

HB0514S01 compared with HB0514

~~{Omitted text}~~ shows text that was in HB0514 but was omitted in HB0514S01

inserted text shows text that was not in HB0514 but was inserted into HB0514S01

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1

Utah Energy Council Amendments
2026 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: R. Neil Walter
Senate Sponsor:



2

3 **LONG TITLE**

4 **General Description:**

5 This bill creates the Utah Energy Infrastructure Service District and modifies provisions relating to the Utah Energy Council.

7 **Highlighted Provisions:**

8 This bill:

- 8 ▶ defines terms;
- 9 ▶ expands the Utah Energy Council (council) membership from five to seven members;
- 10 ▶ establishes a co-chair structure for council leadership;
- 12 ▶ designates the council as a state energy financing institution;
- 13 ▶ creates the Utah Energy Infrastructure Service District (district) as a political subdivision of the state;
- 15 ▶ provides that council members serve concurrently as the board of trustees of the district;
- 11 ▶ authorizes the ~~{council to issue bonds}~~ district to ~~{finance electrical}~~ acquire, own, and operate energy infrastructure ~~{projects}~~ facilities within designated ~~{energy development zones}~~ service areas;
- 13 ▶

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~~{ requires consultation with the State Bonding Commission and the state treasurer before issuing bonds; }~~

- 15 ▶ ~~{ provides that }~~ authorizes the district to issue revenue bonds ~~{ are }~~ payable solely from ~~{ project~~
16 } district revenues and ~~{ are }~~ not subject to the state ~~{ obligations; and }~~ constitutional debt limitation;
- 20 ▶ creates the Energy Infrastructure Revenue Fund;
- 17 ▶ authorizes the ~~{ council }~~ district to ~~{ charge administrative fees for bond issuance. }~~ enter into
18 operating contracts with private operators for district-owned facilities;
- 23 ▶ exempts district property from taxation and subjects operators to the privilege tax;
- 24 ▶ provides for dissolution of the district by the board or by an act of the Legislature; and
- 25 ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

27 None

Other Special Clauses:

29 None

Utah Code Sections Affected:

AMENDS:

32 **79-6-1101** , as enacted by Laws of Utah 2025, Chapter 120

33 **79-6-1102** , as enacted by Laws of Utah 2025, Chapter 120

34 **79-6-1103** , as enacted by Laws of Utah 2025, Chapter 375

35 **79-6-1104** , as enacted by Laws of Utah 2025, Chapter 375

ENACTS:

37 **17B-2a-1401** , Utah Code Annotated 1953

38 **17B-2a-1402** , Utah Code Annotated 1953

39 **17B-2a-1403** , Utah Code Annotated 1953

40 **17B-2a-1404** , Utah Code Annotated 1953

41 **17B-2a-1405** , Utah Code Annotated 1953

42 **17B-2a-1406** , Utah Code Annotated 1953

43 **17B-2a-1407** , Utah Code Annotated 1953

44 **17B-2a-1408** , Utah Code Annotated 1953

45 **17B-2a-1409** , Utah Code Annotated 1953

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46 **17B-2a-1410 , Utah Code Annotated 1953**

47 **17B-2a-1411 , Utah Code Annotated 1953**

27 **{79-6-1108 , Utah Code Annotated 1953}**

48

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

50 Section 1. Section 1 is enacted to read:

51 **17B-2a-1401. Definitions.**

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

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

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

56 (4) "Electrical Energy Development Investment Fund" means the fund created under Section 79-6-1105.

58 (5) "Electrical energy development zone" means the same as that term is defined in Section 79-6-102.

60 (6) "Energy infrastructure facility" means any real or personal property, including land, structures, equipment, water rights, transmission lines, generation assets, storage facilities, and associated improvements, used or useful for the generation, transmission, storage, or delivery of energy, including electricity and natural gas.

64 (7) "Operating contract" means a contract between the district and an operator for the management, operation, and maintenance of an energy infrastructure facility owned by the district.

67 (8) "Operator" means an entity that enters into an operating contract with the district.

68 (9) "Power purchase agreement" means a contract for the sale of electricity or other energy produced by or transmitted through an energy infrastructure facility controlled or owned by the district.

71 (10) "Revenue fund" means the Energy Infrastructure Revenue Fund created under Section 17B-2a-1408.

73 (11) "Service area" means a geographic area designated by the board under Section 17B-2a-1405 within which the district owns or proposes to facilitate the acquisition or construction of an energy infrastructure facility.

