virtue of that person's appointment  
140 to the council.
- 141 (b) Service on the board is concurrent with and coterminous with service on the council.
- 142 (3) The co-chairs of the council serve as co-chairs of the board.
- 143 (4) A vacancy on the board is filled in the same manner as a vacancy on the council under  
144 Section 79-6-1102.
- 145 (5) The board shall adopt bylaws governing the conduct of board meetings, quorum  
146 requirements, and other procedural matters consistent with this part and Chapter 1,  
147 Provisions Applicable to All Special Districts.
- 148 (6)(a) When acting in the capacity of a board member, a council member's fiduciary  
149 obligation runs to the district.
- 150 (b) Nothing in this section limits a council member's obligations to the council when  
151 acting in the capacity of a council member.

152 Section 5. Section **17B-2a-1405** is enacted to read:

153 **17B-2a-1405 . Single service area authorized.**

- 154 (1) The district's service area consists of:
- 155 (a) the service area established under Section 17B-2a-1403; and  
156 (b) a retired project entity asset area.
- 157 (2) The district may own and operate energy infrastructure facilities only within a  
158 designated service area.
- 159 (3) Once the service area is established, the district may not:
- 160 (a) annex any new land into the service area; or  
161 (b) establish a new service area.

162 Section 6. Section **17B-2a-1406** is enacted to read:

163 **17B-2a-1406 . Powers of the district.**

- 164 (1) Notwithstanding Subsection 17B-1-103(4) and Section 17B-1-202, and in addition to  
165 the powers conferred on a special district under Section 17B-1-103, the district may:
- 166 (a) acquire by purchase, construction, gift, or any combination of these methods, and  
167 own, operate, maintain, improve, and dispose of energy infrastructure facilities  
168 within a designated service area;
- 169 (b) enter into operating contracts with operators for the management, operation, and  
170 maintenance of district-owned energy infrastructure facilities in accordance with  
171 Section 17B-2a-1409;
- 172 (c) enter into power purchase agreements for the sale of electricity or other energy  
173 produced by or transmitted through district-owned facilities;
- 174 (d) issue revenue bonds in accordance with Section 17B-2a-1407 and Chapter 1, Part 11,  
175 Special District Bonds;
- 176 (e) enter into contracts, agreements, and other instruments necessary or convenient to  
177 carry out the purposes of the district;
- 178 (f) acquire water rights, air rights, and other real and personal property rights necessary  
179 or convenient to the ownership or operation of energy infrastructure facilities within  
180 the service area;
- 181 (g) accept grants, gifts, loans, and other financial assistance from federal, state, and local  
182 governmental entities;
- 183 (h) employ staff and engage financial advisors, engineers, and other professional  
184 services necessary to carry out the purposes of the district;
- 185 (i) impose fees and charges for services provided by the district in accordance with  
186 Chapter 1, Part 9, Collection of Service Fees and Charges;
- 187 (j) impose penalties on an operator for non-compliance with the terms of an operating  
188 contract, as specified in the operating contract; and
- 189 (k) do all other things necessary or convenient to carry out the purposes of this part.
- 190 (2) Before constructing or operating an energy infrastructure facility within the boundaries  
191 of a city or town, the district shall obtain the consent of the local authorities who have  
192 control of any street or highway proposed to be occupied by the facility, in accordance  
193 with Utah Constitution, Article XI, Section 9.
- 194 (3)(a) The district is not an electric service provider and may not sell, distribute, or  
195 deliver electricity directly to retail customers.
- 196 (b) Neither the district nor the board may provide electric service within the certificated  
197 service territory of any entity that has been authorized to provide retail electric

