

Extracted Natural Resources Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ann Millner

House Sponsor: David Shallenberger

LONG TITLE

General Description:

This bill addresses natural resources within the state.

Highlighted Provisions:

This bill:

- facilitates faster permitting by the Department of Environmental Quality and the Division of Oil, Gas, and Mining;
- modifies the tax credit for mining exploration;
- creates the State Reinvestment Restricted Account and diverts various streams of income related to severance taxes into the State Reinvestment Restricted Account;
- addresses property tax differentials based on critical minerals zones;
- defines terms;
- establishes the state critical minerals objectives and policy, including providing for annual reviews;
- creates the Critical Minerals Council (council), including establishing the council's operations, powers, and duties;
- makes money appropriated to the council nonlapsing;
- addresses areas of coordination by certain council members;
- establishes a process to designate critical minerals zones, including providing for property tax differential revenue;
- provides for the creation of a clearinghouse of data to be known as the "Critical Minerals Atlas";
- addresses the creation of the Minerals for Industrial, National, and Economic Security Center;
- creates the Critical Minerals Development Account;

- coordinates with H.B. 373, Higher Education Innovation, to address inclusion of critical minerals projects in the eligible research areas for research grants; and
- makes technical and conforming amendments.

Money Appropriated in this Bill:

This bill appropriates \$400,000 in operating and capital budgets for fiscal year 2026, all of which is from the General Fund.

This bill appropriates \$14,016,200 in restricted fund and account transfers for fiscal year 2026, all of which is from the various sources as detailed in this bill.

This bill appropriates \$11,400,000 in operating and capital budgets for fiscal year 2027, including:

- \$400,000 from General Fund; and
- \$11,000,000 from various sources as detailed in this bill.

Other Special Clauses:

This bill provides a special effective date.

This bill provides retrospective operation.

This bill provides a coordination clause.

Utah Code Sections Affected:**AMENDS:**

40-6-24 (Effective 05/06/26) (Applies beginning 01/01/26) (Repealed 07/01/37), as repealed and reenacted by Laws of Utah 2025, Chapter 159

51-9-202 (Effective 07/01/26), as last amended by Laws of Utah 2021, Chapter 401

51-9-302 (Effective 07/01/26), as last amended by Laws of Utah 2010, Chapter 219

51-9-305 (Effective 07/01/26), as last amended by Laws of Utah 2014, Chapter 241

59-2-924 (Effective 05/06/26) (Applies beginning 01/01/26), as last amended by Laws of Utah 2025, First Special Session, Chapter 15

59-5-115 (Effective 05/06/26) (Applies beginning 01/01/26), as last amended by Laws of Utah 2023, Chapters 446, 537

59-5-116 (Effective 05/06/26) (Applies beginning 01/01/26), as last amended by Laws of Utah 2021, Chapter 401

59-5-119 (Effective 05/06/26) (Applies beginning 01/01/26), as last amended by Laws of Utah 2021, Chapter 401

59-5-215 (Effective 05/06/26) (Applies beginning 01/01/26), as last amended by Laws of Utah 2024, Chapter 25

63J-1-602.2 (Effective 05/06/26) (Partially Repealed 07/01/29), as last amended by Laws

of Utah 2025, First Special Session, Chapter 17

79-2-201 (Effective 05/06/26) (Partially Repealed 07/01/29), as last amended by Laws of Utah 2025, Chapter 93

ENACTS:

19-1-209 (Effective 05/06/26), Utah Code Annotated 1953

40-8-5.5 (Effective 05/06/26), Utah Code Annotated 1953

51-9-1001 (Effective 07/01/26), Utah Code Annotated 1953

51-9-1002 (Effective 07/01/26), Utah Code Annotated 1953

51-9-1003 (Effective 07/01/26), Utah Code Annotated 1953

79-10-101 (Effective 05/06/26), Utah Code Annotated 1953

79-10-201 (Effective 05/06/26), Utah Code Annotated 1953

79-10-202 (Effective 05/06/26), Utah Code Annotated 1953

79-10-301 (Effective 05/06/26), Utah Code Annotated 1953

79-10-302 (Effective 05/06/26), Utah Code Annotated 1953

79-10-303 (Effective 05/06/26), Utah Code Annotated 1953

79-10-401 (Effective 05/06/26), Utah Code Annotated 1953

79-10-402 (Effective 05/06/26), Utah Code Annotated 1953

79-10-403 (Effective 05/06/26), Utah Code Annotated 1953

79-10-501 (Effective 05/06/26), Utah Code Annotated 1953

79-10-601 (Effective 05/06/26), Utah Code Annotated 1953

79-10-602 (Effective 05/06/26), Utah Code Annotated 1953

79-10-701 (Effective 05/06/26), Utah Code Annotated 1953

REPEALS:

51-9-301 (Effective 07/01/26), as last amended by Laws of Utah 2021, Chapter 401

51-9-303 (Effective 07/01/26), as last amended by Laws of Utah 2016, Chapter 128

51-9-307 (Effective 07/01/26), as last amended by Laws of Utah 2024, Chapter 25

Utah Code Sections affected by Coordination Clause:

53H-8-211 (07/01/26), Utah Code Annotated 1953

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

Section 1. Section **19-1-209** is enacted to read:

19-1-209 (Effective 05/06/26). Fast track permitting for critical minerals.

(1) As used in this section:

(a) "Critical mineral" means the same as that term is defined in Section 79-10-101.

(b) "Critical minerals project" means an activity requiring one or more state permits related to the extraction or processing of a critical mineral.

(c) "Critical minerals zone" means the same as that term is defined in Section 79-10-101.

(d) "Permit" means the same as that term is defined in Section 79-10-101.

(2)(a) A division within the department shall prioritize division resources to process a permit that is:

(i) requested to be issued by the division; and

(ii) related to a critical minerals project described in Subsection (2)(b).

(b) This Subsection (2) applies to a critical minerals project that is:

(i) for the extraction or processing of a critical mineral within a critical minerals zone; or

(ii) included in the strategic plan developed by the Critical Minerals Council under Subsection 79-10-302(1).

(3) The department shall work cooperatively with the Division of Oil, Gas, and Mining to develop processes under which permits for a critical minerals project described in Subsection (2)(b) that are issued by a division within the department and the Division of Oil, Gas, and Mining:

(a) may be issued at parallel times rather than sequentially; and

(b) minimize the need for a person to comply with duplicative, overlapping, or conflicting requirements.

(4) Nothing in this section abrogates or interferes with the powers or duties of the Division of Oil, Gas, and Mining.

Section 2. Section **40-6-24** is amended to read:

40-6-24 (Effective 05/06/26) (Applies beginning 01/01/26) (Repealed 07/01/37).

Tax credit for mining exploration -- Division to issue certificates.

(1) As used in this section:

(a) "Activity" means:

(i) surveying by a geophysical method or by a geochemical method;

(ii) drilling one or more exploration holes;

(iii) conducting underground exploration;

(iv) surface trenching or bulk sampling;

(v) taking aerial photographs;

(vi) geological and geophysical logging;

(vii) sample analysis; or

(viii) metallurgical testing.

(b) "Assigned tax credit certificate" means a tax credit certificate the division issues to a person to which a claimant assigns the claimant's tax credit.

(c)(i) "Certified expenditure" means a cost incurred for an activity in direct support of an eligible exploration activity conducted at a specific site.

(ii) "Certified expenditure" includes:

(A) the cost of obtaining an approval, a permit, a license, or a certificate for an eligible exploration activity;

(B) a direct labor cost and the cost of benefits for employees directly associated with work described in Subsection (1)(c)(i);

(C) the cost of leasing equipment from a third party;

(D) the cost of owning, maintaining, or operating equipment;

(E) insurance and bond premiums associated with the activities described in Subsections (1)(c)(ii)(A) through (D);

(F) the cost of a consultant or an independent contractor; and

(G) any general expense related to operating the business engaged in the eligible exploration activity to the extent the expense is directly attributable to the work described in Subsection (1)(c)(i).

(iii) "Certified expenditure" does not include:

(A) return on investment; or

(B) insurance or bond premiums not described in Subsection (1)(c)(ii)(E).

(d)(i) "Claimant" means a person that:

(A) is engaged in the business of mining or extracting minerals;

(B) is subject to a severance tax, for the taxable year in which the person applies for a tax credit certificate, under Title 59, Chapter 5, Part 2, Mining Severance Tax, as a direct result of minerals produced from eligible exploration activities; and

(C) makes a certified expenditure.

(ii) "Claimant" does not include a person in the business of mining or extracting minerals on the Great Salt Lake from:

(A) the brines of the Great Salt Lake, except for a person using a nonevaporative mining or extraction method; or

(B) a material or secondary source, including tails, slag, waste dumps, or another similar secondary source, derived from the brines of the Great Salt Lake.

- 164 (e) "Eligible claimant" means a claimant or a person to which a claimant assigns a tax
165 credit in accordance with Subsections (4)(a)(vi)~~[-and]~~ , (7), and (11).
- 166 (f) "Eligible exploration activity" means an activity performed in the state that is
167 associated with:
- 168 (i) producing a mineral from a natural deposit that is not part of a mine that exists at
169 the time the activity begins;
- 170 (ii) producing a mineral not under production within a mine that exists at the time the
171 activity begins;
- 172 (iii) recovering a mineral not under production from a secondary source at the time
173 the activity begins, including tails, slag, waste dumps, or another similar
174 secondary source, whether in solution or otherwise; or
- 175 (iv) expanding production of a mineral using a mining method not used within a mine
176 that exists at the time the activity begins~~[-or]~~ as certified by the division in
177 accordance with Subsection (10).
- 178 ~~[(v) expanding existing production of a mineral that requires a new exploration or~~
179 ~~mining permit or the modification of a permit issued before the activity begins.]~~
- 180 (g) "Geochemical method" means a method of gathering geochemical data, including
181 collecting soil, rock, water, air, vegetation, or any other similar item and performing
182 a chemical analysis on the item.
- 183 (h) "Geophysical method" means a method of gathering geophysical data that is used in
184 mineral exploration, including seismic, gravity, magnetic, radiometric, radar,
185 electromagnetic, and other remote sensing measurements.
- 186 (i) "Mine" means the same as that term is defined in Section 59-5-201.
- 187 (j) "Mineral" means:
- 188 (i) a metalliferous mineral as defined in Section 59-5-201; or
- 189 (ii) a metalliferous compound as defined in Section 59-5-202.
- 190 (k) "Tax credit certificate" means a certificate the division issues that:
- 191 (i) lists the claimant's name and taxpayer identification number;
- 192 (ii) lists the amount of the claimant's tax credit authorized under this section for a
193 taxable year; and
- 194 (iii) includes other information as determined by the division.
- 195 (2) Before claiming a tax credit under Section 59-5-304, a person shall apply to the division
196 to enter into an agreement and, upon becoming an eligible claimant, to receive a tax
197 credit certificate.