76 Section 2. Section 2 is enacted to read:

77 **17B-2a-1402. Applicability and conflict.**

78 (1) The district is governed by and has the powers stated in:

79 (a) this part; and

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- 80 (b) Chapter 1, Provisions Applicable to All Special Districts, except as otherwise provided in this part.
82 (2) This part applies only to the district.
83 (3) The district is not subject to the provisions of any other part of this chapter.
84 (4) If there is a conflict between a provision in Chapter 1, Provisions Applicable to All Special Districts,
and a provision in this part, the provisions in this part govern.

86 Section 3. Section 3 is enacted to read:

87 **17B-2a-1403. Creation and status.**

88 (1) The council may create the Utah Energy Infrastructure Service District by adopting a resolution that:

90 (a) declares the council's intent to create the district;

91 (b) describes the initial service area, including the geographic boundaries of the area within which the
district will initially operate; and

93 (c) identifies the type of energy infrastructure facility proposed or located within the initial service area.

95 (2) No later than 30 days after adopting a resolution under Subsection (1), the council shall file with the
lieutenant governor:

97 (a) a copy of a notice of an impending boundary action, as defined in Section 67-1a-6.5, that meets the
requirements of Section 67-1a-6.5; and

99 (b) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5, depicting the initial
service area boundary.

101 (3) The district is created and exists as a legal entity upon the lieutenant governor's issuance of a
certificate of incorporation under Section 67-1a-6.5.

103 (4) Upon creation, the district:

104 (a) is a body politic and corporate with perpetual succession;

105 (b) is a political subdivision of the state;

106 (c) is separate and distinct from the state and from any other political subdivision of the state; and

108 (d) may sue and be sued.

109 (5) The debts, obligations, and liabilities of the district:

110 (a) are the debts, obligations, and liabilities of the district alone; and

111 (b) are not the debts, obligations, or liabilities of the state or any other political subdivision of the state.

113 (6) Notwithstanding Chapter 1, Part 2, Creation of a Special District, the district:

114 (a) may only be created as provided in this section; and

115 (b) is not subject to the petition and creation requirements of Sections 17B-1-203 through 17B-1-214.

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117 (7) Following the issuance of a certificate of incorporation under Subsection (3), the board shall
120 annually register the district with the lieutenant governor in accordance with Section 67-1a-15.

120 Section 4. Section 4 is enacted to read:

121 **17B-2a-1404. Board of trustees.**

122 (1) Notwithstanding Chapter 1, Part 3, Board of Trustees, the board of trustees of the district consists of
124 the members of the council appointed under Section 79-6-1102.

124 (2)

(a) A person serves as a member of the board by virtue of that person's appointment to the council.

126 (b) Service on the board is concurrent with and coterminous with service on the council.

127 (3) The co-chairs of the council serve as co-chairs of the board.

128 (4) A vacancy on the board is filled in the same manner as a vacancy on the council under Section
79-6-1102.

130 (5) The board shall adopt bylaws governing the conduct of board meetings, quorum requirements, and
other procedural matters consistent with this part and Chapter 1.

132 (6)

(a) When acting in the capacity of a board member, a council member's fiduciary obligation runs to the
district.

134 (b) Nothing in this section limits a council member's obligations to the council when acting in the
capacity of a council member.

136 Section 5. Section 5 is enacted to read:

137 **17B-2a-1405. Service areas.**

138 (1) The district's service area consists of the initial service area established at creation under Section
17B-2a-1403 and any additional service areas annexed under this section.

140 (2) Notwithstanding any provision of Chapter 1, Provisions Applicable to All Special Districts,
requiring a contiguous service area, the district's service area may be non-contiguous and cross
county boundaries.

143 (3) The board may annex a new service area to the district by adopting a resolution that:

144 (a) describes the geographic boundaries of the proposed service area;

145 (b) identifies the type of energy infrastructure facility proposed or located within the proposed service
area; and

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(c) where a corresponding electrical energy development zone exists or is proposed under Section 79-6-1104, describes the relationship between the proposed service area and the zone.

150 (4) No later than 30 days after adopting a resolution under Subsection (3), the board shall file with the lieutenant governor:

152 (a) a copy of a notice of an impending boundary action, as defined in Section 67-1a-6.5, that meets the requirements of Section 67-1a-6.5; and

154 (b) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5, depicting the boundaries of the proposed service area.

156 (5) A service area is annexed to the district upon the lieutenant governor's issuance of a certificate of annexation under Section 67-1a-6.5.

158 (6) Following the lieutenant governor's issuance of a certificate of annexation, the board shall submit to the recorder of each county in which the service area is located:

160 (a) the original notice of an impending boundary action;

161 (b) the original certificate of annexation; and

162 (c) the original approved final local entity plat.

163 (7) The board may amend the boundaries of an existing service area by following the same process as annexation under Subsections (3) through (6).

