

**Senator Thomas V. Hatch** proposes the following substitute bill:

**OFFICE OF ENERGY - OVERSIGHT**

2005 GENERAL SESSION

STATE OF UTAH

**Sponsor: Thomas V. Hatch**

---

---

**LONG TITLE**

**General Description:**

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 transfers authority for certain federally-related programs to the Utah Geological Survey.

**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;
- ▶ transfers authority for certain federally-related programs to the Utah Geological Survey; and
- ▶ makes technical amendments.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides an effective date.

This bill provides a coordination clause.

**Utah Code Sections Affected:**



26 AMENDS:

27 **59-7-605**, as last amended by Chapter 90, Laws of Utah 2004

28 **59-10-127**, as last amended by Chapter 90, Laws of Utah 2004

29 **63-65-2**, as last amended by Chapter 313, Laws of Utah 2003

30 **63-73-6**, as last amended by Chapter 170, Laws of Utah 1995

31 **63A-3-205**, as last amended by Chapter 90, Laws of Utah 2004

32 RENUMBERS AND AMENDS:

33 **19-1-401**, (Renumbered from 63-34-201, as enacted by Chapter 231, Laws of Utah  
34 2002)

35 **19-1-402**, (Renumbered from 63-34-202, as enacted by Chapter 231, Laws of Utah  
36 2002)

37 **19-1-403**, (Renumbered from 63-34-203, as enacted by Chapter 231, Laws of Utah  
38 2002)

39 **19-1-404**, (Renumbered from 63-34-204, as enacted by Chapter 231, Laws of Utah  
40 2002)

41 REPEALS:

42 **63-34-101**, as last amended by Chapter 352, Laws of Utah 2004

43 **Uncodified Material Affected:**

44 ENACTS UNCODIFIED MATERIAL



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

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

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

50 ~~[63-34-201]~~. **19-1-401. Title.**

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

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

54 ~~[63-34-202]~~. **19-1-402. Definitions.**

55 As used in this part:

56 (1) "Certified by the Air Quality Board" means that a motor vehicle on which

57 conversion equipment has been installed meets the following criteria:

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

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

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

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

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

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

71 (2) "Clean fuel" means:

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

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

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

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

78 (a) uses a clean fuel; and

79 (b) meets clean-fuel vehicle standards in the federal Clean Air Act Amendments of  
80 1990, 42 U.S.C. Sec. 7521 et seq.

81 (4) "Fund" means the Clean Fuels Vehicle Fund created in Section [~~63-34-203~~]  
82 19-1-403.

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

87 (6) "Incremental cost" means the difference between the cost of the OEM vehicle and

88 the same vehicle model manufactured without the clean-fuel fueling system.

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

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

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

96 Section 3. Section **19-1-403**, which is renumbered from Section 63-34-203 is  
97 renumbered and amended to read:

98 ~~[63-34-203]~~. **19-1-403. Clean Fuels Vehicle Fund -- Contents -- Loans or**  
99 **grants made with fund monies.**

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

101 (b) The fund consists of:

102 (i) appropriations to the fund;