- 198 (3)(a) Except as provided in Subsection (3)(b), a person shall enter into an agreement
199 with the division before beginning eligible exploration activities.
- 200 (b) A person that has certified expenditures from an eligible exploration activity for a
201 taxable year beginning on or after January 1, 2025, and beginning before January 1,
202 2026, shall enter an agreement with the division as provided by rule.
- 203 (4)(a) The agreement shall provide:
- 204 (i) the eligible exploration activities for which the person may incur certified
205 expenditures eligible to receive a tax credit certificate, which may include
206 certified expenditures from a taxable year beginning on or after January 1, 2025,
207 and beginning before January 1, 2027;
 - 208 (ii) the type of mineral the person intends to produce;
 - 209 (iii) the maximum number of years a person has between the beginning of eligible
210 exploration activities and the production of minerals as a direct result of the
211 eligible exploration activities;
 - 212 (iv) the maximum number of years, which may not exceed [20] 10 years, that a person
213 may receive a tax credit certificate;
 - 214 (v) the requirements for reporting certified expenditures and production of minerals
215 as a direct result of eligible exploration activity, including:
 - 216 (A) a description of the mine where the eligible exploration activity occurred;
 - 217 (B) evidence that the certified expenditure occurred and the amount of the
218 certified expenditure; and
 - 219 (C) the means for verifying that severance tax liability occurs as a direct result of
220 an eligible exploration activity; and
 - 221 (vi) subject to Subsection (11), a requirement that, if a claimant intends to assign a
222 tax credit, the claimant shall provide to the division a written notice of intent to
223 assign the tax credit to another person, in a form the division approves, that
224 includes:
 - 225 (A) written certification or other proof that the claimant irrevocably elects not to
226 claim the tax credit authorized by the tax credit certificate; and
 - 227 (B) contact information for the person to which the claimant is assigning the tax
228 credit.
- 229 (b) The parties to the agreement may modify the terms of the agreement.
- 230 (c)(i) The division shall approve certified expenditures upon receiving a report of a
231 certified expenditure unless the division determines that the expenditure does not

meet the definition of certified expenditure.

- (ii) If the division determines that an expenditure does not meet the definition of certified expenditure, the division shall provide the person a written explanation that states each reason the division denied the expenditure and give the person an opportunity to correct any deficiency or provide additional information.

(5)(a) A person with an agreement may apply for a tax credit certificate:

- (i) upon becoming an eligible claimant; and
- (ii) for a taxable year beginning on or after January 1, 2027.

(b) The person shall include in the application for a tax credit certificate the following information for the taxable year in which the person seeks a tax credit certificate:

- (i) proof that the person is an eligible claimant;
- (ii) a description of the mineral that the eligible claimant produced and evidence to support that the mineral is produced from an eligible exploration activity;
- (iii) the amount of severance tax liability as a direct result of minerals produced from an eligible exploration activity that the eligible claimant incurred for the taxable year; and
- (iv) any other information the division requests.

(6)(a) After the division receives an application for a tax credit certificate, the division shall:

- (i) verify that the person is an eligible claimant; and
- (ii) determine whether the eligible claimant has approved certified expenditures.

(b) Subject to Subsection (6)(c), the division shall issue a tax credit certificate in an amount equal to the lesser of:

- (i) 50% of the amount of certified expenditures minus any certified expenditures for which the division previously issued a tax credit certificate; or
- (ii) 30% of the claimant's severance tax liability as a direct result of minerals produced from an eligible exploration activity for the taxable year.

(c)(i) The division may not issue a tax credit certificate if the aggregate value of tax credit certificates issued for certified expenditures related to eligible exploration activities at the same mine exceeds [~~\$20,000,000~~] \$10,000,000.

- (ii) Notwithstanding Subsection (6)(c)(i), the division may issue a tax credit certificate up to an aggregate value of [~~\$30,000,000~~] \$15,000,000 for certified expenditures related to eligible exploration activities at the same mine if the certified expenditures that exceed [~~\$20,000,000~~] \$10,000,000 are for eligible

- 266 exploration activities undertaken to produce a mineral for which the United States
267 is greater than 50% net import reliant, as provided in the Mineral Commodity
268 Summaries published by the United States Geological Survey, in the calendar year
269 in which an eligible exploration activity commences.
- 270 (7)(a) If the claimant meets the requirements of Subsection (4)(a)(vi), the division shall
271 issue an assigned tax credit certificate to the person identified by the claimant in an
272 amount equal to the lesser of:
- 273 (i) the amount of the claimant's certified expenditures minus any certified
274 expenditures for which the division previously issued a tax credit certificate; or
275 (ii) the person's severance tax liability as a direct result of minerals produced from an
276 eligible exploration activity for the taxable year.
- 277 (b) A person that receives an assigned tax credit certificate may claim the tax credit
278 under Section 59-5-304 as if the person met the requirements of Section 59-5-304, if
279 the person files a return under Title 59, Chapter 5, Part 2, Mining Severance Tax.
- 280 (8) An eligible claimant that receives a tax credit certificate or assigned tax credit certificate
281 in accordance with this section shall retain the tax credit certificate or assigned tax credit
282 certificate for the same time period that a person is required to keep books and records
283 under Section 59-1-1406.
- 284 (9) The division shall submit annually to the State Tax Commission an electronic list that
285 includes:
- 286 (a) the name and identifying information for:
- 287 (i) each claimant to which the division issues a tax credit certificate; and
288 (ii) each person to which the division issues an assigned tax credit certificate in
289 accordance with Subsection (7);
- 290 (b) for each person described in Subsection (9)(a), the amount of tax credit stated on the
291 tax credit certificate or assigned tax credit certificate; and
- 292 (c) for each person described in Subsection (9)(a)(ii), information necessary to identify
293 the original tax credit certificate and the assigned tax credit certificate.
- 294 (10) To qualify an activity as an eligible exploration activity under Subsection (1)(f)(iv), a
295 claimant shall demonstrate to the satisfaction of the division and the division shall
296 certify that the method to be used within a mine is a new technology or technique that
297 did not exist within that mine at the time the activity begins.
- 298 (11) A claimant may assign a tax credit certificate in accordance with Subsections (4)(a)(vi)
299 and (7) only to either a new owner or operator of the same mining operations in the state

that engaged in the eligible exploration activity that gives rise to the claimant's tax credit certificate. A claimant may assign a tax credit certificate under this Subsection (11) to only one person.

[(10)] (12) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the division may make rules governing the administration of the agreement and tax credit certificate process described in this section.

Section 3. Section **40-8-5.5** is enacted to read:

40-8-5.5 (Effective 05/06/26). Fast track permitting for critical minerals.

(1) As used in this section:

(a) "Critical mineral" means the same as that term is defined in Section 79-10-101.

(b) "Critical minerals project" means an activity requiring one or more state permits related to the extraction or processing of a critical mineral.

(c) "Critical minerals zone" means the same as that term is defined in Section 79-10-101.

(d) "Permit" means the same as that term is defined in Section 79-10-101.

(2)(a) The division shall prioritize division resources to process a permit that is:

(i) requested to be issued by the division; and

(ii) related to a critical minerals project described in Subsection (2)(b).

(b) This Subsection (2) applies to a critical minerals project that is:

(i) for the extraction or processing of a critical mineral within a critical minerals zone; or

(ii) included in the strategic plan developed by the Critical Minerals Council under Subsection 79-10-302(1).

(3) The division shall work cooperatively with the Department of Environmental Quality to develop processes under which permits for a critical minerals project described in Subsection (2)(b) that are issued by the division and the Department of Environmental Quality:

(a) may be issued at parallel times rather than sequentially; and

(b) minimize the need for a person to comply with duplicative, overlapping, or conflicting requirements.

(4) Nothing in this section abrogates or interferes with the powers or duties of the Department of Environmental Quality.

Section 4. Section **51-9-202** is amended to read:

51-9-202 (Effective 07/01/26). Permanent state trust fund.

(1) Until July 1, 2003, 50% of all funds of every kind that are received by the state that are

related to the settlement agreement that the state entered into with leading tobacco manufacturers on November 23, 1998, shall be deposited into the permanent state trust fund created by and operated under Utah Constitution, Article XXII, Section 4.

(2) On and after July 1, 2003, and until July 1, 2004, 20% of the funds of any kind received by the state that are related to the settlement agreement that the state entered into with leading tobacco manufacturers shall be deposited into the permanent state trust fund created by and operated under Utah Constitution, Article XXII, Section 4.

(3) On and after July 1, 2004, and until July 1, 2005, 30% of all funds of any kind received by the state that are related to the settlement agreement that the state entered into with leading tobacco manufacturers shall be deposited into the General Fund Budget Reserve Account created in Section 63J-1-312.

(4) On and after July 1, 2005, and until July 1, 2007, 25% of all funds of any kind received by the state that are related to the settlement agreement that the state entered into with leading tobacco manufacturers shall be deposited into the permanent state trust fund created by and operated under Utah Constitution, Article XXII, Section 4.

(5) On and after July 1, 2007, 40% of all funds of every kind that are received by the state that are related to the settlement agreement that the state entered into with leading tobacco manufacturers on November 23, 1998, shall be deposited into the General Fund and the remaining funds deposited as directed.

(6) Funds in the permanent state trust fund shall be deposited or invested [~~pursuant to~~] in accordance with Chapter 7b, Investment of Permanent State Trust Fund Money.

(7)(a) In accordance with Utah Constitution, Article XXII, Section 4, the interest and dividends earned annually from the permanent state trust fund shall be deposited in the General Fund. There shall be transferred on an ongoing basis from the General Fund to the permanent state trust fund created under Utah Constitution, Article XXII, Section 4, an amount equal to 50% of the interest and dividends earned annually from the permanent state trust fund. The amount transferred into the fund under this Subsection (7)(a) shall be treated as principal.

(b) Any annual interest or dividends earned from the permanent state trust fund that remain in the General Fund after Subsection (7)(a) may be appropriated by the Legislature.

(c) Any realized or unrealized gains or losses on investments in the permanent state trust fund shall remain in the permanent state trust fund.

(8) This section does not apply to funds deposited under [~~Chapter 9, Part 3, Infrastructure~~]

and Economic Diversification Investment Account and Deposit or Credit of Certain Severance Taxes Act] Part 3, Deposit or Credit of Certain Severance Taxes and Interest and Dividends, into the permanent state trust fund.

Section 5. Section **51-9-302** is amended to read:

Part 3. Deposit or Credit of Certain Severance Taxes and Interest and Dividends

51-9-302 (Effective 07/01/26). Definitions.

As used in this part[:]

- [(1) "~~Infrastructure and Economic Diversification Investment Account~~" means the ~~Infrastructure and Economic Diversification Investment Account created in Section 51-9-303.~~]
- [(2) "~~Permanent~~"] , "permanent state trust fund" means the permanent state trust fund created under Utah Constitution, Article XXII, Section 4.

Section 6. Section **51-9-305** is amended to read:

51-9-305 (Effective 07/01/26). Deposit and credit of certain severance tax revenue.

- (1) As used in this section, "aggregate annual revenue" means the aggregate annual revenue collected in a fiscal year from the taxes imposed under Title 59, Chapter 5, Severance Tax on Oil, Gas, and Mining, after subtracting the amounts required to be distributed under Sections 59-5-116 and 59-5-119.
- (2) After making the deposits of oil and gas severance tax revenue as required under Sections 59-5-116 and 59-5-119, the Division of Finance shall make the credit required under Subsection (3).
- (3) Beginning on July 1, 2016, the Division of Finance shall credit to the permanent state trust fund the following aggregate annual revenue:
- (a) 25% of the first \$50,000,000 of aggregate annual revenue;
 - (b) 50% of the next \$50,000,000 of aggregate annual revenue; and
 - (c) 75% of the aggregate annual revenue that exceeds \$100,000,000.
- (4) The state treasurer shall invest and separately account for the earnings on funds that are credited to the permanent state trust fund under this section.
- (5)(a) In accordance with Utah Constitution, Article XXII, Section 4, the interest and dividends earned annually on revenue from severance taxes that are credited to the permanent state trust fund shall be credited to the General Fund.
- (b) Interest and dividends earned on revenue from severance taxes that are credited to the General Fund [~~pursuant to~~] in accordance with Subsection (5)(a) shall be credited

to the ~~[Infrastructure and Economic Diversification Investment Account created in Section 51-9-303]~~ State Reinvestment Restricted Account created in Section 51-9-1002.

