

**OFFICE OF ENERGY - OVERSIGHT**

2005 GENERAL SESSION

STATE OF UTAH

**Sponsor: Thomas V. Hatch**

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**LONG TITLE**

**General Description:**

This bill eliminates the Utah Energy Office and moves the Clean Fuels Vehicle program and fund from the Department of Natural Resources to the Department of Environmental Quality.

**Highlighted Provisions:**

This bill:

- ▶ eliminates the Utah Energy Office;
- ▶ moves the Clean Fuels Vehicle program and fund from the Department of Natural Resources to the Department of Environmental Quality; and
- ▶ makes technical amendments.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides an effective date.

**Utah Code Sections Affected:**

AMENDS:

**59-7-605**, as last amended by Chapter 90, Laws of Utah 2004

**59-10-127**, as last amended by Chapter 90, Laws of Utah 2004

**63-65-2**, as last amended by Chapter 313, Laws of Utah 2003

**63A-3-205**, as last amended by Chapter 90, Laws of Utah 2004

RENUMBERS AND AMENDS:



28           **19-1-401**, (Renumbered from 63-34-201, as enacted by Chapter 231, Laws of Utah  
29 2002)

30           **19-1-402**, (Renumbered from 63-34-202, as enacted by Chapter 231, Laws of Utah  
31 2002)

32           **19-1-403**, (Renumbered from 63-34-203, as enacted by Chapter 231, Laws of Utah  
33 2002)

34           **19-1-404**, (Renumbered from 63-34-204, as enacted by Chapter 231, Laws of Utah  
35 2002)

36 REPEALS:

37           **63-34-101**, as last amended by Chapter 352, Laws of Utah 2004



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

40           Section 1. Section **19-1-401**, which is renumbered from Section 63-34-201 is  
41 renumbered and amended to read:

42   **Part 4. Clean Fuels Conversion Program Act**

43           ~~[63-34-201]~~.           **19-1-401. Title.**

44           This part is known as the "Clean Fuels Conversion Program Act."

45           Section 2. Section **19-1-402**, which is renumbered from Section 63-34-202 is  
46 renumbered and amended to read:

47           ~~[63-34-202]~~.           **19-1-402. Definitions.**

48           As used in this part:

49           (1) "Certified by the Air Quality Board" means that a motor vehicle on which  
50 conversion equipment has been installed meets the following criteria:

51           (a) before the installation of conversion equipment, the motor vehicle does not exceed  
52 the emission cut points for a transient test driving cycle, as specified in 40 CFR 51, Appendix  
53 E to Subpart S, or an equivalent test for the make, model, and year of the motor vehicle;

54           (b) the motor vehicle's emissions of regulated pollutants, when operating with clean  
55 fuel, is less than the emissions were before the installation of conversion equipment; and

56           (c) a reduction in emissions under Subsection (1)(b) is demonstrated by:

57           (i) certification of the conversion equipment by the federal Environmental Protection  
58 Agency or by a state whose certification standards are recognized by the Air Quality Board;

59 (ii) testing the motor vehicle, before and after the installation of the conversion  
60 equipment, in accordance with 40 CFR 86, Control of Air Pollution from New and In-use  
61 Motor Vehicle Engines: Certification and Test Procedures, using all fuel the motor vehicle is  
62 capable of using; or

63 (iii) any other test or standard recognized by Air Quality Board rule.

64 (2) "Clean fuel" means:

65 (a) propane, compressed natural gas, or electricity;

66 (b) other fuel the Air Quality Board determines to be at least as effective as fuels under  
67 Subsection (2)(a) in reducing air pollution; or

68 (c) other fuel that meets the clean-fuel vehicle standards in the federal Clean Air Act  
69 Amendments of 1990, 42 U.S.C. Sec. 7521 et seq.

70 (3) "Clean-fuel vehicle" means a vehicle that:

71 (a) uses a clean fuel; and

72 (b) meets clean-fuel vehicle standards in the federal Clean Air Act Amendments of  
73 1990, 42 U.S.C. Sec. 7521 et seq.