- 198 service in that territory pursuant to:
- 199 (i) a certificate of public convenience and necessity issued by the Public Service
- 200 Commission under Title 54, Public Utilities;
- 201 (ii) a franchise, ordinance, or other authorization granted under Title 10, Utah
- 202 Municipal Code; or
- 203 (iii) any other provision of state law authorizing an entity to provide retail electric
- 204 service within a defined geographic area.
- 205 (c) Nothing in this part shall be construed to limit, diminish, or otherwise affect the
- 206 certificated service territory of an entity that has been authorized to provide retail
- 207 electric service in the state.
- 208 Section 7. Section **17B-2a-1407** is enacted to read:
- 209 **17B-2a-1407 . Revenue bonds -- Commission review and approval.**
- 210 (1) The district may issue revenue bonds to finance the acquisition, construction,
- 211 improvement, or equipping of energy infrastructure facilities within a designated service
- 212 area.
- 213 (2)(a) Revenue bonds issued under this section:
- 214 (i) are limited obligations of the district payable solely from revenues deposited into
- 215 the enterprise fund described in Section 17B-2a-1408;
- 216 (ii) do not constitute a general obligation or liability of, or a charge against the
- 217 general credit or taxing power of, the state or any political subdivision of the state;
- 218 (iii) are not subject to the debt limitations of Utah Constitution, Article XIV; and
- 219 (iv) shall state on the face of each bond the limitation described in Subsection
- 220 (2)(a)(ii).
- 221 (b) Notwithstanding the requirements in Subsection (2)(a)(iv), the failure to state on the
- 222 face on the bond the limitation described in (2)(a)(ii) does not have any impact on the
- 223 limited obligation described in this section.
- 224 (3)(a) The commission shall review and may approve a bond before the district may
- 225 issue a bond.
- 226 (b) The commission may not approve issuance of a bond described in Subsection (3)(a)
- 227 unless the execution and terms of the bond comply with state law.
- 228 (c) If, after review, the commission approves a bond described in Subsection (3)(a), the
- 229 district:
- 230 (i) may not change before issuing the bond the terms of the bond that were reviewed
- 231 by the commission if the change is outside the approved parameters and intended

- 232 purposes; and
- 233 (ii) is under no obligation to issue the bond.
- 234 (d) A member of the commission who approves a bond under Subsection (3)(a) is not
- 235 personally liable on the bond.
- 236 (e) The approval of a bond under Subsection (3)(a):
- 237 (i) is not an obligation of the state; and
- 238 (ii) is not an act that:
- 239 (A) lends the state's credit; or
- 240 (B) constitutes indebtedness within the meaning of any constitutional or statutory
- 241 debt limitation.
- 242 (4) The district may pledge to the payment of revenue bonds any legally available revenues
- 243 of the district.
- 244 (5) The district may establish reserve funds, debt service funds, and other funds as required
- 245 by bond indentures or trust agreements securing revenue bonds issued under this section.
- 246 (6) The district may issue refunding bonds to refund outstanding revenue bonds issued
- 247 under this section.
- 248 (7) Notwithstanding Chapter 1, Part 11, Special District Bonds, the district may not issue
- 249 general obligation bonds.

250 Section 8. Section **17B-2a-1408** is enacted to read:

251 **17B-2a-1408 . Energy Infrastructure Enterprise Fund.**

- 252 (1) In addition to the requirements of Chapter 1, Part 6, Fiscal Procedures for Special
- 253 Districts, the board shall establish and maintain an enterprise fund known as the Energy
- 254 Infrastructure Enterprise Fund.
- 255 (2) The following shall be deposited into the enterprise fund:
- 256 (a) proceeds of revenue bonds issued under Section 17B-2a-1407, pending application to
- 257 authorized purposes including a bond project fund to ensure the appropriate use of
- 258 such proceeds;
- 259 (b) payments received by the district under operating contracts;
- 260 (c) payments received by the district under power purchase agreements; and
- 261 (d) any other revenues received by or pledged to the district.
- 262 (3) Revenues in the enterprise fund shall be used solely for the purposes of the district and
- 263 applied in the order prescribed by the district and in compliance with any bond contract
- 264 approved by the district.

