

# HB0575S01 compared with HB0575

~~{Omitted text}~~ shows text that was in HB0575 but was omitted in HB0575S01

inserted text shows text that was not in HB0575 but was inserted into HB0575S01

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1 **Fuel Tax and Supply Amendments**  
2026 GENERAL SESSION  
STATE OF UTAH  
**Chief Sponsor: Calvin Roberts**  
Senate Sponsor:Brady Brammer



2  
3 **LONG TITLE**

4 **General Description:**

5 This bill reduces the motor fuel tax rate, requires reporting related to refining operations,  
6 and enacts provisions related to pipeline permitting.

7 **Highlighted Provisions:**

8 This bill:

- 9 ▶ enacts provisions related to permitting and right-of-way coordination for certain oil and gas infrastructure;
- 11 ▶ reduces the rate of the motor fuel tax;
- 12 ▶ requires refineries to report to the Office of Energy Development regarding production;
- 13 ▶ provides guidelines regarding information and data reported by refineries to the Office of Energy Development;
- 13 ▶ amends definitions related to the High Cost Infrastructure Development Tax Credit; and
- 14 ▶ makes technical changes.

17 **Money Appropriated in this Bill:**

18 ▶

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**This bill appropriates \$11,903,900 in operating and capital budgets for fiscal year 2027,  
all  
of which is from the General Fund.**

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20 **Other Special Clauses:**

21 None

22 **Utah Code Sections Affected:**

23 AMENDS:

24 **59-13-102** , as last amended by Laws of Utah 2015, Chapter 275

25 **59-13-201** , as last amended by Laws of Utah 2023, Chapter 464

26 **59-13-301** , as last amended by Laws of Utah 2019, Chapter 479

27 **63I-2-259** , as last amended by Laws of Utah 2025, Chapters 157, 182, 277, and 366

28 **79-6-602** , as last amended by Laws of Utah 2025, Chapters 159, 251

29 ENACTS:

30 **19-14-101** , Utah Code Annotated 1953

31 **19-14-201** , Utah Code Annotated 1953

32 **19-14-202** , Utah Code Annotated 1953

33 **72-5-501** , Utah Code Annotated 1953

34 **72-5-502** , Utah Code Annotated 1953

35 **79-6-410** , Utah Code Annotated 1953

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

38 Section 1. Section **1** is enacted to read:

41 **19-14-101. Definitions.**

14. Midstream Facility Permitting

1. General Provisions

As used in this chapter:

40 (1) "Applicant" means an individual or entity that applies for a pipeline or other permit as described in  
this chapter.

45 (2)

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(2){(a)} "Midstream facility" means a facility, structure, or infrastructure used for the gathering, processing, treatment, storage, or transportation of petroleum products between the point of extraction or production and the point of distribution or end use, including:

45 (a){(i)} pipelines;

46 (b){(ii)} storage tanks;

47 (c){(iii)} processing plants;

48 (d){(iv)} compression stations;

49 (e){(v)} pumping stations; and

50 (f){(vi)} related equipment and infrastructure necessary for the operation of the facility.

55 (b) "Midstream facility" does not include:

56 (i) a gathering line, flowline, or associated surface equipment subject to the regulation of the Board of Oil, Gas, and Mining; or

58 (ii) an underground storage facility, including salt caverns and associated injection wells, regulated by the Board of Oil, Gas, and Mining under Title 40, Mines and Mining.

61 Section 2. Section 2 is enacted to read:

63 **19-14-201. Department permitting authority -- Application requirements.**

2. Permitting

54 (1) ~~{The}~~ For any permit required under this title, the department and the department's divisions with permitting authorities described in the following chapters shall act as the permitting authorities for a midstream facility:

56 (a) Chapter 2, Air Conservation Act;

57 (b) Chapter 2a, Air Quality - Special Provisions;

58 (c) Chapter 3, Radiation Control Act;

59 (d) Chapter 4, Safe Drinking Water Act;

60 (e) Chapter 5, Water Quality Act;

61 (f) Chapter 6, Hazardous Substances; and

62 (g) Chapter 7, Environmental Self-Evaluation Act.

63 (2) The department and the department's divisions described in Subsection (1) shall coordinate with the Governor's Office of Economic Opportunity for permitting coordination across agencies and divisions.

66 (3) A permit application for a midstream facility shall include:

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- 67 (a) a detailed description of the proposed midstream facility;  
68 (b) environmental and safety assessments as required by applicable law;  
69 (c) evidence of financial capacity to complete the project; and  
70 (d) other information the division directors with permitting authorities described in Subsection (1)  
determine necessary to evaluate the application.
- 72 (4) The department shall, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking  
Act, make rules establishing:
- 74 (a) the form and process for submitting an application; and  
75 (b) additional application requirements for each of the department's permitting divisions applicable to  
the project.
- 88 (5) The department and the department's divisions may charge a fee for review of a midstream facility  
consistent with existing fee authorities under this title.
- 90 (6) Nothing in this section alters the jurisdiction or authority of the department and the department's  
divisions permitting authorities or creates a presumption that a division is required to issue or  
approve a permit.
- 93 (7) Nothing in this section or in the coordination duties of the Governor's Office of Economic  
Opportunity described in Subsection (2) limits, alters, or supersedes the authority of the Board of  
Oil, Gas, and Mining or the Division of Oil, Gas, and Mining to regulate oil and gas operations,  
including the fostering and promotion of natural resource development under Title 40, Mines and  
Mining.
- 98 Section 3. Section 3 is enacted to read:  
99 **19-14-202. Permit processing timeline.**
- 79 (1) Subject to Subsections (2) and (3), if the division director receives an application described in  
Section 19-14-201, the applicable division director shall approve or deny an application within 120  
days of the date on which the applicable division director receives the complete application.
- 83 (2)
- (a) The division director may, based on extraordinary circumstances, and without the concurrence of the  
applicant, extend the deadline described in Subsection (1) for a reasonable period not to exceed 30  
days.
- 86 (b) If the division director extends the deadline as described in Subsection (2), the division director shall  
provide written findings to explain the need for the extension.

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88 (3) The division director may, with concurrence of the applicant, extend the deadline described in  
112 Subsection (1) for a term agreed upon by the division director and the applicant.

112 Section 4. Section **59-13-102** is amended to read:

113 **59-13-102. Definitions.**

As used in this chapter:

94 (1) "Aviation fuel" means fuel that is sold at airports and used exclusively for the operation of aircraft.

96 (2) "Clean fuel" means:

97 (a) the following special fuels:

98 (i) propane;

99 (ii) compressed natural gas;

100 (iii) liquified natural gas;

101 (iv) electricity; or

102 (v) hydrogen; or

103 (b) any motor or special fuel that meets the clean fuel vehicle standards in the federal Clean Air Act  
Amendments of 1990, Title II.

105 (3) "Commission" means the State Tax Commission.

106 (4) "Consumer Price Index" means the Consumer Price Index for All Urban Consumers as published by  
the Bureau of Labor Statistics of the United States Department of Labor.

108 (5)

(a) "Diesel fuel" means any liquid that is commonly or commercially known, offered for sale, or used as  
a fuel in diesel engines.