74 (4) "Fund" means the Clean Fuels Vehicle Fund created in Section [~~63-34-203~~]  
75 19-1-403.

76 (5) "Government vehicle" means a motor vehicle registered in Utah and owned and  
77 operated by the state, a public trust authority, a school district, a county, a municipality, a town,  
78 or a city, including a metropolitan rapid transit motor vehicle, bus, truck, law enforcement  
79 vehicle, or emergency vehicle.

80 (6) "Incremental cost" means the difference between the cost of the OEM vehicle and  
81 the same vehicle model manufactured without the clean-fuel fueling system.

82 (7) "OEM vehicle" means a vehicle manufactured by the original vehicle manufacturer  
83 or its contractor to use a clean fuel.

84 (8) "Private sector business vehicle" means a motor vehicle registered in Utah that is  
85 owned and operated solely in the conduct of a private business enterprise.

86 (9) "Refueling equipment" means compressors when used separately, compressors used  
87 in combination with cascade tanks, and other equipment that constitute a central refueling  
88 system capable of dispensing vehicle fuel.

89 Section 3. Section **19-1-403**, which is renumbered from Section ~~63-34-203~~ is

90 renumbered and amended to read:

91 ~~[63-34-203]~~. 19-1-403. Clean Fuels Vehicle Fund -- Contents -- Loans or  
92 **grants made with fund monies.**

93 (1) (a) There is created a revolving fund known as the Clean Fuels Vehicle Fund.

94 (b) The fund consists of:

95 (i) appropriations to the fund;

96 (ii) other public and private contributions made under Subsection (1)(d);

97 (iii) interest earnings on cash balances; and

98 (iv) all monies collected for loan repayments and interest on loans.

99 (c) All money appropriated to the fund is nonlapsing.

100 (d) The department may accept contributions from other public and private sources for  
101 deposit into the fund.

102 (2) (a) The department may make loans or grants with monies available in the fund for:

103 (i) the conversion of private sector business vehicles and government vehicles to use a  
104 clean fuel, if certified by the Air Quality Board; or

105 (ii) the purchase of OEM vehicles for use as private sector business vehicles or  
106 government vehicles.

107 (b) The amount of a loan for any vehicle may not exceed:

108 (i) the actual cost of the vehicle conversion;

109 (ii) the incremental cost of purchasing the OEM vehicle; or

110 (iii) the cost of purchasing the OEM vehicle if there is no documented incremental  
111 cost.

112 (c) The amount of a grant for any vehicle may not exceed:

113 (i) 50% of the actual cost of the vehicle conversion minus the amount of any tax credit  
114 claimed under Section 59-7-605 or 59-10-127 for the vehicle for which a grant is requested; or

115 (ii) 50% of the incremental cost of purchasing an OEM vehicle minus the amount of  
116 any tax credit claimed under Section 59-7-605 or 59-10-127 for the vehicle for which a grant is  
117 requested.

118 (d) (i) Subject to the availability of monies in the fund, the department may make loans  
119 for the purchase of vehicle refueling equipment for private sector business vehicles and  
120 government vehicles.

121 (ii) The maximum amount loaned per installation of refueling equipment may not  
122 exceed the actual cost of the refueling equipment.

123 (3) Administrative costs of the fund shall be paid from the fund.

124 (4) (a) The fund balance may not exceed \$10,000,000.

125 (b) Interest on cash balances and repayment of loans in excess of the amount necessary  
126 to maintain the fund balance at \$10,000,000 shall be deposited in the General Fund.

127 (5) (a) Loans made from monies in the fund shall be supported by loan documents  
128 evidencing the intent of the borrower to repay the loan.

129 (b) The original loan documents shall be filed with the Division of Finance and a copy  
130 shall be filed with the department.