165 (8) The district may own and operate energy infrastructure facilities only within a designated service area.

167 (9) The annexation of an unincorporated area by a municipality or the adjustment of a boundary shared by more than one municipality does not affect the boundaries of a district.

170 Section 6. Section 6 is enacted to read:

171 **17B-2a-1406. Powers of the district.**

172 (1) Notwithstanding Subsection 17B-1-103(4) and Section 17B-1-202, and in addition to the powers conferred on a special district under Section 17B-1-103, the district may:

174 (a) acquire by purchase, construction, gift, or any combination of these methods, and own, operate, maintain, improve, and dispose of energy infrastructure facilities within a designated service area;

177 (b) enter into operating contracts with operators for the management, operation, and maintenance of district-owned energy infrastructure facilities in accordance with Section 17B-2a-1409;

180 (c) enter into power purchase agreements for the sale of electricity or other energy produced by or transmitted through district-owned facilities;

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- 182 (d) issue revenue bonds in accordance with Section 17B-2a-1407 and Chapter 1, Part 11, Special
District Bonds;
- 184 (e) enter into contracts, agreements, and other instruments necessary or convenient to carry out the
purposes of the district;
- 186 (f) acquire water rights, air rights, and other real and personal property rights necessary or convenient to
the ownership or operation of energy infrastructure facilities;
- 188 (g) accept grants, gifts, loans, and other financial assistance from federal, state, and local governmental
entities;
- 190 (h) employ staff and engage financial advisors, engineers, and other professional services necessary to
carry out the purposes of the district;
- 192 (i) impose fees and charges for services provided by the district in accordance with Chapter 1, Part 9,
Collection of Service Fees and Charges;
- 194 (j) impose penalties on an operator for non-compliance with the terms of an operating contract, as
specified in the operating contract; and
- 196 (k) do all other things necessary or convenient to carry out the purposes of this part.
- 197 (2) Before constructing or operating an energy infrastructure facility within the boundaries of a city or
town, the district shall obtain the consent of the local authorities who have control of any street or
highway proposed to be occupied by the facility, in accordance with Utah Constitution, Article XI,
Section 9.

201 Section 7. Section 7 is enacted to read:

202 **17B-2a-1407. Revenue bonds.**

- 203 (1) The district may issue revenue bonds to finance the acquisition, construction, improvement, or
equipping of energy infrastructure facilities within a designated service area.
- 206 (2)
- (a) Revenue bonds issued under this section:
- 207 (i) are limited obligations of the district payable solely from revenues deposited in the revenue fund
described in Section 17B-2a-1408;
- 209 (ii) do not constitute a general obligation or liability of, or a charge against the general credit or
taxing power of, the state or any political subdivision of the state;
- 211 (iii) are not subject to the debt limitations of Utah Constitution, Article XIV; and
- 212 (iv) shall state on the face of each bond the limitation described in Subsection (2)(a)(ii).

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- 214 (b) Notwithstanding the requirements in Subsection (2)(a)(iv), the failure to state on the face on the
bond the limitation described in (2)(a)(ii) does not have any impact on the limited obligation
described in this section.
- 217 (3) The district may pledge to the payment of revenue bonds any legally available revenues of the
district.
- 219 (4) The district may establish reserve funds, debt service funds, and other funds as required by bond
indentures or trust agreements securing revenue bonds issued under this section.
- 221 (5) The district may issue refunding bonds to refund outstanding revenue bonds issued under this
section.
- 223 (6) Notwithstanding Chapter 1, Part 11, Special District Bonds, the district may not issue general
obligation bonds.

225 Section 8. Section 8 is enacted to read:

226 **17B-2a-1408. Energy Infrastructure Revenue Fund.**

- 227 (1) In addition to the requirements of Chapter 1, Part 6, Fiscal Procedures for Special Districts, the
board shall establish and maintain a special revenue fund known as the Energy Infrastructure
Revenue Fund.
- 230 (2) The following shall be deposited into the revenue fund:
- 231 (a) proceeds of revenue bonds issued under Section 17B-2a-1407, pending application to authorized
purposes including a bond project fund to ensure the appropriate use of such proceeds;
- 234 (b) payments received by the district under operating contracts;
- 235 (c) payments received by the district under power purchase agreements; and
- 236 (d) any other revenues received by or pledged to the district.
- 237 (3) Revenues in the revenue fund shall be used solely for the purposes of the district and applied in the
order prescribed by the district and in compliance with any bond contract approved by the district.