110 (b) "Diesel fuel" includes any combustible liquid, by whatever name the liquid may be known or sold,  
when the liquid is used in an internal combustion engine for the generation of power to operate a  
motor vehicle licensed to operate on the highway, except fuel that is subject to the tax imposed in  
Part 2, Motor Fuel, and Part 4, Aviation Fuel, of this chapter.

115 (6) "Diesel gallon equivalent" means 6.06 pounds of liquified natural gas.

116 (7) "Distributor" means any person in this state who:

117 (a) imports or causes to be imported motor fuel for use, distribution, or sale, whether at retail or  
wholesale;

119 (b) produces, refines, manufactures, or compounds motor fuel in this state for use, distribution, or sale  
in this state;

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- 121 (c) is engaged in the business of purchasing motor fuel for resale in wholesale quantities to retail dealers  
of motor fuel and who accounts for his own motor fuel tax liability; or
- 123 (d) for purposes of Part 4, Aviation Fuel, only, makes retail sales of aviation fuel to:
- 124 (i) federally certificated air carriers; and
- 125 (ii) other persons.
- 126 (8) "Dyed diesel fuel" means diesel fuel that is dyed in accordance with 26 U.S.C. Sec. 4082 or United  
States Environmental Protection Agency or Internal Revenue Service regulations and that is  
considered destined for nontaxable off-highway use.
- 129 (9) "Exchange agreement" means an agreement between licensed suppliers where one is a position  
holder in a terminal who agrees to deliver taxable motor fuel or special fuel to the other supplier or  
the other supplier's customer at the loading rack of the terminal where the delivering supplier holds  
an inventory position.
- 133 (10) "Federally certificated air carrier" means a person who holds a certificate issued by the Federal  
Aviation Administration authorizing the person to conduct an all-cargo operation or scheduled  
operation, as defined in 14 C.F.R. Sec. 110.2.
- 136 (11) "Fuels" means any gas, liquid, solid, mixture, or other energy source which is generally used in an  
engine or motor for the generation of power, including aviation fuel, clean fuel, diesel fuel, motor  
fuel, and special fuel.
- 139 (12) "Gasoline gallon equivalent" means:
- 140 (a) 5.660 pounds of compressed natural gas; or
- 141 (b) 2.198 pounds of hydrogen.
- 142 (13) "Highway" means every way or place, of whatever nature, generally open to the use of the public  
for the purpose of vehicular travel notwithstanding that the way or place may be temporarily closed  
for the purpose of construction, maintenance, or repair.
- 145 (14) "Motor fuel" means fuel that is commonly or commercially known or sold as gasoline or gasohol  
and is used for any purpose, but does not include aviation fuel.
- 147 (15) "Motor fuels received" means:
- 148 (a) motor fuels that have been loaded at the refinery or other place into tank cars, placed in any tank at  
the refinery from which any withdrawals are made directly into tank trucks, tank wagons, or other  
types of transportation equipment, containers, or facilities other than tank cars, or placed in any

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tank at the refinery from which any sales, uses, or deliveries not involving transportation are made directly; or

153 (b) motor fuels that have been imported by any person into the state from any other state or territory by  
tank car, tank truck, pipeline, or any other conveyance at the time when, and the place where, the  
interstate transportation of the motor fuel is completed within the state by the person who at the time  
of the delivery is the owner of the motor fuel.

158 (16) "Oil pricing service" means an organization that:

159 (a) publishes wholesale petroleum prices within the United States;

160 (b) publishes at least 25,000 rack prices on a daily basis; and

161 (c) receives daily gasoline and diesel prices from at least 100,000 retail outlets in the United States and  
Canada.

163 (17)

(a) "Qualified motor vehicle" means a special fuel-powered motor vehicle used, designed, or  
maintained for transportation of persons or property which:

165 (i) has a gross vehicle weight or registered gross vehicle weight exceeding 26,000 pounds;

167 (ii) has three or more axles regardless of weight; or

168 (iii) is used in a combination of vehicles when the weight of the combination of vehicles exceeds  
26,000 pounds gross vehicle weight.

170 (b) "Qualified motor vehicle" does not include a recreational vehicle not used in connection with any  
business activity.

172 (18) [~~"Rack," as used in Part 3, Special Fuel,~~] "Rack" means a deck, platform, or open bay which  
consists of a series of metered pipes and hoses for the delivery or removal of motor fuel or diesel  
fuel from a refinery or terminal into a motor vehicle, rail car, or vessel.

176 (19)

(a) [~~"Removal," as used in Part 3, Special Fuel,~~] "Removal" means the physical transfer of motor fuel  
or diesel fuel from a production, manufacturing, terminal, or refinery facility and includes use of  
motor fuel or diesel fuel.

179 (b) "Removal" does not include:

180 [~~(a)~~] (i) loss by evaporation or destruction; or

181 [~~(b)~~] (ii) transfers between refineries, racks, or terminals.

182 (20)

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(a) "Special fuel" means any fuel regardless of name or character that:

- 183 (i) is usable as fuel to operate or propel a motor vehicle upon the public highways of the state; and  
185 (ii) is not taxed under the category of aviation or motor fuel.

186 (b) Special fuel includes:

- 187 (i) fuels that are not conveniently measurable on a gallonage basis; and  
188 (ii) diesel fuel.

189 (21) "Statewide average rack price of a gallon of motor fuel" means the average rack price of a gallon of motor fuel determined by calculating the average of the Salt Lake City and Cedar City terminal prices of the average daily average net closing price of a gallon of branded regular, 10% ethanol, 9.0 Reid Vapor Pressure unleaded motor fuel for each terminal.

194 [~~(21)~~] (22) [~~"Supplier," as used in Part 3, Special Fuel,~~] "Supplier" means a person who:

- 195 (a) imports or acquires immediately upon importation into this state motor fuel or diesel fuel from within or without a state, territory, or possession of the United States or the District of Columbia;  
198 (b) produces, manufactures, refines, or blends motor fuel or diesel fuel in this state;  
199 (c) otherwise acquires for distribution or sale in this state, motor fuel or diesel fuel with respect to which there has been no previous taxable sale or use; or  
201 (d) is in a two party exchange where the receiving party is deemed to be the supplier.

202 [~~(22)~~] (23) [~~"Terminal," as used in Part 3, Special Fuel,~~] "Terminal" means a facility for the storage of motor fuel or diesel fuel which is supplied by a motor vehicle, pipeline, or vessel and from which motor fuel or diesel fuel is removed for distribution at a rack.

205 [~~(23)~~] (24) "Two party exchange" means a transaction in which motor fuel or special fuel is transferred between licensed suppliers [~~pursuant to~~] in accordance with an exchange agreement.

208 [~~(24)~~] (25) "Undyed diesel fuel" means diesel fuel that is not subject to the dyeing requirements in accordance with 26 U.S.C. Sec. 4082 or United States Environmental Protection Agency or Internal Revenue Service regulations.

211 [~~(25)~~] (26) [~~"Use," as used in Part 3, Special Fuel,~~] "Use" means the consumption of special fuel for the operation or propulsion of a motor vehicle upon the public highways of the state and includes the reception of special fuel into the fuel supply tank of a motor vehicle.