131 Section 4. Section **19-1-404**, which is renumbered from Section 63-34-204 is  
132 renumbered and amended to read:

133 ~~[63-34-204]~~. **19-1-404. Department duties -- Rulemaking -- Loan**  
134 **repayment.**

135 (1) The department shall:

136 (a) establish and administer the loan and grant program to encourage government  
137 officials and private sector business vehicle owners and operators to obtain and use clean-fuel  
138 vehicles; and

139 (b) make rules in accordance with Title 63, Chapter 46a, Utah Administrative  
140 Rulemaking Act:

141 (i) specifying the amount of money in the fund to be dedicated annually for grants;

142 (ii) limiting the amount of a grant given to any person claiming a tax credit under  
143 Section 59-7-605 or 59-10-127 for the motor vehicle for which a grant is requested to assure  
144 that the sum of the tax credit and grant does not exceed:

145 (A) 50% of the incremental cost of the OEM vehicle; or

146 (B) 50% of the cost of conversion equipment;

147 (iii) limiting the number of motor vehicles per fleet operator that may be eligible for a  
148 grant in a year;

149 (iv) specifying criteria the department shall consider in prioritizing and awarding loans  
150 and grants;

151 (v) specifying repayment periods;

- 152 (vi) specifying procedures for:
- 153 (A) awarding loans and grants; and
- 154 (B) collecting loans; and
- 155 (vii) requiring all loan and grant applicants to:
- 156 (A) apply on forms provided by the department;
- 157 (B) agree in writing to use the clean fuel for which each vehicle is converted or
- 158 purchased using loan or grant proceeds for a minimum of 70% of the vehicle miles traveled
- 159 beginning from the time of conversion or purchase of the vehicle;
- 160 (C) agree in writing to notify the department if a vehicle converted or purchased using
- 161 loan or grant proceeds becomes inoperable through mechanical failure or accident and to
- 162 pursue a remedy outlined in department rules;
- 163 (D) provide reasonable data to the department on vehicles converted or purchased with
- 164 loan or grant proceeds; and
- 165 (E) submit vehicles converted or purchased with loan or grant proceeds to inspections
- 166 by the department as required in department rules and as necessary for administration of the
- 167 loan and grant program.
- 168 (2) (a) When developing repayment schedules for the loans, the department shall
- 169 consider the projected savings from use of the clean-fuel vehicle.
- 170 (b) A repayment schedule may not exceed ten years.
- 171 (c) Loans made from the fund for private sector vehicles shall be made at an interest
- 172 rate equal to the annual return earned in the state treasurer's Public Treasurer's Pool as
- 173 determined the month immediately preceding the closing date of the loan.
- 174 (d) Loans made from the fund for government vehicles shall be made at a zero interest
- 175 rate.
- 176 (3) The Division of Finance is responsible for collection of and accounting for the
- 177 loans and has custody of all loan documents, including all notes and contracts, evidencing the
- 178 indebtedness of the fund.

179 Section 5. Section **59-7-605** is amended to read:

180 **59-7-605. Definitions -- Tax credit -- Cleaner burning fuels.**

181 (1) As used in this section:

182 (a) "Board" means the Air Quality Board created under Title 19, Chapter 2, Air

183 Conservation Act.

184 (b) "Certified by the board" means that:

185 (i) a motor vehicle on which conversion equipment has been installed meets the  
186 following criteria:

187 (A) before the installation of conversion equipment, the vehicle does not exceed the  
188 emission cut points for a transient test driving cycle, as specified in 40 C.F.R. Part 51,  
189 Appendix E to Subpart S, or an equivalent test for the make, model, and year of the vehicle;

190 (B) the motor vehicle's emissions of regulated pollutants, when operating on fuels  
191 listed in Subsection (2)(b), is less than the emissions were before the installation of conversion  
192 equipment; and

193 (C) a reduction in emissions under Subsection (1)(b)(i)(B) is demonstrated by:

194 (I) certification of the conversion equipment by the federal Environmental Protection  
195 Agency or by a state whose certification standards are recognized by the board;