240 Section 9. Section 9 is enacted to read:

241 **17B-2a-1409. Operating contracts.**

- 242 (1) The district may enter into operating contracts with operators for the management, operation, and
maintenance of district-owned energy infrastructure facilities.
- 244 (2) An operating contract shall:
- 245 (a) require the operator to manage, operate, and maintain the facility in accordance with applicable law
and prudent industry standards;

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- 247 (b) specify the payments the operator shall make to the district, which shall be structured to cover, at
250 minimum, the district's debt service obligations and operating costs attributable to the facility;
- 251 (c) specify the term of the contract, which may not exceed 40 years;
- 251 (d) provide that upon expiration or termination of the contract full operational control of the facility
253 returns to the district free of any claim of the operator; and
- 253 (e) specify the conditions under which the contract may be terminated by either party.
- 254 (3) An operating contract entered into under this section:
- 254 (a) is a service agreement; and
- 255 (b) does not convey a leasehold interest, ownership interest, or any other property interest in the facility
256 to the operator.
- 258 (4) The district shall require each operator to maintain:
- 259 (a) adequate insurance coverage as determined by the board; and
- 260 (b) where appropriate, performance bonds or other financial security acceptable to the board to protect
262 the district's interests under the operating contract.
- 262 (5) The board shall structure each operating contract to ensure that each operating contract complies
with applicable federal tax law governing qualified management contracts as may be required by a
federally tax-exempt revenue bonds.

265 Section 10. Section 10 is enacted to read:

266 **17B-2a-1410. Property taxes and privilege tax.**

- 267 (1) All property and assets of the district are exempt from taxation as provided in Section 17B-1-116.
- 269 (2) An operator using district-owned facilities is subject to the privilege tax imposed under Title 59,
Chapter 4, Privilege Tax.
- 271 (3) The district may levy a privilege tax within a service area for district operations and maintenance
expenses at a rate not to exceed 0.0023.
- 273 (4) Notwithstanding this section, nothing prohibits the district from agreeing to a payment in lieu of
taxes in the board's sole discretion.

275 Section 11. Section 11 is enacted to read:

276 **17B-2a-1411. Dissolution.**

- 277 (1) The board may adopt a dissolution resolution if:
- 278 (a) the district has ceased operations in all service areas; and
- 279 (b) the district has no outstanding debt or other obligations.

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- 280 (2) The Legislature may dissolve the district by joint resolution.
- 281 (3) Upon dissolution of the district:
- 282 (a) all outstanding revenue bonds shall be defeased or retired in accordance with their terms before
dissolution is effective; and
- 284 (b) all remaining assets of the district shall be transferred to the state.
- 285 Section 12. Section **79-6-1101** is amended to read:
- 286 **79-6-1101. Utah Energy Council -- Creation and purpose.**
- 32 (1) As used in this part:
- 33 (a) "Council" means the Utah Energy Council created in Section 79-6-1101.
- 34 (b) "Decommissioned asset" means a project entity asset that:
- 35 (i) has been removed from active service by a project entity;
- 36 (ii) has been transferred to the council, including:
- 37 (A) transfer of legal title; and
- 38 (B) transfer of operational responsibility; and
- 39 (iii) will be operated and managed under the direction of the council.
- 295 (c) "District" means the Utah Energy Infrastructure Service District created under Section 17B-2a-1403.
- 40 ~~(e)~~ (d) "Operator" means an entity that:
- 41 (i) manages and maintains the daily operations of an electrical generation facility;
- 42 (ii) employs the workforce necessary to run the facility;
- 43 (iii) procures fuel and other necessary supplies;
- 44 (iv) ensures compliance with all applicable regulations; and
- 45 (v) maintains the reliability of power generation.
- 46 ~~(d)~~ (e) "Project entity" means the same as that term is defined in Section 11-13-103.
- 47 ~~(e)~~ (f) "Project entity asset" means the same as that term is defined in Section 11-13-318.
- 48 (f){~~(g)~~} "State energy financing institution" means the same as that term is defined in 10 C.F.R. 609.2.
- 50 (2) There is created within the office the Utah Energy Council.
- 51 (3) The purpose of the council is to facilitate the development of electrical energy generation and
transmission projects within the state, including:
- 53 (a) power plants;
- 54 (b) transmission lines;
- 55 (c) energy storage facilities; and

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56 (d) related infrastructure.

57 (4) The council is a state energy financing institution for purposes of accessing federal programs
available to state energy financing institutions, including programs under 10 C.F.R. Part 609.