215 [~~(26)~~] (27) [~~"User," as used in Part 3, Special Fuel,~~] "User" means any person who uses special fuel within this state in an engine or motor for the generation of power to operate or propel a motor vehicle upon the public highways of the state.

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- 218 [(27)] (28) "Ute tribal member" means an enrolled member of the Ute tribe.
- 219 [(28)] (29) "Ute tribe" means the Ute Indian Tribe of the Uintah and Ouray Reservation.
- 220 [(29)] (30) "Ute trust land" means the lands:
- 221 (a) of the Uintah and Ouray Reservation that are held in trust by the United States for the benefit of:
- 222 (i) the Ute tribe;
- 224 (ii) an individual; or
- 225 (iii) a group of individuals; or
- 226 (b) specified as trust land by agreement between the governor and the Ute tribe meeting the requirements of Subsections 59-13-201.5(3) and 59-13-301.5(3).
- 249 Section 5. Section **59-13-201** is amended to read:
- 250 **59-13-201. Rate -- Tax basis -- Exemptions -- Revenue deposited into the Transportation Fund -- Restricted account for boating uses -- Refunds -- Reduction of tax in limited circumstances.**
- 232 (1)
- (a)
- (i) Subject to Subsection (1)(a)(ii) and the provisions of this section and except as provided in Subsection (1)(e), a tax is imposed at the rate of 14.2% of the statewide average rack price of a gallon of motor fuel per gallon upon all motor fuel that is sold, used, or received for sale or used in this state.
- 236 (ii) Beginning on July 1, 2026, and ending on December 31, 2026, the commission shall apply a tax rate of \$0.319 per gallon upon all motor fuel that is sold, used, or received for sale or used in this state.
- 239 [(ii) Notwithstanding Subsection (1)(a)(i), for the period beginning on July 1, 2023, and ending on December 31, 2023, the rate described in Subsection (1)(a)(i) shall be 34.5 cents per gallon.]
- 242 (b)
- [(i) Until December 31, 2018, and subject to the requirements under Subsection (1)(e), the statewide average rack price of a gallon of motor fuel under Subsection (1)(a) shall be determined by calculating the previous fiscal year statewide average rack price of a gallon of regular unleaded motor fuel, excluding federal and state excise taxes, for the 12 months ending on the previous June 30 as published by an oil pricing service.]

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254 [(ii) ~~Beginning on January 1, 2019, and subject~~] Subject to the requirements under Subsection (1)  
(c), the statewide average rack price of a gallon of motor fuel under Subsection (1)(a) shall be  
determined by calculating the previous three fiscal years statewide average rack price of a gallon of  
regular unleaded motor fuel, excluding federal and state excise taxes, for the 36 months ending on  
the previous June 30 as published by an oil pricing service.

(c)

(i) Subject to the requirement in Subsection (1)(c)(ii), the three-year rolling average of the statewide  
average rack price of a gallon of motor fuel determined under Subsection (1)(b) may not be less than  
\$1.78 per gallon.

257 (ii) [~~Beginning on January 1, 2019, the~~] The commission shall, on January 1, annually adjust the  
minimum statewide average rack price of a gallon of motor fuel described in Subsection (1)(c)(i) by  
taking the minimum statewide average rack price of a gallon of motor fuel for the previous calendar  
year and adding an amount equal to the greater of:

262 (A) an amount calculated by multiplying the minimum statewide average rack price of a gallon of  
motor fuel for the previous calendar year by the actual percent change during the previous fiscal  
year in the Consumer Price Index; and

265 (B) 0.

266 (iii) The statewide average rack price of a gallon of motor fuel determined by the commission under  
Subsection (1)(b) may not exceed:

268 [~~(A) for a calendar year beginning on January 1, 2024, \$2.57 per gallon;~~]

269 [~~(B) for a calendar year beginning on January 1, 2025, \$2.71 per gallon;~~]

270 [~~(C)~~] (A) for a calendar year beginning on January 1, 2026, \$2.82 per gallon; and

271 [~~(D)~~] (B) for a calendar year beginning on January 1, 2028, and thereafter, \$2.96 per gallon.

273 (iv) The minimum statewide average rack price of a gallon of motor fuel described and adjusted under  
Subsections (1)(c)(i) and (ii) may not exceed the maximum statewide average rack price of a gallon  
of motor fuel under Subsection (1)(c)(iii).

276 (d)

(i) The commission shall annually:

277 (A) determine the three-year rolling average of the statewide average rack price of a gallon of  
motor fuel in accordance with Subsections (1)(b) and (c);

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- (B) adjust the fuel tax rate imposed under Subsection (1)(a), rounded to the nearest one-tenth of a cent, based on the determination under Subsection (1)(b);
- 281 (C) publish the adjusted fuel tax as a cents per gallon rate; and
- 282 (D) post or otherwise make public the adjusted fuel tax rate as determined in Subsection (1)(d)(i)  
(B) no later than 60 days before the annual effective date under Subsection (1)(d)(ii).
- 285 (ii) The tax rate imposed under this Subsection (1) and adjusted as required under Subsection (1)(d)(i) shall take effect on January 1 of each year.
- 287 (e) In lieu of the tax imposed under Subsection (1)(a) and subject to the provisions of this section, a tax is imposed at the rate of 3/19 of the rate imposed under Subsection (1)(a), rounded up to the nearest penny, upon all motor fuels that meet the definition of clean fuel in Section 59-13-102 and are sold, used, or received for sale or use in this state.
- 292 (2) Any increase or decrease in tax rate applies to motor fuel that is imported to the state or sold at refineries in the state on or after the effective date of the rate change.
- 294 (3)
- (a) No motor fuel tax is imposed upon:
- 295 (i) motor fuel that is brought into and sold in this state in original packages as purely interstate commerce sales;
- 297 (ii) motor fuel that is exported from this state if proof of actual exportation on forms prescribed by the commission is made within 180 days after exportation;
- 299 (iii) motor fuel or components of motor fuel that is sold and used in this state and distilled from coal, oil shale, rock asphalt, bituminous sand, or solid hydrocarbons located in this state; or
- 302 (iv) motor fuel that is sold to the United States government, this state, or the political subdivisions of this state.
- 304 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall make rules governing the procedures for administering the tax exemption provided under Subsection (3)(a)(iv).
- 307 (4) The commission may either collect no tax on motor fuel exported from the state or, upon application, refund the tax paid.
- 309 (5)
- (a) All revenue received by the commission under this part shall be deposited daily with the state treasurer and credited to the Transportation Fund.

