

R. Neil Walter proposes the following substitute bill:

Utah Energy Council Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: R. Neil Walter

Senate Sponsor: Ann Millner

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

- defines terms;
- expands the Utah Energy Council (council) membership from five to seven members;
- establishes a co-chair structure for council leadership;
- designates the council as a state energy financing institution;
- creates the Utah Energy Infrastructure Service District (district) as a political subdivision of the state;
- provides that council members serve concurrently as the board of trustees of the district;
- authorizes the district to acquire, own, and operate energy infrastructure facilities within a designated service area;
- authorizes the district to issue revenue bonds payable solely from district revenues and not subject to the state constitutional debt limitation;
- requires the State Finance Review Commission to review and approve district revenue bonds before issuance;
- creates the Energy Infrastructure Enterprise Fund;
- authorizes the district to enter into operating contracts with private operators for district-owned facilities;
- exempts district property from taxation and subjects operators to the privilege tax;
- provides for dissolution of the district by the board or by an act of the Legislature; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

29 None

30 **Other Special Clauses:**

31 None

32 **Utah Code Sections Affected:**

33 AMENDS:

34 **79-6-1101**, as enacted by Laws of Utah 2025, Chapter 120

35 **79-6-1102**, as enacted by Laws of Utah 2025, Chapter 120

36 **79-6-1103**, as enacted by Laws of Utah 2025, Chapter 375

37 **79-6-1104**, as enacted by Laws of Utah 2025, Chapter 375

38 ENACTS:

39 **17B-2a-1401**, Utah Code Annotated 1953

40 **17B-2a-1402**, Utah Code Annotated 1953

41 **17B-2a-1403**, Utah Code Annotated 1953

42 **17B-2a-1404**, Utah Code Annotated 1953

43 **17B-2a-1405**, Utah Code Annotated 1953

44 **17B-2a-1406**, Utah Code Annotated 1953

45 **17B-2a-1407**, Utah Code Annotated 1953

46 **17B-2a-1408**, Utah Code Annotated 1953

47 **17B-2a-1409**, Utah Code Annotated 1953

48 **17B-2a-1410**, Utah Code Annotated 1953

49 **17B-2a-1411**, Utah Code Annotated 1953



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

52 Section 1. Section **17B-2a-1401** is enacted to read:

53 **17B-2a-1401 . Definitions.**

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

55 (2) "Commission" means the State Finance Review Commission created in Section
56 63C-25-201.

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

58 (4) "District" means the Utah Energy Infrastructure Service District created under Section
59 17B-2a-1403.

60 (5) "Electrical Energy Development Investment Fund" means the fund created under
61 Section 79-6-1105.

62 (6) "Electrical energy development zone" means the same as that term is defined in Section

- 63 79-6-102.
- 64 (7) "Energy infrastructure facility" means any real or personal property, including land,
65 structures, equipment, water rights, transmission lines, generation assets, storage
66 facilities, and associated improvements, used or useful for the generation, transmission,
67 storage, or delivery of energy, including electricity and natural gas.
- 68 (8) "Enterprise fund" means the Energy Infrastructure Enterprise Fund created under
69 Section 17B-2a-1408.
- 70 (9) "Operating contract" means a contract between the district and an operator for the
71 management, operation, and maintenance of an energy infrastructure facility owned by
72 the district.
- 73 (10) "Operator" means an entity that enters into an operating contract with the district.
- 74 (11) "Power purchase agreement" means a contract for the sale of electricity or other energy
75 produced by or transmitted through an energy infrastructure facility controlled or owned
76 by the district.
- 77 (12) "Project entity" means the same as that term is defined in Section 11-13-103.
- 78 (13) "Project entity asset" means the same as that term is defined in Section 11-13-318.
- 79 (14) "Retired project entity asset" means a project entity asset that has been removed from
80 active service before May 6, 2026, by a project entity that the project entity has no intent
81 to return to service.
- 82 (15) "Retired project entity asset area" means the land upon which a retired project entity
83 asset is located, together with adjacent land necessary for the operation of that asset.
- 84 (16) "Service area" means a geographic area designated by the board under Section
85 17B-2a-1405 within which the district owns or proposes to facilitate the acquisition or
86 construction of an energy infrastructure facility.
- 87 Section 2. Section **17B-2a-1402** is enacted to read:
- 88 **17B-2a-1402 . Applicability and conflict.**
- 89 (1) The district is governed by and has the powers stated in:
- 90 (a) this part; and
- 91 (b) Chapter 1, Provisions Applicable to All Special Districts, except as otherwise
92 provided in this part.
- 93 (2) This part applies only to the district.
- 94 (3) The district is not subject to the provisions of any other part of this chapter.
- 95 (4) If there is a conflict between a provision in Chapter 1, Provisions Applicable to All
96 Special Districts, and a provision in this part, the provisions in this part govern.

