

# HB0185S03 compared with HB0185

~~{Omitted text}~~ shows text that was in HB0185 but was omitted in HB0185S03

inserted text shows text that was not in HB0185 but was inserted into HB0185S03

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## 1 Carbon Credit Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Troy Shelley

Senate Sponsor:

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### 3 LONG TITLE

#### 4 General Description:

5 This bill addresses requirements ~~{relating-}~~ related to the sale of a carbon credit ~~{transaction}~~ .

#### 6 Highlighted Provisions:

7 This bill:

8 ▶ defines and modifies terms;

9 ▶ creates ~~{a 25% tax for}~~ the Carbon Credit Litigation Fund and specifies the ~~{sale of a carbon credit and includes penalties for a violation}~~ purpose of the fund;

10 ▶ ~~{creates a licensing requirement for a carbon credit transaction;}~~

11 ▶ ~~{creates a tax credit for an in-state carbon credit;}~~

12 ▶ establishes reporting requirements for a ~~{person selling-}~~ state entity that sells or ~~{exchanging an in-state-}~~ exchanges a carbon credit;

14 ▶ ~~{creates a right of first refusal for}~~ requires the Office of Energy Development ~~{(office)-}~~ to ~~{purchase an in-state-}~~ report on the sale of carbon ~~{credit;}~~ credits by state entities to the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee; and

16 ▶ ~~{requires the office to submit a proposal for purchasing an in-state carbon credit to:}~~

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- 17           • ~~{a committee or commission designated by the Legislative Management Committee;~~  
18     **and}**
- 19           • ~~{the state treasurer;}~~
- 20         ▶ ~~{voids a sale or exchange of an in-state carbon credit that violates state requirements;}~~
- 21         ▶ ~~{requires a state entity that owns or controls a carbon credit to report a digital~~  
22     **identification number and valuation of the carbon credit to the office;}**
- 23         ▶ ~~{creates a restricted account for the office to purchase in-state carbon credits; and}~~
- 24         ▶ makes technical and conforming changes.

## 15 Money Appropriated in this Bill:

16         None

## 17 Other Special Clauses:

18         None

## 19 Utah Code Sections Affected:

20         AMENDS:

31           ~~{59-1-306, as last amended by Laws of Utah 2025, Chapter 258}~~

21         **79-6-1301** , as enacted by Laws of Utah 2025, Chapters 146, 375

22         **79-6-1302** , as enacted by Laws of Utah 2025, Chapters 146, 375

23         **79-6-1303** , as enacted by Laws of Utah 2025, Chapters 146, 375

24         ENACTS:

36           ~~{59-35-101, Utah Code Annotated 1953}~~

37           ~~{59-35-201, Utah Code Annotated 1953}~~

38           ~~{59-35-202, Utah Code Annotated 1953}~~

39           ~~{59-35-203, Utah Code Annotated 1953}~~

40           ~~{59-35-301, Utah Code Annotated 1953}~~

41           ~~{59-35-302, Utah Code Annotated 1953}~~

42           ~~{59-35-401, Utah Code Annotated 1953}~~

43           ~~{59-35-501, Utah Code Annotated 1953}~~

25           **67-5-41 , Utah Code Annotated 1953**

44           ~~{79-6-1304, Utah Code Annotated 1953}~~

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

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47 ~~{Section 1. Section 59-1-306 is amended to read: }~~

48 **59-1-306. Definition -- State Tax Commission Administrative Charge Account -- Amount of**  
**administrative charge -- Deposit of revenue into the restricted account -- Interest deposited into**  
**General Fund -- Expenditure of money deposited into the restricted account.**

52 (1) As used in this section, "qualifying tax, fee, or charge" means a tax, fee, or charge the commission  
administers under:

54 (a) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

55 (b) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;

56 (c) Section 19-6-714;

57 (d) Section 19-6-805;

58 (e) Chapter 12, Sales and Use Tax Act, other than a tax under Chapter 12, Part 1, Tax Collection, or  
Chapter 12, Part 18, Additional State Sales and Use Tax Act;

60 (f) Section 59-27-105;

61 (g) Chapter 31, Cannabinoid Licensing and Tax Act;

62 (h) Chapter 32, Local Impact Mitigation Tax Act;

63 (i) Chapter 33, Wind or Solar Electric Generation Facility Capacity Tax;

64 (j) Chapter 35, Carbon Credit Transaction License and Tax Act;

65 ~~[(j)]~~ (k) Section 63H-1-205;

66 ~~[(k)]~~ (l) Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act; ~~[or]~~

67 ~~[(l)]~~ (m) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service Charges; or

69 ~~[(m)]~~ (n) Title 79, Chapter 6, Part 11, Energy Project Assessment.

