

SB0254S01 compared with SB0254

~~{Omitted text}~~ shows text that was in SB0254 but was omitted in SB0254S01

inserted text shows text that was not in SB0254 but was inserted into SB0254S01

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

1

Critical Minerals Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ann Millner

House Sponsor:David Shallenberger

2

3

LONG TITLE

4

General Description:

5

This bill addresses critical minerals.

6

Highlighted Provisions:

7

This bill:

8

▶ facilitates faster permitting by the Department of Environmental Quality and the Division of Oil, Gas, and Mining;

10

▶ ~~{provides for the diversion of new growth from the mineral severance tax;}~~

10

▶ addresses property tax differentials based on critical minerals zones;

11

▶ defines terms;

12

▶ establishes the state critical minerals objectives and policy, including providing for annual reviews;

14

▶ creates the Critical Minerals Council (council), including establishing the council's operations, powers, and duties;

16

▶ addresses areas of coordination by certain council members;

17

▶

SB0254

SB0254 compared with SB0254S01

establishes a process to designate critical {~~mineral~~} minerals zones, including providing for property tax differential revenue;

- 19 ▶ provides for the creation of a clearinghouse of data to be known as the "Critical Minerals Atlas";
- 21 ▶ addresses the creation of the Minerals for Industrial, National, and Economic Security Center;
- 23 ▶ creates the Critical Minerals Development Account, and credits certain interest and dividends to the account that are earned annually on revenue from severance taxes that are credited to the permanent state trust fund; {and}
- 26 ▶ coordinates with H.B. 373, Higher Education Innovation, to address inclusion of critical minerals projects in the eligible research areas for research grants; and
- 24 ▶ makes technical and conforming amendments.

29 Money Appropriated in this Bill:

- 30 ▶ **This bill appropriates \$11,000,000 in operating and capital budgets for fiscal year 2027, all**
- 31 **of which is from the various sources as detailed in this bill.**

- 32 ▶ **This bill appropriates \$10,000,000 in restricted fund and account transfers for fiscal year 2027,**
- 33 **all of which is from the various sources as detailed in this bill.**

34 Other Special Clauses:

35 This bill provides a coordination clause.

36 Utah Code Sections Affected:

37 AMENDS:

38 **51-9-305 (Effective 05/06/26), as last amended by Laws of Utah 2014, Chapter 241**

39 **59-2-924 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, First Special Session, Chapter 15

33 ~~**{59-5-215 (Effective 05/06/26), as last amended by Laws of Utah 2024, Chapter 25}**~~

41 **79-2-201 (Effective 05/06/26) (Partially Repealed 07/01/29)**, as last amended by Laws of Utah 2025, Chapter 93

43 ENACTS:

44 **19-1-209 (Effective 05/06/26)**, Utah Code Annotated 1953

45 **40-8-5.5 (Effective 05/06/26)**, Utah Code Annotated 1953

46 **79-10-101 (Effective 05/06/26)**, Utah Code Annotated 1953

SB0254 compared with SB0254S01

47 **79-10-201 (Effective 05/06/26)**, Utah Code Annotated 1953
48 **79-10-202 (Effective 05/06/26)**, Utah Code Annotated 1953
49 **79-10-301 (Effective 05/06/26)**, Utah Code Annotated 1953
50 **79-10-302 (Effective 05/06/26)**, Utah Code Annotated 1953
51 **79-10-303 (Effective 05/06/26)**, Utah Code Annotated 1953
52 **79-10-401 (Effective 05/06/26)**, Utah Code Annotated 1953
53 **79-10-402 (Effective 05/06/26)**, Utah Code Annotated 1953
54 **79-10-403 (Effective 05/06/26)**, Utah Code Annotated 1953
55 **79-10-501 (Effective 05/06/26)**, Utah Code Annotated 1953
56 **79-10-601 (Effective 05/06/26)**, Utah Code Annotated 1953
57 **79-10-602 (Effective 05/06/26)**, Utah Code Annotated 1953
58 **79-10-701 (Effective 05/06/26)**, Utah Code Annotated 1953

Utah Code Sections affected by Coordination Clause:

60 **53H-8-211 (07/01/26)** , Utah Code Annotated 1953

61

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

63 Section 1. Section 1 is enacted to read:

64 **19-1-209. Fast track permitting for critical minerals.**

56 (1) As used in this section:

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

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

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

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

62 (2)

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

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

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

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

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

69

SB0254 compared with SB0254S01

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

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

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

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

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

89 Section 2. Section 2 is enacted to read:

90 **40-8-5.5. Fast track permitting for critical minerals.**

82 (1) As used in this section:

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

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

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

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

88 (2)

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

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

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

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

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

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

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

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

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

103

SB0254 compared with SB0254S01

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

Section 3. Section 51-9-305 is amended to read:

51-9-305. Deposit and credit of certain severance tax revenue.

- (1) As used in this section, "aggregate annual revenue" means the aggregate annual revenue collected in a fiscal year from the taxes imposed under Title 59, Chapter 5, Severance Tax on Oil, Gas, and Mining, after subtracting the amounts required to be distributed under Sections 59-5-116 and 59-5-119.
- (2) After making the deposits of oil and gas severance tax revenue as required under Sections 59-5-116 and 59-5-119, the Division of Finance shall make the credit required under Subsection (3).
- (3) Beginning on July 1, 2016, the Division of Finance shall credit to the permanent state trust fund the following aggregate annual revenue:
- (a) 25% of the first \$50,000,000 of aggregate annual revenue;
 - (b) 50% of the next \$50,000,000 of aggregate annual revenue; and
 - (c) 75% of the aggregate annual revenue that exceeds \$100,000,000.
- (4) The state treasurer shall invest and separately account for the earnings on funds that are credited to the permanent state trust fund under this section.
- (5)
- (a) In accordance with Utah Constitution Article XXII, Section 4, the interest and dividends earned annually on revenue from severance taxes that are credited to the permanent state trust fund shall be credited to the General Fund.
 - (b)
 - (i) [Interest] Until July 1, 2026, interest and dividends earned on revenue from severance taxes that are credited to the General Fund [pursuant to] in accordance with Subsection (5)(a) shall be credited to the Infrastructure and Economic Diversification Investment Account created in Section 51-9-303.
 - (ii) On and after July 1, 2026, interest and dividends earned on revenue from severance taxes that are credited to the General Fund in accordance with Subsection (5)(a) shall be credited as follows:
 - (A) up to the first \$1,000,000 of interest and dividends earned shall be credited to the Critical Minerals Development Account created in Section 79-10-701; and
 - (B) the amount of interest or dividends earned in excess of \$1,000,000 shall be credited to the Infrastructure and Economic Diversification Investment Account created in Section 51-9-303.

SB0254 compared with SB0254S01

146 Section 4. Section **59-2-924** is amended to read:

147 **59-2-924. Definitions -- Report of valuation of property to county auditor and commission**
-- Transmittal by auditor to governing bodies -- Calculation of certified tax rate -- Rulemaking
authority -- Adoption of tentative budget -- Notice provided by the commission.