97 (5) If there is a conflict between a provision of this part and a provision of Title 10, Utah
98 Municipal Code, or Title 54, Public Utilities, Title 10, Utah Municipal Code, or Title 54,
99 Public Utilities, as applicable, shall govern.

100 Section 3. Section **17B-2a-1403** is enacted to read:

101 **17B-2a-1403 . Creation and status.**

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

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

105 (b) describes the service area, including the geographic boundaries of the area within
106 which the district will operate; and

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

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

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

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

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

117 (4) Upon creation, the district:

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

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

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

122 (d) may sue and be sued.

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

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

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

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

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

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

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

134 Section 4. Section **17B-2a-1404** is enacted to read:

135 **17B-2a-1404 . Board of trustees.**

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

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

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

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

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

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

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

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

150 Section 5. Section **17B-2a-1405** is enacted to read:

151 **17B-2a-1405 . Single service area authorized.**

152 (1) The district's service area consists of:

153 (a) the service area established under Section 17B-2a-1403; and

154 (b) a retired project entity asset area.

155 (2) The district may own and operate energy infrastructure facilities only within a
156 designated service area.

157 (3) Once the service area is established, the district may not:

158 (a) annex any new land into the service area; or

159 (b) establish a new service area.

160 Section 6. Section **17B-2a-1406** is enacted to read:

161 **17B-2a-1406 . Powers of the district.**

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

164 (a) acquire by purchase, construction, gift, or any combination of these methods, and

- 165 own, operate, maintain, improve, and dispose of energy infrastructure facilities
166 within a designated service area;
- 167 (b) enter into operating contracts with operators for the management, operation, and
168 maintenance of district-owned energy infrastructure facilities in accordance with
169 Section 17B-2a-1409;
- 170 (c) enter into power purchase agreements for the sale of electricity or other energy
171 produced by or transmitted through district-owned facilities;
- 172 (d) issue revenue bonds in accordance with Section 17B-2a-1407 and Chapter 1, Part 11,
173 Special District Bonds;
- 174 (e) enter into contracts, agreements, and other instruments necessary or convenient to
175 carry out the purposes of the district;
- 176 (f) acquire water rights, air rights, and other real and personal property rights necessary
177 or convenient to the ownership or operation of energy infrastructure facilities within
178 the service area;
- 179 (g) accept grants, gifts, loans, and other financial assistance from federal, state, and local
180 governmental entities;
- 181 (h) employ staff and engage financial advisors, engineers, and other professional
182 services necessary to carry out the purposes of the district;
- 183 (i) impose fees and charges for services provided by the district in accordance with
184 Chapter 1, Part 9, Collection of Service Fees and Charges;
- 185 (j) impose penalties on an operator for non-compliance with the terms of an operating
186 contract, as specified in the operating contract; and
- 187 (k) do all other things necessary or convenient to carry out the purposes of this part.
- 188 (2) Before constructing or operating an energy infrastructure facility within the boundaries
189 of a city or town, the district shall obtain the consent of the local authorities who have
190 control of any street or highway proposed to be occupied by the facility, in accordance
191 with Utah Constitution, Article XI, Section 9.
- 192 (3)(a) The district is not an electric service provider and may not sell, distribute, or
193 deliver electricity directly to retail customers.
- 194 (b) Neither the district nor the board may provide electric service within the certificated
195 service territory of any entity that has been authorized to provide retail electric
196 service in that territory pursuant to:
- 197 (i) a certificate of public convenience and necessity issued by the Public Service
198 Commission under Title 54, Public Utilities;

199 (ii) a franchise, ordinance, or other authorization granted under Title 10, Utah
200 Municipal Code; or
201 (iii) any other provision of state law authorizing an entity to provide retail electric
202 service within a defined geographic area.