70 (2) There is created a restricted account within the General Fund known as the "State Tax Commission  
Administrative Charge Account."

72 (3) Subject to the other provisions of this section, the restricted account shall consist of administrative  
charges the commission retains and deposits in accordance with this section.

75 (4) For purposes of this section, the administrative charge is a percentage of revenue the commission  
collects from each qualifying tax, fee, or charge of not to exceed the lesser of:

78 (a) 1.5%; or

79 (b) an equal percentage of revenue the commission collects from each qualifying tax, fee, or charge  
sufficient to cover the cost to the commission of administering the qualifying taxes, fees, or charges.

82 (5) The commission shall deposit an administrative charge into the restricted account.

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- 83 (6) Interest earned on the restricted account shall be deposited into the General Fund.  
84 (7) The commission shall expend money appropriated by the Legislature to the commission from the  
restricted account to administer qualifying taxes, fees, or charges or to offset general operational  
expenses.

87 Section 2. Section 2 is enacted to read:

## CHAPTER 35. Carbon Credit Transaction License and Tax Act

### Part 1. General Provisions

#### **59-35-101. Definitions.**

As used in this chapter:

- 92 (1) "Carbon credit" means the same as that term is defined in Section 79-6-1301.  
93 (2) "Carbon credit broker" means a person licensed under Part 2, Broker Licensing, that sells, attempts  
to sell, or assists in the sale of a carbon credit.  
95 (3) "Regulatory carbon credit market" means a financial market regulated by a government entity in  
which a person may purchase a carbon credit.  
97 (4) "Voluntary carbon credit market" means a financial market not regulated by a government entity in  
which a person may purchase a carbon credit.

99 Section 3. Section 3 is enacted to read:

### Part 2. Broker Licensing

#### **59-35-201. Prohibition on the sale of a carbon credit without license.**

- 102 (1) A person may not sell, offer to sell, or assist in the sale of a carbon credit in this state without first:  
104 (a) obtaining a license from the commission under Section 59-35-202; and  
105 (b) complying with the bonding requirement described in Section 59-35-202.  
106 (2) It is a class B misdemeanor for a person to violate Subsection (1).

107 Section 4. Section 4 is enacted to read:

#### **59-35-202. Issuance of carbon credit broker license -- Bond required.**

- 109 (1) The commission shall issue a license to sell, offer to sell, or assist in the sale of a carbon credit to a  
person that submits an application, on a form created by the commission, that includes:  
112 (a) the applicant's name;  
113 (b) the applicant's business address;

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- 114 (c) the applicant's affiliation or registration, if any, with a voluntary carbon credit market or regulatory  
carbon credit market;
- 116 (d) payment of the fee amount described in Subsection (5); and
- 117 (e) any other information the commission requires to implement this chapter.
- 118 (2) A license is:
- 119 (a) valid for two years; and
- 120 (b) renewable if a carbon credit broker meets the criteria for licensing described in Subsection (1).
- 122 (3)
- (a) The commission shall require a carbon credit broker to post a bond.
- 123 (b) Subject to Subsection (3)(c), the commission shall determine the form and amount of the bond.
- 125 (c) The minimum amount of the bond shall be \$500.
- 126 (4) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission  
may make rules to establish the additional information described in Subsection (1)(e) that a person  
shall provide in the application described in Subsection (1).
- 130 (5) The commission may not charge a fee of more than \$200 for a license under this section.
- 131 (6)
- (a) The commission shall maintain a public list of each carbon credit broker.
- 132 (b) The commission shall update the list at least once annually.

133 Section 5. Section 5 is enacted to read:

### 134 **59-35-203. License revocation and reinstatement.**

- 135 (1) The commission shall revoke the license of a carbon credit broker that violates any provision of this  
chapter.
- 137 (2) A license may not be reissued to a carbon credit broker described in Subsection (1) until the carbon  
credit broker has complied with the requirements of this chapter, including paying any:
- 140 (a) tax due under Part 3, Carbon Credit Transaction Tax;
- 141 (b) penalty as provided in Section 59-1-401; and
- 142 (c) interest as provided in Section 59-1-402.