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- 311 (b) An appropriation from the Transportation Fund shall be made to the commission to cover expenses  
incurred in the administration and enforcement of this part and the collection of the motor fuel tax.
- 314 (6)
- (a) The commission shall determine what amount of motor fuel tax revenue is received from the sale or  
use of motor fuel used in motorboats registered under Title 73, Chapter 18, State Boating Act, and  
this amount shall be deposited into a restricted revenue account in the General Fund of the state.
- 318 (b) The funds from this account shall be used for the construction, improvement, operation, and  
maintenance of state-owned boating facilities and for the payment of the costs and expenses of the  
Division of Outdoor Recreation in administering and enforcing Title 73, Chapter 18, State Boating  
Act.
- 322 (7)
- (a) The United States government or any of its instrumentalities, this state, or a political subdivision of  
this state that has purchased motor fuel from a licensed distributor or from a retail dealer of motor  
fuel and has paid the tax on the motor fuel as provided in this section is entitled to a refund of the  
tax and may file with the commission for a quarterly refund.
- 327 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission  
shall make rules governing the application and refund provided for in Subsection (7)(a).
- 330 (8)
- (a) The commission shall refund annually into the Off-highway Vehicle Account in the General Fund  
an amount equal to .5% of the motor fuel tax revenues collected under this section.
- 333 (b) This amount shall be used as provided in Section 41-22-19.
- 334 (9)
- (a) [~~Beginning on April 1, 2001, a~~] A tax imposed under this section on motor fuel that is sold, used, or  
received for sale or use in this state is reduced to the extent provided in Subsection (9)(b) if:
- 337 (i) a tax imposed on the basis of the sale, use, or receipt for sale or use of the motor fuel is paid to  
the Navajo Nation;
- 339 (ii) the tax described in Subsection (9)(a)(i) is imposed without regard to whether [~~or not~~]the  
person required to pay the tax is an enrolled member of the Navajo Nation; and
- 342 (iii) the commission and the Navajo Nation execute and maintain an agreement as provided in this  
Subsection (9) for the administration of the reduction of tax.
- 344 (b)

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- (i) If but for Subsection (9)(a) the motor fuel is subject to a tax imposed by this section:
- 346 (A) the state shall be paid the difference described in Subsection (9)(b)(ii) if that difference is  
greater than \$0; and
- 348 (B) a person may not require the state to provide a refund, a credit, or similar tax relief if the  
difference described in Subsection (9)(b)(ii) is less than or equal to \$0.
- 351 (ii) The difference described in Subsection (9)(b)(i) is equal to the difference between:
- 352 (A) the amount of tax imposed on the motor fuel by this section; less
- 353 (B) the tax imposed and collected by the Navajo Nation on the motor fuel.
- 354 (c) For purposes of Subsections (9)(a) and (b), the tax paid to the Navajo Nation under a tax imposed  
by the Navajo Nation on the basis of the sale, use, or receipt for sale or use of motor fuel does not  
include any interest or penalties a taxpayer may be required to pay to the Navajo Nation.
- 358 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission  
shall make rules governing the procedures for administering the reduction of tax provided under this  
Subsection (9).
- 361 (e) The agreement required under Subsection (9)(a):
- 362 (i) may not:
- 363 (A) authorize the state to impose a tax in addition to a tax imposed under this chapter;
- 365 (B) provide a reduction of taxes greater than or different from the reduction described in this Subsection  
(9); or
- 367 (C) affect the power of the state to establish rates of taxation;
- 368 (ii) shall:
- 369 (A) be in writing;
- 370 (B) be signed by[:]
- 371 [~~F~~] the chair of the commission or the chair's designee[;] , and
- 372 [~~H~~] a person designated by the Navajo Nation that may bind the Navajo Nation;
- 374 (C) be conditioned on obtaining any approval required by federal law;
- 375 (D) state the effective date of the agreement; and
- 376 (E) state any accommodation the Navajo Nation makes related to the construction and maintenance of  
state highways and other infrastructure within the Utah portion of the Navajo Nation; and
- 379 (iii) may:
- 380

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(A) notwithstanding Section 59-1-403, authorize the commission to disclose to the Navajo Nation information that is[±]

382 [(H)] contained in a document filed with the commission[±] , and

383 [(H)] related to the tax imposed under this section;

384 (B) provide for maintaining records by the commission or the Navajo Nation; or

385 (C) provide for inspections or audits of distributors, carriers, or retailers located or doing business within the Utah portion of the Navajo Nation.

387 (f)

(i) If[, on or after April 1, 2001,] the Navajo Nation changes the tax rate of a tax imposed on motor fuel, any change in the reduction of taxes under this Subsection (9) as a result of the change in the tax rate is not effective until the first day of the calendar quarter after a 60-day period beginning on the date the commission receives notice:

392 (A) from the Navajo Nation; and

393 (B) meeting the requirements of Subsection (9)(f)(ii).

394 (ii) The notice described in Subsection (9)(f)(i) shall state:

395 (A) that the Navajo Nation has changed or will change the tax rate of a tax imposed on motor fuel;

397 (B) the effective date of the rate change of the tax described in Subsection (9)(f)(ii)(A); and

399 (C) the new rate of the tax described in Subsection (9)(f)(ii)(A).

400 (g) If the agreement required by Subsection (9)(a) terminates, a reduction of tax is not permitted under this Subsection (9) beginning on the first day of the calendar quarter after a 30-day period beginning on the day the agreement terminates.

403 (h) If there is a conflict between this Subsection (9) and the agreement required by Subsection (9)(a), this Subsection (9) governs.

426 Section 6. Section **59-13-301** is amended to read:

427 **59-13-301. Tax basis -- Rate -- Exemptions -- Revenue deposited with treasurer and credited to Transportation Fund -- Reduction of tax in limited circumstances.**

408 (1)

(a) Except as provided in Subsections (1)(b), (2), (3), (11), and (12) and Section

[~~59-13-304~~] 59-13-301.5, a tax is imposed at the same rate imposed under Subsection 59-13-201(1)

(a) on the:

411 (i) removal of undyed diesel fuel from any refinery;

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- 412 (ii) removal of undyed diesel fuel from any terminal;
- 413 (iii) entry into the state of any undyed diesel fuel for consumption, use, sale, or warehousing;
- 415 (iv) sale of undyed diesel fuel to any person who is not registered as a supplier under this part  
unless the tax has been collected under this section;
- 417 (v) any untaxed special fuel blended with undyed diesel fuel; or
- 418 (vi) use of untaxed special fuel other than propane or electricity.
- 419 (b) For the special fuel tax rate beginning on July 1, 2026, and ending on December 31, 2026:
- 421 (i) the adjustment described in Subsection 59-13-201(1)(a)(ii) does not apply; and
- 422 (ii) the commission shall apply the same rate in place as of January 1, 2026.
- 423 ~~(b)~~ (c) The tax imposed under this section shall only be imposed once upon any special fuel.
- 425 (2)
- (a) No special fuel tax is imposed or collected upon dyed diesel fuel which:
- 426 (i) is sold or used for any purpose other than to operate or propel a motor vehicle upon the public  
highways of the state, but this exemption applies only in those cases where the purchasers or the  
users of special fuel establish to the satisfaction of the commission that the special fuel was used  
for purposes other than to operate a motor vehicle upon the public highways of the state; or
- 431 (ii) is sold to this state or any of its political subdivisions.
- 432 (b) No special fuel tax is imposed on undyed diesel fuel or clean fuel that is:
- 433 (i) sold to the United States government or any of its instrumentalities or to this state or any of its  
political subdivisions;
- 435 (ii) exported from this state if proof of actual exportation on forms prescribed by the commission is  
made within 180 days after exportation;
- 437 (iii) used in a vehicle off-highway;
- 438 (iv) used to operate a power take-off unit of a vehicle;
- 439 (v) used for off-highway agricultural uses;
- 440 (vi) used in a separately fueled engine on a vehicle that does not propel the vehicle upon the highways  
of the state; or
- 442 (vii) used in machinery and equipment not registered and not required to be registered for highway use.
- 444 (3) No tax is imposed or collected on special fuel if it is:
- 445 (a)