110 (1) As used in this section:

111 (a)

(i) "Ad valorem property tax revenue" means revenue collected in accordance with this chapter.

113 (ii) "Ad valorem property tax revenue" does not include:

114 (A) interest;

115 (B) penalties;

116 (C) collections from redemptions; or

117 (D) revenue received by a taxing entity from personal property that is semiconductor manufacturing
equipment assessed by a county assessor in accordance with Part 3, County Assessment.

120 (b) "Adjusted tax increment" means the same as that term is defined in Section 17C-1-102.

122 (c)

(i) "Aggregate taxable value of all property taxed" means:

123 (A) the aggregate taxable value of all real property a county assessor assesses in accordance with
Part 3, County Assessment, for the current year;

125 (B) the aggregate taxable value of all real and personal property the commission assesses in
accordance with Part 2, Assessment of Property, for the current year; and

128 (C) the aggregate year end taxable value of all personal property a county assessor assesses in
accordance with Part 3, County Assessment, contained on the prior year's tax rolls of the taxing
entity.

131 (ii) "Aggregate taxable value of all property taxed" does not include the aggregate year end taxable
value of personal property that is:

133 (A) semiconductor manufacturing equipment assessed by a county assessor in accordance with Part 3,
County Assessment; and

135 (B) contained on the prior year's tax rolls of the taxing entity.

136 (d) "Base taxable value" means:

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

SB0254 compared with SB0254S01

- 139 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201, the same as that
term is defined in Section 11-59-207;
- 141 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the
same as that term is defined in Section 11-70-101;
- 143 (iv) for an agency created under Section 17C-1-201.5, the same as that term is defined in Section
17C-1-102;
- 145 (v) for an authority created under Section 63H-1-201, the same as that term is defined in Section
63H-1-102;
- 147 (vi) for a host local government, the same as that term is defined in Section 63N-2-502;
- 149 (vii) for a housing and transit reinvestment zone or convention center reinvestment zone created under
Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the same as that term is
defined in Section 63N-3-602;
- 152 (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5, Home
Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part 5, Home Ownership
Promotion Zone, a property's taxable value as shown upon the assessment roll last equalized during
the base year, as that term is defined in Section 10-21-101 or Section 17-80-101;
- 157 (ix) for a first home investment zone created under Title 63N, Chapter 3, Part 16, First Home
Investment Zone Act, a property's taxable value as shown upon the assessment roll last equalized
during the base year, as that term is defined in Section 63N-3-1601;
- 161 (x) for a major sporting event venue zone created under Title 63N, Chapter 3, Part 17, Major Sporting
Event Venue Zone Act, a property's taxable value as shown upon the assessment roll last equalized
during the property tax base year, as that term is defined in Section 63N-3-1701; [ø]
- 165 (xi) for an electrical energy development zone created under Section 79-6-1104, the value of the
property within an electrical energy development zone, as shown on the assessment roll last
equalized before the creation of the electrical development zone, as that term is defined in Section
79-6-1104[-] ; or
- 169 (xii) for a critical minerals zone created under Title 79, Chapter 10, Part 4, Critical Minerals Zone, the
value of the property within a critical minerals zone, as shown on the assessment rule last equalized
before the creation of the critical minerals zone, as that term is defined in Section 79-10-101.

173

SB0254 compared with SB0254S01

- (e) "Centrally assessed benchmark value" means an amount equal to the average year end taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the previous three calendar years, adjusted for taxable value attributable to:
- 177 (i) an annexation to a taxing entity;
- 178 (ii) an incorrect allocation of taxable value of real or personal property the commission assesses in accordance with Part 2, Assessment of Property; or
- 180 (iii) a change in value as a result of a change in the method of apportioning the value prescribed by the Legislature, a court, or the commission in an administrative rule or administrative order.
- 183 (f) "Centrally assessed industry" means the following industry classes the commission assesses in accordance with Part 2, Assessment of Property:
- 185 (i) air carrier;
- 186 (ii) coal;
- 187 (iii) coal load out property;
- 188 (iv) electric generation;
- 189 (v) electric rural;
- 190 (vi) electric utility;
- 191 (vii) gas utility;
- 192 (viii) ground access property;
- 193 (ix) land only property;
- 194 (x) liquid pipeline;
- 195 (xi) metalliferous mining;
- 196 (xii) nonmetalliferous mining;
- 197 (xiii) oil and gas gathering;
- 198 (xiv) oil and gas production;
- 199 (xv) oil and gas water disposal;
- 200 (xvi) railroad;
- 201 (xvii) sand and gravel; and
- 202 (xviii) uranium.
- 203 (g)
- (i) "Centrally assessed new growth" means the greater of:
- 204 (A) for each centrally assessed industry, zero; or

SB0254 compared with SB0254S01

- 205 (B) the amount calculated by subtracting the centrally assessed benchmark value for each centrally
assessed industry, adjusted for prior year end incremental value, from the taxable value of
real and personal property the commission assesses in accordance with Part 2, Assessment of
Property, for each centrally assessed industry for the current year, adjusted for current year
incremental value.
- 211 (ii) "Centrally assessed new growth" does not include a change in value for a centrally assessed industry
as a result of a change in the method of apportioning the value prescribed by the Legislature, a court,
or the commission in an administrative rule or administrative order.
- 215 (h) "Certified tax rate" means a tax rate that will provide the same ad valorem property tax revenue for a
taxing entity as was budgeted by that taxing entity for the prior year.
- 217 (i) "Community reinvestment agency" means the same as that term is defined in Section 17C-1-102.
- 219 (j) "Eligible new growth" means the greater of:
- 220 (i) zero; or
- 221 (ii) the sum of:
- 222 (A) locally assessed new growth;
- 223 (B) centrally assessed new growth; and
- 224 (C) project area new growth or hotel property new growth.
- 225 (k) "Host local government" means the same as that term is defined in Section 63N-2-502.
- 227 (l) "Hotel property" means the same as that term is defined in Section 63N-2-502.
- 228 (m) "Hotel property new growth" means an amount equal to the incremental value that is no longer
provided to a host local government as incremental property tax revenue.
- 230 (n) "Incremental property tax revenue" means the same as that term is defined in Section 63N-2-502.
- 232 (o) "Incremental value" means:
- 233 (i) for an authority created under Section 11-58-201, the amount calculated by multiplying:
- 235 (A) the difference between the taxable value and the base taxable value of the property that is located
within a project area and on which property tax differential is collected; and
- 238 (B) the number that represents the percentage of the property tax differential that is paid to the
authority;
- 240 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201, an amount
calculated by multiplying:
- 242 (A) the difference between the current assessed value of the property and the base taxable value; and