143 Section 6. Section 6 is enacted to read:

### 144 **Part 3. Carbon Credit Transaction Tax**

#### 145 **59-35-301. Taxation of a carbon credit transaction -- Exemption.**

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148 (1) A tax is imposed on a sale of carbon credit equal to 25% of the amount of the total purchase price of the carbon credit.

150 (2) A carbon credit broker shall collect the tax imposed under Subsection (1) from a purchaser at the time the carbon credit is sold.

152 (3) A carbon credit broker that collects a tax under Subsection (1) shall inform a purchaser of the tax credit described in Section 59-35-401.

154 (4) A sale of a carbon credit is exempt from the tax described in Subsection (1) if purchased under Subsection 79-6-1302(2).

155 Section 7. Section 7 is enacted to read:

### **59-35-302. Remittance of carbon credit transaction tax -- Deposit of revenue.**

156 (1) A carbon credit broker that collects a tax imposed on a sale of a carbon credit described in Section 59-35-301 shall remit to the commission, in an electronic format approved by the commission:

159 (a) the tax due in the previous quarter; and

160 (b) the tax return.

161 (2) A carbon credit broker shall file a return and remit the tax collected on or before the first day of April, July, October, and January.

163 (3) A carbon credit broker that sells or assists in the sale of a carbon credit shall:

164 (a) provide a receipt of sale to the purchaser of the carbon credit; and

165 (b) maintain records to determine the amount of tax due under this part for a period of three years.

167 (4)

(a) The commission shall deposit the revenue generated by the tax imposed under this chapter into the General Fund.

169 (b) The commission may retain and deposit an administrative charge in accordance with Section 59-1-306 from the revenues the commission collects from a tax under this chapter.

172 Section 8. Section 8 is enacted to read:

### **Part 4. Tax Credit**

#### **59-35-401. Tax credit -- Requirements -- Certification by Office of Energy Development.**

176 (1) As used in this section:

177 (a) "Carbon credit transaction" means the sale of a carbon credit subject to the tax described in Section 59-35-301.

179 (b) "Carbon emission offset" means the same as that term is defined in Section 79-6-1301.

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- 180 (c) "In-state carbon credit" means the same as that term is defined in Section 79-6-1301.
- 181 (d) "Office" means the Office of Energy Development created in Section 79-6-401.
- 182 (2) A taxpayer may claim a tax credit against a carbon credit transaction tax described in Section  
184 59-35-301 if:
- 184 (a) the taxpayer is required to pay a tax on a carbon credit transaction under Section 59-35-301;
- 186 (b) the carbon credit transaction is for an in-state carbon credit;
- 187 (c) the taxpayer reports or causes to be reported to the office the information about the carbon credit  
189 transaction required under Subsection 79-6-1302(1)(b); and
- 189 (d) the carbon emission offset that is the subject of the carbon credit transaction:
- 190 (i) originated from a project within the state; and
- 191 (ii) is transferred to or applied to a project within the state.
- 192 (3) The taxpayer may claim a tax credit equal to the amount of tax that the taxpayer owes under Section  
194 59-35-301.
- 194 (4)
- 194 (a) To claim a tax credit, a taxpayer shall follow the procedures and requirements of this Subsection (4).
- 196 (b) The taxpayer shall submit a request to the office to verify, in a form and manner designated by the  
198 office, that:
- 198 (i) the taxpayer completed a carbon credit transaction for an in-state carbon credit;
- 199 (ii) the taxpayer reported the carbon credit transaction to the office in accordance with Subsection  
201 79-6-1302(1)(b); and
- 201 (iii) the carbon emission offset that is the subject of the carbon credit transaction:
- 202 (A) originated from a project within the state; and
- 203 (B) is transferred to or applied to a project within the state.
- 204 (5) The office shall submit to the commission an electronic certificate that includes the name and  
identifying information of each taxpayer for which the office completes the verification described in  
207 Subsection (4).

207 Section 9. Section 9 is enacted to read:

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### Part 5. Violations

#### 59-35-501. Report of violation to Office of Energy Development.

- 209
- 210 (1) If the commission suspects that a person is selling or offering for sale a carbon credit in the state in  
violation of this chapter, the commission shall report the person's identifying information: \_\_\_\_\_

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- 213 (a) to the Office of Energy Development created in Section 79-6-401; and  
214 (b) within 30 days after the day on which the commission becomes aware of the suspected violation.

28 Section 1. Section 1 is enacted to read:

29 **67-5-41. Carbon Credit Litigation Fund -- Report.**

30 (1) As used in this section:

31 (a) "Carbon credit" means the same as that term is defined in Section 79-6-1301.