317 Section 13. Section **79-6-1102** is amended to read:

318 **79-6-1102. Council composition -- Appointment -- Terms -- Staffing.**

62 (1) The council shall be composed of:

63 (a) the director or the director's designee~~[-, who shall serve as chair of the council];~~

64 (b) two individuals appointed by the governor;

65 (c) one individual appointed by the president of the Senate; ~~[and]~~

66 (d) one individual appointed by the speaker of the House of Representatives~~[-]~~ ;

67 ~~{(e) {the executive director of the Governor's Office of Economic Opportunity or the executive~~
~~director's designee; and}-}~~

69 (f){~~(e)~~ } ~~{one individual jointly}~~ two individuals appointed by the ~~{co-chairs}~~ members described in
~~{Subsection (4)(b) who has}~~ Subsections (1)(a)-(d), each of whom have experience in one or more
of the following:

326 (i) economic development, including support for existing or new industries that are critical to the state;

71 (i){~~(ii)~~} public utilities, including utility operations, management, regulation, or policy;

72 (ii){~~(iii)~~} bonding or public financing, including municipal bond issuance, project finance, or public-
private partnerships; or

74 (iii){~~(iv)~~} relevant legal matters, including energy law, public finance law, utility regulation, or
securities law.

76 (2)

(a) Except as provided in Subsection (2)(b), a council member appointed under Subsection (1):

78 (i) shall serve a four-year term;

79 (ii) may be removed by the appointing authority;

80 (iii) may be reappointed; and

81 (iv) continues to serve until the member's successor is appointed and qualified.

82 (b) Initial terms for the appointed council members shall be staggered as follows:

83 (i) one member appointed by the governor under Subsection (1)(b) shall serve a two-year term;

85 (ii) one member appointed by the governor under Subsection (1)(b) shall serve a three-year term;

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- (iii) the member appointed by the president of the Senate under Subsection (1)(c) shall serve a four-year term; and
- 89 (iv) the member appointed by the speaker of the House of Representatives under Subsection (1)(d) shall serve a two-year term.
- 91 (c) A member appointed under Subsection ~~{(1)(f)}~~ (1)(e) may be removed by ~~{joint action}~~ majority vote of the ~~{co-chairs}~~ council members appointed under Subsections (1)(a) through (1)(d).
- 93 (3) When a vacancy occurs in the membership for any reason, the replacement shall be appointed by the relevant appointing authority for the unexpired term.
- 95 (4)
- (a) Until July 1, 2026, the director, or the director's designee, shall serve as chair of the council.
- 97 (b) Beginning on July 1, 2026:
- 98 (i) the director, or the director's designee, shall serve as a co-chair of the council; and
- 99 (ii) the president of the Senate and the speaker of the House of Representatives shall jointly designate one member of the council described in Subsections (1)(b) through ~~{(f)}~~ (1)(e) to serve as a co-chair of the council.
- 102 (c) The co-chair designated under Subsection (4)(b)(ii){:} may be removed as co-chair and replaced by joint designation of the president of the Senate and the speaker of the House of Representatives.
- 362 ~~[(4)] (5)~~
- ~~(a) {shall serve as co-chair for a term determined by the president of the Senate and the speaker of the House of Representatives; and}~~
- 105 ~~{(ii)} {may be removed as co-chair and replaced by joint designation of the president of the Senate and the speaker of the House of Representatives.}~~
- 107 ~~{[(4)](5)}~~
- ~~{(a)} A majority of council members constitutes a quorum for conducting council business.~~
- 109 (b) A majority vote of the quorum present is required for any action taken by the council.
- 110 ~~[(5)] (6)~~ The council shall meet:
- 111 (a) at least quarterly; and
- 112 (b) at the call of ~~{the } a co-chair{ } ~~a co-chair~~}~~ or a majority of the council members.
- 113 ~~[(6)] (7)~~
- (a) A council member who is not a legislator may not receive compensation or benefits for the member's service but may receive per diem and travel expenses in accordance with:

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- 116 (i) Section 63A-3-106;
117 (ii) Section 63A-3-107; and
118 (iii) rules made by the Division of Finance under Sections 63A-3-106 and 63A-3-107.
119 (b) Compensation and expenses of a council member who is a legislator are governed by Section 36-2-2
and Legislative Joint Rules, Title 5, Legislative Compensation and Expenses.

122 [~~7~~] (8) The office shall provide staff support to the council.