265 Section 9. Section **17B-2a-1409** is enacted to read:

266 **17B-2a-1409 . Operating contracts.**

- 267 (1) The district may enter into operating contracts with operators for the management,  
268 operation, and maintenance of district-owned energy infrastructure facilities within the  
269 service area described in Section 17B-2a-1405.
- 270 (2) An operating contract shall:
- 271 (a) require the operator to manage, operate, and maintain the facility in accordance with  
272 applicable law and prudent industry standards;
- 273 (b) specify the payments the operator shall make to the district, which shall be structured  
274 to cover, at minimum, the district's debt service obligations and operating costs  
275 attributable to the facility;
- 276 (c) specify the term of the contract, which may not exceed 40 years;
- 277 (d) provide that upon expiration or termination of the contract full operational control of  
278 the facility returns to the district free of any claim of the operator; and
- 279 (e) specify the conditions under which the contract may be terminated or renewed.
- 280 (3) An operating contract entered into under this section:
- 281 (a) is a service agreement; and
- 282 (b) does not convey a leasehold interest, ownership interest, or any other property  
283 interest in the facility to the operator.
- 284 (4) The district shall require each operator to maintain:
- 285 (a) adequate insurance coverage as determined by the board; and
- 286 (b) where appropriate, performance bonds or other financial security acceptable to the  
287 board to protect the district's interests under the operating contract.
- 288 (5) The board shall structure each operating contract to ensure that each operating contract  
289 complies with applicable federal tax law governing qualified management contracts as  
290 may be required by a federally tax-exempt revenue bond.

291 Section 10. Section **17B-2a-1410** is enacted to read:

292 **17B-2a-1410 . Property taxes and privilege tax.**

- 293 (1) All property and assets of the district are exempt from taxation as provided in Section  
294 17B-1-116.
- 295 (2) An operator using district-owned facilities is subject to the privilege tax imposed under  
296 Title 59, Chapter 4, Privilege Tax.
- 297 (3) The district may levy a privilege tax within the service area for district operations and  
298 maintenance expenses at a rate not to exceed 0.0023.
- 299 (4) Notwithstanding this section, nothing prohibits the district from agreeing to a payment

300 in lieu of taxes in the board's sole discretion.

301 Section 11. Section **17B-2a-1411** is enacted to read:

302 **17B-2a-1411 . Dissolution.**

303 (1) The board may adopt a dissolution resolution if:

304 (a) the district has ceased operations in the service area; and

305 (b) the district has no outstanding debt or other obligations.

306 (2) The Legislature may dissolve the district by joint resolution.

307 (3) Upon dissolution of the district:

308 (a) all outstanding revenue bonds shall be defeased or retired in accordance with their  
309 terms before dissolution is effective; and

310 (b) all remaining assets of the district shall be transferred to the state.

311 Section 12. Section **79-6-1101** is amended to read:

312 **79-6-1101 . Utah Energy Council -- Creation and purpose.**

313 (1) As used in this part:

314 (a) "Council" means the Utah Energy Council created in Section 79-6-1101.

315 (b) "Decommissioned asset" means a project entity asset that:

316 (i) has been removed from active service by a project entity;

317 (ii) has been transferred to the council, including:

318 (A) transfer of legal title; and

319 (B) transfer of operational responsibility; and

320 (iii) will be operated and managed under the direction of the council.

321 (c) "District" means the Utah Energy Infrastructure Service District created under

322 Section 17B-2a-1403.

323 [(e)] (d) "Operator" means an entity that:

324 (i) manages and maintains the daily operations of an electrical generation facility;

325 (ii) employs the workforce necessary to run the facility;

326 (iii) procures fuel and other necessary supplies;

327 (iv) ensures compliance with all applicable regulations; and

328 (v) maintains the reliability of power generation.

329 [(d)] (e) "Project entity" means the same as that term is defined in Section 11-13-103.

330 [(e)] (f) "Project entity asset" means the same as that term is defined in Section 11-13-318.

331 (g) "State energy financing institution" means the same as that term is defined in 10

332 C.F.R. 609.2.

333 (2) There is created within the office the Utah Energy Council.