Section 7. Section **51-9-1001** is enacted to read:

Part 10. State Reinvestment Restricted Account

51-9-1001 (Effective 07/01/26). Definitions.

As used in this part:

- (1) "Account" means the State Reinvestment Restricted Account created in Section 51-9-1002.
- (2) "Generational water infrastructure" means physical facilities or other physical assets designed to meet generational demands for water.
- (3) "New revenue" means revenue collected above \$100,000,000 from the taxes imposed under Title 59, Chapter 5, Severance Tax on Oil, Gas, and Mining, after subtracting the amounts required to be distributed under Sections 51-9-305, 51-9-306, 59-5-116, 59-5-119, and 59-5-121 and under Subsection 59-5-202(5)(c).

Section 8. Section **51-9-1002** is enacted to read:

51-9-1002 (Effective 07/01/26). State Reinvestment Restricted Account created.

- (1) There is created within the General Fund a restricted account known as the "State Reinvestment Restricted Account."
- (2) The account shall consist of:
 - (a) new revenue that the State Tax Commission shall deposit into the account until the new revenue equals or exceeds \$200,000,000 in a fiscal year;
 - (b) revenue credited to the account in accordance with Section 59-5-215;
 - (c) revenue credited to the account in accordance with Section 51-9-305; and
 - (d) interest and earnings on money in the account.
- (3) The state treasurer shall invest the money in the fund according to Title 51, Chapter 7, State Money Management Act, except that interest or other earnings derived from those investments shall be deposited into the account.

Section 9. Section **51-9-1003** is enacted to read:

51-9-1003 (Effective 07/01/26). Authorized use of the State Reinvestment Restricted Account.

- (1) Money in the account is to be used, subject to appropriation, for:
 - (a) income tax relief;
 - (b) development of generational water infrastructure;

- 436 (c) facilitating preservation of the Great Salt Lake watershed, as described in Title 73,
437 Chapter 10g, Part 4, Great Salt Lake Watershed Integrated Water Assessment;
438 (d) regionally significant transit development and regionally significant transit
439 infrastructure;
440 (e) development of energy resources, as described in Title 79, Chapter 6, Utah Energy
441 Act;
442 (f) subject to Subsection (3), development of critical mineral resources, as described in
443 Title 79, Chapter 10, Critical Minerals Strategic Act; and
444 (g) subject to Subsection (3), the Uintah Basin Air Quality Research Project created in
445 Section 53H-4-316.

446 (2) Money in the account that is derived from a local source may not be used in an area
447 outside the area in which the money was generated unless the money is used for a
448 purpose described in Subsection (1).

449 (3) Subject to appropriation:

- 450 (a) the first \$1,000,000 of revenue credited to the account under Subsections
451 51-9-1002(2)(b) and (c) each fiscal year shall be used by the Critical Minerals
452 Council for the development of critical mineral resources, as described in Title 79,
453 Chapter 10, Critical Minerals Strategic Act;
454 (b) after the amount distributed as described in Subsection (3)(a), 10% of the revenue
455 credited to the account under Subsection 51-9-1002(2)(b) each fiscal year shall be
456 used for the development of critical mineral resources, as described in Title 79,
457 Chapter 10, Critical Minerals Strategic Act; and
458 (c) after the amount distributed as described in Subsection (3)(a), \$400,000 of the
459 revenue credited to the account under Subsection 51-9-1002(2)(c) shall be used for
460 the Uintah Basin Air Quality Research Project created in Section 53H-4-316.

461 Section 10. Section **59-2-924** is amended to read:

462 **59-2-924 (Effective 05/06/26) (Applies beginning 01/01/26). Definitions -- Report**
463 **of valuation of property to county auditor and commission -- Transmittal by auditor to**
464 **governing bodies -- Calculation of certified tax rate -- Rulemaking authority -- Adoption**
465 **of tentative budget -- Notice provided by the commission.**

466 (1) As used in this section:

- 467 (a)(i) "Ad valorem property tax revenue" means revenue collected in accordance with
468 this chapter.
469 (ii) "Ad valorem property tax revenue" does not include:

- 470 (A) interest;
- 471 (B) penalties;
- 472 (C) collections from redemptions; or
- 473 (D) revenue received by a taxing entity from personal property that is
- 474 semiconductor manufacturing equipment assessed by a county assessor in
- 475 accordance with Part 3, County Assessment.
- 476 (b) "Adjusted tax increment" means the same as that term is defined in Section
- 477 17C-1-102.
- 478 (c)(i) "Aggregate taxable value of all property taxed" means:
- 479 (A) the aggregate taxable value of all real property a county assessor assesses in
- 480 accordance with Part 3, County Assessment, for the current year;
- 481 (B) the aggregate taxable value of all real and personal property the commission
- 482 assesses in accordance with Part 2, Assessment of Property, for the current
- 483 year; and
- 484 (C) the aggregate year end taxable value of all personal property a county assessor
- 485 assesses in accordance with Part 3, County Assessment, contained on the prior
- 486 year's tax rolls of the taxing entity.
- 487 (ii) "Aggregate taxable value of all property taxed" does not include the aggregate
- 488 year end taxable value of personal property that is:
- 489 (A) semiconductor manufacturing equipment assessed by a county assessor in
- 490 accordance with Part 3, County Assessment; and
- 491 (B) contained on the prior year's tax rolls of the taxing entity.
- 492 (d) "Base taxable value" means:
- 493 (i) for an authority created under Section 11-58-201, the same as that term is defined
- 494 in Section 11-58-102;
- 495 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
- 496 the same as that term is defined in Section 11-59-207;
- 497 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
- 498 11-70-201, the same as that term is defined in Section 11-70-101;
- 499 (iv) for an agency created under Section 17C-1-201.5, the same as that term is
- 500 defined in Section 17C-1-102;
- 501 (v) for an authority created under Section 63H-1-201, the same as that term is defined
- 502 in Section 63H-1-102;
- 503 (vi) for a host local government, the same as that term is defined in Section

- 504 63N-2-502;
- 505 (vii) for a housing and transit reinvestment zone or convention center reinvestment
- 506 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit
- 507 Reinvestment Zone Act, the same as that term is defined in Section 63N-3-602;
- 508 (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part
- 509 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80,
- 510 Part 5, Home Ownership Promotion Zone, a property's taxable value as shown
- 511 upon the assessment roll last equalized during the base year, as that term is
- 512 defined in Section 10-21-101 or Section 17-80-101;
- 513 (ix) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
- 514 First Home Investment Zone Act, a property's taxable value as shown upon the
- 515 assessment roll last equalized during the base year, as that term is defined in
- 516 Section 63N-3-1601;
- 517 (x) for a major sporting event venue zone created under Title 63N, Chapter 3, Part
- 518 17, Major Sporting Event Venue Zone Act, a property's taxable value as shown
- 519 upon the assessment roll last equalized during the property tax base year, as that
- 520 term is defined in Section 63N-3-1701;[-or]
- 521 (xi) for an electrical energy development zone created under Section 79-6-1104, the
- 522 value of the property within an electrical energy development zone, as shown on
- 523 the assessment roll last equalized before the creation of the electrical development
- 524 zone, as that term is defined in Section 79-6-1104[-] ; or
- 525 (xii) for a critical minerals zone created under Title 79, Chapter 10, Part 4, Critical
- 526 Minerals Zone, the value of the property within a critical minerals zone, as shown
- 527 on the assessment roll last equalized before the creation of the critical minerals
- 528 zone, as that term is defined in Section 79-10-101.
- 529 (e) "Centrally assessed benchmark value" means an amount equal to the average year
- 530 end taxable value of real and personal property the commission assesses in
- 531 accordance with Part 2, Assessment of Property, for the previous three calendar
- 532 years, adjusted for taxable value attributable to:
- 533 (i) an annexation to a taxing entity;
- 534 (ii) an incorrect allocation of taxable value of real or personal property the
- 535 commission assesses in accordance with Part 2, Assessment of Property; or
- 536 (iii) a change in value as a result of a change in the method of apportioning the value
- 537 prescribed by the Legislature, a court, or the commission in an administrative rule

538 or administrative order.

539 (f) "Centrally assessed industry" means the following industry classes the commission
540 assesses in accordance with Part 2, Assessment of Property:

541 (i) air carrier;

542 (ii) coal;

543 (iii) coal load out property;

544 (iv) electric generation;

545 (v) electric rural;

546 (vi) electric utility;

547 (vii) gas utility;

548 (viii) ground access property;

549 (ix) land only property;

550 (x) liquid pipeline;

551 (xi) metalliferous mining;

552 (xii) nonmetalliferous mining;

553 (xiii) oil and gas gathering;

554 (xiv) oil and gas production;

555 (xv) oil and gas water disposal;

556 (xvi) railroad;

557 (xvii) sand and gravel; and

558 (xviii) uranium.

559 (g)(i) "Centrally assessed new growth" means the greater of:

560 (A) for each centrally assessed industry, zero; or

561 (B) the amount calculated by subtracting the centrally assessed benchmark value
562 for each centrally assessed industry, adjusted for prior year end incremental
563 value, from the taxable value of real and personal property the commission
564 assesses in accordance with Part 2, Assessment of Property, for each centrally
565 assessed industry for the current year, adjusted for current year incremental
566 value.

567 (ii) "Centrally assessed new growth" does not include a change in value for a
568 centrally assessed industry as a result of a change in the method of apportioning
569 the value prescribed by the Legislature, a court, or the commission in an
570 administrative rule or administrative order.

571 (h) "Certified tax rate" means a tax rate that will provide the same ad valorem property

tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.

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

(j) "Eligible new growth" means the greater of:

(i) zero; or

(ii) the sum of:

(A) locally assessed new growth;

(B) centrally assessed new growth; and

(C) project area new growth or hotel property new growth.

(k) "Host local government" means the same as that term is defined in Section 63N-2-502.

(l) "Hotel property" means the same as that term is defined in Section 63N-2-502.

(m) "Hotel property new growth" means an amount equal to the incremental value that is no longer provided to a host local government as incremental property tax revenue.

(n) "Incremental property tax revenue" means the same as that term is defined in Section 63N-2-502.