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

104 (iii) interest earnings on cash balances; and

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

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

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

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

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

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

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

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

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

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

- 119 (c) The amount of a grant for any vehicle may not exceed:  
120 (i) 50% of the actual cost of the vehicle conversion minus the amount of any tax credit  
121 claimed under Section 59-7-605 or 59-10-127 for the vehicle for which a grant is requested; or  
122 (ii) 50% of the incremental cost of purchasing an OEM vehicle minus the amount of  
123 any tax credit claimed under Section 59-7-605 or 59-10-127 for the vehicle for which a grant is  
124 requested.
- 125 (d) (i) Subject to the availability of monies in the fund, the department may make loans  
126 for the purchase of vehicle refueling equipment for private sector business vehicles and  
127 government vehicles.
- 128 (ii) The maximum amount loaned per installation of refueling equipment may not  
129 exceed the actual cost of the refueling equipment.
- 130 (3) Administrative costs of the fund shall be paid from the fund.
- 131 (4) (a) The fund balance may not exceed \$10,000,000.
- 132 (b) Interest on cash balances and repayment of loans in excess of the amount necessary  
133 to maintain the fund balance at \$10,000,000 shall be deposited in the General Fund.
- 134 (5) (a) Loans made from monies in the fund shall be supported by loan documents  
135 evidencing the intent of the borrower to repay the loan.
- 136 (b) The original loan documents shall be filed with the Division of Finance and a copy  
137 shall be filed with the department.
- 138 Section 4. Section **19-1-404**, which is renumbered from Section 63-34-204 is  
139 renumbered and amended to read:
- 140 ~~[63-34-204]~~. **19-1-404. Department duties -- Rulemaking -- Loan**  
141 **repayment.**
- 142 (1) The department shall:
- 143 (a) establish and administer the loan and grant program to encourage government  
144 officials and private sector business vehicle owners and operators to obtain and use clean-fuel  
145 vehicles; and
- 146 (b) make rules in accordance with Title 63, Chapter 46a, Utah Administrative  
147 Rulemaking Act:
- 148 (i) specifying the amount of money in the fund to be dedicated annually for grants;  
149 (ii) limiting the amount of a grant given to any person claiming a tax credit under

150 Section 59-7-605 or 59-10-127 for the motor vehicle for which a grant is requested to assure  
151 that the sum of the tax credit and grant does not exceed:

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

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

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

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

158 (v) specifying repayment periods;

159 (vi) specifying procedures for:

160 (A) awarding loans and grants; and

161 (B) collecting loans; and

162 (vii) requiring all loan and grant applicants to:

163 (A) apply on forms provided by the department;

164 (B) agree in writing to use the clean fuel for which each vehicle is converted or

165 purchased using loan or grant proceeds for a minimum of 70% of the vehicle miles traveled

166 beginning from the time of conversion or purchase of the vehicle;

167 (C) agree in writing to notify the department if a vehicle converted or purchased using

168 loan or grant proceeds becomes inoperable through mechanical failure or accident and to

169 pursue a remedy outlined in department rules;

170 (D) provide reasonable data to the department on vehicles converted or purchased with  
171 loan or grant proceeds; and

172 (E) submit vehicles converted or purchased with loan or grant proceeds to inspections

173 by the department as required in department rules and as necessary for administration of the

174 loan and grant program.

175 (2) (a) When developing repayment schedules for the loans, the department shall

176 consider the projected savings from use of the clean-fuel vehicle.

177 (b) A repayment schedule may not exceed ten years.

178 (c) Loans made from the fund for private sector vehicles shall be made at an interest

179 rate equal to the annual return earned in the state treasurer's Public Treasurer's Pool as

180 determined the month immediately preceding the closing date of the loan.

181 (d) Loans made from the fund for government vehicles shall be made at a zero interest  
182 rate.

183 (3) The Division of Finance is responsible for collection of and accounting for the  
184 loans and has custody of all loan documents, including all notes and contracts, evidencing the  
185 indebtedness of the fund.

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

187 **59-7-605. Definitions -- Tax credit -- Cleaner burning fuels.**

188 (1) As used in this section:

189 (a) "Board" means the Air Quality Board created under Title 19, Chapter 2, Air  
190 Conservation Act.

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

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

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

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

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

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

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

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

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

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

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

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

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

216 (c) "Clean fuel grant" means a grant awarded under Title [63] 19, Chapter [34] 1, Part  
217 [2] 4, Clean Fuels Conversion Program Act, for reimbursement of a portion of the incremental  
218 cost of an OEM vehicle or the cost of conversion equipment.

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

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

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

223 (g) "Special mobile equipment":

224 (i) means any mobile equipment or vehicle that is not designed or used primarily for  
225 the transportation of persons or property; and

226 (ii) includes construction or maintenance equipment.