203 (c) Nothing in this part shall be construed to limit, diminish, or otherwise affect the
204 certificated service territory of an entity that has been authorized to provide retail
205 electric service in the state.

206 Section 7. Section **17B-2a-1407** is enacted to read:

207 **17B-2a-1407 . Revenue bonds -- Commission review and approval.**

208 (1) The district may issue revenue bonds to finance the acquisition, construction,
209 improvement, or equipping of energy infrastructure facilities within a designated service
210 area.

211 (2)(a) Revenue bonds issued under this section:

212 (i) are limited obligations of the district payable solely from revenues deposited into
213 the enterprise fund described in Section 17B-2a-1408;

214 (ii) do not constitute a general obligation or liability of, or a charge against the
215 general credit or taxing power of, the state or any political subdivision of the state;

216 (iii) are not subject to the debt limitations of Utah Constitution, Article XIV; and

217 (iv) shall state on the face of each bond the limitation described in Subsection
218 (2)(a)(ii).

219 (b) Notwithstanding the requirements in Subsection (2)(a)(iv), the failure to state on the
220 face on the bond the limitation described in (2)(a)(ii) does not have any impact on the
221 limited obligation described in this section.

222 (3)(a) The commission shall review and may approve a bond before the district may
223 issue a bond.

224 (b) The commission may not approve issuance of a bond described in Subsection (3)(a)
225 unless the execution and terms of the bond comply with state law.

226 (c) If, after review, the commission approves a bond described in Subsection (3)(a), the
227 district:

228 (i) may not change before issuing the bond the terms of the bond that were reviewed
229 by the commission if the change is outside the approved parameters and intended
230 purposes; and

231 (ii) is under no obligation to issue the bond.

232 (d) A member of the commission who approves a bond under Subsection (3)(a) is not

- 233 personally liable on the bond.
- 234 (e) The approval of a bond under Subsection (3)(a):
- 235 (i) is not an obligation of the state; and
- 236 (ii) is not an act that:
- 237 (A) lends the state's credit; or
- 238 (B) constitutes indebtedness within the meaning of any constitutional or statutory
- 239 debt limitation.
- 240 (4) The district may pledge to the payment of revenue bonds any legally available revenues
- 241 of the district.
- 242 (5) The district may establish reserve funds, debt service funds, and other funds as required
- 243 by bond indentures or trust agreements securing revenue bonds issued under this section.
- 244 (6) The district may issue refunding bonds to refund outstanding revenue bonds issued
- 245 under this section.
- 246 (7) Notwithstanding Chapter 1, Part 11, Special District Bonds, the district may not issue
- 247 general obligation bonds.

248 Section 8. Section **17B-2a-1408** is enacted to read:

249 **17B-2a-1408 . Energy Infrastructure Enterprise Fund.**

- 250 (1) In addition to the requirements of Chapter 1, Part 6, Fiscal Procedures for Special
- 251 Districts, the board shall establish and maintain an enterprise fund known as the Energy
- 252 Infrastructure Enterprise Fund.
- 253 (2) The following shall be deposited into the enterprise fund:
- 254 (a) proceeds of revenue bonds issued under Section 17B-2a-1407, pending application to
- 255 authorized purposes including a bond project fund to ensure the appropriate use of
- 256 such proceeds;
- 257 (b) payments received by the district under operating contracts;
- 258 (c) payments received by the district under power purchase agreements; and
- 259 (d) any other revenues received by or pledged to the district.
- 260 (3) Revenues in the enterprise fund shall be used solely for the purposes of the district and
- 261 applied in the order prescribed by the district and in compliance with any bond contract
- 262 approved by the district.