(o) "Incremental value" means:

(i) for an authority created under Section 11-58-201, the amount calculated by multiplying:

(A) the difference between the taxable value and the base taxable value of the property that is located within a project area and on which property tax differential is collected; and

(B) the number that represents the percentage of the property tax differential that is paid to the authority;

(ii) for the Point of the Mountain State Land Authority created in Section 11-59-201, an amount calculated by multiplying:

(A) the difference between the current assessed value of the property and the base taxable value; and

(B) the number that represents the percentage of the property tax augmentation, as defined in Section 11-59-207, that is paid to the Point of the Mountain State Land Authority;

(iii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the amount calculated by multiplying:

(A) the difference between the taxable value for the current year and the base

- 606 taxable value of the property that is located within a project area; and
- 607 (B) the number that represents the percentage of enhanced property tax revenue,
- 608 as defined in Section 11-70-101;
- 609 (iv) for an agency created under Section 17C-1-201.5, the amount calculated by
- 610 multiplying:
- 611 (A) the difference between the taxable value and the base taxable value of the
- 612 property located within a project area and on which tax increment is collected;
- 613 and
- 614 (B) the number that represents the adjusted tax increment from that project area
- 615 that is paid to the agency;
- 616 (v) for an authority created under Section 63H-1-201, the amount calculated by
- 617 multiplying:
- 618 (A) the difference between the taxable value and the base taxable value of the
- 619 property located within a project area and on which property tax allocation is
- 620 collected; and
- 621 (B) the number that represents the percentage of the property tax allocation from
- 622 that project area that is paid to the authority;
- 623 (vi) for a housing and transit reinvestment zone or convention center reinvestment
- 624 zone created in accordance with Title 63N, Chapter 3, Part 6, Housing and Transit
- 625 Reinvestment Zone Act, an amount calculated by multiplying:
- 626 (A) the difference between the taxable value and the base taxable value of the
- 627 property that is located within a housing and transit reinvestment zone or
- 628 convention center reinvestment zone and on which tax increment is collected;
- 629 and
- 630 (B) the number that represents the percentage of the tax increment that is paid to
- 631 the housing and transit reinvestment zone or convention center reinvestment
- 632 zone;
- 633 (vii) for a host local government, an amount calculated by multiplying:
- 634 (A) the difference between the taxable value and the base taxable value of the
- 635 hotel property on which incremental property tax revenue is collected; and
- 636 (B) the number that represents the percentage of the incremental property tax
- 637 revenue from that hotel property that is paid to the host local government;
- 638 (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part
- 639 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80,

- Part 5, Home Ownership Promotion Zone, an amount calculated by multiplying:
- (A) the difference between the taxable value and the base taxable value of the property that is located within a home ownership promotion zone and on which tax increment is collected; and
 - (B) the number that represents the percentage of the tax increment that is paid to the home ownership promotion zone;
- (ix) for a first home investment zone created in accordance with Title 63N, Chapter 3, Part 16, First Home Investment Zone Act, an amount calculated by multiplying:
- (A) the difference between the taxable value and the base taxable value of the property that is located within a first home investment zone and on which tax increment is collected; and
 - (B) the number that represents the percentage of the tax increment that is paid to the first home investment zone;
- (x) for a major sporting event venue zone created ~~[pursuant to]~~ in accordance with Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, an amount calculated by multiplying:
- (A) the difference between the taxable value and the base taxable value of the property located within a qualified development zone for a major sporting event venue zone and upon which property tax increment is collected; and
 - (B) the number that represents the percentage of tax increment that is paid to the major sporting event venue zone, as approved by a major sporting event venue zone committee described in Section 63N-1a-1706;~~[-or]~~
- (xi) for an electrical energy development zone created under Section 79-6-1104, the amount calculated by multiplying:
- (A) the difference between the taxable value and the base taxable value of the property that is located within the electrical energy developmental zone; and
 - (B) the number that represents the percentage of the tax increment that is paid to a community reinvestment agency and the Electrical Energy Development Investment Fund created in Section 79-6-1105~~[-]~~ ; or
- (xii) for a critical minerals zone created under Section 79-10-403, the amount calculated by multiplying:
- (A) the difference between the taxable value and the base taxable value of the property that is located within the critical minerals zone; and
 - (B) the number that represents the percentage of the tax increment that is paid to a

community reinvestment agency or a state land use authority, as defined in
Section 79-10-401, and the Critical Minerals Development Account created in
Section 79-10-701.

(p)(i) "Locally assessed new growth" means the greater of:

(A) zero; or

(B) the amount calculated by subtracting the year end taxable value of real
property the county assessor assesses in accordance with Part 3, County
Assessment, for the previous year, adjusted for prior year end incremental
value from the taxable value of real property the county assessor assesses in
accordance with Part 3, County Assessment, for the current year, adjusted for
current year incremental value.

(ii) "Locally assessed new growth" does not include a change in:

(A) value as a result of factoring in accordance with Section 59-2-704, reappraisal,
or another adjustment;

(B) assessed value based on whether a property is allowed a residential exemption
for a primary residence under Section 59-2-103;

(C) assessed value based on whether a property is assessed under Part 5, Farmland
Assessment Act; or

(D) assessed value based on whether a property is assessed under Part 17, Urban
Farming Assessment Act.

(q) "Project area" means:

(i) for an authority created under Section 11-58-201, the same as that term is defined
in Section 11-58-102;

(ii) for the Utah Fairpark Area Investment and Restoration District created in Section
11-70-201, the same as that term is defined in Section 11-70-101;

(iii) for an agency created under Section 17C-1-201.5, the same as that term is
defined in Section 17C-1-102;

(iv) for an authority created under Section 63H-1-201, the same as that term is
defined in Section 63H-1-102;

(v) for a housing and transit reinvestment zone or convention center reinvestment
zone created under Title 63N, Chapter 3, Part 6, Housing and Transit
Reinvestment Zone Act, the same as that term is defined in Section 63N-3-602;

(vi) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part

- 5, Home Ownership Promotion Zone, the same as that term is defined in Section 10-21-101 or Section 17-80-101;
- (vii) for a first home investment zone created under Title 63N, Chapter 3, Part 16, First Home Investment Zone Act, the same as that term is defined in Section 63N-3-1601; or
- (viii) for a major sporting event venue zone established under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, the qualified development zone, as defined in Section 63N-3-1701.
- (r) "Project area new growth" means:
- (i) for an authority created under Section 11-58-201, an amount equal to the incremental value that is no longer provided to an authority as property tax differential;
- (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201, an amount equal to the incremental value that is no longer provided to the Point of the Mountain State Land Authority as property tax augmentation, as defined in Section 11-59-207;
- (iii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, an amount equal to the incremental value that is no longer provided to the Utah Fairpark Area Investment and Restoration District;
- (iv) for an agency created under Section 17C-1-201.5, an amount equal to the incremental value that is no longer provided to an agency as tax increment;
- (v) for an authority created under Section 63H-1-201, an amount equal to the incremental value that is no longer provided to an authority as property tax allocation;
- (vi) for a housing and transit reinvestment zone or convention center reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, an amount equal to the incremental value that is no longer provided to a housing and transit reinvestment zone or convention center reinvestment zone as tax increment;
- (vii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part 5, Home Ownership Promotion Zone, an amount equal to the incremental value that is no longer provided to a home ownership promotion zone as tax increment;
- (viii) for a first home investment zone created under Title 63N, Chapter 3, Part 16,

- 742 First Home Investment Zone Act, an amount equal to the incremental value that is
743 no longer provided to a first home investment zone as tax increment; or
- 744 (ix) for a major sporting event venue zone created under Title 63N, Chapter 3, Part
745 17, Major Sporting Event Venue Zone Act, an amount equal to the incremental
746 value that is no longer provided to the creating entity of a major sporting event
747 venue zone as property tax increment.
- 748 (s) "Project area incremental revenue" means the same as that term is defined in Section
749 17C-1-1001.
- 750 (t) "Property tax allocation" means the same as that term is defined in Section 63H-1-102.
- 751 (u) "Property tax differential" means the same as that term is defined in Sections
752 11-58-102~~[-and]~~ , 79-6-1104, and 79-10-401.
- 753 (v) "Tax increment" means:
- 754 (i) for a project created under Section 17C-1-201.5, the same as that term is defined
755 in Section 17C-1-102;
- 756 (ii) for a housing and transit reinvestment zone or convention center reinvestment
757 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit
758 Reinvestment Zone Act, the same as the term "property tax increment" is defined
759 in Section 63N-3-602;
- 760 (iii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
761 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
762 5, Home Ownership Promotion Zone, the same as that term is defined in Section
763 10-21-101 or Section 17-80-101;
- 764 (iv) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
765 First Home Investment Zone Act, the same as that term is defined in Section
766 63N-3-1601; or
- 767 (v) for a major sporting event venue zone created under Title 63N, Chapter 3, Part
768 17, Major Sporting Event Venue Zone Act, property tax increment, as that term is
769 defined in Section 63N-3-1701.
- 770 (2) Before June 1 of each year, each county assessor shall deliver to the county auditor and
771 the commission the following statements:
- 772 (a) a statement containing the aggregate valuation of all taxable real property a county
773 assessor assesses in accordance with Part 3, County Assessment, for each taxing
774 entity; and
- 775 (b) a statement containing the taxable value of all personal property a county assessor

assesses in accordance with Part 3, County Assessment, from the prior year end values.

(3) The county auditor shall, on or before June 8, transmit to the governing body of each taxing entity:

- (a) the statements described in Subsections (2)(a) and (b);
- (b) an estimate of the revenue from personal property;
- (c) the certified tax rate; and
- (d) all forms necessary to submit a tax levy request.

(4)(a) Except as otherwise provided in this section, the certified tax rate shall be calculated by dividing the ad valorem property tax revenue that a taxing entity budgeted for the prior year by the amount calculated under Subsection (4)(b).

(b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall calculate an amount as follows:

(i) calculate for the taxing entity the difference between:

- (A) the aggregate taxable value of all property taxed; and
- (B) any adjustments for current year incremental value;

(ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount determined by increasing or decreasing the amount calculated under Subsection (4)(b)(i) by the average of the percentage net change in the value of taxable property for the equalization period for the three calendar years immediately preceding the current calendar year;

(iii) after making the calculation required by Subsection (4)(b)(ii), calculate the product of:

- (A) the amount calculated under Subsection (4)(b)(ii); and
- (B) the percentage of property taxes collected for the five calendar years immediately preceding the current calendar year; and

(iv) after making the calculation required by Subsection (4)(b)(iii), calculate an amount determined by:

- (A) multiplying the percentage of property taxes collected for the five calendar years immediately preceding the current calendar year by eligible new growth; and
- (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the amount calculated under Subsection (4)(b)(iii).

(5) A certified tax rate for a taxing entity described in this Subsection (5) shall be calculated

as follows:

(a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified tax rate is zero;

(b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:

(i) in a county of the first, second, or third class, the levy imposed for municipal-type services under Title 17, Chapter 78, Part 5, Provision of Municipal-Type Services to Unincorporated Areas; and

(ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county purposes and such other levies imposed solely for the municipal-type services identified in Section 17-78-501 and Subsection 17-63-101(23);

(c) for a community reinvestment agency that received all or a portion of a taxing entity's project area incremental revenue in the prior year under Title 17C, Chapter 1, Part 10, Agency Taxing Authority, the certified tax rate is calculated as described in Subsection (4) except that the commission shall treat the total revenue transferred to the community reinvestment agency as ad valorem property tax revenue that the taxing entity budgeted for the prior year; and

(d) for debt service voted on by the public, the certified tax rate is the actual levy imposed by that section, except that a certified tax rate for the following levies shall be calculated in accordance with Section 59-2-913 and this section:

(i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and

(ii) a levy to pay for the costs of state legislative mandates or judicial or administrative orders under Section 59-2-1602.

(6)(a) A taxing entity may impose a judgment levy under Section 59-2-1328 or 59-2-1330 at a rate that is sufficient to generate only the revenue required to satisfy one or more eligible judgments.

(b) The ad valorem property tax revenue generated by a judgment levy described in Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate certified tax rate.