32 (b) "Fund" means the Carbon Credit Litigation Fund created in Subsection (2).

33 (c) "Greenhouse gas" means the same as that term is defined in Section 79-6-1301.

34 (2) There is created an expendable special revenue account called the Carbon Credit Litigation Fund.

36 (3) The fund consists of:

37 (a) money deposited into the fund as a result of any judgment, settlement, or compromise of claims  
under Subsection (5);

39 (b) interest and dividends earned on money in the fund; and

40 (c) money appropriated to the fund by the Legislature.

41 (4) The state treasurer shall:

42 (a) invest money in the fund in accordance with Title 51, Chapter 7, State Money Management Act; and

44 (b) deposit interest or other earnings derived from investment of fund money into the fund.

46 (5) Notwithstanding Section 67-5-40, the following shall be deposited into the fund after reimbursement  
to the attorney general for expenses related to the litigation described in Subsection (5)(a) or (b):

49 (a) all money received by the attorney general as a result of any judgment, settlement, or compromise of  
claims pertaining to alleged violations of law related to the sale or marketing of carbon credits; and

52 (b) all money received by the attorney general as a result of any judgment, settlement, or compromise  
of claims pertaining to alleged violations of law under Title 79, Chapter 6, Part 13, Carbon Credit  
Transactions.

55 (6)

(a) The attorney general or the attorney general's designee shall authorize the expenditure of fund  
money in accordance with this section.

57 (b) The money in the fund may not be used for an administrative expense of the Office of the Attorney  
General, unless the administrative expense is directly related to a purpose described in Subsection  
(7).

60 (7) The attorney general may use money in the fund to:

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- 61 (a) prevent a federal requirement for the state to adopt or participate in:  
62 (i) a cap and trade program for carbon credits;  
63 (ii) mandatory carbon emissions reporting;  
64 (iii) a claim against the state related to greenhouse gas emissions; or  
65 (iv) a climate remediation program; and  
66 (b) recover a carbon credit or the profit of a carbon credit transferred out of the state in a fraudulent  
sale.  
68 (8)  
(a) By November 30 of each year, the attorney general shall submit an annual report to the Natural  
Resources, Agriculture, and Environmental Quality Appropriations Subcommittee regarding the  
status of the fund.  
71 (b) The report shall include:  
72 (i) contributions received, expenditures made, and programs and services funded; and  
73 (ii) if the attorney general establishes a task force to study an issue related to this section, activities and  
programs initiated through the task force.

75 Section 2. Section **79-6-1301** is amended to read:

### 217 **Part 13. Carbon Credit Transactions**

#### 77 **79-6-1301. Definitions.**

As used in this part:

- 220 (1)  
(a) "Carbon credit" means a payment or **offer of payment, or** other financial compensation **or benefit,**  
for a carbon emission offset.  
81 **"Carbon credit" includes a natural asset credit.**  
222 (b){(c)} "Carbon credit" does not include a payment **or offer of payment** related to:  
223 (i) a right or interest associated with a regulated pollutant, as that term is defined in Title V of the 1990  
Clean Air Act; or  
225 (ii) an industrial or commercial use of liquefied carbon dioxide.  
226 (2) "Carbon emission offset" means:  
227 (a) a reduction in the amount of greenhouse gas present in the atmosphere; or  
228 (b) an amount of greenhouse gas prevented from entering the atmosphere.  
229

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[~~(1)~~] (3) "Digital identification number" means an identification number assigned to [~~an environmental commodity~~] a carbon credit by a governmental or accredited third-party verification entity that certifies or registers [~~an environmental commodity~~] a carbon credit for sale or exchange.

233 [~~(2)~~]

(a) "~~Environmental commodity~~" means a representation of the financial value of:

234 [(i) a reduction in the amount of greenhouse gas present in the atmosphere; or]

235 [(ii) an amount of greenhouse gas prevented from entering the atmosphere.]

236 [(b) "~~Environmental commodity~~" does not include a right or interest associated with a regulated pollutant, as that term is defined in Title V of the 1990 Clean Air Act.]

238 [~~(3)~~] (4) "Greenhouse gas" means:

239 (a) carbon dioxide or a gas emission converted into a carbon dioxide equivalent; or

240 (b) methane.

241 (5) {~~"In-state carbon credit"~~} "Natural asset company" means {~~a carbon credit generated from:~~} the same as that term is defined in Section 63L-13-101.

