

Troy Shelley proposes the following substitute bill:

Carbon Credit Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Troy Shelley

Senate Sponsor:

LONG TITLE

General Description:

This bill addresses requirements related to carbon credit transactions.

Highlighted Provisions:

This bill:

- defines and modifies terms;
- creates the Carbon Credit Investment Fund;
- imposes an assessment on the sale of a carbon credit, based on the length of the agreement, to be administered by the Office of Energy Development (office) and the State Tax Commission;
- deposits the revenue from the carbon credit assessment into the Carbon Credit Investment Fund;
- creates the Carbon Credit Litigation Fund and specifies the purpose of the fund;
- authorizes the attorney general to establish a volunteer task force to investigate issues related to carbon credit transactions;
- establishes reporting requirements for a person selling or exchanging an in-state carbon credit;
- creates a carbon credit broker licensing requirement for a carbon credit transaction;
- establishes a criminal penalty for selling a carbon credit without a carbon credit broker license;
- creates a right of first refusal for the office to purchase an in-state carbon credit;
- requires the office to submit a proposal for purchasing an in-state carbon credit to:
 - the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee; and
 - the state treasurer;
- voids a sale or exchange of an in-state carbon credit that violates state requirements;

- requires a state entity that owns or controls a carbon credit to report a digital identification number and valuation of the carbon credit to the office;
- requires a state entity that sells a carbon credit to deposit the revenue from the sale into the General Fund, with certain exceptions;
- creates a restricted account for the office to purchase in-state carbon credits and administer licensing and assessment requirements; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:**AMENDS:**

51-7-2 (Effective 05/06/26) (Partially Repealed 07/01/28), as last amended by Laws of Utah 2025, First Special Session, Chapter 9

59-1-306 (Effective 05/06/26), as last amended by Laws of Utah 2025, Chapter 258

79-6-1301 (Effective 05/06/26), as enacted by Laws of Utah 2025, Chapters 146, 375

79-6-1302 (Effective 05/06/26), as enacted by Laws of Utah 2025, Chapters 146, 375

79-6-1303 (Effective 05/06/26), as enacted by Laws of Utah 2025, Chapters 146, 375

ENACTS:

51-14-101 (Effective 05/06/26), Utah Code Annotated 1953

51-14-201 (Effective 05/06/26), Utah Code Annotated 1953

51-14-202 (Effective 05/06/26), Utah Code Annotated 1953

67-5-41 (Effective 05/06/26), Utah Code Annotated 1953

79-6-1304 (Effective 05/06/26), Utah Code Annotated 1953

79-6-1305 (Effective 05/06/26), Utah Code Annotated 1953

79-6-1306 (Effective 05/06/26), Utah Code Annotated 1953

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

Section 1. Section **51-7-2** is amended to read:

51-7-2 (Effective 05/06/26) (Partially Repealed 07/01/28). Exemptions from chapter.

(1) Except as provided in Subsection (2), the following funds are exempt from this chapter:

(a) funds invested in accordance with the participating employees' designation or

- 63 direction pursuant to a public employees' deferred compensation plan established and
64 operated in compliance with Section 457 of the Internal Revenue Code of 1986, as
65 amended;
- 66 (b) funds of the Utah State Retirement Board;
- 67 (c) funds of the Utah Housing Corporation;
- 68 (d) endowment funds of higher education institutions, including funds of the Higher
69 Education Student Success Endowment, created in Section 53H-8-402;
- 70 (e) permanent and other land grant trust funds established pursuant to the Utah Enabling
71 Act and the Utah Constitution;
- 72 (f) the State Post-Retirement Benefits Trust Fund;
- 73 (g) the funds of the Utah Educational Savings Plan;
- 74 (h) funds of the permanent state trust fund created by and operated under Utah
75 Constitution, Article XXII, Section 4;
- 76 (i) the funds in the Navajo Trust Fund;
- 77 (j) the funds in the Radioactive Waste Perpetual Care and Maintenance Account;
- 78 (k) the funds in the Employers' Reinsurance Fund;
- 79 (l) the funds in the Uninsured Employers' Fund;
- 80 (m) the Utah State Developmental Center Long-Term Sustainability Fund[;] created in
81 Section 26B-1-331;
- 82 (n) the funds in the Risk Management Fund created in Section 63A-4-201;
- 83 (o) the Utah fund of funds created in Section 63N-6-401;
- 84 (p) the funds deposited into the Utah Homes Investment Program from the
85 Transportation Infrastructure General Fund Support Subfund created in Section
86 72-2-134;
- 87 (q) subject to Subsection 67-4-19(2), the portion of the funds in the following accounts
88 invested by the state treasurer in precious metals:
- 89 (i) the State Disaster Recovery Restricted Account[;] created in Section 53-2a-603;
- 90 (ii) the General Fund Budget Reserve Account[;] created in Section 63J-1-312;
- 91 (iii) the Income Tax Fund Budget Reserve Account[;] created in Section 63J-1-313;
- 92 and
- 93 (iv) the Medicaid Growth Reduction and Budget Stabilization Account[;] created in
94 Section 63J-1-315;
- 95 (r) except as provided in Section 11-13-533, the funds of a public agency insurance
96 mutual as that term is defined in Subsection 31A-1-103(7)(a);