263 Section 9. Section **17B-2a-1409** is enacted to read:

264 **17B-2a-1409 . Operating contracts.**

- 265 (1) The district may enter into operating contracts with operators for the management,
- 266 operation, and maintenance of district-owned energy infrastructure facilities within the

- 267 service area described in Section 17B-2a-1405.
- 268 (2) An operating contract shall:
- 269 (a) require the operator to manage, operate, and maintain the facility in accordance with
- 270 applicable law and prudent industry standards;
- 271 (b) specify the payments the operator shall make to the district, which shall be structured
- 272 to cover, at minimum, the district's debt service obligations and operating costs
- 273 attributable to the facility;
- 274 (c) specify the term of the contract, which may not exceed 40 years;
- 275 (d) provide that upon expiration or termination of the contract full operational control of
- 276 the facility returns to the district free of any claim of the operator; and
- 277 (e) specify the conditions under which the contract may be terminated or renewed.
- 278 (3) An operating contract entered into under this section:
- 279 (a) is a service agreement; and
- 280 (b) does not convey a leasehold interest, ownership interest, or any other property
- 281 interest in the facility to the operator.
- 282 (4) The district shall require each operator to maintain:
- 283 (a) adequate insurance coverage as determined by the board; and
- 284 (b) where appropriate, performance bonds or other financial security acceptable to the
- 285 board to protect the district's interests under the operating contract.
- 286 (5) The board shall structure each operating contract to ensure that each operating contract
- 287 complies with applicable federal tax law governing qualified management contracts as
- 288 may be required by a federally tax-exempt revenue bond.

289 Section 10. Section **17B-2a-1410** is enacted to read:

290 **17B-2a-1410 . Property taxes and privilege tax.**

- 291 (1) All property and assets of the district are exempt from taxation as provided in Section
- 292 17B-1-116.
- 293 (2) An operator using district-owned facilities is subject to the privilege tax imposed under
- 294 Title 59, Chapter 4, Privilege Tax.
- 295 (3) The district may levy a privilege tax within the service area for district operations and
- 296 maintenance expenses at a rate not to exceed 0.0023.
- 297 (4) Notwithstanding this section, nothing prohibits the district from agreeing to a payment
- 298 in lieu of taxes in the board's sole discretion.

299 Section 11. Section **17B-2a-1411** is enacted to read:

300 **17B-2a-1411 . Dissolution.**

- 301 (1) The board may adopt a dissolution resolution if:
 302 (a) the district has ceased operations in the service area; and
 303 (b) the district has no outstanding debt or other obligations.
 304 (2) The Legislature may dissolve the district by joint resolution.
 305 (3) Upon dissolution of the district:
 306 (a) all outstanding revenue bonds shall be defeased or retired in accordance with their
 307 terms before dissolution is effective; and
 308 (b) all remaining assets of the district shall be transferred to the state.

309 Section 12. Section **79-6-1101** is amended to read:

310 **79-6-1101 . Utah Energy Council -- Creation and purpose.**

- 311 (1) As used in this part:
 312 (a) "Council" means the Utah Energy Council created in Section 79-6-1101.
 313 (b) "Decommissioned asset" means a project entity asset that:
 314 (i) has been removed from active service by a project entity;
 315 (ii) has been transferred to the council, including:
 316 (A) transfer of legal title; and
 317 (B) transfer of operational responsibility; and
 318 (iii) will be operated and managed under the direction of the council.
 319 (c) "District" means the Utah Energy Infrastructure Service District created under
 320 Section 17B-2a-1403.
 321 [~~(e)~~] (d) "Operator" means an entity that:
 322 (i) manages and maintains the daily operations of an electrical generation facility;
 323 (ii) employs the workforce necessary to run the facility;
 324 (iii) procures fuel and other necessary supplies;
 325 (iv) ensures compliance with all applicable regulations; and
 326 (v) maintains the reliability of power generation.
 327 [~~(d)~~] (e) "Project entity" means the same as that term is defined in Section 11-13-103.
 328 [~~(e)~~] (f) "Project entity asset" means the same as that term is defined in Section 11-13-318.
 329 (g) "State energy financing institution" means the same as that term is defined in 10
 330 C.F.R. 609.2.
 331 (2) There is created within the office the Utah Energy Council.
 332 (3) The purpose of the council is to facilitate the development of electrical energy
 333 generation and transmission projects within the state, including:
 334 (a) power plants;

- 335 (b) transmission lines;
 336 (c) energy storage facilities; and
 337 (d) related infrastructure.
- 338 (4) The council is a state energy financing institution for purposes of accessing federal
 339 programs available to state energy financing institutions, including programs under 10
 340 C.F.R. Part 609.