(7)(a) For the purpose of calculating the certified tax rate, the county auditor shall use:

(i) the taxable value of real property:

(A) the county assessor assesses in accordance with Part 3, County Assessment; and

(B) contained on the assessment roll;

(ii) the year end taxable value of personal property:

- 844 (A) a county assessor assesses in accordance with Part 3, County Assessment; and
845 (B) contained on the prior year's assessment roll; and
846 (iii) the taxable value of real and personal property the commission assesses in
847 accordance with Part 2, Assessment of Property.
- 848 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new
849 growth.
- 850 (8)(a) On or before June 30 of each year, a taxing entity shall adopt a tentative budget.
- 851 (b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall notify
852 the county auditor of:
- 853 (i) the taxing entity's intent to exceed the certified tax rate; and
854 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.
- 855 (c) The county auditor shall notify property owners of any intent to levy a tax rate that
856 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.
- 857 (9)(a) Subject to Subsection (9)(d), the commission shall provide notice, through
858 electronic means on or before July 31, to a taxing entity and the Revenue and
859 Taxation Interim Committee if:
- 860 (i) the amount calculated under Subsection (9)(b) is 10% or more of the year end
861 taxable value of the real and personal property the commission assesses in
862 accordance with Part 2, Assessment of Property, for the previous year, adjusted
863 for prior year end incremental value; and
- 864 (ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year
865 end taxable value of the real and personal property of a taxpayer the commission
866 assesses in accordance with Part 2, Assessment of Property, for the previous year.
- 867 (b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by
868 subtracting the taxable value of real and personal property the commission assesses
869 in accordance with Part 2, Assessment of Property, for the current year, adjusted for
870 current year incremental value, from the year end taxable value of the real and
871 personal property the commission assesses in accordance with Part 2, Assessment of
872 Property, for the previous year, adjusted for prior year end incremental value.
- 873 (c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by
874 subtracting the total taxable value of real and personal property of a taxpayer the
875 commission assesses in accordance with Part 2, Assessment of Property, for the
876 current year, from the total year end taxable value of the real and personal property of
877 a taxpayer the commission assesses in accordance with Part 2, Assessment of

Property, for the previous year.

- (d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet the requirement under Subsection (9)(a)(ii).

Section 11. Section 59-5-115 is amended to read:

59-5-115 (Effective 05/06/26) (Applies beginning 01/01/26). Disposition of taxes collected -- Credit to General Fund.

- (1) As used in this section, "above-trend revenue" means the amount by which the actual revenue from the oil and gas severance tax deposited into the General Fund under Subsection (2) exceeds the long-term trend of oil and gas severance tax revenue to the General Fund as determined by the Office of the Legislative Fiscal Analyst and the Governor's Office of Planning and Budget.
- (2) Except as provided in Section 51-9-305, 51-9-306, [51-9-307,] 51-9-1002, 59-5-116, 59-5-119, or 59-5-121, a tax imposed and collected under Section 59-5-102 shall be paid to the commission, promptly remitted to the state treasurer, and credited to the General Fund.
- (3) The Division of Finance shall transfer above-trend revenue up to [~~\$20 million~~] \$20,000,000 from the General Fund into the Transportation Investment Fund each year beginning in the fiscal year beginning July 1, 2023, until the amount deposited into the Transportation Investment Fund totals [~~\$88.5 million~~] \$88,500,000.

Section 12. Section 59-5-116 is amended to read:

59-5-116 (Effective 05/06/26) (Applies beginning 01/01/26). Disposition of certain taxes collected on Ute Indian land.

- (1) Except as provided in Subsection (2), there shall be deposited into the Uintah Basin Revitalization Fund established in Section 35A-8-1602:
- (a) for taxes imposed under this part, 33% of the taxes collected on oil, gas, or other hydrocarbon substances produced from a well:
- (i) for which production began on or before June 30, 1995; and
- (ii) attributable to interests:
- (A) held in trust by the United States for the Tribe and [its] the Tribe's members; or
- (B) on lands identified in Pub. L. No. 440, 62 Stat. 72 (1948);
- (b) for taxes imposed under this part, 80% of taxes collected on oil, gas, or other hydrocarbon substances produced from a well:
- (i) for which production began on or after July 1, 1995; and
- (ii) attributable to interests:

- 912 (A) held in trust by the United States for the Tribe and [its] the Tribe's members; or
- 913 (B) on lands identified in Pub. L. No. 440, 62 Stat. 72 (1948); and
- 914 (c) for taxes imposed under this part, 80% of taxes collected on oil, gas, or other
- 915 hydrocarbon substances produced from a well:
- 916 (i) for which production began on or after January 1, 2001; and
- 917 (ii) attributable to interests on lands conveyed to the tribe under the Ute-Moab Land
- 918 Restoration Act, Pub. L. No. 106-398, Sec. 3303.
- 919 (2)(a) The maximum amount deposited in the Uintah Basin Revitalization Fund may not
- 920 exceed:
- 921 (i) \$3,000,000 in fiscal year 2005-06;
- 922 (ii) \$5,000,000 in fiscal year 2006-07;
- 923 (iii) \$6,000,000 in fiscal years 2007-08 and 2008-09; and
- 924 (iv) for fiscal years beginning with fiscal year 2009-10, the amount determined by the
- 925 commission as described in Subsection (2)(b).
- 926 (b)(i) The commission shall increase or decrease the dollar amount described in
- 927 Subsection (2)(a)(iii) by a percentage equal to the percentage difference between
- 928 the consumer price index for the preceding calendar year and the consumer price
- 929 index for calendar year 2008; and
- 930 (ii) after making an increase or decrease under Subsection (2)(b)(i), round the dollar
- 931 amount to the nearest whole dollar.
- 932 (c) For purposes of this Subsection (2), "consumer price index" is as described in
- 933 Section 1(f)(4), Internal Revenue Code, and defined in Section (1)(f)(5), Internal
- 934 Revenue Code.
- 935 (d) Any amounts in excess of the maximum described in Subsection (2)(a) shall be
- 936 credited as provided in Sections 51-9-305, 51-9-306, [51-9-307] 51-9-1002, and
- 937 59-5-115.
- 938 Section 13. Section **59-5-119** is amended to read:
- 939 **59-5-119 (Effective 05/06/26) (Applies beginning 01/01/26). Disposition of certain**
- 940 **taxes collected on Navajo Nation land located in Utah.**
- 941 (1) Except as provided in Subsection (2), there shall be deposited into the Navajo
- 942 Revitalization Fund established in Section 35A-8-1704 for taxes imposed under this part
- 943 beginning on July 1, 1997:
- 944 (a) 33% of the taxes collected on oil, gas, or other hydrocarbon substances produced
- 945 from a well:

- 946 (i) for which production began on or before June 30, 1996; and
947 (ii) attributable to interests in Utah held in trust by the United States for the Navajo
948 Nation and [its] the Navajo Nation's members; and
949 (b) 80% of the taxes collected on oil, gas, or other hydrocarbon substances produced
950 from a well:
951 (i) for which production began on or after July 1, 1996; and
952 (ii) attributable to interests in Utah held in trust by the United States for the Navajo
953 Nation and [its] the Navajo Nation's members.

954 (2)(a) The maximum amount deposited in the Navajo Revitalization Fund may not
955 exceed:

- 956 (i) \$2,000,000 in fiscal year 2006-07; and
957 (ii) \$3,000,000 for fiscal years beginning with fiscal year 2007-08.
958 (b) Any amounts in excess of the maximum described in Subsection (2)(a) shall be
959 credited as provided in Sections 51-9-305, 51-9-306, [51-9-307] 51-9-1002, and
960 59-5-115.

961 Section 14. Section **59-5-215** is amended to read:

962 **59-5-215 (Effective 05/06/26) (Applies beginning 01/01/26). Disposition of taxes**
963 **collected -- Credit to General Fund -- Transfer to State Reinvestment Restricted Account.**

- 964 (1) Except as provided in Section 51-9-305, 51-9-306, or [51-9-307] 51-9-1002, or
965 Subsection 59-5-202(5), a tax imposed and collected under Section 59-5-202 shall be
966 paid to the commission, promptly remitted to the state treasurer, and credited to the
967 General Fund.
968 (2) For a fiscal year beginning on or after July 1, 2026, the Division of Finance shall
969 transfer from the General Fund to the State Reinvestment Restricted Account created in
970 Section 51-9-1002 the amount credited to the General Fund under Subsection (1) that
971 exceeds \$11,526,000.

972 Section 15. Section **63J-1-602.2** is amended to read:

973 **63J-1-602.2 (Effective 05/06/26) (Partially Repealed 07/01/29). List of nonlapsing**
974 **appropriations to programs.**

975 Appropriations made to the following programs are nonlapsing:

- 976 (1) The Legislature and the Legislature's committees.
977 (2) The State Board of Education, including all appropriations to agencies, line items, and
978 programs under the jurisdiction of the State Board of Education, in accordance with
979 Section 53F-9-103.

- 980 (3) The Rangeland Improvement Act created in Section 4-20-101.
- 981 (4) The Percent-for-Art Program created in Section 9-6-404.
- 982 (5) The LeRay McAllister Working Farm and Ranch Fund Program created in Title 4,
983 Chapter 46, Part 3, LeRay McAllister Working Farm and Ranch Fund.
- 984 (6) The Utah Lake Authority created in Section 11-65-201.
- 985 (7) Dedicated credits accrued to the Utah Marriage Commission as provided under
986 Subsection 17-66-303(2)(d)(ii).
- 987 (8) The Wildlife Land and Water Acquisition Program created in Section 23A-6-205.
- 988 (9) Sanctions collected as dedicated credits from Medicaid providers under Subsection
989 26B-3-108(7).
- 990 (10) The primary care grant program created in Section 26B-4-310.
- 991 (11) The Opiate Overdose Outreach Pilot Program created in Section 26B-4-512.
- 992 (12) The Utah Health Care Workforce Financial Assistance Program created in Section
993 26B-4-702.
- 994 (13) The Rural Physician Loan Repayment Program created in Section 26B-4-703.
- 995 (14) The Utah Medical Education Council for the:
- 996 (a) administration of the Utah Medical Education Program created in Section 26B-4-707;
997 (b) provision of medical residency grants described in Section 26B-4-711; and
998 (c) provision of the forensic psychiatric fellowship grant described in Section 26B-4-712.
- 999 (15) The Division of Services for People with Disabilities, as provided in Section 26B-6-402.
- 1000 (16) The Communication Habits to reduce Adolescent Threats (CHAT) Pilot Program
1001 created in Section 26B-7-122.
- 1002 (17) Funds that the Department of Alcoholic Beverage Services retains in accordance with
1003 Subsection 32B-2-301(8)(a) or (b).
- 1004 (18) The General Assistance program administered by the Department of Workforce
1005 Services, as provided in Section 35A-3-401.
- 1006 (19) The Utah National Guard, created in Title 39A, National Guard and Militia Act.
- 1007 (20) The Search and Rescue Financial Assistance Program, as provided in Section
1008 53-2a-1102.
- 1009 (21) The Emergency Medical Services Grant Program, as provided in Section 53-2d-207.
- 1010 (22) The Motorcycle Rider Education Program, as provided in Section 53-3-905.
- 1011 (23) The Utah Board of Higher Education for teacher preparation programs, as provided in
1012 Section 53H-5-402.
- 1013 (24) Innovation grants under Section 53G-10-608, except as provided in Subsection

- 1014 53G-10-608(3).
- 1015 (25) The Division of Fleet Operations for the purpose of upgrading underground storage
1016 tanks under Section 63A-9-401.
- 1017 (26) The Division of Technology Services for technology innovation as provided under
1018 Section 63A-16-903.
- 1019 (27) The State Capitol Preservation Board created by Section 63O-2-201.
- 1020 (28) The Office of Administrative Rules for publishing, as provided in Section 63G-3-402.
- 1021 (29) The Colorado River Authority of Utah, created in Title 63M, Chapter 14, Colorado
1022 River Authority of Utah Act.
- 1023 (30) The Governor's Office of Economic Opportunity to fund the Enterprise Zone Act, as
1024 provided in Title 63N, Chapter 2, Part 2, Enterprise Zone Act.
- 1025 (31) The Governor's Office of Economic Opportunity's Rural Employment Expansion
1026 Program, as described in Title 63N, Chapter 4, Part 4, Rural Employment Expansion
1027 Program.
- 1028 (32) County correctional facility contracting program for state inmates as described in
1029 Section 64-13e-103.
- 1030 (33) County correctional facility reimbursement program for state probationary inmates and
1031 state parole inmates as described in Section 64-13e-104.
- 1032 (34) Programs for the Jordan River Recreation Area as described in Section 65A-2-8.
- 1033 (35) The Division of Human Resource Management user training program, as provided in
1034 Section 63A-17-106.
- 1035 (36) A public safety answering point's emergency telecommunications service fund, as
1036 provided in Section 69-2-301.
- 1037 (37) The Traffic Noise Abatement Program created in Section 72-6-112.
- 1038 (38) The money appropriated from the Navajo Water Rights Negotiation Account to the
1039 Division of Water Rights, created in Section 73-2-1.1, for purposes of participating in a
1040 settlement of federal reserved water right claims.
- 1041 (39) The Judicial Council for compensation for special prosecutors, as provided in Section
1042 77-10a-19.
- 1043 (40) A state rehabilitative employment program, as provided in Section 78A-6-210.
- 1044 (41) The Utah Geological Survey, as provided in Section 79-3-401.
- 1045 (42) The Bonneville Shoreline Trail Program created under Section 79-5-503.
- 1046 (43) Adoption document access as provided in Sections 81-13-103, 81-13-504, and
1047 81-13-505.