- (s) the State Sovereignty Fund created in Section 51-13-201;[-and]
(t) the funds in the Opioid Litigation Proceeds Fund[;] created in Section 51-9-801[;] ;
and
(u) the funds in the Carbon Credit Investment Fund created in Section 51-14-201.

- (2) Except for the funds of the Utah State Retirement Board and the Utah Educational Savings Plan, the funds described in Subsection (1) are not exempt from Subsections 51-7-14(2) and (3).
(3) Notwithstanding Title 52, Chapter 4, Open and Public Meetings Act, a public body that administers a fund described in Subsection (1) may hold a closed meeting to discuss the sale or purchase of identifiable securities, investment funds, or investment contracts.
(4) A paper, electronic, or other depiction or record of information relating to investment activities of a fund described in Subsection (1) is not subject to Title 63G, Chapter 2, Government Records Access and Management Act.

Section 2. Section **51-14-101** is enacted to read:

CHAPTER 14. Carbon Credit Investment Fund

Part 1. General Provisions

51-14-101 (Effective 05/06/26). Definitions.

As used in this chapter:

- (1) "Degree granting institution" means the same as that term is defined in Section 53H-1-101.
(2) "Division" means the Division of Finance created in Section 63A-3-101.
(3) "Fund" means the Carbon Credit Investment Fund created in Section 51-14-201.
(4)(a) "Principal" means money deposited into the fund in accordance with Section 51-14-201.
(b) "Principal" does not include earnings like interest, dividends, or asset appreciation credited to the fund.
(5) "Rural county" means a county with a population of 50,000 or less.

Section 3. Section **51-14-201** is enacted to read:

Part 2. Establishment of Carbon Credit Investment Fund

51-14-201 (Effective 05/06/26). Carbon Credit Investment Fund -- Creation -- Distribution.

- (1) There is created a Carbon Credit Investment Fund that consists of:
(a) revenue deposited into the fund from the carbon credit assessment described in

Section 79-6-1306;

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

(c) appropriations from the Legislature.

(2) The state treasurer shall invest the money in the fund in accordance with Section 51-13-202.

(3) At the beginning of each fiscal year, subject to appropriation by the Legislature, the division shall distribute money from the fund, as follows:

(a) 5% to the Carbon Credit Litigation Fund created in Section 67-5-41; and

(b) 5% to degree granting institutions:

(i) located in a rural county; and

(ii) with a student enrollment composition of at least 50% of students from a rural county.

(4) The division shall, subject to appropriation by the Legislature, distribute 50% of the annual earnings from the investment in the fund to rural counties.

Section 4. Section **51-14-202** is enacted to read:

51-14-202 (Effective 05/06/26). Carbon Credit Investment Fund -- Investment -- Administrative costs.

(1) The state treasurer shall:

(a) invest money in the fund to maximize the growth of the principal;

(b) invest and manage fund assets as a prudent investor would by:

(i) considering the purpose, terms, distribution requirements, and other circumstances of the fund; and

(ii) exercising reasonable care, skill, and caution in order to meet the standard of care of a prudent investor; and

(c) except as provided in Subsection 51-14-201(4), deposit into the fund the interest, dividends, or other earnings attributable to the fund.

(2) The state treasurer may deduct any administrative costs incurred by managing the fund from earnings generated by investments in the fund.