196 (II) testing the motor vehicle, before and after installation of the conversion equipment,  
197 in accordance with 40 C.F.R. Part 86, Control of Emissions from New and In-use Highway  
198 Vehicles and Engines, using all fuel the motor vehicle is capable of using; or

199 (III) any other test or standard recognized by board rule; or

200 (ii) special mobile equipment on which conversion equipment has been installed meets  
201 the following criteria:

202 (A) the special mobile equipment's emissions of regulated pollutants, when operating  
203 on fuels listed in Subsection (2)(c), is less than the emissions were before the installation of  
204 conversion equipment; and

205 (B) a reduction in emissions under Subsection (1)(b)(ii)(A) is demonstrated by:

206 (I) certification of the conversion equipment by the federal Environmental Protection  
207 Agency or by a state whose certification standards are recognized by the board; or

208 (II) any other test or standard recognized by board rule.

209 (c) "Clean fuel grant" means a grant awarded under Title [63] 19, Chapter [34] 1, Part  
210 [2] 4, Clean Fuels Conversion Program Act, for reimbursement of a portion of the incremental  
211 cost of an OEM vehicle or the cost of conversion equipment.

212 (d) "Conversion equipment" means equipment referred to in Subsection (2)(b) or  
213 (2)(c).

214 (e) "Incremental cost" has the same meaning as in Section [~~63-34-202~~] 19-1-402.

215 (f) "OEM vehicle" has the same meaning as in Section [~~63-34-202~~] 19-1-402.

216 (g) "Special mobile equipment":

217 (i) means any mobile equipment or vehicle that is not designed or used primarily for

218 the transportation of persons or property; and

219 (ii) includes construction or maintenance equipment.

220 (2) For taxable years beginning on or after January 1, 2001, but beginning on or before

221 December 31, 2005, a taxpayer may claim a tax credit against tax otherwise due under this

222 chapter or Chapter 8, Gross Receipts Tax on Certain Corporations Not Required to Pay

223 Corporate Franchise or Income Tax Act, in an amount equal to:

224 (a) 50% of the incremental cost of an OEM vehicle registered in Utah minus the  
225 amount of any clean fuel grant received, up to a maximum tax credit of \$3,000 per vehicle, if  
226 the vehicle:

227 (i) is fueled by propane, natural gas, or electricity;

228 (ii) is fueled by other fuel the board determines annually on or before July 1 to be at  
229 least as effective in reducing air pollution as fuels under Subsection (2)(a)(i); or

230 (iii) meets the clean-fuel vehicle standards in the federal Clean Air Act Amendments of  
231 1990, 42 U.S.C. Sec. 7521 et seq.;

232 (b) 50% of the cost of equipment for conversion, if certified by the board, of a motor  
233 vehicle registered in Utah minus the amount of any clean fuel grant received, up to a maximum  
234 tax credit of \$2,500 per motor vehicle, if the motor vehicle is to:

235 (i) be fueled by propane, natural gas, or electricity;

236 (ii) be fueled by other fuel the board determines annually on or before July 1 to be at  
237 least as effective in reducing air pollution as fuels under Subsection (2)(b)(i); or

238 (iii) meet the federal clean-fuel vehicle standards in the federal Clean Air Act  
239 Amendments of 1990, 42 U.S.C. Sec. 7521 et seq.; and

240 (c) 50% of the cost of equipment for conversion, if certified by the board, of a special  
241 mobile equipment engine minus the amount of any clean fuel grant received, up to a maximum  
242 tax credit of \$1,000 per special mobile equipment engine, if the special mobile equipment is to  
243 be fueled by:

244 (i) propane, natural gas, or electricity; or



- 245 (ii) other fuel the board determines annually on or before July 1 to be:  
246 (A) at least as effective in reducing air pollution as the fuels under Subsection (2)(c)(i);  
247 or  
248 (B) substantially more effective in reducing air pollution than the fuel for which the  
249 engine was originally designed.
- 250 (3) A taxpayer shall provide proof of the purchase of an item for which a tax credit is  
251 allowed under this section by:
- 252 (a) providing proof to the board in the form the board requires by rule;  
253 (b) receiving a written statement from the board acknowledging receipt of the proof;  
254 and  
255 (c) retaining the written statement described in Subsection (3)(b).
- 256 (4) Except as provided by Subsection (5), the tax credit under this section is allowed  
257 only:
- 258 (a) against any Utah tax owed in the taxable year by the taxpayer;  
259 (b) in the taxable year in which the item is purchased for which the tax credit is  
260 claimed; and  
261 (c) once per vehicle.
- 262 (5) If the amount of a tax credit claimed by a taxpayer under this section exceeds the  
263 taxpayer's tax liability under this chapter for a taxable year, the amount of the tax credit  
264 exceeding the tax liability may be carried forward for a period that does not exceed the next  
265 five taxable years.
- 266 Section 6. Section **59-10-127** is amended to read:
- 267 **59-10-127. Definitions -- Tax credit -- Cleaner burning fuels.**
- 268 (1) As used in this section:
- 269 (a) "Board" means the Air Quality Board created in Title 19, Chapter 2, Air  
270 Conservation Act.
- 271 (b) "Certified by the board" means that:
- 272 (i) a motor vehicle on which conversion equipment has been installed meets the  
273 following criteria:
- 274 (A) before the installation of conversion equipment, the vehicle does not exceed the  
275 emission cut points for a transient test driving cycle, as specified in 40 C.F.R. Part 51,

276 Appendix E to Subpart S, or an equivalent test for the make, model, and year of the vehicle;

277 (B) the motor vehicle's emissions of regulated pollutants, when operating on fuels  
278 listed in Subsection (2)(b), is less than the emissions were before the installation of conversion  
279 equipment; and

280 (C) a reduction in emissions under Subsection (1)(b)(i)(B) is demonstrated by:

281 (I) certification of the conversion equipment by the federal Environmental Protection  
282 Agency or by a state whose certification standards are recognized by the board;

283 (II) testing the motor vehicle, before and after installation of the conversion equipment,  
284 in accordance with 40 C.F.R. Part 86, Control Emissions from New and In-use Highway  
285 Vehicles and Engines, using all fuels the motor vehicle is capable of using; or

286 (III) any other test or standard recognized by board rule; or

287 (ii) special mobile equipment on which conversion equipment has been installed meets  
288 the following criteria:

289 (A) the special mobile equipment's emissions of regulated pollutants, when operating  
290 on fuels listed in Subsection (2)(c), is less than the emissions were before the installation of  
291 conversion equipment; and

292 (B) a reduction in emissions under Subsection (1)(b)(ii)(A) is demonstrated by:

293 (I) certification of the conversion equipment by the federal Environmental Protection  
294 Agency or by a state whose certification standards are recognized by the board; or

295 (II) any other test or standard recognized by the board.

296 (c) "Clean fuel grant" means a grant the taxpayer receives under Title ~~[63]~~ 19, Chapter  
297 ~~[34]~~ 1, Part ~~[2]~~ 4, Clean Fuels Conversion Program Act, for reimbursement of a portion of the  
298 incremental cost of the OEM vehicle or the cost of conversion equipment.

299 (d) "Conversion equipment" means equipment referred to in Subsection (2)(b) or  
300 (2)(c).

301 (e) "Incremental cost" has the same meaning as in Section ~~[63-34-202]~~ 19-1-402.

302 (f) "OEM vehicle" has the same meaning as in Section ~~[63-34-202]~~ 19-1-402.

303 (g) "Special mobile equipment":

304 (i) means any mobile equipment or vehicle not designed or used primarily for the  
305 transportation of persons or property; and

306 (ii) includes construction or maintenance equipment.