SB0254 compared with SB0254S01

- 244 (B) the number that represents the percentage of the property tax augmentation, as defined in Section
11-59-207, that is paid to the Point of the Mountain State Land Authority;
- 247 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the
amount calculated by multiplying:
- 249 (A) the difference between the taxable value for the current year and the base taxable value of the
property that is located within a project area; and
- 251 (B) the number that represents the percentage of enhanced property tax revenue, as defined in Section
11-70-101;
- 253 (iv) for an agency created under Section 17C-1-201.5, the amount calculated by multiplying:
- 255 (A) the difference between the taxable value and the base taxable value of the property located within a
project area and on which tax increment is collected; and
- 258 (B) the number that represents the adjusted tax increment from that project area that is paid to the
agency;
- 260 (v) for an authority created under Section 63H-1-201, the amount calculated by multiplying:
- 262 (A) the difference between the taxable value and the base taxable value of the property located within a
project area and on which property tax allocation is collected; and
- 265 (B) the number that represents the percentage of the property tax allocation from that project area that is
paid to the authority;
- 267 (vi) for a housing and transit reinvestment zone or convention center reinvestment zone created in
accordance with Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, an
amount calculated by multiplying:
- 270 (A) the difference between the taxable value and the base taxable value of the property that is located
within a housing and transit reinvestment zone or convention center reinvestment zone and on which
tax increment is collected; and
- 274 (B) the number that represents the percentage of the tax increment that is paid to the housing and transit
reinvestment zone or convention center reinvestment zone;
- 277 (vii) for a host local government, an amount calculated by multiplying:
- 278 (A) the difference between the taxable value and the base taxable value of the hotel property on which
incremental property tax revenue is collected; and
- 280 (B) the number that represents the percentage of the incremental property tax revenue from that hotel
property that is paid to the host local government;

SB0254 compared with SB0254S01

- 282 (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5, Home
Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part 5, Home Ownership
Promotion Zone, an amount calculated by multiplying:
- 285 (A) the difference between the taxable value and the base taxable value of the property that is located
within a home ownership promotion zone and on which tax increment is collected; and
- 288 (B) the number that represents the percentage of the tax increment that is paid to the home ownership
promotion zone;
- 290 (ix) for a first home investment zone created in accordance with Title 63N, Chapter 3, Part 16, First
Home Investment Zone Act, an amount calculated by multiplying:
- 292 (A) the difference between the taxable value and the base taxable value of the property that is located
within a first home investment zone and on which tax increment is collected; and
- 295 (B) the number that represents the percentage of the tax increment that is paid to the first home
investment zone;
- 297 (x) for a major sporting event venue zone created pursuant to in accordance with Title 63N, Chapter 3,
Part 17, Major Sporting Event Venue Zone Act, an amount calculated by multiplying:
- 300 (A) the difference between the taxable value and the base taxable value of the property located within
a qualified development zone for a major sporting event venue zone and upon which property tax
increment is collected; and
- 303 (B) the number that represents the percentage of tax increment that is paid to the major sporting event
venue zone, as approved by a major sporting event venue zone committee described in Section
63N-1a-1706; ~~or~~
- 306 (xi) for an electrical energy development zone created under Section 79-6-1104, the amount calculated
by multiplying:
- 308 (A) the difference between the taxable value and the base taxable value of the property that is located
within the electrical energy developmental zone; and
- 310 (B) the number that represents the percentage of the tax increment that is paid to a community
reinvestment agency and the Electrical Energy Development Investment Fund created in Section
79-6-1105[-] ; or
- 313 (xii) for a critical minerals zone created under Section 79-10-403, the amount calculated by multiplying:
- 315 (A) the difference between the taxable value and the base taxable value of the property that is located
within the critical minerals zone; and

SB0254 compared with SB0254S01

- 317 (B) the number that represents the percentage of the tax increment that is paid to a community
reinvestment agency or a state land use authority, as defined in Section 79-10-401, and the Critical
Minerals Development Account created in Section 79-10-701.
- 321 (p)
- 322 (i) "Locally assessed new growth" means the greater of:
- 323 (A) zero; or
- 323 (B) the amount calculated by subtracting the year end taxable value of real property the county
assessor assesses in accordance with Part 3, County Assessment, for the previous year, adjusted
for prior year end incremental value from the taxable value of real property the county assessor
assesses in accordance with Part 3, County Assessment, for the current year, adjusted for current
year incremental value.
- 329 (ii) "Locally assessed new growth" does not include a change in:
- 330 (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal, or another
adjustment;
- 332 (B) assessed value based on whether a property is allowed a residential exemption for a primary
residence under Section 59-2-103;
- 334 (C) assessed value based on whether a property is assessed under Part 5, Farmland Assessment Act; or
- 336 (D) assessed value based on whether a property is assessed under Part 17, Urban Farming Assessment
Act.
- 338 (q) "Project area" means:
- 339 (i) for an authority created under Section 11-58-201, the same as that term is defined in Section
11-58-102;
- 341 (ii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the
same as that term is defined in Section 11-70-101;
- 343 (iii) for an agency created under Section 17C-1-201.5, the same as that term is defined in Section
17C-1-102;
- 345 (iv) for an authority created under Section 63H-1-201, the same as that term is defined in Section
63H-1-102;
- 347 (v) for a housing and transit reinvestment zone or convention center reinvestment zone created under
Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the same as that term is
defined in Section 63N-3-602;

SB0254 compared with SB0254S01

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

SB0254 compared with SB0254S01

- 388 (ix) for a major sporting event venue zone created under Title 63N, Chapter 3, Part 17, Major Sporting
Event Venue Zone Act, an amount equal to the incremental value that is no longer provided to the
creating entity of a major sporting event venue zone as property tax increment.
- 392 (s) "Project area incremental revenue" means the same as that term is defined in Section 17C-1-1001.
- 394 (t) "Property tax allocation" means the same as that term is defined in Section 63H-1-102.
- 395 (u) "Property tax differential" means the same as that term is defined in Sections 11-58-102[and] ,
79-6-1104, and 79-10-401.
- 397 (v) "Tax increment" means:
- 398 (i) for a project created under Section 17C-1-201.5, the same as that term is defined in Section
17C-1-102;
- 400 (ii) for a housing and transit reinvestment zone or convention center reinvestment zone created under
Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the same as the term
"property tax increment" is defined in Section 63N-3-602;
- 404 (iii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5, Home Ownership
Promotion Zone for Municipalities, or Title 17, Chapter 80, Part 5, Home Ownership Promotion
Zone, the same as that term is defined in Section 10-21-101 or Section 17-80-101;
- 408 (iv) for a first home investment zone created under Title 63N, Chapter 3, Part 16, First Home
Investment Zone Act, the same as that term is defined in Section 63N-3-1601; or
- 411 (v) for a major sporting event venue zone created under Title 63N, Chapter 3, Part 17, Major Sporting
Event Venue Zone Act, property tax increment, as that term is defined in Section 63N-3-1701.
- 414 (2) Before June 1 of each year, each county assessor shall deliver to the county auditor and the
commission the following statements:
- 416 (a) a statement containing the aggregate valuation of all taxable real property a county assessor assesses
in accordance with Part 3, County Assessment, for each taxing entity; and
- 419 (b) a statement containing the taxable value of all personal property a county assessor assesses in
accordance with Part 3, County Assessment, from the prior year end values.
- 422 (3) The county auditor shall, on or before June 8, transmit to the governing body of each taxing entity:
- 424 (a) the statements described in Subsections (2)(a) and (b);
- 425 (b) an estimate of the revenue from personal property;
- 426 (c) the certified tax rate; and
- 427 (d) all forms necessary to submit a tax levy request.