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- (i) purchased for business use in machinery and equipment not registered and not required to be registered for highway use; and
- 447 (ii) used [~~pursuant to~~] in accordance with the conditions of a state implementation plan approved under Title 19, Chapter 2, Air Conservation Act; or
- 449 (b) propane or electricity.
- 450 (4) Upon request of a buyer meeting the requirements under Subsection (3), the Division of Air Quality shall issue an exemption certificate that may be shown to a seller.
- 452 (5) The special fuel tax shall be paid by the supplier.
- 453 (6)
- (a) The special fuel tax shall be paid by every user who is required by Sections 59-13-303 and 59-13-305 to obtain a special fuel user permit and file special fuel tax reports.
- 456 (b) The user shall receive a refundable credit for special fuel taxes paid on purchases which are delivered into vehicles and for which special fuel tax liability is reported.
- 458 (7)
- (a) Except as provided under Subsections (7)(b) and (c), all revenue received by the commission from taxes and license fees under this part shall be deposited daily with the state treasurer and credited to the Transportation Fund.
- 461 (b) An appropriation from the Transportation Fund shall be made to the commission to cover expenses incurred in the administration and enforcement of this part and the collection of the special fuel tax.
- 464 (c) Five dollars of each special fuel user trip permit fee paid under Section 59-13-303 may be used by the commission as a dedicated credit to cover the costs of electronic credentialing as provided in Section 41-1a-303.
- 467 (8) The commission may either collect no tax on special fuel exported from the state or, upon application, refund the tax paid.
- 469 (9)
- (a) The United States government or any of its instrumentalities, this state, or a political subdivision of this state that has purchased special fuel from a supplier or from a retail dealer of special fuel and has paid the tax on the special fuel as provided in this section is entitled to a refund of the tax and may file with the commission for a quarterly refund in a manner prescribed by the commission.
- 474 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall make rules governing the application and refund provided for in Subsection (9)(a).

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- 477 (10)
- (a) The purchaser shall pay the tax on diesel fuel or clean fuel purchased for uses under Subsections (2)(b)(i), (iii), (iv), (v), (vi), and (vii) and apply for a refund for the tax paid as provided in Subsection (9) and this Subsection (10).
- 480 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall make rules governing the application and refund for off-highway and nonhighway uses provided under Subsections (2)(b)(iii), (iv), (vi), and (vii).
- 483 (c) A refund of tax paid under this part on diesel fuel used for nonhighway agricultural uses shall be made in accordance with the tax return procedures under Section 59-13-202.
- 486 (11)
- (a) [~~Beginning on April 1, 2001, a~~] A tax imposed under this section on special fuel is reduced to the extent provided in Subsection (11)(b) if:
- 488 (i) the Navajo Nation imposes a tax on the special fuel;
- 489 (ii) the tax described in Subsection (11)(a)(i) is imposed without regard to whether the person required to pay the tax is an enrolled member of the Navajo Nation; and
- 491 (iii) the commission and the Navajo Nation execute and maintain an agreement as provided in this Subsection (11) for the administration of the reduction of tax.
- 493 (b)
- (i) If but for Subsection (11)(a) the special fuel is subject to a tax imposed by this section:
- 495 (A) the state shall be paid the difference described in Subsection (11)(b)(ii) if that difference is greater than \$0; and
- 497 (B) a person may not require the state to provide a refund, a credit, or similar tax relief if the difference described in Subsection (11)(b)(ii) is less than or equal to \$0.
- 500 (ii) The difference described in Subsection (11)(b)(i) is equal to the difference between:
- 502 (A) the amount of tax imposed on the special fuel by this section; less
- 503 (B) the tax imposed and collected by the Navajo Nation on the special fuel.
- 504 (c) For purposes of Subsections (11)(a) and (b), the tax paid to the Navajo Nation on the special fuel does not include any interest or penalties a taxpayer may be required to pay to the Navajo Nation.
- 507 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall make rules governing the procedures for administering the reduction of tax provided under this Subsection (11).

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- 510 (e) The agreement required under Subsection (11)(a):
- 511 (i) may not:
- 512 (A) authorize the state to impose a tax in addition to a tax imposed under this chapter;
- 514 (B) provide a reduction of taxes greater than or different from the reduction described in this Subsection  
(11); or
- 516 (C) affect the power of the state to establish rates of taxation;
- 517 (ii) shall:
- 518 (A) be in writing;
- 519 (B) be signed by[:]
- 520 [(H)] the chair of the commission or the chair's designee[:], and
- 521 [(H)] a person designated by the Navajo Nation that may bind the Navajo Nation;
- 523 (C) be conditioned on obtaining any approval required by federal law;
- 524 (D) state the effective date of the agreement; and
- 525 (E) state any accommodation the Navajo Nation makes related to the construction and maintenance of  
state highways and other infrastructure within the Utah portion of the Navajo Nation; and
- 528 (iii) may:
- 529 (A) notwithstanding Section 59-1-403, authorize the commission to disclose to the Navajo Nation  
information that is[:]
- 531 [(H)] contained in a document filed with the commission[:], and
- 532 [(H)] related to the tax imposed under this section;
- 533 (B) provide for maintaining records by the commission or the Navajo Nation; or
- 534 (C) provide for inspections or audits of suppliers, distributors, carriers, or retailers located or doing  
business within the Utah portion of the Navajo Nation.
- 536 (f)
- (i) If[, on or after April 1, 2001,] the Navajo Nation changes the tax rate of a tax imposed on special  
fuel, any change in the amount of the reduction of taxes under this Subsection (11) as a result of the  
change in the tax rate is not effective until the first day of the calendar quarter after a 60-day period  
beginning on the date the commission receives notice:
- 541 (A) from the Navajo Nation; and
- 542 (B) meeting the requirements of Subsection (11)(f)(ii).
- 543 (ii) The notice described in Subsection (11)(f)(i) shall state:

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- 544 (A) that the Navajo Nation has changed or will change the tax rate of a tax imposed on special fuel;  
546 (B) the effective date of the rate change of the tax described in Subsection (11)(f)(ii)(A); and  
548 (C) the new rate of the tax described in Subsection (11)(f)(ii)(A).
- 549 (g) If the agreement required by Subsection (11)(a) terminates, a reduction of tax is not permitted  
under this Subsection (11) beginning on the first day of the calendar quarter after a 30-day period  
beginning on the day the agreement terminates.
- 552 (h) If there is a conflict between this Subsection (11) and the agreement required by Subsection (11)(a),  
this Subsection (11) governs.
- 554 (12)
- (a)
- (i) ~~[Subject] Beginning on January 1, 2026, and subject to Subsections (12)(a)(ii) and (iii), a tax~~  
imposed under this section on compressed natural gas is imposed at a rate of ~~[:] \$0.212 per~~  
~~gallon equivalent.~~
- 557 ~~[(A) until June 30, 2016, 10-1/2 cents per gasoline gallon equivalent;]~~
- 558 ~~[(B) beginning on July 1, 2016, and until June 30, 2017, 12-1/2 cents per gasoline gallon~~  
~~equivalent;]~~
- 560 ~~[(C) beginning on July 1, 2017, and until June 30, 2018, 14-1/2 cents per gasoline gallon~~  
~~equivalent; and]~~
- 562 ~~[(D) beginning on or after July 1, 2018, 16-1/2 cents per gasoline gallon equivalent.]~~
- 564 (ii) Beginning on January 1, ~~[2020] 2027~~, the commission shall, on January 1, annually adjust the  
rate of a tax imposed under this section on compressed natural gas by taking the rate for the  
previous calendar year and adding an amount equal to the greater of:
- 568 (A) an amount calculated by multiplying the rate of a tax imposed under this section on compressed  
natural gas for the previous calendar year by the actual percent change during the previous fiscal  
year in the Consumer Price Index; and
- 571 (B) 0.
- 572 (iii) The rate of a tax imposed under this section on compressed natural gas determined by the  
commission under Subsection (12)(a)(ii) may not exceed 22-1/2 cents per gasoline gallon  
equivalent.
- 575 (b)

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- (i) [~~Subject~~] Beginning on January 1, 2026, and subject to Subsections (12)(b)(ii) and (iii), a tax imposed under this section on liquified natural gas is imposed at a rate of[:] \$0.212 per gallon equivalent.
- 578 [~~(A) until June 30, 2016, 10-1/2 cents per diesel gallon equivalent;]~~  
579 [~~(B) beginning on July 1, 2016, and until June 30, 2017, 12-1/2 cents per diesel gallon equivalent;]~~  
581 [~~(C) beginning on July 1, 2017, and until June 30, 2018, 14-1/2 cents per diesel gallon equivalent;  
and]~~  
583 [~~(D) beginning on or after July 1, 2018, 16-1/2 cents per diesel gallon equivalent.]~~
- 584 (ii) Beginning on January 1, [~~2020~~] 2027, the commission shall, on January 1, annually adjust the rate of a tax imposed under this section on liquified natural gas by taking the rate for the previous calendar year and adding an amount equal to the greater of:
- 588 (A) an amount calculated by multiplying the rate of a tax imposed under this section on liquified natural gas for the previous calendar year by the actual percent change during the previous fiscal year in the Consumer Price Index; and
- 591 (B) 0.
- 592 (iii) The rate of a tax imposed under this section on liquified natural gas determined by the commission under Subsection (12)(b)(ii) may not exceed 22-1/2 cents per diesel gallon equivalent.
- 595 (c)
- (i) [~~Subject~~] Beginning on January 1, 2026, and subject to Subsections (12)(c)(ii) and (iii), a tax imposed under this section on hydrogen used to operate or propel a motor vehicle upon the public highways of the state is imposed at a rate of[:] \$0.212 per gallon equivalent.
- 599 [~~(A) until June 30, 2016, 10-1/2 cents per gasoline gallon equivalent;]~~  
600 [~~(B) beginning on July 1, 2016, and until June 30, 2017, 12-1/2 cents per gasoline gallon  
equivalent;]~~  
602 [~~(C) beginning on July 1, 2017, and until June 30, 2018, 14-1/2 cents per gasoline gallon  
equivalent; and]~~  
604 [~~(D) beginning on or after July 1, 2018, 16-1/2 cents per gasoline gallon equivalent.]~~
- 606 (ii) Beginning on January 1, [~~2020~~] 2027, the commission shall, on January 1, annually adjust the rate of a tax imposed under this section on hydrogen used to operate or propel a motor vehicle upon the public highways of the state by taking the rate for the previous calendar year and adding an amount equal to the greater of:

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- 611 (A) an amount calculated by multiplying the rate of a tax imposed under this section on hydrogen used  
to operate or propel a motor vehicle upon the public highways of the state for the previous calendar  
year by the actual percent change during the previous fiscal year in the Consumer Price Index; and
- 615 (B) 0.
- 616 (iii) The rate of a tax imposed under this section on hydrogen used to operate or propel a motor vehicle  
upon the public highways of the state determined by the commission under Subsection (12)(c)(ii)  
may not exceed 22-1/2 cents per gasoline gallon equivalent.
- 620 (d)
- (i) The commission shall annually:
- 621 (A) adjust the fuel tax rates imposed under Subsections (12)(a)(ii), (b)(ii), and (c)(ii), rounded to the  
nearest one-tenth of a cent;
- 623 (B) publish the adjusted fuel tax as a cents per gallon rate; and
- 624 (C) post or otherwise make public the adjusted fuel tax rate as determined in Subsection (12)(d)(i)  
(A) no later than 60 days [~~prior to~~] before the annual effective date under Subsection (12)(d)(ii).
- 627 (ii) The tax rates imposed under this Subsection (12) and adjusted as required under Subsection (12)(d)  
(i) shall take effect on January 1 of each year.
- 650 Section 7. Section **63I-2-259** is amended to read:
- 651 **63I-2-259. Repeal dates: Title 59.**
- 631 (1) Subsection 59-7-159(3)(b)(iii), referencing Section 59-7-614.10, is repealed December 31, 2026.
- 633 (2) Section 59-7-614.10, Nonrefundable enterprise zone tax credit, is repealed December 31, 2026.
- 635 (3) Subsection 59-10-137(3)(b)(viii), referencing Section 59-10-1037, is repealed December 31, 2026.
- 637 (4) Section 59-10-1037, Nonrefundable enterprise zone tax credit, is repealed December 31, 2026.
- 639 (5) Subsections 59-13-201(1)(a)(ii) and 59-13-301(1)(b), regarding the temporary application of a  
motor fuel tax rate between July 1, 2026, and December 31, 2026, are repealed on January 1, 2027.
- 642 [~~(5)~~] (6) Subsection 59-14-807(3)(a)(iii), regarding the Youth Electronic Cigarette, Marijuana, and  
Other Drug Prevention Committee, is repealed July 1, 2030.
- 644 [~~(6)~~] (7) Subsection 59-14-807(4)(b), regarding the Youth Electronic Cigarette, Marijuana, and Other  
Drug Prevention Committee, is repealed July 1, 2030.
- 646 [~~(7)~~] (8) Section 59-24-103.8, Radioactive waste facility expansion tax -- Payment -- Deposit of tax  
revenue, is repealed July 1, 2026.
- 669 Section 8. Section **8** is enacted to read:

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670 **72-5-501. Definitions.**

As used in this part:

- 651 (1) "Common carrier pipeline" is a pipeline engaged in the transportation of petroleum products,  
including refined products, that holds itself out to provide transportation service to the public for  
compensation on reasonable terms.
- 654 (2) "Finished product pipeline" means a common carrier pipeline and related facilities used to transport  
refined petroleum products, renewables, or other finished energy products.

677 Section 9. Section **9** is enacted to read:

678 **72-5-502. Pipeline right-of-way cooperation.**

If a proposed route for a finished product pipeline crosses a state or federal highway, the  
department shall cooperate with and assist the pipeline proponent in negotiating and siting of  
the highway-pipeline intersection.