378 (9)

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

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

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

384 **79-6-1103. Council powers and duties.**

385 (1) The council shall:

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

387 (i) site identification and permitting;

388 (ii) early site preparation work;

389 (iii) infrastructure improvements;

390 (iv) project financing assistance; and

391 (v) stakeholder coordination;

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

393 (i) evaluating infrastructure needs and opportunities;

394 (ii) coordinating with transmission and pipeline developers;

395 (iii) supporting utility planning efforts; and

396 (iv) coordinating with federal agencies;

397 (c) establish and implement:

398 (i) strategic plans for energy development;

399 (ii) frameworks for stakeholder engagement;

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

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

402 (d) review and approve:

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- 403 (i) research project proposals from the board; and
404 (ii) funding allocations recommended by the board;
405 (e) consult with state land use authorities regarding:
406 (i) identification of state lands suitable for electrical energy development;
407 (ii) designation of electrical energy development zones; and
408 (iii) opportunities for coordinated development of electrical energy projects on state lands;
410 (f) administer the Electrical Energy Development Investment Fund created in Section 79-6-1105;
412 (g) make recommendations regarding electrical energy policy to state and local governments;
414 (h) identify and recommend solutions to barriers affecting electrical energy development;
415 (i) assess and address potential public health impacts of electrical energy development zones;
417 (j) enter into contracts necessary to fulfill the council's duties;
418 (k) report annually by October 31 to the Public Utilities, Energy, and Technology Interim Committee
and the Natural Resources, Agriculture, and Environment Interim Committee regarding:
421 (i) the council's activities;
422 (ii) energy development opportunities;
423 (iii) infrastructure needs;
424 (iv) the status of designated electrical energy development zones;
425 (v) recommendations for how the property tax differential revenue collected under Section 79-6-1104
should be divided and distributed between the state, counties, and municipalities;
428 (vi) investment decisions made by the council; and
429 (vii) recommended policy changes;
430 (l) create and implement a strategic plan for a decommissioned asset, taking into consideration:
432 (i) the state energy policy, as provided in Section 79-6-301;
433 (ii) reliability of electrical generation; and
434 (iii) economic viability;
435 (m) establish policies and procedures for the management of a decommissioned asset;
436 (n) administer contracts for the management and operations of a decommissioned asset;
437 (o) enter into contracts necessary for the operation and management of a decommissioned asset;
439 (p) acquire, hold, and dispose of property related to a decommissioned asset;
440 (q) select an operator for a decommissioned asset as provided in Section 79-6-1107; [and]
441 (r) report annually to the Legislative Management Committee regarding:

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- 442 (i) the status and progress of the asset transfer;
- 443 (ii) operational and financial status of the asset under council control;
- 444 (iii) status of the operator contract;
- 445 (iv) environmental compliance status; and
- 446 (v) recommendations for legislation[-] ; and
- 447 (s) designate service areas for the district as provided in Section 17B-2a-1405.
- 448 (2) The council may create the Utah Energy Infrastructure Service District as provided in Section
17B-2a-1403.
- 450 (3) The council shall negotiate with the applicable county or municipality regarding the distribution of
property tax differential revenue collected under Section 79-6-1104.
- 452 ~~[(3)]~~ (4) Any portion of the property tax differential that is not distributed to the council shall be
distributed to the applicable county or municipality for impact mitigation and affordable housing.
- 455 ~~[(4)]~~ (5)
- (a) The portion of the property tax differential that is distributed to the municipality shall be used for:
- 457 (i) at least 10% of the total distribution shall be used for affordable housing programs; and
- 459 (ii) the remaining portion shall be used to mitigate impacts within the municipality resulting from
electrical energy development.
- 461 (b) The portion of the property tax differential that is distributed to the county shall be used for:
- 463 (i) at least 10% of the total distribution shall be placed in a registered non-profit established to
administer housing programs on behalf of an association representing 10 or more counties in the
state; and
- 466 (ii) the remaining portion shall be used to mitigate impacts within the county resulting from electrical
energy development.
- 468 ~~[(5)]~~ (6) If the council acquires a project entity asset under Section 11-13-318, the council shall enter
into an agreement with the project entity that:
- 470 (a) provides for the transfer, disposition, and future operation of the asset; and
- 471 (b) ensures the transfer, disposition, and future operation does not interfere with the project entity's
ownership or operation of electrical generation facilities powered by natural gas, hydrogen, or a
combination of natural gas and hydrogen.

474 Section 15. Section 79-6-1104 is amended to read:

475 **79-6-1104. Electrical energy development zones -- Property tax differential.**