227 (2) For taxable years beginning on or after January 1, 2001, but beginning on or before  
228 December 31, 2005, a taxpayer may claim a tax credit against tax otherwise due under this  
229 chapter or Chapter 8, Gross Receipts Tax on Certain Corporations Not Required to Pay  
230 Corporate Franchise or Income Tax Act, in an amount equal to:

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

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

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

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

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

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



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

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

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

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

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

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

254 or

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

257 (3) A taxpayer shall provide proof of the purchase of an item for which a tax credit is  
258 allowed under this section by:

259 (a) providing proof to the board in the form the board requires by rule;

260 (b) receiving a written statement from the board acknowledging receipt of the proof;

261 and

262 (c) retaining the written statement described in Subsection (3)(b).

263 (4) Except as provided by Subsection (5), the tax credit under this section is allowed  
264 only:

265 (a) against any Utah tax owed in the taxable year by the taxpayer;

266 (b) in the taxable year in which the item is purchased for which the tax credit is  
267 claimed; and

268 (c) once per vehicle.

269 (5) If the amount of a tax credit claimed by a taxpayer under this section exceeds the  
270 taxpayer's tax liability under this chapter for a taxable year, the amount of the tax credit  
271 exceeding the tax liability may be carried forward for a period that does not exceed the next  
272 five taxable years.

273 Section 6. Section **59-10-127** is amended to read:

274 **59-10-127. Definitions -- Tax credit -- Cleaner burning fuels.**

275 (1) As used in this section:

276 (a) "Board" means the Air Quality Board created in Title 19, Chapter 2, Air  
277 Conservation Act.

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

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

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

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

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

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

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

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

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

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

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

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

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

303 (c) "Clean fuel grant" means a grant the taxpayer receives under Title [63] 19, Chapter  
304 [34] 1, Part [2] 4, Clean Fuels Conversion Program Act, for reimbursement of a portion of the

305 incremental cost of the OEM vehicle or the cost of conversion equipment.

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

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

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

310 (g) "Special mobile equipment":

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

313 (ii) includes construction or maintenance equipment.

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

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

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

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

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

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

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

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

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

333 (c) 50% of the cost of equipment for conversion, if certified by the board, of a special  
334 mobile equipment engine minus the amount of any clean fuel conversion grant received, up to a  
335 maximum tax credit of \$1,000 per special mobile equipment engine, if the special mobile

336 equipment is to be fueled by:

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

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

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

340 or

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

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

345 (a) providing proof to the board in the form the board requires by rule;

346 (b) receiving a written statement from the board acknowledging receipt of the proof;

347 and

348 (c) retaining the written statement described in Subsection (3)(b).

349 (4) Except as provided by Subsection (5), the tax credit under this section is allowed  
350 only:

351 (a) against any Utah tax owed in the taxable year by the taxpayer;

352 (b) in the taxable year in which the item is purchased for which the tax credit is  
353 claimed; and

354 (c) once per vehicle.

355 (5) If the amount of a tax credit claimed by a taxpayer under this section exceeds the  
356 taxpayer's tax liability under this chapter for a taxable year, the amount of the tax credit  
357 exceeding the tax liability may be carried forward for a period that does not exceed the next  
358 five taxable years.

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

360 **63-65-2. Definitions.**

361 As used in this chapter:

362 (1) "Agency bonds" means any bond, note, contract, or other evidence of indebtedness  
363 representing loans or grants made by an authorizing agency.

364 (2) "Authorized official" means the state treasurer or other person authorized by a bond  
365 document to perform the required action.

366 (3) "Authorizing agency" means the board, person, or unit with legal responsibility for

367 administering and managing revolving loan funds.

368 (4) "Bond document" means:

369 (a) a resolution of the commission; or

370 (b) an indenture or other similar document authorized by the commission that

371 authorizes and secures outstanding revenue bonds from time to time.

372 (5) "Commission" means the State Bonding Commission created in Section

373 63B-1-201.

374 (6) "Revenue bonds" means any special fund revenue bonds issued under this chapter.