- 334 (3) The purpose of the council is to facilitate the development of electrical energy  
335 generation and transmission projects within the state, including:  
336 (a) power plants;  
337 (b) transmission lines;  
338 (c) energy storage facilities; and  
339 (d) related infrastructure.
- 340 (4) The council is a state energy financing institution for purposes of accessing federal  
341 programs available to state energy financing institutions, including programs under 10  
342 C.F.R. Part 609.
- 343 Section 13. Section **79-6-1102** is amended to read:  
344 **79-6-1102 . Council composition -- Appointment -- Terms -- Staffing.**
- 345 (1) The council shall be composed of:  
346 (a) the director or the director's designee~~[, who shall serve as chair of the council]~~;  
347 (b) two individuals appointed by the governor;  
348 (c) one individual appointed by the president of the Senate; ~~[and]~~  
349 (d) one individual appointed by the speaker of the House of Representatives~~[-]~~ ;  
350 (e) two individuals appointed by the members described in Subsections (1)(a) through (d),  
351 each of whom have experience in one or more of the following:  
352 (i) economic development, including support for existing or new industries that are  
353 critical to the state;  
354 (ii) public utilities, including utility operations, management, regulation, or policy;  
355 (iii) bonding or public financing, including municipal bond issuance, project finance,  
356 or public-private partnerships; or  
357 (iv) relevant legal matters, including energy law, public finance law, utility  
358 regulation, or securities law.
- 359 (2)(a) Except as provided in Subsection (2)(b), a council member appointed under  
360 Subsection (1):  
361 (i) shall serve a four-year term;  
362 (ii) may be removed by the appointing authority;  
363 (iii) may be reappointed; and  
364 (iv) continues to serve until the member's successor is appointed and qualified.
- 365 (b) Initial terms for the appointed council members shall be staggered as follows:  
366 (i) one member appointed by the governor under Subsection (1)(b) shall serve a  
367 two-year term;

- 368 (ii) one member appointed by the governor under Subsection (1)(b) shall serve a  
 369 three-year term;
- 370 (iii) the member appointed by the president of the Senate under Subsection (1)(c)  
 371 shall serve a four-year term; and
- 372 (iv) the member appointed by the speaker of the House of Representatives under  
 373 Subsection (1)(d) shall serve a two-year term.
- 374 (c) A member appointed under Subsection (1)(e) may be removed by majority vote of  
 375 the council members appointed under Subsections (1)(a) through (1)(d).
- 376 (3) When a vacancy occurs in the membership for any reason, the replacement shall be  
 377 appointed by the relevant appointing authority for the unexpired term.
- 378 (4)(a) Until July 1, 2026, the director, or the director's designee, shall serve as chair of  
 379 the council.
- 380 (b) Beginning on July 1, 2026:
- 381 (i) the director, or the director's designee, shall serve as a co-chair of the council; and  
 382 (ii) the president of the Senate and the speaker of the House of Representatives shall  
 383 jointly designate one member of the council described in Subsections (1)(b)  
 384 through (1)(e) to serve as a co-chair of the council.
- 385 (c) The co-chair designated under Subsection (4)(b)(ii) may be removed as co-chair and  
 386 replaced by joint designation of the president of the Senate and the speaker of the  
 387 House of Representatives.
- 388 [~~(4)~~] (5)(a) A majority of council members constitutes a quorum for conducting council  
 389 business.
- 390 (b) A majority vote of the quorum present is required for any action taken by the council.
- 391 [~~(5)~~] (6) The council shall meet:
- 392 (a) at least quarterly; and
- 393 (b) at the call of [~~the chair~~] a co-chair or a majority of the council members.
- 394 [~~(6)~~] (7)(a) A council member who is not a legislator may not receive compensation or  
 395 benefits for the member's service but may receive per diem and travel expenses in  
 396 accordance with:
- 397 (i) Section 63A-3-106;
- 398 (ii) Section 63A-3-107; and
- 399 (iii) rules made by the Division of Finance under Sections 63A-3-106 and 63A-3-107.
- 400 (b) Compensation and expenses of a council member who is a legislator are governed by  
 401 Section 36-2-2 and Legislative Joint Rules, Title 5, Legislative Compensation and

402 Expenses.

403 [~~(7)~~] (8) The office shall provide staff support to the council.

404 (9)(a) Each member of the council serves concurrently as a member of the board of  
405 trustees of the district by virtue of the member's appointment to the council.

406 (b) Service on the board is concurrent with and coterminous with service on the council  
407 and does not constitute a separate appointment or give rise to additional  
408 compensation.