- 1048 (44) Indigent defense as provided in Title 78B, Chapter 22, Part 4, Utah Indigent Defense
 1049 Commission.
- 1050 (45) The program established by the Division of Facilities Construction and Management
 1051 under Section 63A-5b-703 under which state agencies receive an appropriation and pay
 1052 lease payments for the use and occupancy of buildings owned by the Division of
 1053 Facilities Construction and Management.
- 1054 (46) The State Tax Commission for reimbursing counties for deferrals in accordance with
 1055 Section 59-2-1802.5.
- 1056 (47) The Veterinarian Education Loan Repayment Program created in Section 4-2-902.
- 1057 (48) The Critical Minerals Council created by Section 79-10-301.
- 1058 Section 16. Section **79-2-201** is amended to read:
- 1059 **79-2-201 (Effective 05/06/26) (Partially Repealed 07/01/29). Department of**
 1060 **Natural Resources created.**
- 1061 (1) There is created the Department of Natural Resources.
- 1062 (2) The department comprises the following:
- 1063 (a) Board of Water Resources, created in Section 73-10-1.5;
- 1064 (b) Board of Oil, Gas, and Mining, created in Section 40-6-4;
- 1065 (c) Office of Energy Development, created in Section 79-6-401;
- 1066 (d) Wildlife Board, created in Section 23A-2-301;
- 1067 (e) Board of the Utah Geological Survey, created in Section 79-3-301;
- 1068 (f) Water Development Coordinating Council, created in Section 73-10c-3;
- 1069 (g) Division of Water Rights, created in Section 73-2-1.1;
- 1070 (h) Division of Water Resources, created in Section 73-10-18;
- 1071 (i) Division of Forestry, Fire, and State Lands, created in Section 65A-1-4;
- 1072 (j) Division of Oil, Gas, and Mining, created in Section 40-6-15;
- 1073 (k) Division of State Parks, created in Section 79-4-201;
- 1074 (l) Division of Outdoor Recreation, created in Section 79-7-201;
- 1075 (m) Division of Wildlife Resources, created in Section 23A-2-201;
- 1076 (n) Utah Geological Survey, created in Section 79-3-201;
- 1077 (o) Utah Outdoor Recreation Infrastructure Advisory Committee, created in Section
 1078 79-7-206;
- 1079 (p)(i) an advisory council that includes in the advisory council's duties advising on
 1080 state boating policy, authorized by Section 73-18-3.5; or
- 1081 (ii) an advisory council that includes in the advisory council's duties advising on

off-highway vehicle use, authorized by Section 41-22-10;

(q) Wildlife Board Nominating Committee, created in Section 23A-2-302;

(r) Wildlife Regional Advisory Councils, created in Section 23A-2-303;

(s) Utah Watersheds Council, created in Section 73-10g-304;

(t) Public Lands Policy Coordinating Office created in Section 63L-11-201;[~~and~~]

(u) the Great Salt Lake commissioner, appointed under Section 73-32-201, and the

Office of the Great Salt Lake Commissioner, created in Section 73-32-301[~~;~~] ; and

(v) the Critical Minerals Council, created in Section 79-10-301.

Section 17. Section **79-10-101** is enacted to read:

CHAPTER 10. Critical Minerals Strategic Act

Part 1. General Provisions

79-10-101 (Effective 05/06/26). Definitions.

As used in this chapter:

(1) "Atlas" means a depository of geological data maintained in accordance with Part 5, Critical Minerals Atlas.

(2) "Center" means the Minerals for Industrial, National, and Economic Security Center created in accordance with Part 6, Minerals for Industrial, National, and Economic Security Center.

(3) "Council" means the Critical Minerals Council created in Section 79-10-301.

(4) "Critical mineral" means a mineral identified by the United States Geological Survey or the council as essential to the economic security of the state or national security.

(5) "Critical minerals zone" means a critical minerals zone designated by the council under Part 4, Critical Minerals Zone.

(6) "Permit" means one of the following issued by a state agency:

(a) a permit;

(b) a plan;

(c) a license;

(d) an approval order; or

(e) another administrative authorization.

Section 18. Section **79-10-201** is enacted to read:

Part 2. State Critical Minerals Objectives and Policy

79-10-201 (Effective 05/06/26). State critical mineral objectives and policy.

(1) The state's long-term objectives related to critical minerals are:

- (a) to capture 20% to 25% of United States domestic critical minerals demand;
- (b) to process within the state 50% of the critical minerals extracted from within the state;
- (c) to reduce average permitting timelines to less than 18 months;
- (d) to establish and build out the Minerals for Industrial, National, and Economic Security Center, as provided in Part 6, Minerals for Industrial, National, and Economic Security Center; and
- (e) to secure federal designation of an entity within the state as a United States critical minerals national laboratory.

(2) The state's policy related to critical minerals is to:

- (a) pursue market-based solutions while using public policy to accelerate market performance;
- (b) foster the long-term viability of extraction and processing operations;
- (c) foster the long-term health of marketplaces to ensure private parties can invest confidently in the critical minerals industry;
- (d) maximize resources available across the state, including natural, talent, processing, financial, and technological resources;
- (e) leverage the Utah System of Higher Education, including technical colleges, to create a specialized talent pipeline for mining, geology, and processing;
- (f) create a positive regulatory framework, including streamlined permitting for critical minerals processes;
- (g) create intrastate, interstate, and federal partnerships that leverage available resources for state, regional, and national benefit;
- (h) accelerate development of critical minerals zones; and
- (i) support applied research partnerships between higher education, industry, and the state that support commercialization.

(3) State agencies, academia, and industry are encouraged to conduct activities consistent with Subsections (1) and (2).

(4) This section does not create a cause of action against the state's or a state agency's action that is inconsistent with Subsections (1) and (2) and does not waive governmental immunity under Title 63G, Chapter 7, Governmental Immunity Act of Utah.

Section 19. Section **79-10-202** is enacted to read:

79-10-202 (Effective 05/06/26). Legislative review of objectives and policy.

The Natural Resources, Agriculture, and Environment Interim Committee shall annually

review the state's critical mineral objectives and policy under Section 79-10-201 and propose any changes to the Legislature.

Section 20. Section **79-10-301** is enacted to read:

Part 3. Critical Minerals Coordinating Council

79-10-301 (Effective 05/06/26). Critical Minerals Council created.

(1) There is created within the Department of Natural Resources a mixed purpose board known as the "Critical Minerals Council."

(2) The council consists of the following 11 members:

- (a) the director of the Office of Energy Development, or the director's designee;
- (b) the director of the Division of Oil, Gas, and Mining, or the director's designee;
- (c) one of the following appointed by the governor:
 - (i) the executive director of the Governor's Office of Economic Opportunity; or
 - (ii) the executive director of the Nucleus Institute, created in Section 53H-16-202;
- (d) a member of the House of Representatives, appointed by the speaker of the House of Representatives;
- (e) a member of the Senate, appointed by the president of the Senate;
- (f) the president of the University of Utah, or the president's designee;
- (g) the president of an association representing Utah's mining industry, including hardrock operators, industrial mineral operators, coal operators, mineral processing operations, and mining services companies, appointed by the governor;
- (h) a representative from an organization designed to create jobs in Utah by expanding international sales, attracting foreign investment, and facilitating international partnerships, appointed by the governor;
- (i) a representative from a state land use authority, as defined in Section 79-10-401, appointed by the governor; and
- (j) two at-large members who represent a relevant industry, represent a state research center, or have expertise in environmental regulation, appointed by the members of the council described in Subsections (2)(a) through (i).

(3)(a)(i) The director of the Office of Energy Development, or the director's designee, is the co-chair of the council.

(ii) The president of the Senate and the speaker of the House of Representatives shall jointly appoint a co-chair of the council from members of the council.

(b) The vice-chairs of the council are:

- (i) the director of the Division of Oil, Gas, and Mining, or the director's designee; and

- 1183 (ii) the individual appointed under Subsection (2)(c).
- 1184 (4)(a) The majority of the members constitutes a quorum of the council.
- 1185 (b) The majority vote of the members present when a quorum is present constitutes
- 1186 action of the council.
- 1187 (5) The council shall meet:
- 1188 (a) at the time and place designated by the chairs; and
- 1189 (b) no less than once every month or as frequently as the council determines.
- 1190 (6)(a) A member appointed under Subsections (2)(g) through (j) shall serve a term of
- 1191 four years.
- 1192 (b) The appointing authority may appoint an individual to a position under Subsections
- 1193 (2)(g) through (j) to more than one term.
- 1194 (c) Notwithstanding Subsection (6)(a), the council shall, at the time of appointment or
- 1195 reappointment, adjust the length of terms to ensure that the terms of the members
- 1196 appointed under Subsections (2)(g) through (j) are staggered so that approximately
- 1197 half of the members appointed under Subsections (2)(g) through (j) are appointed
- 1198 every two years.
- 1199 (7)(a) A vacancy that occurs on the council for any reason shall be filled in the same
- 1200 manner as the original appointment.
- 1201 (b) If an at-large representative vacates the position, the council shall appoint a new
- 1202 member for the unexpired term of the vacated member.
- 1203 (8) A member may not receive compensation or benefits for the member's service, but may
- 1204 receive per diem and travel expenses in accordance with:
- 1205 (a) Section 63A-3-106;
- 1206 (b) Section 63A-3-107; and
- 1207 (c) rules made by the Division of Finance in accordance with Sections 63A-3-106 and
- 1208 63A-3-107.
- 1209 (9)(a) A council member who has, will have, or later acquires an interest, direct or
- 1210 indirect, in a transaction with the council shall immediately disclose the nature and
- 1211 extent of that interest in writing to the council as soon as the council member has
- 1212 knowledge of the actual or prospective interest.
- 1213 (b) The council shall enter a disclosure described in this Subsection (9) upon the minutes
- 1214 of the council.
- 1215 (c) Upon disclosure, that council member may participate in an action by the council
- 1216 authorizing the transaction.

(10) The Department of Natural Resources shall provide staff support to the council.

Section 21. Section **79-10-302** is enacted to read:

79-10-302 (Effective 05/06/26). Powers and duties of the council.