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

342 **79-6-1102 . Council composition -- Appointment -- Terms -- Staffing.**

- 343 (1) The council shall be composed of:
- 344 (a) the director or the director's designee~~[-, who shall serve as chair of the council];~~
 345 (b) two individuals appointed by the governor;
 346 (c) one individual appointed by the president of the Senate; ~~[and]~~
 347 (d) one individual appointed by the speaker of the House of Representatives~~[-]~~ ;
 348 (e) two individuals appointed by the members described in Subsections (1)(a) through (d),
 349 each of whom have experience in one or more of the following:
- 350 (i) economic development, including support for existing or new industries that are
 351 critical to the state;
 352 (ii) public utilities, including utility operations, management, regulation, or policy;
 353 (iii) bonding or public financing, including municipal bond issuance, project finance,
 354 or public-private partnerships; or
 355 (iv) relevant legal matters, including energy law, public finance law, utility
 356 regulation, or securities law.
- 357 (2)(a) Except as provided in Subsection (2)(b), a council member appointed under
 358 Subsection (1):
- 359 (i) shall serve a four-year term;
 360 (ii) may be removed by the appointing authority;
 361 (iii) may be reappointed; and
 362 (iv) continues to serve until the member's successor is appointed and qualified.
- 363 (b) Initial terms for the appointed council members shall be staggered as follows:
- 364 (i) one member appointed by the governor under Subsection (1)(b) shall serve a
 365 two-year term;
 366 (ii) one member appointed by the governor under Subsection (1)(b) shall serve a
 367 three-year term;
 368 (iii) the member appointed by the president of the Senate under Subsection (1)(c)

- 369 shall serve a four-year term; and
- 370 (iv) the member appointed by the speaker of the House of Representatives under
- 371 Subsection (1)(d) shall serve a two-year term.
- 372 (c) A member appointed under Subsection (1)(e) may be removed by majority vote of
- 373 the council members appointed under Subsections (1)(a) through (1)(d).
- 374 (3) When a vacancy occurs in the membership for any reason, the replacement shall be
- 375 appointed by the relevant appointing authority for the unexpired term.
- 376 (4)(a) Until July 1, 2026, the director, or the director's designee, shall serve as chair of
- 377 the council.
- 378 (b) Beginning on July 1, 2026:
- 379 (i) the director, or the director's designee, shall serve as a co-chair of the council; and
- 380 (ii) the president of the Senate and the speaker of the House of Representatives shall
- 381 jointly designate one member of the council described in Subsections (1)(b)
- 382 through (1)(e) to serve as a co-chair of the council.
- 383 (c) The co-chair designated under Subsection (4)(b)(ii) may be removed as co-chair and
- 384 replaced by joint designation of the president of the Senate and the speaker of the
- 385 House of Representatives.
- 386 [(4)] (5)(a) A majority of council members constitutes a quorum for conducting council
- 387 business.
- 388 (b) A majority vote of the quorum present is required for any action taken by the council.
- 389 [(5)] (6) The council shall meet:
- 390 (a) at least quarterly; and
- 391 (b) at the call of [~~the chair~~] a co-chair or a majority of the council members.
- 392 [(6)] (7)(a) A council member who is not a legislator may not receive compensation or
- 393 benefits for the member's service but may receive per diem and travel expenses in
- 394 accordance with:
- 395 (i) Section 63A-3-106;
- 396 (ii) Section 63A-3-107; and
- 397 (iii) rules made by the Division of Finance under Sections 63A-3-106 and 63A-3-107.
- 398 (b) Compensation and expenses of a council member who is a legislator are governed by
- 399 Section 36-2-2 and Legislative Joint Rules, Title 5, Legislative Compensation and
- 400 Expenses.
- 401 [(7)] (8) The office shall provide staff support to the council.
- 402 (9)(a) Each member of the council serves concurrently as a member of the board of

403 trustees of the district by virtue of the member's appointment to the council.