409 Section 14. Section **79-6-1103** is amended to read:

410 **79-6-1103 . Council powers and duties.**

411 (1) The council shall:

412 (a) coordinate and facilitate electrical energy project development, including:

413 (i) site identification and permitting;

414 (ii) early site preparation work;

415 (iii) infrastructure improvements;

416 (iv) project financing assistance; and

417 (v) stakeholder coordination;

418 (b) assess and facilitate electrical energy infrastructure development by:

419 (i) evaluating infrastructure needs and opportunities;

420 (ii) coordinating with transmission and pipeline developers;

421 (iii) supporting utility planning efforts; and

422 (iv) coordinating with federal agencies;

423 (c) establish and implement:

424 (i) strategic plans for energy development;

425 (ii) frameworks for stakeholder engagement;

426 (iii) processes for designating electrical energy development zones; and

427 (iv) criteria for evaluating proposed electrical energy development zones;

428 (d) review and approve:

429 (i) research project proposals from the board; and

430 (ii) funding allocations recommended by the board;

431 (e) consult with state land use authorities regarding:

432 (i) identification of state lands suitable for electrical energy development;

433 (ii) designation of electrical energy development zones; and

434 (iii) opportunities for coordinated development of electrical energy projects on state  
435 lands;

- 436 (f) administer the Electrical Energy Development Investment Fund created in Section  
437 79-6-1105;
- 438 (g) make recommendations regarding electrical energy policy to state and local  
439 governments;
- 440 (h) identify and recommend solutions to barriers affecting electrical energy development;
- 441 (i) assess and address potential public health impacts of electrical energy development  
442 zones;
- 443 (j) enter into contracts necessary to fulfill the council's duties;
- 444 (k) report annually by October 31 to the Public Utilities, Energy, and Technology  
445 Interim Committee and the Natural Resources, Agriculture, and Environment Interim  
446 Committee regarding:
- 447 (i) the council's activities;
- 448 (ii) energy development opportunities;
- 449 (iii) infrastructure needs;
- 450 (iv) the status of designated electrical energy development zones;
- 451 (v) recommendations for how the property tax differential revenue collected under  
452 Section 79-6-1104 should be divided and distributed between the state, counties,  
453 and municipalities;
- 454 (vi) investment decisions made by the council; and
- 455 (vii) recommended policy changes;
- 456 (l) create and implement a strategic plan for a decommissioned asset, taking into  
457 consideration:
- 458 (i) the state energy policy, as provided in Section 79-6-301;
- 459 (ii) reliability of electrical generation; and
- 460 (iii) economic viability;
- 461 (m) establish policies and procedures for the management of a decommissioned asset;
- 462 (n) administer contracts for the management and operations of a decommissioned asset;
- 463 (o) enter into contracts necessary for the operation and management of a  
464 decommissioned asset;
- 465 (p) acquire, hold, and dispose of property related to a decommissioned asset;
- 466 (q) select an operator for a decommissioned asset as provided in Section 79-6-1107; [and]
- 467 (r) report annually to the Legislative Management Committee regarding:
- 468 (i) the status and progress of the asset transfer;
- 469 (ii) operational and financial status of the asset under council control;