Section 5. Section **59-1-306** is amended to read:

59-1-306 (Effective 05/06/26). Definition -- State Tax Commission Administrative Charge Account -- Amount of administrative charge -- Deposit of revenue into the restricted account -- Interest deposited into General Fund -- Expenditure of money deposited into the restricted account.

(1) As used in this section, "qualifying tax, fee, or charge" means a tax, fee, or charge the

commission administers under:

- (a) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;
 - (b) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;
 - (c) Section 19-6-714;
 - (d) Section 19-6-805;
 - (e) Chapter 12, Sales and Use Tax Act, other than a tax under Chapter 12, Part 1, Tax Collection, or Chapter 12, Part 18, Additional State Sales and Use Tax Act;
 - (f) Section 59-27-105;
 - (g) Chapter 31, Cannabinoid Licensing and Tax Act;
 - (h) Chapter 32, Local Impact Mitigation Tax Act;
 - (i) Chapter 33, Wind or Solar Electric Generation Facility Capacity Tax;
 - (j) Section 63H-1-205;
 - (k) Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act; [or]
 - (l) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service Charges; [or]
 - (m) Title 79, Chapter 6, Part 11, Energy Project Assessment[-] ; and
 - (n) Section 79-6-1306.
- (2) There is created a restricted account within the General Fund known as the "State Tax Commission Administrative Charge Account."
- (3) Subject to the other provisions of this section, the restricted account shall consist of administrative charges the commission retains and deposits in accordance with this section.
- (4) For purposes of this section, the administrative charge is a percentage of revenue the commission collects from each qualifying tax, fee, or charge of not to exceed the lesser of:
- (a) 1.5%; or
 - (b) an equal percentage of revenue the commission collects from each qualifying tax, fee, or charge sufficient to cover the cost to the commission of administering the qualifying taxes, fees, or charges.
- (5) The commission shall deposit an administrative charge into the restricted account.
- (6) Interest earned on the restricted account shall be deposited into the General Fund.
- (7) The commission shall expend money appropriated by the Legislature to the commission from the restricted account to administer qualifying taxes, fees, or charges or to offset general operational expenses.

Section 6. Section **67-5-41** is enacted to read:

67-5-41 (Effective 05/06/26). Carbon Credit Litigation Fund -- Volunteer task force -- Report.

(1) As used in this section:

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

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

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

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

(3) The fund consists of:

(a) money deposited into the fund from the Carbon Credit Investment Fund created in Section 51-14-201;

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

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

(4)(a) The state treasurer shall invest money in the fund in accordance with Title 51, Chapter 7, State Money Management Act.

(b) The state treasurer shall deposit interest or other earnings derived from investment of fund money into the fund.

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

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

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

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

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

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

(a) investigate violations of Title 79, Chapter 6, Part 13, Carbon Credit Transactions;

- (b) prevent a federal requirement for the state to adopt or participate in:
- (i) a cap and trade program for carbon credits;
 - (ii) mandatory carbon emissions reporting;
 - (iii) a claim against the state related to greenhouse gas emissions; or
 - (iv) a climate remediation program; and
- (c) recover a carbon credit or the profit of a carbon credit transferred out of the state in a fraudulent sale.

(8)(a) The attorney general may establish a volunteer task force consisting of representatives from public and private agencies or organizations in the state to address any of the activities described in Subsection (7).

- (b) The attorney general may employ necessary support staff to implement and administer the fund and the activities of a task force.

(9)(a) By November 30 of each year, the attorney general shall submit an annual report to the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee regarding the status of the fund.

- (b) The report shall include:

- (i) contributions received, expenditures made, and programs and services funded; and
- (ii) if the attorney general establishes a task force under Subsection (8), all activities and programs initiated through the task force.

Section 7. Section **79-6-1301** is amended to read:

Part 13. Carbon Credit Transactions

79-6-1301 (Effective 05/06/26). Definitions.