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

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

408 **79-6-1103 . Council powers and duties.**

409 (1) The council shall:

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

411 (i) site identification and permitting;

412 (ii) early site preparation work;

413 (iii) infrastructure improvements;

414 (iv) project financing assistance; and

415 (v) stakeholder coordination;

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

417 (i) evaluating infrastructure needs and opportunities;

418 (ii) coordinating with transmission and pipeline developers;

419 (iii) supporting utility planning efforts; and

420 (iv) coordinating with federal agencies;

421 (c) establish and implement:

422 (i) strategic plans for energy development;

423 (ii) frameworks for stakeholder engagement;

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

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

426 (d) review and approve:

427 (i) research project proposals from the board; and

428 (ii) funding allocations recommended by the board;

429 (e) consult with state land use authorities regarding:

430 (i) identification of state lands suitable for electrical energy development;

431 (ii) designation of electrical energy development zones; and

432 (iii) opportunities for coordinated development of electrical energy projects on state
433 lands;

434 (f) administer the Electrical Energy Development Investment Fund created in Section
435 79-6-1105;

436 (g) make recommendations regarding electrical energy policy to state and local

- 437 governments;
- 438 (h) identify and recommend solutions to barriers affecting electrical energy development;
- 439 (i) assess and address potential public health impacts of electrical energy development
- 440 zones;
- 441 (j) enter into contracts necessary to fulfill the council's duties;
- 442 (k) report annually by October 31 to the Public Utilities, Energy, and Technology
- 443 Interim Committee and the Natural Resources, Agriculture, and Environment Interim
- 444 Committee regarding:
- 445 (i) the council's activities;
- 446 (ii) energy development opportunities;
- 447 (iii) infrastructure needs;
- 448 (iv) the status of designated electrical energy development zones;
- 449 (v) recommendations for how the property tax differential revenue collected under
- 450 Section 79-6-1104 should be divided and distributed between the state, counties,
- 451 and municipalities;
- 452 (vi) investment decisions made by the council; and
- 453 (vii) recommended policy changes;
- 454 (l) create and implement a strategic plan for a decommissioned asset, taking into
- 455 consideration:
- 456 (i) the state energy policy, as provided in Section 79-6-301;
- 457 (ii) reliability of electrical generation; and
- 458 (iii) economic viability;
- 459 (m) establish policies and procedures for the management of a decommissioned asset;
- 460 (n) administer contracts for the management and operations of a decommissioned asset;
- 461 (o) enter into contracts necessary for the operation and management of a
- 462 decommissioned asset;
- 463 (p) acquire, hold, and dispose of property related to a decommissioned asset;
- 464 (q) select an operator for a decommissioned asset as provided in Section 79-6-1107; [and]
- 465 (r) report annually to the Legislative Management Committee regarding:
- 466 (i) the status and progress of the asset transfer;
- 467 (ii) operational and financial status of the asset under council control;
- 468 (iii) status of the operator contract;
- 469 (iv) environmental compliance status; and
- 470 (v) recommendations for legislation[-] ; and