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- 476 (1) As used in this section:
- 477 (a) "Base taxable value" means the value of property within an electrical energy development zone, as
shown on the assessment roll last equalized before the creation of the electrical energy development
zone.
- 480 (b) "Community reinvestment agency" means the same as that term is defined in Section 17C-1-102.
- 482 (c) "Community reinvestment project area" means the same as that term is defined in Section
17C-1-102.
- 484 (d) "Municipal power project" means an electrical energy project that:
- 485 (i) is operated by or on behalf of a municipality; and
- 486 (ii) exclusively serves customers within that municipality's jurisdictional boundaries.
- 487 (e) "Property tax differential" means the difference between:
- 488 (i) the amount of property tax revenues generated each tax year by all taxing entities from an electrical
energy development zone, using the current assessed value of the property; and
- 491 (ii) the amount of property tax revenues that would be generated from that same area using the base
taxable value of the property.
- 493 (f) "State land use authority" means:
- 494 (i) the Utah Inland Port Authority created in Section 11-58-201;
- 495 (ii) the Military Installation Development Authority created in Section 63H-1-201;
- 496 (iii) the School and Institutional Trust Lands Administration created in Section 53C-1-201; or
- 498 (iv) any other land use authority created by the state that has jurisdiction over state lands.
- 500 (2)
- (a) Except as provided in Subsection (2)(b), a county or municipality may not offer financial incentives
for a baseload electrical energy project that is not located within a designated electrical energy
development zone.
- 503 (b) Subsection (2)(a) does not apply to:
- 504 (i) financial incentives offered for:
- 505 (A) a municipal power project; or
- 506 (B) an electrical energy project that exclusively utilizes intermittent resources; or
- 507 (ii) an electrical energy project for which a project area plan has been approved before July 1, 2026.
- 509 (3) A county or municipality may:
- 510

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- (a) pass a resolution declaring an intent to establish within the county or municipality boundaries an energy development zone;
- 512 (b) enter into an interlocal agreement with the council outlining each parties' responsibilities relating to an energy development zone; and
- 514 (c) apply to the council for the designation of an electrical energy development zone by submitting:
- 516 (i) a description of the proposed boundaries of the electrical energy development zone;
- 518 (ii) an assessment of existing electrical energy infrastructure within and proximate to the proposed electrical energy development zone;
- 520 (iii) a development plan that includes:
- 521 (A) proposed electrical energy development projects;
- 522 (B) anticipated infrastructure improvements;
- 523 (C) projected economic benefits to the county; and
- 524 (D) evidence of local support including any interlocal agreement entered into between the county or municipality and the council, as applicable;
- 526 (iv) if the applicant is a municipality, evidence of coordination with the county in which the proposed electrical energy development zone is located, including any interlocal agreement entered into between the county or municipality and the council, as applicable;
- 530 (v) if the applicant is a county and any portion of the proposed electrical energy development zone is within the boundaries of a municipality, evidence of an agreement with the municipality regarding the establishment of the electrical energy development zone; and
- 534 (vi) any other information required by the council.
- 535 (4) A state land use authority may:
- 536 (a) propose an electrical energy development zone within lands under its jurisdiction; and
- 537 (b) apply to the council for the designation of an electrical energy development zone by submitting:
- 539 (i) a description of the proposed boundaries of the electrical energy development zone;
- 541 (ii) an assessment of existing electrical energy infrastructure within and proximate to the proposed electrical energy development zone;
- 543 (iii) a development plan that includes:
- 544 (A) proposed electrical energy development projects;
- 545 (B) anticipated infrastructure improvements; and
- 546 (C) projected economic benefits;

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- 547 (iv) evidence that the proposed zone is consistent with applicable land use plans and regulations; and
549 (v) any other information required by the council.
- 550 (5) The council shall:
- 551 (a) approve an application for electrical energy development zone designation if the application
demonstrates:
- 553 (i) the proposed electrical energy development zone includes land suitable for electrical energy
development based on:
- 555 (A) access to electrical energy resources;
- 556 (B) proximity to existing or planned transmission infrastructure;
- 557 (C) adequate transportation access; and
- 558 (D) sufficient land area for proposed development; and
- 559 (ii) the development plan:
- 560 (A) aligns with state energy policy under Section 79-6-301;
- 561 (B) includes realistic timelines and milestones;
- 562 (C) identifies specific infrastructure improvements; and
- 563 (D) quantifies projected economic benefits;
- 564 (b) make a determination on an application within 60 days of submission;
- 565 (c) provide written notice to the county or municipality explaining the basis for approval or denial;
- 567 (d) if an electrical energy development zone overlaps with an area designated by a community
reinvestment agency as a community reinvestment project area as of May 7, 2025, enter into an
agreement with the community reinvestment agency to determine the percentage division of the
property tax differential between:
- 571 (i) the Electrical Energy Development Investment Fund; and
- 572 (ii) the community reinvestment agency; and
- 573 (e) if an electrical energy development zone overlaps with an inland port project, enter into an
agreement with the Utah Inland Port Authority to determine the percentage division of the property
tax differential between:
- 576 (i) the Electrical Energy Development Investment Fund; and
- 577 (ii) the Utah Inland Port Authority created in Section 11-58-201.
- 578 (6) Within 30 days after the council designates an electrical energy development zone:
- 579