(1) The council shall:

(a) develop a strategic plan to prioritize activities and projects related to the exploration, development, production, and processing of critical minerals in the state consistent with the state's critical minerals objectives and policy as outlined in Section 79-10-201;

(b) ensure that efforts among Utah public, private, and academic partners regarding critical minerals are coordinated efficiently and effectively;

(c) act as a clearinghouse for information related to federal, state, or local grants and determine whether a grant application is consistent with the strategic plan developed under Subsection (1)(a);

(d) investigate and participate in studies of problems unique to the exploration, development, production, and processing of critical minerals in the state;

(e) oversee the development of the center in accordance with Part 6, Minerals for Industrial, National, and Economic Security Center;

(f) take actions consistent with this chapter to promote, protect, and stabilize the critical minerals industry;

(g) cooperate with local, state, or national organizations engaged in activities similar to those of the council;

(h) partner with other western states for the development of critical minerals mining and processing capabilities;

(i) accept grants, donations, or gifts for use consistent with this chapter;

(j) catalyze critical minerals extraction and processing for industries in the state;

(k) accelerate development of critical minerals zones in the state for extraction and processing of critical minerals;

(l) identify transportation and logistics needs and strategic investments to facilitate high-capacity, efficient handling of critical minerals; and

(m) advise the Legislature about the need, if any, for legislative action.

(2) The council may enter into agreements necessary to fulfill the council's duties.

(3) The council may make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, creating a dispute resolution process to resolve conflicts between agencies or private entities represented by a member of the council.

- 1251 (4)(a) The council may organize standing or ad hoc committees that operate in
1252 accordance with guidelines established by the council, regarding specific state and
1253 industry needs related to critical minerals development, including:
- 1254 (i) education and workforce needs;
 - 1255 (ii) research and commercialization;
 - 1256 (iii) entrepreneurship and investment;
 - 1257 (iv) aerospace and defense requirements;
 - 1258 (v) logistics and infrastructure;
 - 1259 (vi) international trade; or
 - 1260 (vii) other needs related to critical minerals development.
- 1261 (b) The council may appoint a member of a standing or ad hoc committee that is not a
1262 member of the council.
- 1263 (5)(a) The council shall report annually by no later than October 1 to the Natural
1264 Resources, Agriculture, and Environment Interim Committee.
- 1265 (b) The report required by this Subsection (5) shall include information regarding:
- 1266 (i) the state's progress towards the objectives described in Subsection 79-10-201(1);
 - 1267 (ii) critical minerals zones as required by Section 79-10-402;
 - 1268 (iii) the state's progress towards development of the center, including the center's
1269 activities and fiscal needs; and
 - 1270 (iv) the Critical Minerals Development Account required by Section 79-10-701.
- 1271 (6) Notwithstanding the other provisions of this chapter, the council may not:
- 1272 (a) interfere with or impair the statutory authority of a state agency to issue a permit; or
 - 1273 (b) vote on an individual permit.
- 1274 Section 22. Section **79-10-303** is enacted to read:
- 1275 **79-10-303 (Effective 05/06/26). Areas for coordination.**
- 1276 (1) Council members are designated as area leads as provided in this section. In conducting
1277 the council's business, the council may assign a council member who is an area lead to
1278 coordinate on an issue within the council member's area.
- 1279 (2) The council shall ensure:
- 1280 (a) the coordination of state policy with federal policy; and
 - 1281 (b) the development of infrastructure within the state related to critical minerals.
- 1282 (3)(a) The director of the Division of Oil, Gas, and Mining, or the director's designee,
1283 shall address regulation and permitting and coordinate with state agencies related to:
- 1284 (i) permitting for extraction or reclamation projects; and

- 1285 (ii) information gathering for extraction or reclamation projects.
- 1286 (b) In coordinating under this Subsection (3), the director of the Division of Oil, Gas,
- 1287 and Mining, or the director's designee, shall at a minimum coordinate with:
- 1288 (i) the Department of Environmental Quality; and
- 1289 (ii) the Utah Geological Survey.
- 1290 (4)(a) The council member appointed under Subsection 79-10-301(2)(c) shall address
- 1291 incentives and critical minerals zones and coordinate:
- 1292 (i) implementation of state tax incentives;
- 1293 (ii) domestic recruitment;
- 1294 (iii) foreign investment;
- 1295 (iv) accessing federal appropriations and other federal funding sources; and
- 1296 (v) defense or national security requirements.
- 1297 (b) In coordinating under this Subsection (4), the council member appointed under
- 1298 Subsection 79-10-301(2)(c) shall at a minimum coordinate with:
- 1299 (i) the council member appointed under Subsection 79-10-301(2)(h); and
- 1300 (ii) public and private entities that may act as a liaison with federal agencies that may
- 1301 provide funding for critical minerals.
- 1302 (5)(a) The council member representing the University of Utah shall coordinate issues
- 1303 related to innovation including:
- 1304 (i) workforce training and talent pipelines;
- 1305 (ii) pilot technology testing;
- 1306 (iii) research and development; and
- 1307 (iv) industry concerns.
- 1308 (b) In coordinating under this Subsection (5), the council member representing the
- 1309 University of Utah shall at a minimum coordinate with:
- 1310 (i) the center;
- 1311 (ii) other institutions of higher education, including Utah State University;
- 1312 (iii) an association representing Utah's mining industry, including hardrock operators,
- 1313 industrial mineral operators, coal operators, mineral processing operations, and
- 1314 mining services companies; and
- 1315 (iv) the aerospace and defense industry.

1316 Section 23. Section **79-10-401** is enacted to read:

1317 **Part 4. Critical Minerals Zone**

1318 **79-10-401 (Effective 05/06/26). Definitions.**

As used in this part:

- (1) "Base taxable value" means the value of property within a critical minerals zone, as shown on the assessment roll last equalized before the creation of the critical minerals zone.
 - (2) "Community reinvestment agency" means the same as that term is defined in Section 17C-1-102.
 - (3) "Community reinvestment project area" means a project area under a community reinvestment project area plan as defined in Section 17C-1-102.
 - (4) "Property tax differential" means the difference between:
 - (a) the amount of property tax revenues generated each tax year by all taxing entities from a critical minerals zone, using the current assessed value of the property; and
 - (b) the amount of property tax revenues that would be generated from that same area using the base taxable value of the property.
 - (5) "Property tax differential revenue" means revenue generated based on the property tax differential.
 - (6) "State land use authority" means:
 - (a) the Utah Inland Port Authority created in Section 11-58-201;
 - (b) the Military Installation Development Authority created in Section 63H-1-201;
 - (c) the School and Institutional Trust Lands Administration created in Section 53C-1-201;
 - or
 - (d) any other land use authority created by the state that has jurisdiction over state lands.
- Section 24. Section **79-10-402** is enacted to read:
- 79-10-402 (Effective 05/06/26). Council responsibilities and powers.**
- (1) The council shall:
 - (a) establish and implement:
 - (i) processes for designating critical minerals zones; and
 - (ii) criteria for evaluating proposed critical minerals zones;
 - (b) consult with state land use authorities regarding:
 - (i) identification of state lands suitable for critical minerals extraction or processing;
 - (ii) designation of critical minerals zones; and
 - (iii) opportunities for coordinated development of extraction or processing projects on state lands;
 - (c) assess and address potential public health impacts of critical minerals zones;
 - (d) report annually by October 1 to the Natural Resources, Agriculture, and Environment

Interim Committee regarding:

(i) infrastructure needs related to extraction and processing of critical minerals;

(ii) the status of designated critical minerals zones; and

(iii) recommendations for how the property tax differential revenue collected under this section should be divided and distributed between the state, counties, and municipalities; and

(e) negotiate with the applicable county or municipality regarding the distribution of property tax differential revenue.

(2) The council may enter agreements with state land use authorities to address the implementation of critical minerals zones and the administration of property tax differential revenue.

Section 25. Section **79-10-403** is enacted to read:

79-10-403 (Effective 05/06/26). Critical minerals zones designated.

(1)(a) Except as provided in Subsection (1)(b), a county or municipality may not offer financial incentives for a critical minerals extraction or processing project that is not located within a designated critical minerals zone.

(b) Subsection (1)(a) does not apply to a critical minerals extraction or processing project for which a project area plan has been approved before May 6, 2026.

(2) A county or municipality may:

(a) pass a resolution declaring an intent to establish within the county or municipality boundaries a critical minerals zone;

(b) enter into an interlocal agreement with the council outlining each parties' responsibilities relating to a critical minerals zone; and

(c) apply to the council for the designation of a critical minerals zone by submitting:

(i) a description of the proposed boundaries of the critical minerals zone;

(ii) an assessment of existing critical minerals extraction or processing infrastructure within and proximate to the proposed critical minerals zone;

(iii) a development plan that includes:

(A) proposed critical minerals extraction or processing projects;

(B) anticipated infrastructure improvements;

(C) projected economic benefits to the county; and

(D) evidence of local support including any interlocal agreement entered into between the county or municipality and the council, as applicable;

(iv) if the applicant is a municipality, evidence of coordination with the county in

1387 which the proposed critical minerals zone is located, including any interlocal
1388 agreement entered into between the county or municipality and the council, as
1389 applicable;

1390 (v) if the applicant is a county and any portion of the proposed critical minerals zone
1391 is within the boundaries of a municipality, evidence of an agreement with the
1392 municipality regarding the establishment of the critical minerals zone; and

1393 (vi) any other information required by the council.

1394 (3) A state land use authority may:

1395 (a) propose a critical minerals zone within lands under the state land use authority's
1396 jurisdiction; and

1397 (b) apply to the council for the designation of a critical minerals zone by submitting:

1398 (i) a description of the proposed boundaries of the critical minerals zone;

1399 (ii) an assessment of existing critical minerals extraction or processing infrastructure
1400 within and proximate to the proposed critical minerals zone;

1401 (iii) a development plan that includes:

1402 (A) proposed critical minerals extraction or processing projects;

1403 (B) anticipated infrastructure improvements; and

1404 (C) projected economic benefits;

1405 (iv) evidence that the proposed critical minerals zone is consistent with applicable
1406 land use plans and regulations; and

1407 (v) any other information required by the council.

1408 (4) The council shall:

1409 (a) approve an application for a critical minerals zone designation if the application
1410 demonstrates:

1411 (i) the proposed critical minerals zone includes land suitable for critical minerals
1412 extraction or processing development based on:

1413 (A) adequate transportation access; and

1414 (B) sufficient land area for proposed development; and

1415 (ii) the critical minerals zone plan:

1416 (A) aligns with state critical minerals objectives and policy under Section
1417 79-10-201;

1418 (B) includes realistic timelines and milestones;

1419 (C) identifies specific infrastructure improvements; and

1420 (D) quantifies projected economic benefits;

- 1421 (b) make a determination on an application within 60 days of submission;
1422 (c) provide written notice to the applicant explaining the basis for approval or denial;
1423 (d) if a critical minerals zone overlaps with an area designated by a community
1424 reinvestment agency as a community reinvestment project area as of May 6, 2026,
1425 enter into an agreement with the community reinvestment agency to determine the
1426 percentage division of the property tax differential between:
1427 (i) the Critical Minerals Development Account; and
1428 (ii) the community reinvestment agency; and
1429 (e) if a critical minerals zone overlaps with a project area of a state land use authority,
1430 enter into an agreement with the state land use authority to determine the percentage
1431 division of the property tax differential between:
1432 (i) the Critical Minerals Development Account; and
1433 (ii) the state land use authority.
1434 (5) Within 30 days after the council designates a critical minerals zone:
1435 (a) the county auditor shall certify to the council the base taxable value of property
1436 within the critical minerals zone; and
1437 (b) the county shall transmit to the council copies of the property tax assessment rolls for
1438 the property within the critical minerals zone.
1439 (6)(a) Each year, the county auditor shall:
1440 (i) determine the amount of the property tax differential for the critical minerals zone
1441 by comparing:
1442 (A) the current assessed value of property within the critical minerals zone; and
1443 (B) the base taxable value of property within the critical minerals zone;
1444 (ii) inform the county treasurer of the property tax differential amount; and
1445 (iii) provide notice to the council of the amount calculated under this Subsection
1446 (6)(a).
1447 (b) The county treasurer shall transfer the property tax differential to the council for
1448 deposit into the Critical Minerals Development Account created in Section 79-10-701,
1449 subject to any agreements entered into under Subsections (4)(d) and (4)(e).
1450 (c) The county treasurer shall make a distribution required under this section:
1451 (i) at the same time as regular annual property tax distributions; and
1452 (ii) using the same method as other property tax distributions.
1453 (d) For property tax differential not subject to Subsection (4)(d) or (4)(e), the council
1454 may enter into agreements with taxing entities regarding the allocation of the

1455 property tax differential.