242 (a) {~~(6)~~}

(a) {~~a carbon emission offset related to a resource or facility located in the state:~~} "Natural asset credit" means a payment or offer of payment, or other financial compensation or benefit:

243 (b) {~~(i)~~} {~~activities receiving state funds:~~} for the preservation of a natural and biological process on a parcel of land; or

244 {~~(4)~~} {~~(6)~~} by a natural asset company for an activity described in Section 63L-13-203.

106 (b) "Natural asset credit" does not include:

107 (i) the commercial extraction, production, or sale of a natural or agricultural resource; or

109 (ii) a right or interest associated with the beneficial use or appropriation of water.

110 [~~(4)~~] (7) "State entity" means a department, commission, board, council, agency, institution of higher education, officer, corporation, fund, division, office, committee, authority, laboratory, library, unit, bureau, panel, or other administrative unit of the state.

247 [~~(5)~~] (7) {~~(8)~~}

(a) "State funds" means:

114 (i) money appropriated by the Legislature~~[;]~~ ; and

115 (ii) a bond issued by a state entity that creates a carbon emission offset.

248 (b) "State funds" does not include money or financial benefit in the form of:

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- 249 (i) a tax incentive;
- 250 (ii) a permit or an activity related to the development of a permit issued by a state entity; or
- 252 (iii) a federal grant administered by a state entity.
- 121 Section 3. Section **79-6-1302** is amended to read:
- 122 **79-6-1302. {Reporting requirement -- Waiting period} Requirements for sale by state entity**  
**-- {Right to purchase -- Sale or exchange in violation void} Report -- Rulemaking.**
- 256 [(1) Except as provided in Subsection (2), before a state entity may sell or exchange an environmental  
commodity, the state entity shall:]
- 258 [(a) obtain a digital identification number for the environmental commodity;]
- 259 [(b) report a digital identification number for the environmental commodity to the office; and]
- 261 [(c) report to the office any state funds that the state entity used for the creation of the environmental  
commodity.]
- 263 (1) Before a {person} state entity may sell or exchange {an in-state} a carbon credit, the {person}  
state entity shall:
- 264 (a) obtain a digital identification number for the {in-state} carbon credit;and
- 265 (b) report to the office, in a form and manner approved by the office:
- 266 (i) a digital identification number for the {in-state} carbon credit;
- 267 (ii) a description of the carbon emission offset, including the source of the carbon emission offset, that  
is the subject of the {in-state} carbon credit;and
- 269 {(iii) {any state funds or facilities that the person used for the creation of the in-state carbon credit;} }
- 271 (iv){(iii)} the terms of a negotiated sale or exchange of the {in-state} carbon credit with an attempted  
buyer{; and} .
- 273 (v){(2)} {any information required by} Before November 30 of each year, the office {related to a  
negotiated sale or exchange of an in-state carbon credit with an attempted buyer; and} shall report to  
the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee:
- 275 (c){(a)} {wait at least 90 days after} the {day on which} revenue generated from the {person reports a  
negotiated sale or exchange of an in-state} sale of carbon {credit} credits by state entities reported  
under Subsection (1)(b) {before completing the sale or exchange, subject to the requirements of  
Subsection (2).} ; and
- 278 (2){(b)}