- 471 (s) designate a service area for the district as provided in Section 17B-2a-1405.
- 472 (2) The council may create the Utah Energy Infrastructure Service District as provided in
 473 Section 17B-2a-1403.
- 474 (3) The council shall negotiate with the applicable county or municipality regarding the
 475 distribution of property tax differential revenue collected under Section 79-6-1104.
- 476 ~~[(3)]~~ (4) Any portion of the property tax differential that is not distributed to the council
 477 shall be distributed to the applicable county or municipality for impact mitigation and
 478 affordable housing.
- 479 ~~[(4)]~~ (5)(a) The portion of the property tax differential that is distributed to the
 480 municipality shall be used for:
- 481 (i) at least 10% of the total distribution shall be used for affordable housing
 482 programs; and
- 483 (ii) the remaining portion shall be used to mitigate impacts within the municipality
 484 resulting from electrical energy development.
- 485 (b) The portion of the property tax differential that is distributed to the county shall be
 486 used for:
- 487 (i) at least 10% of the total distribution shall be placed in a registered non-profit
 488 established to administer housing programs on behalf of an association
 489 representing 10 or more counties in the state; and
- 490 (ii) the remaining portion shall be used to mitigate impacts within the county
 491 resulting from electrical energy development.
- 492 ~~[(5)]~~ (6) If the council acquires a project entity asset under Section 11-13-318, the council
 493 shall enter into an agreement with the project entity that:
- 494 (a) provides for the transfer, disposition, and future operation of the asset; and
- 495 (b) ensures the transfer, disposition, and future operation does not interfere with the
 496 project entity's ownership or operation of electrical generation facilities powered by
 497 natural gas, hydrogen, or a combination of natural gas and hydrogen.
- 498 Section 15. Section **79-6-1104** is amended to read:
- 499 **79-6-1104 . Electrical energy development zones -- Property tax differential.**
- 500 (1) As used in this section:
- 501 (a) "Base taxable value" means the value of property within an electrical energy
 502 development zone, as shown on the assessment roll last equalized before the creation
 503 of the electrical energy development zone.
- 504 (b) "Community reinvestment agency" means the same as that term is defined in Section

- 505 17C-1-102.
- 506 (c) "Community reinvestment project area" means the same as that term is defined in
507 Section 17C-1-102.
- 508 (d) "Municipal power project" means an electrical energy project that:
509 (i) is operated by or on behalf of a municipality; and
510 (ii) exclusively serves customers within that municipality's jurisdictional boundaries.
- 511 (e) "Property tax differential" means the difference between:
512 (i) the amount of property tax revenues generated each tax year by all taxing entities
513 from an electrical energy development zone, using the current assessed value of
514 the property; and
515 (ii) the amount of property tax revenues that would be generated from that same area
516 using the base taxable value of the property.
- 517 (f) "State land use authority" means:
518 (i) the Utah Inland Port Authority created in Section 11-58-201;
519 (ii) the Military Installation Development Authority created in Section 63H-1-201;
520 (iii) the School and Institutional Trust Lands Administration created in Section
521 53C-1-201; or
522 (iv) any other land use authority created by the state that has jurisdiction over state
523 lands.
- 524 (2)(a) Except as provided in Subsection (2)(b), a county or municipality may not offer
525 financial incentives for a baseload electrical energy project that is not located within
526 a designated electrical energy development zone.
- 527 (b) Subsection (2)(a) does not apply to:
528 (i) financial incentives offered for:
529 (A) a municipal power project; or
530 (B) an electrical energy project that exclusively utilizes intermittent resources; or
531 (ii) an electrical energy project for which a project area plan has been approved
532 before July 1, 2026.
- 533 (3) A county or municipality may:
534 (a) pass a resolution declaring an intent to establish within the county or municipality
535 boundaries an energy development zone;
536 (b) enter into an interlocal agreement with the council outlining each parties'
537 responsibilities relating to an energy development zone; and
538 (c) apply to the council for the designation of an electrical energy development zone by

- 539 submitting:
- 540 (i) a description of the proposed boundaries of the electrical energy development
- 541 zone;
- 542 (ii) an assessment of existing electrical energy infrastructure within and proximate to
- 543 the proposed electrical energy development zone;
- 544 (iii) a development plan that includes:
- 545 (A) proposed electrical energy development projects;
- 546 (B) anticipated infrastructure improvements;
- 547 (C) projected economic benefits to the county; and
- 548 (D) evidence of local support including any interlocal agreement entered into
- 549 between the county or municipality and the council, as applicable;
- 550 (iv) if the applicant is a municipality, evidence of coordination with the county in
- 551 which the proposed electrical energy development zone is located, including any
- 552 interlocal agreement entered into between the county or municipality and the
- 553 council, as applicable;
- 554 (v) if the applicant is a county and any portion of the proposed electrical energy
- 555 development zone is within the boundaries of a municipality, evidence of an
- 556 agreement with the municipality regarding the establishment of the electrical
- 557 energy development zone; and
- 558 (vi) any other information required by the council.
- 559 (4) A state land use authority may:
- 560 (a) propose an electrical energy development zone within lands under its jurisdiction; and
- 561 (b) apply to the council for the designation of an electrical energy development zone by
- 562 submitting:
- 563 (i) a description of the proposed boundaries of the electrical energy development
- 564 zone;
- 565 (ii) an assessment of existing electrical energy infrastructure within and proximate to
- 566 the proposed electrical energy development zone;
- 567 (iii) a development plan that includes:
- 568 (A) proposed electrical energy development projects;
- 569 (B) anticipated infrastructure improvements; and
- 570 (C) projected economic benefits;
- 571 (iv) evidence that the proposed zone is consistent with applicable land use plans and
- 572 regulations; and