SB0254 compared with SB0254S01

- 428 (4)
- (a) Except as otherwise provided in this section, the certified tax rate shall be calculated by dividing the ad valorem property tax revenue that a taxing entity budgeted for the prior year by the amount calculated under Subsection (4)(b).
- 431 (b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall calculate an amount as follows:
- 433 (i) calculate for the taxing entity the difference between:
- 434 (A) the aggregate taxable value of all property taxed; and
- 435 (B) any adjustments for current year incremental value;
- 436 (ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount determined by increasing or decreasing the amount calculated under Subsection (4)(b)(i) by the average of the percentage net change in the value of taxable property for the equalization period for the three calendar years immediately preceding the current calendar year;
- 441 (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the product of:
- 443 (A) the amount calculated under Subsection (4)(b)(ii); and
- 444 (B) the percentage of property taxes collected for the five calendar years immediately preceding the current calendar year; and
- 446 (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an amount determined by:
- 448 (A) multiplying the percentage of property taxes collected for the five calendar years immediately preceding the current calendar year by eligible new growth; and
- 451 (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the amount calculated under Subsection (4)(b)(iii).
- 453 (5) A certified tax rate for a taxing entity described in this Subsection (5) shall be calculated as follows:
- 455 (a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified tax rate is zero;
- 457 (b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:
- 458 (i) in a county of the first, second, or third class, the levy imposed for municipal-type services under Title 17, Chapter 78, Part 5, Provision of Municipal-Type Services to Unincorporated Areas; and
- 461 (ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county purposes and such other levies imposed solely for the municipal-type services identified in Section 17-78-501 and Subsection 17-63-101(23);

464

SB0254 compared with SB0254S01

- (c) for a community reinvestment agency that received all or a portion of a taxing entity's project area incremental revenue in the prior year under Title 17C, Chapter 1, Part 10, Agency Taxing Authority, the certified tax rate is calculated as described in Subsection (4) except that the commission shall treat the total revenue transferred to the community reinvestment agency as ad valorem property tax revenue that the taxing entity budgeted for the prior year; and
- 470 (d) for debt service voted on by the public, the certified tax rate is the actual levy imposed by that section, except that a certified tax rate for the following levies shall be calculated in accordance with Section 59-2-913 and this section:
- 473 (i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and
- 474 (ii) a levy to pay for the costs of state legislative mandates or judicial or administrative orders under Section 59-2-1602.
- 476 (6)
- (a) A taxing entity may impose a judgment levy under Section 59-2-1328 or 59-2-1330 at a rate that is sufficient to generate only the revenue required to satisfy one or more eligible judgments.
- 479 (b) The ad valorem property tax revenue generated by a judgment levy described in Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate certified tax rate.
- 482 (7)
- (a) For the purpose of calculating the certified tax rate, the county auditor shall use:
- 483 (i) the taxable value of real property:
- 484 (A) the county assessor assesses in accordance with Part 3, County Assessment; and
- 486 (B) contained on the assessment roll;
- 487 (ii) the year end taxable value of personal property:
- 488 (A) a county assessor assesses in accordance with Part 3, County Assessment; and
- 489 (B) contained on the prior year's assessment roll; and
- 490 (iii) the taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property.
- 492 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new growth.
- 494 (8)
- (a) On or before June 30 of each year, a taxing entity shall adopt a tentative budget.
- 495 (b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall notify the county auditor of:

SB0254 compared with SB0254S01

- 497 (i) the taxing entity's intent to exceed the certified tax rate; and
498 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.
499 (c) The county auditor shall notify property owners of any intent to levy a tax rate that exceeds the
certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.
501 (9)
(a) Subject to Subsection (9)(d), the commission shall provide notice, through electronic means on or
before July 31, to a taxing entity and the Revenue and Taxation Interim Committee if:
504 (i) the amount calculated under Subsection (9)(b) is 10% or more of the year end taxable value of
the real and personal property the commission assesses in accordance with Part 2, Assessment
of Property, for the previous year, adjusted for prior year end incremental value; and
508 (ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year end taxable
value of the real and personal property of a taxpayer the commission assesses in accordance
with Part 2, Assessment of Property, for the previous year.
511 (b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by subtracting the
taxable value of real and personal property the commission assesses in accordance with Part 2,
Assessment of Property, for the current year, adjusted for current year incremental value, from the
year end taxable value of the real and personal property the commission assesses in accordance with
Part 2, Assessment of Property, for the previous year, adjusted for prior year end incremental value.
517 (c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by subtracting
the total taxable value of real and personal property of a taxpayer the commission assesses in
accordance with Part 2, Assessment of Property, for the current year, from the total year end taxable
value of the real and personal property of a taxpayer the commission assesses in accordance with
Part 2, Assessment of Property, for the previous year.
523 (d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet the requirement
under Subsection (9)(a)(ii).

525 ~~{Section 4. Section 59-5-215 is amended to read: }~~

526 **59-5-215. Disposition of taxes collected -- Credit to General Fund -- Transfers for critical
minerals.**

528 (1) As used in this section, "above-trend revenue" means the amount by which the actual revenue from
the severance tax deposited into the General Fund under Subsection (2) exceeds the long-term trend

SB0254 compared with SB0254S01

of mineral severance tax revenue to the General Fund as determined by the Office of the Legislative Fiscal Analyst and the Governor's Office of Planning and Budget.

533 (2) Except as provided in Section 51-9-305, 51-9-306, or 51-9-307, or Subsection 59-5-202(5), a tax
imposed and collected under Section 59-5-202 shall be paid to the commission, promptly remitted to
the state treasurer, and credited to the General Fund.

536 (3) The Division of Finance shall transfer above-trend revenue up to \$20,000,000 from the General
Fund into the Critical Minerals Development Account, created in Section 79-10-701, each year
beginning in the fiscal year beginning July 1, 2026.

566 Section 5. Section **79-2-201** is amended to read:

567 **79-2-201. Department of Natural Resources created.**

542 (1) There is created the Department of Natural Resources.