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- (a) the county auditor shall certify to the council the base taxable value of property within the electrical energy development zone; and
- 581 (b) the county shall transmit to the council copies of the property tax assessment rolls for all property within the electrical energy development zone.
- 583 (7)
- (a) Each year, the county auditor shall:
- 584 (i) determine the amount of the property tax differential for the electrical energy development zone by comparing:
- 586 (A) the current assessed value of property within the electrical energy development zone; and
- 588 (B) the base taxable value of property within the electrical energy development zone;
- 590 (ii) inform the county treasurer of the property tax differential amount; and
- 591 (iii) provide notice to the council of the amount calculated under this Subsection (7)(a).
- 593 (b) The county treasurer shall transfer the property tax differential to the council for deposit into the Electrical Energy Development Investment Fund created in Section 79-6-1105, subject to any agreements entered into under Subsections (5)(d) and (5)(e).
- 596 (c) The county treasurer shall make distributions required under this section:
- 597 (i) at the same time as regular annual property tax distributions; and
- 598 (ii) using the same method as other property tax distributions.
- 599 (8) For property tax differential not subject to Subsection (5)(d) the council may enter into agreements with taxing entities regarding the allocation of the property tax differential.
- 601 (9) If an electrical energy development zone designated under this section overlaps with an existing or proposed service area of the district, the council shall note the overlap in the zone designation resolution.

123 Section 3. Section 3 is enacted to read:

124 **79-6-1108. Bond authority -- Energy development zone bonds.**

125 (1) As used in this section:

- 126 (a) "Bond" means any evidence or contract of indebtedness that is issued or authorized by a public body, including, without limitation, bonds, refunding bonds, advance refunding bonds, bond anticipation notes, tax anticipation notes, notes, certificates of indebtedness, warrants, commercial paper, contracts, and leases, whether they are general obligations of the issuing public body or are payable solely from a specified source, including annual appropriations by the public body.

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- 132 (b) "Bond proceeds" means the proceeds from the sale of bonds, including any premium, but excluding
133 accrued interest.
- 134 (c) "Project" means electrical energy infrastructure within a designated energy development zone,
135 including transmission lines, distribution facilities, pipeline infrastructure, energy storage facilities,
136 generation facilities, substations, interconnection facilities, and related infrastructure.
- 138 (2) The council may issue bonds to finance the cost of a project if:
- 139 (a) the project is located within an electrical energy development zone designated under Section
140 79-6-1104;
- 141 (b) the council determines the project will:
- 142 (i) facilitate electrical energy development within the zone;
- 143 (ii) provide a public benefit; and
- 144 (iii) align with state energy policy under Section 79-6-301; and
- 145 (c) the project will be operated by an entity with sufficient creditworthiness to support the bond
146 issuance based solely on project revenues.
- 147 (3) Before issuing bonds under this section, the council shall:
- 148 (a) adopt a resolution authorizing the issuance of bonds that specifies:
- 149 (i) the purpose for which the bonds are issued;
- 150 (ii) the principal amount of the bonds;
- 151 (iii) the maximum interest rate or rates;
- 152 (iv) the maturity date or dates;
- 153 (v) the sources of payment and security for the bonds; and
- 154 (vi) any other terms and conditions the council determines necessary or appropriate; and
- 155 (b) consult with the State Bonding Commission created in Section 63B-1-201 and the state treasurer.
- 158 (4) The council may secure bonds issued under this section only by pledging revenues generated by the
159 project for which the bonds are issued.
- 160 (5) Bonds issued under this section:
- 161 (a) shall mature not more than 30 years from the date of issuance;
- 162 (b) may be sold at public or private sale;
- 163 (c) may be issued in one or more series; and
- 164 (d) shall contain terms the council determines necessary or appropriate.
- 165 (6) Bonds issued under this section are:

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- 166 (a) not general obligations of the state or any political subdivision;
167 (b) not a debt or liability of the state or any political subdivision; and
168 (c) payable solely from the revenues pledged for bond payment.
169 (7) Each bond shall include a statement that the bond:
170 (a) is not a general obligation of the state or any political subdivision; and
171 (b) is payable solely from pledged revenues.
172 (8) Notwithstanding any other provision of law:
173 (a) a bond holder has no recourse against the state or any political subdivision for payment of the bond;
and
175 (b) the council may not pledge or encumber any state revenue source other than revenues generated by
the specific project for which the bonds are issued.
177 (9) The council may charge an administrative fee for issuing bonds under this section and may use
revenue from the administrative fee for:
179 (a) operational expenses of the council; or
180 (b) deposit into the Electrical Energy Development Investment Fund created in Section 79-6-1105.

604 Section 16. **Effective date.**

Effective Date.

This bill takes effect on May 6, 2026.

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