- 470 (iii) status of the operator contract;
- 471 (iv) environmental compliance status; and
- 472 (v) recommendations for legislation[-] ; and
- 473 (s) designate a service area for the district as provided in Section 17B-2a-1405.
- 474 (2) The council may create the Utah Energy Infrastructure Service District as provided in
- 475 Section 17B-2a-1403.
- 476 (3) The council shall negotiate with the applicable county or municipality regarding the
- 477 distribution of property tax differential revenue collected under Section 79-6-1104.
- 478 [~~3~~] (4) Any portion of the property tax differential that is not distributed to the council
- 479 shall be distributed to the applicable county or municipality for impact mitigation and
- 480 affordable housing.
- 481 [~~4~~] (5)(a) The portion of the property tax differential that is distributed to the
- 482 municipality shall be used for:
- 483 (i) at least 10% of the total distribution shall be used for affordable housing
- 484 programs; and
- 485 (ii) the remaining portion shall be used to mitigate impacts within the municipality
- 486 resulting from electrical energy development.
- 487 (b) The portion of the property tax differential that is distributed to the county shall be
- 488 used for:
- 489 (i) at least 10% of the total distribution shall be placed in a registered non-profit
- 490 established to administer housing programs on behalf of an association
- 491 representing 10 or more counties in the state; and
- 492 (ii) the remaining portion shall be used to mitigate impacts within the county
- 493 resulting from electrical energy development.
- 494 [~~5~~] (6) If the council acquires a project entity asset under Section 11-13-318, the council
- 495 shall enter into an agreement with the project entity that:
- 496 (a) provides for the transfer, disposition, and future operation of the asset; and
- 497 (b) ensures the transfer, disposition, and future operation does not interfere with the
- 498 project entity's ownership or operation of electrical generation facilities powered by
- 499 natural gas, hydrogen, or a combination of natural gas and hydrogen.
- 500 Section 15. Section **79-6-1104** is amended to read:
- 501 **79-6-1104 . Electrical energy development zones -- Property tax differential.**
- 502 (1) As used in this section:
- 503 (a) "Base taxable value" means the value of property within an electrical energy

504 development zone, as shown on the assessment roll last equalized before the creation  
505 of the electrical energy development zone.

506 (b) "Community reinvestment agency" means the same as that term is defined in Section  
507 17C-1-102.

508 (c) "Community reinvestment project area" means the same as that term is defined in  
509 Section 17C-1-102.

510 (d) "Municipal power project" means an electrical energy project that:

511 (i) is operated by or on behalf of a municipality; and

512 (ii) exclusively serves customers within that municipality's jurisdictional boundaries.

513 (e) "Property tax differential" means the difference between:

514 (i) the amount of property tax revenues generated each tax year by all taxing entities  
515 from an electrical energy development zone, using the current assessed value of  
516 the property; and

517 (ii) the amount of property tax revenues that would be generated from that same area  
518 using the base taxable value of the property.

519 (f) "State land use authority" means:

520 (i) the Utah Inland Port Authority created in Section 11-58-201;

521 (ii) the Military Installation Development Authority created in Section 63H-1-201;

522 (iii) the School and Institutional Trust Lands Administration created in Section  
523 53C-1-201; or

524 (iv) any other land use authority created by the state that has jurisdiction over state  
525 lands.

526 (2)(a) Except as provided in Subsection (2)(b), a county or municipality may not offer  
527 financial incentives for a baseload electrical energy project that is not located within  
528 a designated electrical energy development zone.

529 (b) Subsection (2)(a) does not apply to:

530 (i) financial incentives offered for:

531 (A) a municipal power project; or

532 (B) an electrical energy project that exclusively utilizes intermittent resources; or

533 (ii) an electrical energy project for which a project area plan has been approved  
534 before July 1, 2026.

535 (3) A county or municipality may:

536 (a) pass a resolution declaring an intent to establish within the county or municipality  
537 boundaries an energy development zone;

- 538 (b) enter into an interlocal agreement with the council outlining each parties'  
539 responsibilities relating to an energy development zone; and
- 540 (c) apply to the council for the designation of an electrical energy development zone by  
541 submitting:
- 542 (i) a description of the proposed boundaries of the electrical energy development  
543 zone;
- 544 (ii) an assessment of existing electrical energy infrastructure within and proximate to  
545 the proposed electrical energy development zone;
- 546 (iii) a development plan that includes:
- 547 (A) proposed electrical energy development projects;
- 548 (B) anticipated infrastructure improvements;
- 549 (C) projected economic benefits to the county; and
- 550 (D) evidence of local support including any interlocal agreement entered into  
551 between the county or municipality and the council, as applicable;
- 552 (iv) if the applicant is a municipality, evidence of coordination with the county in  
553 which the proposed electrical energy development zone is located, including any  
554 interlocal agreement entered into between the county or municipality and the  
555 council, as applicable;
- 556 (v) if the applicant is a county and any portion of the proposed electrical energy  
557 development zone is within the boundaries of a municipality, evidence of an  
558 agreement with the municipality regarding the establishment of the electrical  
559 energy development zone; and
- 560 (vi) any other information required by the council.
- 561 (4) A state land use authority may:
- 562 (a) propose an electrical energy development zone within lands under its jurisdiction; and
- 563 (b) apply to the council for the designation of an electrical energy development zone by  
564 submitting:
- 565 (i) a description of the proposed boundaries of the electrical energy development  
566 zone;
- 567 (ii) an assessment of existing electrical energy infrastructure within and proximate to  
568 the proposed electrical energy development zone;
- 569 (iii) a development plan that includes:
- 570 (A) proposed electrical energy development projects;
- 571 (B) anticipated infrastructure improvements; and