As used in this part:

- (1)(a) "Carbon credit" means a payment or offer of payment, or other financial compensation or benefit, for a carbon emission offset.
- (b) "Carbon credit" does not include a payment or offer of payment related to:
- (i) a right or interest associated with a regulated pollutant, as that term is defined in Title V of the 1990 Clean Air Act; or
 - (ii) an industrial or commercial use of liquefied carbon dioxide.
- (2) "Carbon credit broker" means a person licensed under Section 79-6-1305, that sells, attempts to sell, or assists in the sale of a carbon credit.
- (3) "Carbon emission offset" means:
- (a) a reduction in the amount of greenhouse gas present in the atmosphere; or
 - (b) an amount of greenhouse gas prevented from entering the atmosphere.

~~[(1)]~~ (4) "Digital identification number" means an identification number assigned to ~~[an environmental commodity]~~ a carbon credit by a governmental or accredited third-party verification entity that certifies or registers ~~[an environmental commodity]~~ a carbon credit for sale or exchange.

~~[(2)(a)]~~ "Environmental commodity" means a representation of the financial value of:
 (i) a reduction in the amount of greenhouse gas present in the atmosphere; or
 (ii) an amount of greenhouse gas prevented from entering the atmosphere.]
~~[(b)]~~ "Environmental commodity" does not include a right or interest associated with a regulated pollutant, as that term is defined in Title V of the 1990 Clean Air Act.]

~~[(3)]~~ (5) "Greenhouse gas" means:

- (a) carbon dioxide or a gas emission converted into a carbon dioxide equivalent; or
- (b) methane.

(6) "In-state carbon credit" means a carbon credit generated from:

- (a) a carbon emission offset related to a resource or facility located in the state; or
- (b) activities receiving state funds.

(7) "Regulatory carbon credit market" means a financial market regulated by a government entity in which a person may purchase a carbon credit.

~~[(4)]~~ (8) "State entity" means a department, commission, board, council, agency, institution of higher education, officer, corporation, fund, division, office, committee, authority, laboratory, library, unit, bureau, panel, or other administrative unit of the state.

~~[(5)]~~ (9)(a) "State funds" means:

- (i) money appropriated by the Legislature[-] ; and
- (ii) a bond issued by a state entity that creates a carbon emission offset.

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

- (i) a tax incentive;
- (ii) a permit or an activity related to the development of a permit issued by a state entity; or
- (iii) a federal grant administered by a state entity.

(10) "Tax commission" means the State Tax Commission created in Section 59-1-201.

(11) "Voluntary carbon credit market" means a financial market not regulated by a government entity in which a person may purchase a carbon credit.

Section 8. Section **79-6-1302** is amended to read:

79-6-1302 (Effective 05/06/26). Requirements for sale -- Right to purchase -- Sale or exchange in violation void -- Exemption.

- 300 ~~[(1) Except as provided in Subsection (2), before a state entity may sell or exchange an~~
301 ~~environmental commodity, the state entity shall:]~~
302 ~~[(a) obtain a digital identification number for the environmental commodity;]~~
303 ~~[(b) report a digital identification number for the environmental commodity to the office;~~
304 ~~and]~~
305 ~~[(c) report to the office any state funds that the state entity used for the creation of the~~
306 ~~environmental commodity.]]~~
- 307 (1) Before a person may sell or exchange an in-state carbon credit, the person shall:
308 (a) obtain a carbon credit broker license described in Section 79-6-1305 or hire a carbon
309 credit broker;
310 (b) obtain a digital identification number for the in-state carbon credit;
311 (c) report to the office, in a form and manner approved by the office:
312 (i) a digital identification number for the in-state carbon credit;
313 (ii) a description of the carbon emission offset, including the source of the carbon
314 emission offset, that is the subject of the in-state carbon credit;
315 (iii) any state funds or facilities that the person used for the creation of the in-state
316 carbon credit;
317 (iv) the terms of a negotiated sale or exchange of the in-state carbon credit with an
318 attempted buyer; and
319 (v) any information required by the office related to a negotiated sale or exchange of
320 an in-state carbon credit with an attempted buyer; and
321 (d) wait at least 45 days after the day on which the person reports a negotiated sale or
322 exchange of an in-state carbon credit under Subsection (1)(c) before completing the
323 sale or exchange, subject to the office's right of first refusal described in Subsection
324 (2).
- 325 (2)(a) The office may exercise a right of first refusal to purchase an in-state carbon credit
326 reported to the office under Subsection (1)(c) if:
327 (i) the purchase agreement between the attempted seller and the attempted buyer is
328 for a period of 10 years or greater; and
329 (ii) the office pays the amount agreed upon between the attempted seller and the
330 attempted buyer reported in accordance with Subsection (1)(c)(iv).
331 (b) If the office exercises a right of first refusal under Subsection (2)(a), the office shall
332 provide written notification of the office's decision to exercise the right of first
333 refusal:

- 334 (i) to the person that reports the negotiated sale to the office under Subsection (1)(c);
 335 and
 336 (ii) within 45 days after the day on which the negotiated sale is reported to the office.
 337 (c) If the office fails to provide notification in accordance with Subsection (2)(b), the
 338 office may not exercise the right of first refusal described in Subsection (2)(a).
 339 (3) Subject to the reporting requirements described in Subsection (1)(c) and the office's
 340 right of first refusal described in Subsection (2), the seller of an in-state carbon credit
 341 shall execute the sale or exchange of the in-state carbon credit in accordance with the
 342 terms the seller reports to the office under Subsection (1)(c)(iv) no later than:
 343 (a) 30 days after the day on which the seller receives notification that the office waives
 344 the office's right of first refusal; or
 345 (b) if the office does not provide the notification described in Subsection (2)(b), 75 days
 346 after the day on which the seller reports the terms of the negotiated sale to the office.
 347 (4) Before purchasing an in-state carbon credit under Subsection (2)(a), the office shall
 348 submit a proposal for review to:
 349 (a) the Natural Resources, Agriculture, and Environmental Quality Appropriations
 350 Subcommittee; and
 351 (b) the state treasurer.
 352 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 353 office shall make rules regarding:
 354 (a) the form and manner of reporting an in-state carbon credit to the office under
 355 Subsection (1)(c); and
 356 (b) the office's right of first refusal described in Subsection (2).
 357 (6) A sale or exchange of an in-state carbon credit that violates a requirement of this part is
 358 void.
 359 [(2)] (7) This section does not apply to [an environmental commodity] a carbon credit
 360 created from an activity on school and institutional trust lands, as that term is defined in
 361 Section 53C-1-103, if the purchase agreement for the carbon credit is for a period of less
 362 than 10 years.

363 Section 9. Section **79-6-1303** is amended to read:

364 **79-6-1303 (Effective 05/06/26). Property of the state -- Management -- Valuation**
 365 **of state-owned carbon credit required -- Deposit of proceeds from sale.**

- 366 (1) If the state or a state entity appropriates or expends state funds ~~[for the creation of an~~
 367 ~~environmental commodity]~~ that create a carbon credit, the state owns a portion of ~~[an~~

~~environmental commodity]~~ the carbon credit that is proportional to the amount of state funds appropriated or expended~~[for the creation of the environmental commodity]~~.

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

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

(i) for the benefit of the citizens of the state;

(ii) to promote energy independence for the state;

(iii) to maximize the natural resources of the state; and

(iv) consistent with Part 3, State Energy Policy.

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

(4) A state entity that owns or controls a carbon credit shall:

(a) obtain a digital identification number for the carbon credit;

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

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

(5)(a) Except as provided in Subsection (5)(b), a state entity that sells a carbon credit shall deposit the proceeds of the sale into the General Fund.

(b) Notwithstanding Subsection (5)(a), any revenue the state generates from the sale of a carbon credit on school and institutional trust lands, as that term is defined in Section 53C-1-103, shall be deposited in accordance with Subsections 53C-3-101(4), (5), and (6).

Section 10. Section **79-6-1304** is enacted to read:

79-6-1304 (Effective 05/06/26). Carbon Credit Restricted Account.

(1) There is created an account known as the Carbon Credit Restricted Account.

(2) The account consists of:

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

(b) the revenue from the broker licensing fee described in Section 79-6-1305;

(c) private donations, grants, gifts, bequests, or money made available from any other source to implement this part; and

(d) interest or earnings on the money in the restricted account.

- 402 (3)(a) The state treasurer shall invest money in the restricted account consistent with
403 Title 51, Chapter 7, State Money Management Act.
- 404 (b) The state treasurer shall deposit interest or other earnings derived from investment of
405 restricted account money into the restricted account.
- 406 (4) Subject to appropriation by the Legislature, the office may use money in the restricted
407 account to:
- 408 (a) purchase an in-state carbon credit in accordance with Subsection 79-6-1302(2);
409 (b) record and track a digital identification number reported to the office under
410 Subsection 79-6-1302(1);
411 (c) administer the broker license program described in Section 79-6-1305; and
412 (d) administer the carbon credit assessment described in Section 79-6-1306.