682 Section 10. Section **10** is enacted to read:

683 **79-6-410. Refinery production report.**

663 (1) As used in this section:

- 664 (a) "Barrel" means an amount equal to 42 gallons of oil at atmospheric pressure and at a temperature of  
60 degrees Fahrenheit.
- 666 (b) "Crude oil" means hydrocarbons, regardless of gravity, that occur naturally in the gaseous phase in  
the reservoir and are separated from the natural gas as liquids through the process of condensation  
either in the reservoir, in the wellbore, or at the surface infield separators.
- 670 (c) "Finished petroleum product" means a product resulting from petroleum refining, including  
gasoline, diesel fuel, jet fuel, kerosene, fuel oils, lubricating oils, asphalt, petroleum coke, liquefied  
petroleum gases, and other products derived from the refining process.
- 674 (d) "Petroleum refined" means the volume of crude oil and unfinished petroleum products introduced  
into the refining process.
- 676 (e) "Refine" means the industrial process of converting crude oil or unfinished petroleum products into  
finished petroleum products through distillation, cracking, reforming, blending, or other chemical or  
physical processes.
- 679 (f) "Refiner" means a person that owns, operates, or controls a refinery.
- 680

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- (g) "Refinery" means a facility located in this state at which petroleum refining is conducted, including processing units, storage facilities, and associated infrastructure under common ownership or operational control at a single geographic location or integrated complex.
- 684 (2) Beginning July 1, 2026, and quarterly thereafter, a refiner shall provide to the office a report that includes:
- 686 (a) the total number of barrels of crude oil refined at the refinery in the previous calendar quarter;
- 688 (b) the total quantity of the products derived and produced from refining at the refinery in the previous calendar quarter;
- 690 (c) the total quantity of finished petroleum products, itemized by type, that arrived at the refinery or terminal in the previous calendar quarter; and
- 692 (d) the total quantity of finished petroleum products, itemized by type, that leave the refinery or terminal.
- 715 (3)
- 694 (3){(a)} The office shall compile the data received in the report described in Subsection (2) for each refiner.
- 717 (b) The office shall provide the compiled data described in Subsection (3)(a) in an aggregated form to the Division of Oil, Gas, and Mining on a quarterly basis.
- 719 (4)
- (a) Information provided to the office under this section is:
- 720 (i) a protected record under Title 63G, Chapter 2, Government Records Access and Management Act;
- 722 (ii) confidential commercial information; and
- 723 (iii) a trade secret for purposes of state law.
- 724 (b) Information described in Subsection (4)(a) is not subject to disclosure, inspection, or copying under Title 63G, Chapter 2, Government Records Access and Management Act, or any other state law.
- 727 (c) The protected status of information under this section is mandatory and does not require a claim or assertion by the reporting entity.
- 729 (5)
- (a) The office or any state agency may not release, publish, or disclose information reported under this section in a manner that identifies, or could reasonably be used to identify:
- 732 (i) a refinery;

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- 733 (ii) a refiner;  
734 (iii) a facility; or  
735 (iv) operational proprietary business information.  
736 (b) Information may be released only in aggregated statistical form that prevents identification of a  
reporting entity.  
738 (6)  
(a) Information collected under this section may be used only for:  
739 (i) statewide statistical analysis; or  
740 (ii) energy planning purposes.  
741 (b) Information collected under this section may not be used as the basis for:  
742 (i) regulatory enforcement;  
743 (ii) administrative action;  
744 (iii) market intervention;  
745 (iv) price regulation;  
746 (v) civil or criminal investigation; or  
747 (vi) any action against a reporting entity, except for enforcement of the reporting requirement under this  
section.  
749 (7)  
(a) Information reported under this section may not be shared with another state agency or political  
subdivision unless:  
751 (i) the receiving entity agrees in writing to maintain confidentiality protections at least as stringent  
as those provided in this section; and  
753 (ii) the information is used only for purposes permitted under Subsection (6).  
754 (b) Information may not be disclosed to the public or a private party through interagency transfer.  
756 (8) Information reported under this section may not be disclosed to a federal agency unless disclosure  
is required by federal law and the receiving agency provides written assurance that the information  
will be protected by confidentiality protections at least as stringent as those provided under federal  
law governing refinery reporting data.  
760 (9)  
(a) Information reported under this section is not subject to subpoena, discovery, or admission into  
evidence in any civil, criminal, or administrative proceeding.

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- 762 (b) A court may not order disclosure of information reported under this section.
- 763 (10)
- (a) The office shall adopt rules establishing a secure procedure for submission, storage, and handling of information reported under this section.
- 765 (b) The office shall implement administrative, technical, and physical safeguards to protect the confidentiality and integrity of the information.
- 767 (11)
- (a) The office may retain reported information only for the minimum period necessary to perform the purposes described in Subsection (6).
- 769 (b) The office shall securely destroy confidential information after the retention period.
- 770 (12)
- (a) A person who knowingly discloses information protected under this section is guilty of a class A misdemeanor.
- 772 (b) A reporting entity may bring a civil action for damages, injunctive relief, and attorney fees against a person or government entity that unlawfully discloses protected information.
- 775 (13) Submission of information under this section does not waive any privilege or protection under state or federal law.
- 777 (14) This section shall be interpreted to provide confidentiality protections at least as stringent as protections applied to refinery operational data collected by the United States Energy Information Administration.
- 780 Section 11. Section **79-6-602** is amended to read:
- 781 **79-6-602. Definitions.**
- As used in this part:
- 699 (1) "Applicant" means a person that conducts business in the state and that applies for a tax credit under this part.
- 701 (2)
- (a) "District energy system" means equipment and facilities that:
- 702 (i) use one or more thermal energy sources to provide:
- 703 (A) space heating;
- 704 (B) hot water; or
- 705 (C) space cooling; and

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- 706 (ii) deliver services through a distribution system.
- 707 (b) "District energy system" includes:
- 708 (i) plants;
- 709 (ii) equipment;
- 710 (iii) distribution piping;
- 711 (iv) apparatus; and
- 712 (v) other facilities used to provide space heating, hot water, or space cooling.
- 713 (3)
- (a) "Energy delivery project" means a project that is designed to:
- 714 (i) increase the capacity for the delivery of energy to a user of energy inside or outside the state;
- 716 (ii) increase the capability of an existing energy delivery system or related facility to deliver energy to a user of energy inside or outside the state;
- 718 (iii) increase the production and delivery of geothermal energy through horizontal drilling to create injection and production wells; [or]
- 720 (iv) increase the capacity for recovery of thermal energy for a heating or cooling system through a district energy system[-] ; or
- 722 (v) increase storage capacity of refined hydrocarbon products.
- 723 (b) "Energy delivery project" includes:
- 724 (i) a hydroelectric energy storage system;
- 725 (ii) a utility-scale battery storage system;
- 726 (iii) a nuclear power generation system; [or]
- 727 (iv) a district energy system[-] ; or
- 728 (v) development of a pipeline and related infrastructure for transmission of refined hydrocarbons for storage in a solution-mined subsurface salt cavern.
- 730 (4) "Emissions reduction project" means a project that is designed to reduce the emissions of an existing electrical generation facility, refinery, smelter, kiln, mineral processing facility, manufacturing facility, oil or gas production facility, or other industrial facility, by utilizing selective catalytic reduction technology, carbon capture utilization and sequestration technology, or any other emissions reduction technology or equipment.