1456 Section 26. Section **79-10-501** is enacted to read:

1457 **Part 5. Critical Minerals Atlas**

1458 **79-10-501 (Effective 05/06/26). Critical Minerals Atlas created -- Processes to be**
1459 **developed.**

1460 (1)(a) The Division of Oil, Gas, and Mining shall lead a joint effort with the Utah
1461 Geological Survey and Office of Energy Development to organize and maintain a
1462 clearinghouse of geological data related to critical minerals known as the "Critical
1463 Minerals Atlas."

1464 (b) The purpose of the atlas is to:

1465 (i) compile reliable data that can be used by:

1466 (A) the council, including the council using the data in developing the strategic
1467 plan required under Subsection 79-10-302(1);

1468 (B) other government agencies;

1469 (C) academia; and

1470 (D) private entities; and

1471 (ii) reconcile differences in the data submitted to the atlas.

1472 (2)(a) The agencies described in Subsection (1)(a) shall:

1473 (i) develop a process by which a state agency, state institution of higher education, or
1474 private entity, including a nonprofit entity, may submit information to the atlas;

1475 (ii) recommend which state agencies and state institutions of higher education should
1476 be required to submit data to the atlas;

1477 (iii) develop a process by which differences in the data submitted to the atlas may be
1478 reconciled; and

1479 (iv) develop policies consistent with Title 63G, Chapter 2, Government Records
1480 Access and Management Act, related to confidentiality of information submitted
1481 to the atlas.

1482 (b) The Division of Oil, Gas, and Mining shall report the processes, recommendations,
1483 and policies described in Subsection (2)(a) to the Natural Resources, Agriculture, and
1484 Environment Interim Committee by no later than October 1, 2026.

1485 Section 27. Section **79-10-601** is enacted to read:

1486 **Part 6. Minerals for Industrial, National, and Economic Security Center**

1487 **79-10-601 (Effective 05/06/26). Minerals for Industrial, National, and Economic**

Security Center process for creation -- Governance.

- (1) There is created under the general supervision of the council a center known as the "Minerals for Industrial, National, and Economic Security Center," to serve the objectives described in Section 79-10-602.
- (2) The council shall create a plan and budget for the center that address:
- (a) the governance of the center;
 - (b) the operations of the center;
 - (c) how the creation and activities of the center are to be funded; and
 - (d) other issues the council determines are relevant to the governance and operations of the center.
- (3) The council shall report the council's development of a plan and budget under this section to:
- (a) the Executive Appropriations Committee by no later than the 2026 September meeting of the Executive Appropriations Committee; and
 - (b) the Natural Resources, Agriculture, and Environment Interim Committee by no later than the 2026 October interim meeting of the Natural Resources, Agriculture, and Environment Interim Committee.
- Section 28. Section **79-10-602** is enacted to read:
- 79-10-602 (Effective 05/06/26). Center objectives.**
- The center shall:
- (1) serve as the state's primary partner for issues related to developing critical mineral extraction and processing from research to commercialization, including:
 - (a) workforce training;
 - (b) the testing and piloting of technology;
 - (c) federal grant coordination; and
 - (d) development of processing capacity;
 - (2) coordinate the center's operations with the strategic plan established by the council in accordance with Subsection 79-10-302(1);
 - (3) partner with industry and academia to:
 - (a) develop processing and separation processes;
 - (b) provide technology benchmarking and performance validation;
 - (c) provide pilot-scale demonstrations and scale-up;
 - (d) integrate physical, chemical, electrochemical, and thermal processing; and
 - (e) provide for autonomous sampling and real-time analysis; and

- (4) lay groundwork for securing federal designation of an entity within the state as a United States critical minerals national laboratory.

Section 29. Section **79-10-701** is enacted to read:

Part 7. Fiscal Matters

79-10-701 (Effective 05/06/26). Critical Minerals Development Account.

- (1) There is created within the General Fund a restricted account known as the "Critical Minerals Development Account."
- (2) Subject to appropriation, the council shall administer the Critical Minerals Development Account for the purposes described in Subsection (5).
- (3) The Critical Minerals Development Account consists of:
- (a) revenue deposited into the Critical Minerals Development Account under Section 79-10-403;
 - (b) money appropriated by the Legislature;
 - (c) federal money;
 - (d) donations or grants from public or private entities; and
 - (e) interest and other earnings earned on money in the Critical Minerals Development Account.
- (4)(a) The Critical Minerals Development Account shall earn interest.
- (b) The state treasurer shall invest account money in accordance with Title 51, Chapter 7, State Money Management Act, and credit the interest and earnings from the investments to the Critical Minerals Development Account.
- (5) Subject to appropriation, the council may use account money to:
- (a) pay the costs of administering this chapter;
 - (b) fund the operations of the center in accordance with the plan and budget developed by the council in accordance with Section 79-10-601;
 - (c) facilitate critical minerals extraction and processing infrastructure development within the state, including funding research, site selection, permitting, public outreach, and other activities related to the development of critical minerals extraction or processing infrastructure;
 - (d) provide matching funds for federal critical minerals grants;
 - (e) support critical minerals workforce development programs; and
 - (f) provide incentives for critical minerals extraction or processing projects.
- (6) The council shall include a report of how money from the Critical Minerals Development Account was used in the annual report described in Section 79-10-302.

1556 Section 30. **Repealer.**

1557 This bill repeals:

1558 Section **51-9-301, Title.**

1559 Section **51-9-303, Creation of Infrastructure and Economic Diversification Investment**
1560 **Account.**

1561 Section **51-9-307, New Severance Tax Revenue Special Revenue Fund.**

1562 Section 31. **FY 2026 Appropriations.**

1563 The following sums of money are appropriated for the fiscal year beginning July 1,
1564 2025, and ending June 30, 2026. These are additions to amounts previously appropriated for
1565 fiscal year 2026.

1566 Subsection 31(a). **Operating and Capital Budgets**

1567 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the
1568 Legislature appropriates the following sums of money from the funds or accounts indicated for
1569 the use and support of the government of the state of Utah.

1570 ITEM 1 To Utah State University - Education and General

1571 From State Reinvestment Restricted Account, One-time 400,000

1572 Schedule of Programs:

1573 Research 400,000

1574 The Legislature intends that Utah State

1575 University shall use the money appropriated to Utah

1576 State University under this item for purpose of

1577 conducting the Uintah Basin Air Quality Research

1578 Project as required by Section 53H-4-316.

1579 Subsection 31(b). **Restricted Fund and Account Transfers**

1580 The Legislature authorizes the State Division of Finance to transfer the following
1581 amounts between the following funds or accounts as indicated. Expenditures and outlays from
1582 the funds to which the money is transferred must be authorized by an appropriation.

1583 ITEM 2 To General Fund Restricted - State Reinvestment Restricted Account

1584 From Infrastructure and Economic Diversification

1585 Investment Account, One-time 14,016,200

1586 Schedule of Programs:

1587 State Reinvestment Restricted Account 14,016,200

1588 The Legislature intends that the Division of

1589 Finance transfer any balances remaining in the

1590 Infrastructure and Economic Diversification Investment
 1591 Account after fiscal year 2026 closeout to the State
 1592 Reinvestment Restricted Account.

1593 **Section 32. FY 2027 Appropriations.**

1594 The following sums of money are appropriated for the fiscal year beginning July 1,
 1595 2026, and ending June 30, 2027. These are additions to amounts previously appropriated for
 1596 fiscal year 2027.

1597 **Subsection 32(a). Operating and Capital Budgets**

1598 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the
 1599 Legislature appropriates the following sums of money from the funds or accounts indicated for
 1600 the use and support of the government of the state of Utah.

1601 **ITEM 3 To Utah State University - Education and General**
 1602 From State Reinvestment Restricted Account 400,000

1603 Schedule of Programs:

1604 Research 400,000

1605 The Legislature intends that Utah State
 1606 University shall use the money appropriated to Utah
 1607 State University under this item for purpose of
 1608 conducting the Uintah Basin Air Quality Research
 1609 Project as required by Section 53H-4-316.

1610 **ITEM 4 To Department of Natural Resources - Critical Minerals Council**
 1611 From State Reinvestment Restricted Account 1,000,000

1612 From State Reinvestment Restricted Account, One-time 10,000,000

1613 Schedule of Programs:

1614 Critical Minerals Council 11,000,000

1615 **Section 33. Effective Date.**

1616 (1) Except as provided in Subsection (2), this bill takes effect May 6, 2026.

1617 (2) The actions affecting the following sections take effect on July 1, 2026:

1618 (a) Section 51-9-202 (Effective 07/01/26);

1619 (b) Section 51-9-301;

1620 (c) Section 51-9-302 (Effective 07/01/26);

1621 (d) Section 51-9-303;

1622 (e) Section 51-9-305 (Effective 07/01/26);

1623 (f) Section 51-9-307;

(g) Section 51-9-1001 (Effective 07/01/26);

(h) Section 51-9-1002 (Effective 07/01/26); and

(i) Section 51-9-1003 (Effective 07/01/26).

Section 34. Retrospective operation.

The following sections have retrospective operation to January 1, 2026:

(1) Section 40-6-24 (Effective 05/06/26) (Applies beginning 01/01/26) (Repealed 07/01/37);

(2) Section 59-2-924 (Effective 05/06/26) (Applies beginning 01/01/26);

(3) Section 59-5-115 (Effective 05/06/26) (Applies beginning 01/01/26);

(4) Section 59-5-116 (Effective 05/06/26) (Applies beginning 01/01/26);

(5) Section 59-5-119 (Effective 05/06/26) (Applies beginning 01/01/26); and

(6) Section 59-5-215 (Effective 05/06/26) (Applies beginning 01/01/26).

Section 35. Coordinating S.B. 254 with H.B. 373.

If S.B. 254, Critical Minerals Amendments, and H.B. 373, Higher Education Innovation, both pass and become law, the Legislature intends that, on July 1, 2026:

(1) Subsection 53H-8-211(4)(a)(ii)(C) enacted in H.B. 373 be amended to read:

"(C) ensure that the eligible research areas described in Subsection (4)(a)(ii)(A) reflect the state's priority industry clusters and public policy needs and include critical minerals projects that are consistent with the strategic plan of the Critical Minerals Council created under Subsection 79-10-302(1);"; and

(2) Subsection 53H-8-211(5)(a) enacted in H.B. 373 be amended to read:

"(a) the eligible research areas described in Subsection (4)(a)(ii) and the extent to which the areas reflect the state's priority industry clusters and public policy needs, including critical minerals projects described in Subsection (4)(a)(ii)(C); and".