413 Section 11. Section **79-6-1305** is enacted to read:

414 **79-6-1305 (Effective 05/06/26). Carbon credit broker license -- License required**
415 **for sale -- Criminal penalty -- Revocation of license.**

- 416 (1)(a) A person may not sell, offer to sell, or assist in the sale of a carbon credit in this
417 state without first obtaining a carbon credit broker license from the office.
- 418 (b) It is a class B misdemeanor for a person to violate Subsection (1)(a).
- 419 (2) The office shall issue a license to sell, offer to sell, or assist in the sale of a carbon credit
420 to a person that submits an application, on a form created by the office, that includes:
- 421 (a) the applicant's name;
422 (b) the applicant's business address;
423 (c) the applicant's affiliation or registration, if any, with a voluntary carbon credit market
424 or regulatory carbon credit market;
425 (d) payment of the fee described in Subsection (4); and
426 (e) any other information required by the office.
- 427 (3) A carbon credit broker license under this section is:
- 428 (a) valid for two years; and
429 (b) renewable if a carbon credit broker meets the criteria for licensing under this section.
- 430 (4)(a) The office may charge a fee of no more than \$200 for a license under this section.
431 (b) The office shall deposit the revenue from the fee into the Carbon Credit Restricted
432 Account created in Section 79-6-1304.
- 433 (5)(a) The office shall maintain a public list of each carbon credit broker.
434 (b) The office shall update the list at least once annually.
- 435 (6)(a) The office shall revoke the license of a carbon credit broker that violates any

provision of this part.

(b) A license may not be reissued to a carbon credit broker until the carbon credit broker has complied with the requirements of this section.

(7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the office may make rules to administer the requirements of this section.

Section 12. Section **79-6-1306** is enacted to read:

79-6-1306 (Effective 05/06/26). Carbon credit transaction assessment -- Administration by State Tax Commission -- Distribution -- Rulemaking.

(1)(a) Except as provided in Subsection (2), beginning on July 1, 2027, a carbon credit broker shall pay a carbon credit assessment for each sale of a carbon credit.

(b) The amount of a carbon credit assessment is equal to:

(i) if the carbon credit sale is for a period of less than 10 years, 5% of the amount of the total purchase price of the carbon credit; or

(ii) if the carbon credit sale is for a period of 10 years or greater, 10% of the amount of the total purchase price of the carbon credit.

(c) A carbon credit broker shall:

(i) collect the assessment from a purchaser at the time the carbon credit is sold;

(ii) maintain records to determine the amount of the carbon credit assessment due under this section for a period of three years;

(iii) submit a quarterly notice to the office, in a form approved by the office, that includes the amount collected under Subsection (1)(c)(i); and

(iv) on or before January 31 of each year:

(A) remit to the tax commission the assessment collected in the previous calendar year in an amount determined by the office under Subsection (3); and

(B) in a form approved by the tax commission, file a return with the tax commission for the assessment collected in the previous calendar year.

(2) Notwithstanding Subsection (1), the office shall exempt a sale of a carbon credit from a carbon credit assessment if the carbon emission offset that is the subject of the carbon credit sale:

(a) originated from a project within the state; and

(b) is transferred to or applied to a project within the state.

(3) The office shall determine the annual amount of the carbon credit assessment that each carbon credit broker owes under this section and report the amount to the tax commission to be collected in accordance with Subsection (1).

470 (4)(a) The tax commission shall:

471 (i) administer, collect, and enforce the carbon credit assessment collected under this
472 section in accordance with Title 59, Chapter 1, General Taxation Policies; and

473 (ii) deposit revenue collected under this section into the Carbon Credit Investment
474 Fund created in Section 51-14-201.

475 (b) The tax commission may retain and deposit an administrative charge, in accordance
476 with Section 59-1-306, from the revenues the tax commission collects under this
477 section.

478 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
479 office may make rules to create procedures for assessing and reporting the amounts to be
480 collected under this section.

481 Section 13. **Effective Date.**

482 This bill takes effect on May 6, 2026.