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- (5) "Fuel standard compliance project" means a project designed to retrofit a fuel refinery in order to make the refinery capable of producing fuel that complies with the United States Environmental Protection Agency's Tier 3 gasoline sulfur standard described in 40 C.F.R. Sec. 79.54.
- 739 (6) "High cost infrastructure project" means:
- 740 (a) for an energy delivery project, fuel standard compliance project, mineral processing project, or  
underground mine infrastructure project, a project:
- 742 (i)
- (A) that expands or creates new industrial, mining, manufacturing, or agriculture activity in the state,  
not including a retail business;
- 744 (B) that involves new investment of at least \$50,000,000 made by an existing industrial, mining,  
manufacturing, or agriculture entity located within a county of the first or second class;
- 747 (C) that involves new investment of at least \$25,000,000 made by an existing industrial, mining,  
manufacturing, or agriculture entity located within a county of the third, fourth, fifth, or sixth class,  
or a municipality with a population of 10,000 or less located within a county of the second class;
- 751 (D) that involves new investment of at least \$10,000,000 for the construction of a plant or facility for  
thermal energy production of heating or cooling used in a district energy system; or
- 754 (E) for the construction of a plant or other facility for the storage or production of fuel used for  
transportation, electricity generation, or industrial use;
- 756 (ii) that requires or is directly facilitated by infrastructure construction; and
- 757 (iii) for which the cost of infrastructure construction to the entity creating the project is greater than:
- 759 (A) 10% of the total cost of the project; or
- 760 (B) \$10,000,000; and
- 761 (b) for an emissions reduction project, water purification project, or water resource forecasting project,  
a project:
- 763 (i) that involves:
- 764 (A) new investment of at least \$50,000,000 made by an existing industrial, mining, manufacturing, or  
agriculture entity located within a county of the first or second class; or
- 767 (B) new investment of at least \$25,000,000 made by an existing industrial, mining, manufacturing, or  
agriculture entity located within a county of the third, fourth, fifth, or sixth class, or a municipality  
with a population of 10,000 or less located within a county of the second class; and
- 771 (ii) that requires or is directly facilitated by infrastructure construction.

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- 772 (7) "Infrastructure" means:
- 773 (a) an energy delivery project;
- 774 (b) a railroad as defined in Section 54-2-1;
- 775 (c) a fuel standard compliance project;
- 776 (d) a road improvement project;
- 777 (e) a water self-supply project;
- 778 (f) a water removal system project;
- 779 (g) a solution-mined subsurface salt cavern;
- 780 (h) a project that is designed to:
- 781 (i) increase the capacity for water delivery to a water user in the state; or
- 782 (ii) increase the capability of an existing water delivery system or related facility to deliver water to a  
water user in the state;
- 784 (i) an underground mine infrastructure project;
- 785 (j) an emissions reduction project;
- 786 (k) a mineral processing project;
- 787 (l) a district energy system project;
- 788 (m) a water purification project; or
- 789 (n) a water resource forecasting project.
- 790 (8)
- (a) "Infrastructure cost-burdened entity" means an applicant that enters into an agreement with the  
office that qualifies the applicant to receive a tax credit as provided in this part.
- 793 (b) "Infrastructure cost-burdened entity" includes a pass-through entity taxpayer, as defined in Section  
59-10-1402, of a person described in Subsection (8)(a).
- 795 (9) "Infrastructure-related revenue" means an amount of tax revenue, for an entity creating a high cost  
infrastructure project, in a taxable year, that is directly attributable to a high cost infrastructure  
project, under:
- 798 (a) Subsection 59-24-103.5(2)(e);
- 799 (b) Title 59, Chapter 5, Part 1, Oil and Gas Severance Tax;
- 800 (c) Title 59, Chapter 5, Part 2, Mining Severance Tax;
- 801 (d) Title 59, Chapter 7, Corporate Franchise and Income Taxes;
- 802 (e) Title 59, Chapter 10, Individual Income Tax Act; and

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- 803 (f) Title 59, Chapter 12, Sales and Use Tax Act.
- 804 (10) "Mineral processing project" means a project that is designed to:
- 805 (a) process, smelt, refine, convert, separate, or otherwise beneficiate metalliferous minerals as defined  
in Section 59-5-201 or a metalliferous compound as defined in Section 59-5-202;
- 808 (b) calcine limestone or manufacture cement;
- 809 (c) process, refine, or otherwise beneficiate chloride compounds, salts, potash, gypsum, sulfur or  
sulfuric acid, ammonium nitrate, phosphate, or uintaite; or
- 811 (d) convert or gasify coal to recover chemical compounds, gases, or minerals.
- 812 (11) "Office" means the Office of Energy Development created in Section 79-6-401.
- 813 (12) "Tax credit" means a tax credit under Section 59-5-305, 59-7-619, or 59-10-1034.
- 814 (13) "Tax credit certificate" means a certificate issued by the office to an infrastructure cost-burdened  
entity that:
- 816 (a) lists the name of the infrastructure cost-burdened entity;
- 817 (b) lists the infrastructure cost-burdened entity's taxpayer identification number;
- 818 (c) lists, for a taxable year, the amount of the tax credit authorized for the infrastructure cost-burdened  
entity under this part; and
- 820 (d) includes other information as determined by the office.
- 821 (14)
- (a) "Underground mine infrastructure project" means a project that:
- 822 (i) is designed to create permanent underground infrastructure to facilitate underground mining  
operations; and
- 824 (ii) services multiple levels or areas of an underground mine or multiple underground mines.
- 826 (b) "Underground mine infrastructure project" includes:
- 827 (i) an underground access or a haulage road, entry, ramp, or decline;
- 828 (ii) a vertical or incline mine shaft;
- 829 (iii) a ventilation shaft or an air course; or
- 830 (iv) a conveyor or a truck haulageway.
- 831 (15) "Water purification project" means a project that, in order to meet applicable quality standards  
established under Title 19, Chapter 5, Water Quality Act, is designed to reduce the existing total  
dissolved solids or other naturally existing impurities contained in water sources:
- 835 (a) located at a distance of not less than 2,000 feet below the surface;

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- 836 (b) associated with existing mineral operations; or  
837 (c) associated with deep water mining operations designed primarily for the revitalization of the Great Salt Lake.

839 (16) "Water resource forecasting project" means a project that includes a network of permanent physical data collection systems designed to improve forecasting for the availability of seasonal water flows within the state, including flash flooding and other event-driven water flows resulting from localized severe weather events.

927 **Section . FY 2027 Appropriations.**

928 The following sums of money are appropriated for the fiscal year beginning July 1,  
929 2026, and ending June 30, 2027. These are additions to amounts previously appropriated for  
930 fiscal year 2027.

931 **Subsection 12(a). Operating and Capital Budgets**

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

935 To Transportation - Pass-Through

936 11,903,900

937 Schedule of Programs:

938 11,903,900

939 **Section 13. Effective date.**

Effective Date.

This bill takes effect on May 6, 2026.

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