307 (2) For taxable years beginning on or after January 1, 2001, but beginning on or before  
308 December 31, 2005, a taxpayer may claim a tax credit against tax otherwise due under this  
309 chapter in an amount equal to:

310 (a) 50% of the incremental cost of an OEM vehicle registered in Utah minus the  
311 amount of any clean fuel grant received, up to a maximum tax credit of \$3,000 per vehicle, if  
312 the vehicle:

313 (i) is fueled by propane, natural gas, or electricity;

314 (ii) is fueled by other fuel the board determines annually on or before July 1 to be at  
315 least as effective in reducing air pollution as fuels under Subsection (2)(a)(i); or

316 (iii) meets the clean-fuel vehicle standards in the federal Clean Air Act Amendments of  
317 1990, 42 U.S.C. Sec. 7521 et seq.;

318 (b) 50% of the cost of equipment for conversion, if certified by the board, of a motor  
319 vehicle registered in Utah minus the amount of any clean fuel conversion grant received, up to  
320 a maximum tax credit of \$2,500 per vehicle, if the motor vehicle:

321 (i) is to be fueled by propane, natural gas, or electricity;

322 (ii) is to be fueled by other fuel the board determines annually on or before July 1 to be  
323 at least as effective in reducing air pollution as fuels under Subsection (2)(b)(i); or

324 (iii) will meet the federal clean fuel vehicle standards in the federal Clean Air Act  
325 Amendments of 1990, 42 U.S.C. Sec. 7521 et seq.; and

326 (c) 50% of the cost of equipment for conversion, if certified by the board, of a special  
327 mobile equipment engine minus the amount of any clean fuel conversion grant received, up to a  
328 maximum tax credit of \$1,000 per special mobile equipment engine, if the special mobile  
329 equipment is to be fueled by:

330 (i) propane, natural gas, or electricity; or

331 (ii) other fuel the board determines annually on or before July 1 to be:

332 (A) at least as effective in reducing air pollution as the fuels under Subsection (2)(c)(i);

333 or

334 (B) substantially more effective in reducing air pollution than the fuel for which the  
335 engine was originally designed.

336 (3) An individual shall provide proof of the purchase of an item for which a tax credit  
337 is allowed under this section by:

- 338 (a) providing proof to the board in the form the board requires by rule;
- 339 (b) receiving a written statement from the board acknowledging receipt of the proof;
- 340 and
- 341 (c) retaining the written statement described in Subsection (3)(b).
- 342 (4) Except as provided by Subsection (5), the tax credit under this section is allowed
- 343 only:
- 344 (a) against any Utah tax owed in the taxable year by the taxpayer;
- 345 (b) in the taxable year in which the item is purchased for which the tax credit is
- 346 claimed; and
- 347 (c) once per vehicle.
- 348 (5) If the amount of a tax credit claimed by a taxpayer under this section exceeds the
- 349 taxpayer's tax liability under this chapter for a taxable year, the amount of the tax credit
- 350 exceeding the tax liability may be carried forward for a period that does not exceed the next
- 351 five taxable years.

352 Section 7. Section **63-65-2** is amended to read:

353 **63-65-2. Definitions.**

354 As used in this chapter:

- 355 (1) "Agency bonds" means any bond, note, contract, or other evidence of indebtedness
- 356 representing loans or grants made by an authorizing agency.
- 357 (2) "Authorized official" means the state treasurer or other person authorized by a bond
- 358 document to perform the required action.
- 359 (3) "Authorizing agency" means the board, person, or unit with legal responsibility for
- 360 administering and managing revolving loan funds.
- 361 (4) "Bond document" means:
- 362 (a) a resolution of the commission; or
- 363 (b) an indenture or other similar document authorized by the commission that
- 364 authorizes and secures outstanding revenue bonds from time to time.
- 365 (5) "Commission" means the State Bonding Commission created in Section
- 366 63B-1-201.
- 367 (6) "Revenue bonds" means any special fund revenue bonds issued under this chapter.
- 368 (7) "Revolving Loan Funds" means:

369 (a) the Water Resources Conservation and Development Fund, created in Section  
370 73-10-24;

371 (b) the Water Resources Construction Fund, created in Section 73-10-8;

372 (c) the Water Resources Cities Water Loan Fund, created in Section 73-10-22;

373 (d) the Clean Fuel Conversion Funds, created in Title ~~[63]~~ 19, Chapter ~~[34]~~ 1, Part ~~[2]~~  
374 4, Clean Fuels Conversion Program Act;

375 (e) the Water Development Security Fund and its subaccounts created in Section  
376 73-10c-5;

377 (f) the Agriculture Resource Development Fund, created in Section 4-18-6;

378 (g) the Utah Rural Rehabilitation Fund, created in Section 4-19-4;

379 (h) the Permanent Community Impact Fund, created in Section 9-4-303;

380 (i) the Petroleum Storage Tank Loan Fund, created in Section 19-6-405.3; and

381 (j) the Transportation Infrastructure Loan Fund, created in Section 72-2-202.

382 Section 8. Section **63A-3-205** is amended to read:

383 **63A-3-205. Revolving loan funds -- Standards and procedures -- Annual report.**

384 (1) As used in this section, "revolving loan fund" means:

385 (a) the Water Resources Conservation and Development Fund, created in Section  
386 73-10-24;

387 (b) the Water Resources Construction Fund, created in Section 73-10-8;

388 (c) the Water Resources Cities Water Loan Fund, created in Section 73-10-22;

389 (d) the Clean Fuel Conversion Funds, created in Title ~~[63]~~ 19, Chapter ~~[34]~~ 1, Part ~~[2]~~  
390 4, Clean Fuels Conversion Program;

391 (e) the Water Development Security Account and its subaccounts created in Section  
392 73-10c-5;

393 (f) the Agriculture Resource Development Fund, created in Section 4-18-6;

394 (g) the Utah Rural Rehabilitation Fund, created in Section 4-19-4;

395 (h) the Permanent Community Impact Fund, created in Section 9-4-303;

396 (i) the Petroleum Storage Tank Loan Fund, created in Section 19-6-405.3;

397 (j) the Uintah Basin Revitalization Fund, created in Section 9-10-102; and

398 (k) the Navajo Revitalization Fund, created in Section 9-11-104.

399 (2) The division shall for each revolving loan fund:

- 400 (a) make rules establishing standards and procedures governing:
- 401 (i) payment schedules and due dates;
- 402 (ii) interest rate effective dates;
- 403 (iii) loan documentation requirements; and
- 404 (iv) interest rate calculation requirements;
- 405 (b) make an annual report to the Legislature containing:
- 406 (i) the total dollars loaned by that fund during the last fiscal year;
- 407 (ii) a listing of each loan currently more than 90 days delinquent, in default, or that was
- 408 restructured during the last fiscal year;
- 409 (iii) a description of each project that received money from that revolving loan fund;
- 410 (iv) the amount of each loan made to that project;
- 411 (v) the specific purpose for which the proceeds of the loan were to be used, if any;
- 412 (vi) any restrictions on the use of the loan proceeds;
- 413 (vii) the present value of each loan at the end of the fiscal year calculated using the
- 414 interest rate paid by the state on the bonds providing the revenue on which the loan is based or,
- 415 if that is unknown, on the average interest rate paid by the state on general obligation bonds
- 416 issued during the most recent fiscal year in which bonds were sold; and
- 417 (viii) the financial position of each revolving loan fund, including the fund's cash
- 418 investments, cash forecasts, and equity position.

419 **Section 9. Repealer.**

420 This bill repeals:

421 **Section 63-34-101, Utah Energy Office created -- Utah Energy Office duties.**

422 **Section 10. Effective date.**

423 If approved by two-thirds of all the members elected to each house, this bill takes effect

424 April 1, 2005.

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**Legislative Review Note**

as of 2-9-05 4:23 PM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

**Office of Legislative Research and General Counsel**