- 573 (v) any other information required by the council.
- 574 (5) The council shall:
- 575 (a) approve an application for electrical energy development zone designation if the
- 576 application demonstrates:
- 577 (i) the proposed electrical energy development zone includes land suitable for
- 578 electrical energy development based on:
- 579 (A) access to electrical energy resources;
- 580 (B) proximity to existing or planned transmission infrastructure;
- 581 (C) adequate transportation access; and
- 582 (D) sufficient land area for proposed development; and
- 583 (ii) the development plan:
- 584 (A) aligns with state energy policy under Section 79-6-301;
- 585 (B) includes realistic timelines and milestones;
- 586 (C) identifies specific infrastructure improvements; and
- 587 (D) quantifies projected economic benefits;
- 588 (b) make a determination on an application within 60 days of submission;
- 589 (c) provide written notice to the county or municipality explaining the basis for approval
- 590 or denial;
- 591 (d) if an electrical energy development zone overlaps with an area designated by a
- 592 community reinvestment agency as a community reinvestment project area as of May
- 593 7, 2025, enter into an agreement with the community reinvestment agency to
- 594 determine the percentage division of the property tax differential between:
- 595 (i) the Electrical Energy Development Investment Fund; and
- 596 (ii) the community reinvestment agency; and
- 597 (e) if an electrical energy development zone overlaps with an inland port project, enter
- 598 into an agreement with the Utah Inland Port Authority to determine the percentage
- 599 division of the property tax differential between:
- 600 (i) the Electrical Energy Development Investment Fund; and
- 601 (ii) the Utah Inland Port Authority created in Section 11-58-201.
- 602 (6) Within 30 days after the council designates an electrical energy development zone:
- 603 (a) the county auditor shall certify to the council the base taxable value of property
- 604 within the electrical energy development zone; and
- 605 (b) the county shall transmit to the council copies of the property tax assessment rolls for
- 606 all property within the electrical energy development zone.

- 607 (7)(a) Each year, the county auditor shall:
- 608 (i) determine the amount of the property tax differential for the electrical energy
- 609 development zone by comparing:
- 610 (A) the current assessed value of property within the electrical energy
- 611 development zone; and
- 612 (B) the base taxable value of property within the electrical energy development
- 613 zone;
- 614 (ii) inform the county treasurer of the property tax differential amount; and
- 615 (iii) provide notice to the council of the amount calculated under this Subsection
- 616 (7)(a).
- 617 (b) The county treasurer shall transfer the property tax differential to the council for
- 618 deposit into the Electrical Energy Development Investment Fund created in Section
- 619 79-6-1105, subject to any agreements entered into under Subsections (5)(d) and (5)(e).
- 620 (c) The county treasurer shall make distributions required under this section:
- 621 (i) at the same time as regular annual property tax distributions; and
- 622 (ii) using the same method as other property tax distributions.
- 623 (8) For property tax differential not subject to Subsection (5)(d) the council may enter into
- 624 agreements with taxing entities regarding the allocation of the property tax differential.
- 625 (9) If an electrical energy development zone designated under this section overlaps with an
- 626 existing or proposed service area of the district, the council shall note the overlap in the
- 627 zone designation resolution.

628 **Section 16. Effective Date.**

629 This bill takes effect on May 6, 2026.