543 (2) The department comprises the following:

544 (a) Board of Water Resources, created in Section 73-10-1.5;

545 (b) Board of Oil, Gas, and Mining, created in Section 40-6-4;

546 (c) Office of Energy Development, created in Section 79-6-401;

547 (d) Wildlife Board, created in Section 23A-2-301;

548 (e) Board of the Utah Geological Survey, created in Section 79-3-301;

549 (f) Water Development Coordinating Council, created in Section 73-10c-3;

550 (g) Division of Water Rights, created in Section 73-2-1.1;

551 (h) Division of Water Resources, created in Section 73-10-18;

552 (i) Division of Forestry, Fire, and State Lands, created in Section 65A-1-4;

553 (j) Division of Oil, Gas, and Mining, created in Section 40-6-15;

554 (k) Division of State Parks, created in Section 79-4-201;

555 (l) Division of Outdoor Recreation, created in Section 79-7-201;

556 (m) Division of Wildlife Resources, created in Section 23A-2-201;

557 (n) Utah Geological Survey, created in Section 79-3-201;

558 (o) Utah Outdoor Recreation Infrastructure Advisory Committee, created in Section 79-7-206;

560 (p)

(i) an advisory council that includes in the advisory council's duties advising on state boating policy,
authorized by Section 73-18-3.5; or

562

SB0254 compared with SB0254S01

- (ii) an advisory council that includes in the advisory council's duties advising on off-highway vehicle use, authorized by Section 41-22-10;
- 564 (q) Wildlife Board Nominating Committee, created in Section 23A-2-302;
- 565 (r) Wildlife Regional Advisory Councils, created in Section 23A-2-303;
- 566 (s) Utah Watersheds Council, created in Section 73-10g-304;
- 567 (t) Public Lands Policy Coordinating Office created in Section 63L-11-201;[-and]
- 568 (u) the Great Salt Lake commissioner, appointed under Section 73-32-201, and the Office of the Great Salt Lake Commissioner, created in Section 73-32-301[-] ; and
- 570 (v) the Critical Minerals Council, created in Section 79-10-301.

598 Section 6. Section 6 is enacted to read:

601 **79-10-101. Definitions.**

10. Critical Minerals Strategic Act

1. General Provisions

As used in this chapter:

- 576 (1) "Atlas" means a depository of geological data maintained in accordance with Part 5, Critical Minerals Atlas.
- 578 (2) "Center" means the Minerals for Industrial, National, and Economic Security Center created in accordance with Part 6, Minerals for Industrial, National, and Economic Security Center.
- 581 (3) "Council" means the Critical Minerals Council created in Section 79-10-301.
- 582 (4) "Critical mineral" means a mineral identified by the United States Geological Survey or the council as essential to the economic security of the state or national security.
- 584 (5) "Critical minerals zone" means a critical minerals zone designated by the council under Part 4, Critical Minerals Zone.
- 586 (6) "Permit" means one of the following issued by a state agency:
- 587 (a) a permit;
- 588 (b) a plan;
- 589 (c) a license;
- 590 (d) an approval order; or
- 591 (e) another administrative authorization.

619 Section 7. Section 7 is enacted to read:

621 **79-10-201. State critical mineral objectives and policy.**

SB0254 compared with SB0254S01

2. State Critical Minerals Objectives and Policy

- 595 (1) The state's long-term objectives related to critical minerals are:
596 (a) to capture 20% to 25% of United States domestic critical minerals demand;
597 (b) to process within the state 50% of the critical minerals extracted from within the state;
599 (c) to reduce average permitting timelines to less than 18 months;
600 (d) to establish and build out the Minerals for Industrial, National, and Economic Security Center, as
provided in Part 6, Minerals for Industrial, National, and Economic Security Center; and
603 (e) to secure federal designation of an entity within the state as a United States critical minerals national
laboratory.
- 605 (2) The state's policy related to critical minerals is to:
606 (a) pursue market-based solutions while using public policy to accelerate market performance;
608 (b) foster the long-term viability of extraction and processing operations;
609 (c) foster the long-term health of marketplaces to ensure private parties can invest confidently in the
critical minerals industry;
611 (d) maximize resources available across the state, including natural, talent, processing, financial, and
technological resources;
613 (e) leverage the Utah System of Higher Education, including technical colleges, to create a specialized
talent pipeline for mining, geology, and processing;
615 (f) create a positive regulatory framework, including streamlined permitting for critical minerals
processes;
617 (g) create intrastate, interstate, and federal partnerships that leverage available resources for state,
regional, and national benefit;
619 (h) accelerate development of critical minerals zones; and
620 (i) support applied research partnerships between higher education, industry, and the state that support
commercialization.
- 622 (3) State agencies, academia, and industry are encouraged to conduct activities consistent with
Subsections (1) and (2).
- 624 (4) This section does not create a cause of action against the state's or a state agency's action that is
inconsistent with Subsections (1) and (2) and does not waive governmental immunity under Title
63G, Chapter 7, Governmental Immunity Act of Utah.
- 654 Section 8. Section 8 is enacted to read:

SB0254 compared with SB0254S01

- 655 **79-10-202. Legislative review of objectives and policy.**
The Natural Resources, Agriculture, and Environment Interim Committee shall annually review the state's critical mineral objectives and policy under Section 79-10-201 and propose any changes to the Legislature.
- 659 Section 9. Section 9 is enacted to read:
- 661 **79-10-301. Critical Minerals Council created.**
3. Critical Minerals Coordinating Council
- 635 (1) There is created within the Department of Natural Resources a mixed purpose board known as the "Critical Minerals Council."
- 637 (2) The council consists of the following 11 members:
- 638 (a) the director of the Office of Energy Development, or the director's designee;
- 639 (b) the director of the Division of Oil, Gas, and Mining, or the director's designee;
- 640 (c) one of the following appointed by the governor:
- 641 (i) the executive director of the Governor's Office of Economic Opportunity; or
- 642 (ii) the executive director of the Nucleus Institute, created in Section 53H-16-202;
- 643 (d) a member of the House of Representatives, appointed by the speaker of the House of Representatives;
- 645 (e) a member of the Senate, appointed by the president of the Senate;
- 646 (f) the president of the University of Utah, or the president's designee;
- 647 (g) { a representative from } **the president of** an association representing **{ the } Utah's** mining industry, **including hardrock operators, industrial mineral operators, coal operators, mineral processing operations, and mining services companies,** appointed by the governor;
- 649 (h) a representative from an organization designed to create jobs in Utah by expanding international sales, attracting foreign investment, and facilitating international partnerships, appointed by the governor;
- 652 (i) a representative from a state land use authority, as defined in Section 79-10-401, appointed by the governor; and
- 654 (j) two at-large members **{ representing } who represent** a relevant industry **{ or } , represent a state research center, or have expertise in environmental regulation,** appointed by the members of the council described in Subsections (2)(a) through (i).
- 656 (3)

SB0254 compared with SB0254S01

(a)

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

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

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

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

662 (ii) the individual appointed under Subsection (1)(c).

663 (4)

(a) The majority of the members constitutes a quorum of the council.

664 (b) The majority vote of the members present when a quorum is present constitutes action of the council.