- 572 (C) projected economic benefits;
- 573 (iv) evidence that the proposed zone is consistent with applicable land use plans and
- 574 regulations; and
- 575 (v) any other information required by the council.
- 576 (5) The council shall:
- 577 (a) approve an application for electrical energy development zone designation if the
- 578 application demonstrates:
- 579 (i) the proposed electrical energy development zone includes land suitable for
- 580 electrical energy development based on:
- 581 (A) access to electrical energy resources;
- 582 (B) proximity to existing or planned transmission infrastructure;
- 583 (C) adequate transportation access; and
- 584 (D) sufficient land area for proposed development; and
- 585 (ii) the development plan:
- 586 (A) aligns with state energy policy under Section 79-6-301;
- 587 (B) includes realistic timelines and milestones;
- 588 (C) identifies specific infrastructure improvements; and
- 589 (D) quantifies projected economic benefits;
- 590 (b) make a determination on an application within 60 days of submission;
- 591 (c) provide written notice to the county or municipality explaining the basis for approval
- 592 or denial;
- 593 (d) if an electrical energy development zone overlaps with an area designated by a
- 594 community reinvestment agency as a community reinvestment project area as of May
- 595 7, 2025, enter into an agreement with the community reinvestment agency to
- 596 determine the percentage division of the property tax differential between:
- 597 (i) the Electrical Energy Development Investment Fund; and
- 598 (ii) the community reinvestment agency; and
- 599 (e) if an electrical energy development zone overlaps with an inland port project, enter
- 600 into an agreement with the Utah Inland Port Authority to determine the percentage
- 601 division of the property tax differential between:
- 602 (i) the Electrical Energy Development Investment Fund; and
- 603 (ii) the Utah Inland Port Authority created in Section 11-58-201.
- 604 (6) Within 30 days after the council designates an electrical energy development zone:
- 605 (a) the county auditor shall certify to the council the base taxable value of property

- 606 within the electrical energy development zone; and
- 607 (b) the county shall transmit to the council copies of the property tax assessment rolls for
- 608 all property within the electrical energy development zone.
- 609 (7)(a) Each year, the county auditor shall:
- 610 (i) determine the amount of the property tax differential for the electrical energy
- 611 development zone by comparing:
- 612 (A) the current assessed value of property within the electrical energy
- 613 development zone; and
- 614 (B) the base taxable value of property within the electrical energy development
- 615 zone;
- 616 (ii) inform the county treasurer of the property tax differential amount; and
- 617 (iii) provide notice to the council of the amount calculated under this Subsection
- 618 (7)(a).
- 619 (b) The county treasurer shall transfer the property tax differential to the council for
- 620 deposit into the Electrical Energy Development Investment Fund created in Section
- 621 79-6-1105, subject to any agreements entered into under Subsections (5)(d) and (5)(e).
- 622 (c) The county treasurer shall make distributions required under this section:
- 623 (i) at the same time as regular annual property tax distributions; and
- 624 (ii) using the same method as other property tax distributions.
- 625 (8) For property tax differential not subject to Subsection (5)(d) the council may enter into
- 626 agreements with taxing entities regarding the allocation of the property tax differential.
- 627 (9) If an electrical energy development zone designated under this section overlaps with an
- 628 existing or proposed service area of the district, the council shall note the overlap in the
- 629 zone designation resolution.

630 **Section 16. Effective Date.**

631 This bill takes effect on May 6, 2026.