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- {(a)} ~~{The office may exercise}~~ a ~~{right}~~ summary of ~~{first refusal to purchase an in-state}~~ the carbon credit transactions reported to the office under Subsection (1)(b) ~~{for the amount agreed upon between the attempted seller of the in-state carbon credit and the attempted buyer}~~.
- 281 (b){(3)} ~~{If the office exercises a right of first refusal under Subsection (2)(a)}~~ In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the office shall ~~{provide written notification of the office's decision}~~ make rules regarding the form and manner of reporting a carbon credit to ~~{exercise}~~ the ~~{right of first refusal}~~ office under Subsection (1)(b).
- 147 [(2)]
- 284 ~~{(i)}~~ ~~{to the person that reports the negotiated sale to the office under Subsection (1)(b); and}~~  
~~{within 90 days after the day on which the negotiated sale is reported to the office.}~~
- 287 ~~{(c)}~~ ~~{If the office fails to provide notification in accordance with Subsection (2)(b), the office may not exercise the right of first refusal described in Subsection (2)(a).}~~
- 289 ~~{(3)}~~ ~~{Subject to the reporting requirements described in Subsection (1)(b) and the office's right of first refusal described in Subsection (2), the seller of an in-state carbon credit shall execute the sale or exchange of the in-state carbon credit in accordance with the terms the seller reports to the office under Subsection (1)(b)(iv) no later than:}~~
- 293 ~~{(a)}~~ ~~{30 days after the day on which the seller receives notification that the office waives the office's right of first refusal; or}~~
- 295 ~~{(b)}~~ ~~{if the office does not provide the notification described in Subsection (2)(b), 120 days after the day on which the seller reports the terms of the negotiated sale to the office.}~~
- 298 ~~{(4)}~~ ~~{Before purchasing an in-state carbon credit under Subsection (2)(a), the office shall submit a proposal for review to:}~~
- 300 ~~{(a)}~~ ~~{a committee or commission designated by the Legislative Management Committee; and}~~
- 302 ~~{(b)}~~ ~~{the state treasurer.}~~
- 303 ~~{(5)}~~ ~~{In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the office shall make rules regarding:}~~
- 305 ~~{(a)}~~ ~~{the form and manner of reporting an in-state carbon credit to the office under Subsection (1)(b); and}~~
- 307 ~~{(b)}~~ ~~{the office's right of first refusal described in Subsection (2).}~~
- 308 ~~{(6)}~~ ~~{A sale or exchange of an in-state carbon credit that violates a requirement of this part is void.}~~
- 310

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~~{(2)}~~ This section does not apply to an environmental commodity created from an activity on school and institutional trust lands, as that term is defined in Section 53C-1-103.]

149 Section 4. Section **79-6-1303** is amended to read:

150 **79-6-1303. Property of the state -- Management** ~~{--Valuation of state-owned carbon credit~~  
151 **required} .**

315 (1) If the state or a state entity appropriates or expends state funds ~~[for the creation of {f} an~~  
316 ~~environmental commodity]~~ that create a carbon credit, the state owns a portion of [an environmental  
317 commodity] the carbon credit that is proportional to the amount of state funds appropriated or  
318 expended~~[for the creation of the environmental commodity].~~

319 ~~{(2)}~~

(a) ~~Except as provided in Subsection (3), the state treasurer may sell, exchange, or hold {f} an~~  
320 ~~environmental commodity{ } a carbon credit~~, or any portion thereof, owned by the state in  
321 ~~accordance with Subsection (2)(b).]~~

322 ~~{(b) The state treasurer shall ensure that {f} an environmental commodity{ } a carbon credit} owned by~~  
323 ~~the state is sold, exchanged, or held:]~~

324 ~~{(i) for the benefit of the citizens of the state;]~~

325 ~~{(ii) to promote energy independence for the state;]~~

326 ~~{(iii) to maximize the natural resources of the state; and]~~

327 ~~{(iv) consistent with Part 3, State Energy Policy.}]~~

328 ~~{(3)}~~ (2) [An environmental commodity] A carbon credit created or purchased by a state entity shall  
329 remain under the control of the state entity.

330 ~~{(4) A state entity that owns or controls a carbon credit shall: }~~

331 ~~{(a) obtain a digital identification number for the carbon credit; }~~

332 ~~{(b) obtain a valuation of the carbon credit from a governmental or accredited third-party verification~~  
333 ~~entity that appraises a carbon credit for sale or exchange; and }~~

334 ~~{(c) report the digital identification number and valuation for the carbon credit to the office. }~~

335 Section 13. Section **13** is enacted to read:

336 **79-6-1304. Carbon Credit Restricted Account.**

337 (1) There is created a restricted account known as the Carbon Credit Restricted Account.

338 (2) The account consists of:

339 (a) appropriations made to the account by the Legislature;

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- 341 (b) private donations, grants, gifts, bequests, or money made available from any other source to  
implement this part; and
- 343 (c) interest or earnings on the money in the restricted account.
- 344 (3)
- (a) The state treasurer shall invest money in the restricted account consistent with Title 51, Chapter 7,  
State Money Management Act.
- 346 (b) The state treasurer shall deposit interest or other earnings derived from investment of restricted  
account money into the restricted account.
- 348 (4) Subject to appropriation by the Legislature, the office may use money in the restricted account to:
- 350 (a) purchase an in-state carbon credit in accordance with Subsection 79-6-1302(2); and
- 351 (b) record and track a digital identification number reported to the office under Subsection  
79-6-1302(1).

166 Section 5. **Effective date.**

Effective Date.

This bill takes effect on May 6, 2026.

2-26-26 9:57 PM