666 (5) The council shall meet:

667 (a) at the time and place designated by the chairs; and

668 (b) no less than once every month or as frequently as the council determines.

669 (6)

(a) A member appointed under Subsections (2)(g) through (j) shall serve a term of four years.

671 (b) The appointing authority may appoint an individual to a position under Subsections (2)(g) through (j) to more than one term.

673 (c) Notwithstanding Subsection (6)(a), the council shall, at the time of appointment or reappointment, adjust the length of terms to ensure that the terms of the members appointed under Subsections (2)(g) through (j) are staggered so that approximately half of the members appointed under Subsections (2)(g) through (j) are appointed every two years.

678 (7)

(a) A vacancy that occurs on the council for any reason shall be filled in the same manner as the original appointment.

680 (b) If an at-large representative vacates the position, the council shall appoint a new member for the unexpired term of the vacated member.

682 (8) A member may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses in accordance with:

684 (a) Section 63A-3-106;

SB0254 compared with SB0254S01

- 685 (b) Section 63A-3-107; and
- 686 (c) rules made by the Division of Finance in accordance with Sections 63A-3-106 and 63A-3-107.
- 688 (9)
- (a) A council member who has, will have, or later acquires an interest, direct or indirect, in a transaction with the council shall immediately disclose the nature and extent of that interest in writing to the council as soon as the council member has knowledge of the actual or prospective interest.
- 692 (b) The council shall enter a disclosure described in this Subsection (9) upon the minutes of the council.
- 694 (c) Upon disclosure, that council member may participate in an action by the council authorizing the transaction.
- 696 (10) The Department of Natural Resources shall provide staff support to the council.
- 726 Section 10. Section 10 is enacted to read:
- 727 **79-10-302. Powers and duties of the council.**
- 699 (1) The council shall:
- 700 (a) develop a strategic plan to prioritize activities and projects related to the exploration, development, production, and processing of critical minerals in the state consistent with the state's critical minerals objectives and policy as outlined in Section 79-10-201;
- 704 (b) ensure that efforts among Utah public, private, and academic partners regarding critical minerals are coordinated efficiently and effectively;
- 706 (c) act as a clearinghouse for information related to federal, state, or local grants and determine whether a grant application is consistent with the strategic plan developed under Subsection (1)(a);
- 709 (d) investigate and participate in studies of problems unique to the exploration, development, production, and processing of critical minerals in the state;
- 711 (e) oversee the development of the center in accordance with Part 6, Minerals for Industrial, National, and Economic Security Center;
- 713 (f) take actions consistent with this chapter to promote, protect, and stabilize the critical minerals industry;
- 715 (g) cooperate with local, state, or national organizations engaged in activities similar to those of the council;
- 717 (h) partner with other western states for the development of critical minerals mining and processing capabilities;
- 719 (i) accept grants, donations, or gifts for use consistent with this chapter;

SB0254 compared with SB0254S01

- 720 (j) catalyze critical minerals extraction and processing for industries in the state;
- 721 (k) accelerate development of critical minerals zones in the state for extraction and processing of critical
minerals; {and}
- 752 (l) identify transportation and logistics needs and strategic investments to facilitate high-capacity,
efficient handling of critical minerals; and
- 723 (l){(m)} advise the Legislature about the need, if any, for legislative action.
- 724 (2) The council may enter into agreements necessary to fulfill the council's duties.
- 725 (3) The council may make rules, in accordance with Title 63G, Chapter 3, Utah Administrative
Rulemaking Act, creating a dispute resolution process to resolve conflicts between agencies or
private entities represented by a member of the council.
- 728 (4)
- (a) The council may organize standing or ad hoc committees that operate in accordance with guidelines
established by the council, regarding specific state and industry needs related to critical minerals
development, including:
- 731 (i) education and workforce needs;
- 732 (ii) research and commercialization;
- 733 (iii) entrepreneurship and investment;
- 765 (iv) aerospace and defense requirements;
- 734 (iv){(v)} logistics and infrastructure;
- 735 (v){(vi)} international trade; or
- 736 (vi){(vii)} other needs related to critical minerals development.
- 737 (b) The council may appoint a member of a standing or ad hoc committee that is not a member of the
council.
- 739 (5)
- (a) The council shall report annually by no later than October 1 to the Natural Resources, Agriculture,
and Environment Interim Committee.
- 741 (b) The report required by this Subsection (5) shall include information regarding:
- 742 (i) the state's progress towards the objectives described in Subsection 79-10-201(1);
- 743 (ii) critical minerals zones as required by Section 79-10-402;
- 744 (iii) the state's progress towards development of the center, including the center's activities and fiscal
needs; and

SB0254 compared with SB0254S01

746 (iv) the Critical Minerals Development Account required by Section 79-10-701.

747 (6) Notwithstanding the other provisions of this chapter, the council may not:

748 (a) interfere or impair with the statutory authority of a state agency to issue a permit; or

749 (b) vote on an individual permit.

782 Section 11. Section 11 is enacted to read:

783 **79-10-303. Areas for coordination.**

752 (1) Council members are designated as area leads as provided in this section. In conducting the council's business, the council may assign a council member who is an area lead to coordinate on an issue within the council member's area.

755 (2) The council shall ensure:

756 (a) the coordination of state policy with federal policy; and

757 (b) the development of infrastructure within the state related to critical minerals.

790 (3)

758 (3){(a)} The director of the Division of Oil, Gas, and Mining, or the director's designee, shall address regulation and permitting and coordinate with state agencies related to {permitting and information gathering for extraction or reclamation projects, including coordinating with the Department of Environmental Quality and the Utah Geological Survey.} :

792 (i) permitting for extraction or reclamation projects; and

793 (ii) information gathering for extraction or reclamation projects.

794 (b) In coordinating under this Subsection (3), the director of the Division of Oil, Gas, and Mining, or the director's designee, shall at a minimum coordinate with:

796 (i) the Department of Environmental Quality; and

797 (ii) the Utah Geological Survey.

763 (4)

(a) The council member appointed under Subsection 79-10-301(2)(c) shall address incentives and critical minerals zones and coordinate:

765 (i) implementation of state tax incentives;

766 (ii) domestic recruitment;

767 (iii) foreign investment; {and}

768 (iv) accessing federal appropriations and other federal funding sources{-} ; and

804 (v) defense or national security requirements.