375 (7) "Revolving Loan Funds" means:

376 (a) the Water Resources Conservation and Development Fund, created in Section

377 73-10-24;

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

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

380 (d) the Clean Fuel Conversion Funds, created in Title ~~[63]~~ 19, Chapter ~~[34]~~ 1, Part ~~[2]~~

381 4, Clean Fuels Conversion Program Act;

382 (e) the Water Development Security Fund and its subaccounts created in Section

383 73-10c-5;

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

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

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

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

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

389 Section 8. Section ~~63-73-6~~ is amended to read:

390 **~~63-73-6. Powers and duties of survey.~~**

391 (1) The survey shall:

392 (a) assist and advise state and local governmental agencies and state educational

393 institutions on geologic, paleontologic, and mineralogic subjects;

394 (b) collect and distribute reliable information regarding the mineral industry and

395 mineral resources, topography, paleontology, and geology of the state;

396 (c) survey the geology of the state, including mineral occurrences and the ores of

397 metals, energy resources, industrial minerals and rocks, mineral-bearing waters, and surface

398 and ground water resources, with special reference to their economic contents, values, uses,  
399 kind, and availability in order to facilitate their economic use;

400 (d) investigate the kind, amount, and availability of mineral substances contained in  
401 lands owned and controlled by the state, to contribute to the most effective and beneficial  
402 administration of these lands for the state;

403 (e) determine and investigate areas of geologic and topographic hazards that could  
404 affect the safety of, or cause economic loss to, the citizens of the state;

405 (f) assist local and state government agencies in their planning, zoning, and building  
406 regulation functions by publishing maps, delineating appropriately wide special earthquake risk  
407 areas, and, at the request of state agencies or other governmental agencies, review the siting of  
408 critical facilities;

409 (g) cooperate with state agencies, political subdivisions of the state,  
410 quasi-governmental agencies, federal agencies, schools of higher education, and others in fields  
411 of mutual concern, which may include field investigations and preparation, publication, and  
412 distribution of reports and maps;

413 (h) collect and preserve data pertaining to mineral resource exploration and  
414 development programs and construction activities, such as claim maps, location of drill holes,  
415 location of surface and underground workings, geologic plans and sections, drill logs, and  
416 assay and sample maps, including the maintenance of a sample library of cores and cuttings;

417 (i) study and analyze other scientific, economic, or aesthetic problems as, in the  
418 judgment of the board, should be undertaken by the survey to serve the needs of the state and to  
419 support the development of natural resources and utilization of lands within the state;

420 (j) prepare, publish, distribute, and sell maps, reports, and bulletins, embodying the  
421 work accomplished by the survey, directly or in collaboration with others, and collect and  
422 prepare exhibits of the geological and mineral resources of this state and interpret their  
423 significance;

424 (k) collect, maintain, and preserve data and information in order to accomplish the  
425 purposes of this section and act as a repository for information concerning the geology of this  
426 state;

427 (l) stimulate research, study, and activities in the field of paleontology;

428 (m) mark, protect, and preserve critical paleontological sites;

429 (n) collect, preserve, and administer critical paleontological specimens until they are  
430 placed in a repository or curation facility;

431 (o) administer critical paleontological site excavation records; [~~and~~]

432 (p) edit and publish critical paleontological records and reports[-]; and

433 (q) by following the procedures and requirements of Title 63, Chapter 38e, Federal  
434 Funds Procedures, seek federal grants, loans, or participation in federal programs, and, in  
435 accordance with applicable federal program guidelines, administer federally funded state  
436 programs regarding:

437 (i) renewable energy;

438 (ii) energy efficiency; and

439 (iii) energy conservation.

440 (2) (a) The survey may maintain as confidential, and not as a public record,  
441 information provided to the survey by any source.

442 (b) The board shall adopt rules in order to determine whether to accept such  
443 information and to maintain the confidentiality of the accepted information.

444 (c) The survey shall maintain information received from any source at the level of  
445 confidentiality assigned to it by the source.

446 (3) Upon approval of the board, the survey shall undertake other activities consistent  
447 with Subsection (1).

448 (4) (a) Subject to the authority granted to the department, the survey may enter into  
449 cooperative agreements with the entities specified in Subsection (1)(g), if approved by the  
450 board, and may accept or commit allocated or budgeted funds in connection with those  
451 agreements.

452 (b) The survey may undertake joint projects with private entities if:

453 (i) the action is approved by the board;

454 (ii) the projects are not inconsistent with the state's objectives; and

455 (iii) the results of the projects are available to the public.

456 Section 9. Section **63A-3-205** is amended to read:

457 **63A-3-205. Revolving loan funds -- Standards and procedures -- Annual report.**

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

459 (a) the Water Resources Conservation and Development Fund, created in Section

- 460 73-10-24;
- 461 (b) the Water Resources Construction Fund, created in Section 73-10-8;
- 462 (c) the Water Resources Cities Water Loan Fund, created in Section 73-10-22;
- 463 (d) the Clean Fuel Conversion Funds, created in Title ~~[63]~~ 19, Chapter ~~[34]~~ 1, Part ~~[2]~~
- 464 4, Clean Fuels Conversion Program;
- 465 (e) the Water Development Security Account and its subaccounts created in Section
- 466 73-10c-5;
- 467 (f) the Agriculture Resource Development Fund, created in Section 4-18-6;
- 468 (g) the Utah Rural Rehabilitation Fund, created in Section 4-19-4;
- 469 (h) the Permanent Community Impact Fund, created in Section 9-4-303;
- 470 (i) the Petroleum Storage Tank Loan Fund, created in Section 19-6-405.3;
- 471 (j) the Uintah Basin Revitalization Fund, created in Section 9-10-102; and
- 472 (k) the Navajo Revitalization Fund, created in Section 9-11-104.
- 473 (2) The division shall for each revolving loan fund:
- 474 (a) make rules establishing standards and procedures governing:
- 475 (i) payment schedules and due dates;
- 476 (ii) interest rate effective dates;
- 477 (iii) loan documentation requirements; and
- 478 (iv) interest rate calculation requirements;
- 479 (b) make an annual report to the Legislature containing:
- 480 (i) the total dollars loaned by that fund during the last fiscal year;
- 481 (ii) a listing of each loan currently more than 90 days delinquent, in default, or that was
- 482 restructured during the last fiscal year;
- 483 (iii) a description of each project that received money from that revolving loan fund;
- 484 (iv) the amount of each loan made to that project;
- 485 (v) the specific purpose for which the proceeds of the loan were to be used, if any;
- 486 (vi) any restrictions on the use of the loan proceeds;
- 487 (vii) the present value of each loan at the end of the fiscal year calculated using the
- 488 interest rate paid by the state on the bonds providing the revenue on which the loan is based or,
- 489 if that is unknown, on the average interest rate paid by the state on general obligation bonds
- 490 issued during the most recent fiscal year in which bonds were sold; and



491 (viii) the financial position of each revolving loan fund, including the fund's cash  
492 investments, cash forecasts, and equity position.

493 Section 10. **Repealer.**

494 This bill repeals:

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

496 Section 11. **Intent language regarding application of rules relating to the Clean  
497 Fuels Conversion Program.**

498 It is the intent of the Legislature that administrative rules issued under Section  
499 63-34-204 by the Department of Natural Resources relating to the Clean Fuels Conversion  
500 Program are not modified by this bill and remain in effect, except that the agency administering  
501 the administrative rules shall be the Department of Environmental Quality pursuant to Section  
502 19-1-404. The Department of Environmental Quality shall coordinate with the Division of  
503 Administrative Rules and correct references within the rules, within three months of the bill's  
504 effective date.

505 Section 12. **Effective date.**

506 This bill takes effect May 15, 2005.

507 Section 13. **Coordinating S.B. 199 with H.B. 34.**

508 If this S.B. 199 and H.B. 34, Emergency Related Amendments, both pass, it is the  
509 intent of the Legislature that the Office of Legislative Research and General Counsel in  
510 preparing the Utah Code database for publication shall delete Subsection 53-2-110(2)(b) and  
511 renumber remaining subsections.

---

---

**Fiscal Note**  
**Bill Number SB0199s01**

**Office of Energy - Oversight**

*17-Feb-05*

*6:29 PM*

---

---

**State Impact**

No fiscal impact. The funds and responsibilities of the Office of Energy will be transferred to other agencies.

---

**Individual and Business Impact**

The impact of the closure of the Office of Energy on its current employees depends on the actions of the Governor's Office.

---

**Office of the Legislative Fiscal Analyst**