SB0254 compared with SB0254S01

- 769 (b) In coordinating under this Subsection (4), the council member appointed under Subsection
770 79-10-301(2)(c) shall at a minimum coordinate with:
- 771 (i) the council member appointed under Subsection 79-10-301(2)(h); and
772 (ii) public and private entities that may act as a liaison with federal agencies that may provide funding
773 for critical minerals.
- 774 (5)
- 775 (a) The council member representing the University of Utah shall coordinate issues related to
776 innovation including:
- 777 (i) workforce training and talent pipelines;
778 (ii) pilot technology testing;
779 (iii) research and development; and
780 (iv) industry concerns.
- 781 (b) In coordinating under this Subsection (5), the council member representing the University of Utah
782 shall at a minimum coordinate with:
- 783 (i) the center;
784 (ii) other institutions of higher education, including Utah State University; {and}
785 (iii) an association representing Utah's mining industry, including hardrock operators, industrial mineral
786 operators, coal operators, mineral processing operations, and mining services companies; and
787 (iii){(iv)} {an association representing} the {mining-} aerospace and defense industry.
- 788 Section 12. Section 12 is enacted to read:
- 789 **79-10-401. Definitions.**
- 790 4. Critical Minerals Zone
- 791 As used in this part:
- 792 (1) "Base taxable value" means the value of property within a critical minerals zone, as shown on the
793 assessment roll last equalized before the creation of the critical minerals zone.
- 794 (2) "Community reinvestment agency" means the same as that term is defined in Section 17C-1-102.
- 795 (3) "Community reinvestment project area" means a project area under a community reinvestment
796 project area plan as defined in Section 17C-1-102.
- 797 (4) "Property tax differential" means the difference between:
- 798 (a) the amount of property tax revenues generated each tax year by all taxing entities from a critical
799 minerals zone, using the current assessed value of the property; and

SB0254 compared with SB0254S01

- 799 (b) the amount of property tax revenues that would be generated from that same area using the base
taxable value of the property.
- 801 (5) "Property tax differential revenue" means revenue generated based on the property tax differential.
- 803 (6) "State land use authority" means:
- 804 (a) the Utah Inland Port Authority created in Section 11-58-201;
- 805 (b) the Military Installation Development Authority created in Section 63H-1-201;
- 806 (c) the School and Institutional Trust Lands Administration created in Section 53C-1-201; or
- 808 (d) any other land use authority created by the state that has jurisdiction over state lands.
- 848 Section 13. Section 13 is enacted to read:
- 849 **79-10-402. Council responsibilities and powers.**
- 811 (1) The council shall:
- 812 (a) establish and implement:
- 813 (i) processes for designating critical minerals zones; and
- 814 (ii) criteria for evaluating proposed critical minerals zones;
- 815 (b) consult with state land use authorities regarding:
- 816 (i) identification of state lands suitable for critical minerals extraction or processing;
- 817 (ii) designation of critical minerals zones; and
- 818 (iii) opportunities for coordinated development of extraction or processing projects on state lands;
- 820 (c) assess and address potential public health impacts of critical minerals zones;
- 821 (d) report annually by October 1 to the Natural Resources, Agriculture, and Environment Interim
Committee regarding:
- 823 (i) infrastructure needs related to extraction and processing of critical minerals;
- 824 (ii) the status of designated critical minerals zones; and
- 825 (iii) recommendations for how the property tax differential revenue collected under this section should
be divided and distributed between the state, counties, and municipalities; and
- 828 (e) negotiate with the applicable county or municipality regarding the distribution of property tax
differential revenue.
- 830 (2) The council may enter agreements with state land use authorities to address the implementation of
critical minerals zones and the administration of property tax differential revenue.

872 Section 14. Section 14 is enacted to read:

873 **79-10-403. Critical minerals zones designated.**

SB0254 compared with SB0254S01

- 835 (1)
- (a) Except as provided in Subsection (1)(b), a county or municipality may not offer financial incentives for a critical minerals extraction or processing project that is not located within a designated critical minerals zone.
- 838 (b) Subsection (1)(a) does not apply to a critical minerals extraction or processing project for which a project area plan has been approved before May 6, 2026.
- 840 (2) A county or municipality may:
- 841 (a) pass a resolution declaring an intent to establish within the county or municipality boundaries a critical minerals zone;
- 843 (b) enter into an interlocal agreement with the council outlining each parties' responsibilities relating to a critical minerals zone; and
- 845 (c) apply to the council for the designation of a critical minerals zone by submitting:
- 846 (i) a description of the proposed boundaries of the critical minerals zone;
- 847 (ii) an assessment of existing critical minerals extraction or processing infrastructure within and proximate to the proposed critical minerals zone;
- 849 (iii) a development plan that includes:
- 850 (A) proposed critical minerals extraction or processing projects;
- 851 (B) anticipated infrastructure improvements;
- 852 (C) projected economic benefits to the county; and
- 853 (D) evidence of local support including any interlocal agreement entered into between the county or municipality and the council, as applicable;
- 855 (iv) if the applicant is a municipality, evidence of coordination with the county in which the proposed critical minerals zone is located, including any interlocal agreement entered into between the county or municipality and the council, as applicable;
- 859 (v) if the applicant is a county and any portion of the proposed critical minerals zone is within the boundaries of a municipality, evidence of an agreement with the municipality regarding the establishment of the critical minerals zone; and
- 862 (vi) any other information required by the council.
- 863 (3) A state land use authority may:
- 864 (a) propose a critical minerals zone within lands under the state land use authority's jurisdiction; and
- 866 (b) apply to the council for the designation of a critical minerals zone by submitting:

SB0254 compared with SB0254S01

- 867 (i) a description of the proposed boundaries of the critical minerals zone;
868 (ii) an assessment of existing critical minerals extraction or processing infrastructure within and proximate to the proposed critical minerals zone;
870 (iii) a development plan that includes:
871 (A) proposed critical minerals extraction or processing projects;
872 (B) anticipated infrastructure improvements; and
873 (C) projected economic benefits;
874 (iv) evidence that the proposed critical minerals zone is consistent with applicable land use plans and regulations; and
876 (v) any other information required by the council.
- 877 (4) The council shall:
878 (a) approve an application for a critical minerals zone designation if the application demonstrates:
880 (i) the proposed critical minerals zone includes land suitable for critical minerals extraction or processing development based on:
882 (A) adequate transportation access; and
883 (B) sufficient land area for proposed development; and
884 (ii) the critical minerals zone plan:
885 (A) aligns with state critical minerals objectives and policy under Section 79-10-201;
887 (B) includes realistic timelines and milestones;
888 (C) identifies specific infrastructure improvements; and
889 (D) quantifies projected economic benefits;
890 (b) make a determination on an application within 60 days of submission;
891 (c) provide written notice to the applicant explaining the basis for approval or denial;
892 (d) if a critical minerals zone overlaps with an area designated by a community reinvestment agency as a community reinvestment project area as of May 6, 2026, enter into an agreement with the community reinvestment agency to determine the percentage division of the property tax differential between:
896 (i) the Critical Minerals Development Account; and
897 (ii) the community reinvestment agency; and
898

SB0254 compared with SB0254S01

(e) if a critical minerals zone overlaps with a project area of a state land use authority, enter into an agreement with the state land use authority to determine the percentage division of the property tax differential between:

901 (i) the Critical Minerals Development Account; and

902 (ii) the state land use authority.

903 (5) Within 30 days after the council designates a critical minerals zone:

904 (a) the county auditor shall certify to the council the base taxable value of property within the critical minerals zone; and

906 (b) the county shall transmit to the council copies of the property tax assessment rolls for the property within the critical minerals zone.

908 (6)

(a) Each year, the county auditor shall:

909 (i) determine the amount of the property tax differential for the critical minerals zone by comparing:

911 (A) the current assessed value of property within the critical minerals zone; and

912 (B) the base taxable value of property within the critical minerals zone;

913 (ii) inform the county treasurer of the property tax differential amount; and

914 (iii) provide notice to the council of the amount calculated under this Subsection (6)(a).

916 (b) The county treasurer shall transfer the property tax differential to the council for deposit into the Critical Minerals Development Account created in Section 79-10-701, subject to any agreements entered into under Subsections (4)(d) and (4)(e).

919 (c) The county treasurer shall make a distribution required under this section:

920 (i) at the same time as regular annual property tax distributions; and

921 (ii) using the same method as other property tax distributions.

922 (d) For property tax differential not subject to Subsection (4)(d) or (4)(e), the council may enter into agreements with taxing entities regarding the allocation of the property tax differential.

964 Section 15. Section **15** is enacted to read:

966 **79-10-501. Critical Minerals Atlas created -- Processes to be developed.**

5. Critical Minerals Atlas

929 (1)

SB0254 compared with SB0254S01

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

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

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

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

937 (B) other government agencies;

938 (C) academia; and

939 (D) private entities; and

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

941 (2)

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

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

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

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

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

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

993 Section 16. Section **16** is enacted to read:

995 **79-10-601. Minerals for Industrial, National, and Economic Security Center process for**
creation -- Governance.

6. Minerals for Industrial, National, and Economic Security Center

958 (1) There is created under the general supervision of the council a center known as the "Minerals for
Industrial, National, and Economic Security Center," to serve the objectives described in Section
79-10-602.

SB0254 compared with SB0254S01

- 961 (2) The council shall create a plan and budget for the center that address:
962 (a) the governance of the center;
963 (b) the operations of the center;
964 (c) how the creation and activities of the center are to be funded; and
965 (d) other issues the council determines are relevant to the governance and operations of the center.
967 (3) The council shall report the council's development of a plan and budget under this section to:
969 (a) the Executive Appropriations Committee by no later than the 2026 September meeting of the
Executive Appropriations Committee; and
971 (b) the Natural Resources, Agriculture, and Environment Interim Committee by no later than the
2026 October interim meeting of the Natural Resources, Agriculture, and Environment Interim
Committee.

1013 Section 17. Section 17 is enacted to read:

1014 **79-10-602. Center objectives.**

The center shall:

- 977 (1) serve as the state's primary partner for issues related to developing critical mineral extraction and
processing from research to commercialization, including:
979 (a) workforce training;
980 (b) the testing and piloting of technology;
981 (c) federal grant coordination; and
982 (d) development of processing capacity;
983 (2) coordinate the center's operations with the strategic plan established by the council in accordance
with Subsection 79-10-302(1);
985 (3) partner with industry and academia to:
986 (a) develop processing and separation processes;
987 (b) provide technology benchmarking and performance validation;
988 (c) provide pilot-scale demonstrations and scale-up;
989 (d) integrate physical, chemical, electrochemical, and thermal processing; and
990 (e) provide for autonomous sampling and real-time analysis; and
991 (4) lay groundwork for securing federal designation of an entity within the state as a United States
critical minerals national laboratory.

1032 Section 18. Section 18 is enacted to read:

SB0254 compared with SB0254S01

- 1034 **79-10-701. Critical Minerals Development Account.**
7. Fiscal Matters
- 996 (1) There is created within the General Fund a restricted account known as the "Critical Minerals
Development Account."
- 998 (2) Subject to appropriation, the council shall administer the Critical Minerals Development Account
for the purposes described in Subsection (5).
- 1000 (3) The Critical Minerals Development Account consists of:
- 1001 (a) {~~revenue deposited into~~} ~~money credited to~~ the Critical Minerals Development Account under
Section {~~59-5-215~~} ~~51-9-305~~;
- 1003 (b) revenue deposited into the Critical Minerals Development Account under Section 79-10-403;
- 1005 (c) money appropriated by the Legislature;
- 1006 (d) federal money;
- 1007 (e) donations or grants from public or private entities; and
- 1008 (f) interest and other earnings earned on money in the Critical Minerals Development Account.
- 1010 (4)
- (a) The Critical Minerals Development Account shall earn interest.
- 1011 (b) The state treasurer shall invest account money in accordance with Title 51, Chapter 7, State Money
Management Act, and credit the interest and earnings from the investments to the Critical Minerals
Development Account.
- 1014 (5) Subject to appropriation, the council may use fund money to:
- 1015 (a) pay the costs of administering this chapter;
- 1016 (b) fund the operations of the center in accordance with the plan and budget developed by the council in
accordance with Section 79-10-601;
- 1018 (c) facilitate critical minerals extraction and processing infrastructure development within the state,
including funding research, site selection, permitting, public outreach, and other activities related to
the development of critical minerals extraction or processing infrastructure;
- 1022 (d) provide matching funds for federal critical minerals grants;
- 1023 (e) support critical minerals workforce development programs; and
- 1024 (f) provide incentives for critical minerals extraction or processing projects.
- 1025 (6) The council shall include a report of how money from the Critical Minerals Development Account
was used in the annual report described in Section 79-10-302.

SB0254 compared with SB0254S01

1066 Section . **FY 2027 Appropriations.**

1067 The following sums of money are appropriated for the fiscal year beginning July 1,
1068 2026, and ending June 30, 2027. These are additions to amounts previously appropriated for
1069 fiscal year 2027.

1070 Subsection 19(a). **Operating and Capital Budgets**

1071 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the
1072 Legislature appropriates the following sums of money from the funds or accounts indicated for
1073 the use and support of the government of the state of Utah.

1074 To Department of Natural Resources - Critical Minerals Council

1075 1,000,000

1076 10,000,000

1077 Schedule of Programs:

1078 11,000,000

1079 Subsection 19(b). **Restricted Fund and Account Transfers**

1080 The Legislature authorizes the State Division of Finance to transfer the following
1081 amounts between the following funds or accounts as indicated. Expenditures and outlays from
1082 the funds to which the money is transferred must be authorized by an appropriation.

1083 To Critical Minerals Development Account

1084 10,000,000

1086 Schedule of Programs:

1087 10,000,000

1088 Section 20. **Effective date.**

Effective Date.

This bill takes effect on May 6, 2026.

1090 Section 21. **Coordinating S.B. 254 with H.B. 373.**

If S.B. 254, Critical Minerals Amendments, and H.B. 373, Higher Education

Innovation, both pass and become law, the Legislature intends that, on July 1, 2026:

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

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

SB0254 compared with SB0254S01

Subsection 79-10-302(1);"; and

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

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

2-18-26 2:58 PM