

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

**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, 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 and the Renewable Energy Tax Credit 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 and the Renewable Energy Tax Credit 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 **59-7-614**, as enacted by Chapter 6, Laws of Utah 2001, First Special Session
- 29 **59-10-127**, as last amended by Chapter 90, Laws of Utah 2004
- 30 **59-10-134**, as enacted by Chapter 6, Laws of Utah 2001, First Special Session
- 31 **63-65-2**, as last amended by Chapter 313, Laws of Utah 2003
- 32 **63-73-6**, as last amended by Chapter 170, Laws of Utah 1995
- 33 **63A-3-205**, as last amended by Chapter 90, Laws of Utah 2004

34 RENUMBERS AND AMENDS:

- 35 **19-1-401**, (Renumbered from 63-34-201, as enacted by Chapter 231, Laws of Utah
- 36 2002)
- 37 **19-1-402**, (Renumbered from 63-34-202, as enacted by Chapter 231, Laws of Utah
- 38 2002)
- 39 **19-1-403**, (Renumbered from 63-34-203, as enacted by Chapter 231, Laws of Utah
- 40 2002)
- 41 **19-1-404**, (Renumbered from 63-34-204, as enacted by Chapter 231, Laws of Utah
- 42 2002)

43 REPEALS:

- 44 **63-34-101**, as last amended by Chapter 352, Laws of Utah 2004

45 **Uncodified Material Affected:**

46 ENACTS UNCODIFIED MATERIAL



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

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

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

52 ~~[63-34-201]~~. **19-1-401. Title.**

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

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

56 ~~[63-34-202]~~. **19-1-402. Definitions.**

57 As used in this part:

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

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

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

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

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

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

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

73 (2) "Clean fuel" means:

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

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

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

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

80 (a) uses a clean fuel; and

81 (b) meets clean-fuel vehicle standards in the federal Clean Air Act Amendments of  
82 1990, 42 U.S.C. Sec. 7521 et seq.

83 (4) "Fund" means the Clean Fuels Vehicle Fund created in Section [~~63-34-203~~]  
84 19-1-403.

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

88 vehicle, or emergency vehicle.

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

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

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

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

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

100 ~~[63-34-203]~~. **19-1-403. Clean Fuels Vehicle Fund -- Contents -- Loans or**  
101 **grants made with fund monies.**

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

103 (b) The fund consists of:

104 (i) appropriations to the fund;

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

106 (iii) interest earnings on cash balances; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

142 ~~[63-34-204]~~. **19-1-404. Department duties -- Rulemaking -- Loan**  
143 **repayment.**

144 (1) The department shall:

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

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

- 150 (i) specifying the amount of money in the fund to be dedicated annually for grants;
- 151 (ii) limiting the amount of a grant given to any person claiming a tax credit under
- 152 Section 59-7-605 or 59-10-127 for the motor vehicle for which a grant is requested to assure
- 153 that the sum of the tax credit and grant does not exceed:
  - 154 (A) 50% of the incremental cost of the OEM vehicle; or
  - 155 (B) 50% of the cost of conversion equipment;
- 156 (iii) limiting the number of motor vehicles per fleet operator that may be eligible for a
- 157 grant in a year;
- 158 (iv) specifying criteria the department shall consider in prioritizing and awarding loans
- 159 and grants;
  - 160 (v) specifying repayment periods;
  - 161 (vi) specifying procedures for:
    - 162 (A) awarding loans and grants; and
    - 163 (B) collecting loans; and
  - 164 (vii) requiring all loan and grant applicants to:
    - 165 (A) apply on forms provided by the department;
    - 166 (B) agree in writing to use the clean fuel for which each vehicle is converted or
    - 167 purchased using loan or grant proceeds for a minimum of 70% of the vehicle miles traveled
    - 168 beginning from the time of conversion or purchase of the vehicle;
    - 169 (C) agree in writing to notify the department if a vehicle converted or purchased using
    - 170 loan or grant proceeds becomes inoperable through mechanical failure or accident and to
    - 171 pursue a remedy outlined in department rules;
    - 172 (D) provide reasonable data to the department on vehicles converted or purchased with
    - 173 loan or grant proceeds; and
    - 174 (E) submit vehicles converted or purchased with loan or grant proceeds to inspections
    - 175 by the department as required in department rules and as necessary for administration of the
    - 176 loan and grant program.
- 177 (2) (a) When developing repayment schedules for the loans, the department shall
- 178 consider the projected savings from use of the clean-fuel vehicle.
- 179 (b) A repayment schedule may not exceed ten years.
- 180 (c) Loans made from the fund for private sector vehicles shall be made at an interest

181 rate equal to the annual return earned in the state treasurer's Public Treasurer's Pool as  
182 determined the month immediately preceding the closing date of the loan.

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

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

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

189 **59-7-605. Definitions -- Tax credit -- Cleaner burning fuels.**

190 (1) As used in this section:

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

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

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

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

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

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

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

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

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

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

211 (A) the special mobile equipment's emissions of regulated pollutants, when operating

212 on fuels listed in Subsection (2)(c), is less than the emissions were before the installation of  
213 conversion equipment; and

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

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

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

218 (c) "Clean fuel grant" means a grant awarded under Title ~~[63]~~ 19, Chapter ~~[34]~~ 1, Part  
219 ~~[2]~~ 4, Clean Fuels Conversion Program Act, for reimbursement of a portion of the incremental  
220 cost of an OEM vehicle or the cost of conversion equipment.

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

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

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

225 (g) "Special mobile equipment":

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

228 (ii) includes construction or maintenance equipment.

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

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

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

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

239 (iii) meets the clean-fuel vehicle standards in the federal Clean Air Act Amendments of  
240 1990, 42 U.S.C. Sec. 7521 et seq.;

241 (b) 50% of the cost of equipment for conversion, if certified by the board, of a motor  
242 vehicle registered in Utah minus the amount of any clean fuel grant received, up to a maximum



243 tax credit of \$2,500 per motor vehicle, if the motor vehicle is to:  
244 (i) be fueled by propane, natural gas, or electricity;  
245 (ii) be fueled by other fuel the board determines annually on or before July 1 to be at  
246 least as effective in reducing air pollution as fuels under Subsection (2)(b)(i); or  
247 (iii) meet the federal clean-fuel vehicle standards in the federal Clean Air Act  
248 Amendments of 1990, 42 U.S.C. Sec. 7521 et seq.; and  
249 (c) 50% of the cost of equipment for conversion, if certified by the board, of a special  
250 mobile equipment engine minus the amount of any clean fuel grant received, up to a maximum  
251 tax credit of \$1,000 per special mobile equipment engine, if the special mobile equipment is to  
252 be fueled by:  
253 (i) propane, natural gas, or electricity; or  
254 (ii) other fuel the board determines annually on or before July 1 to be:  
255 (A) at least as effective in reducing air pollution as the fuels under Subsection (2)(c)(i);  
256 or  
257 (B) substantially more effective in reducing air pollution than the fuel for which the  
258 engine was originally designed.  
259 (3) A taxpayer shall provide proof of the purchase of an item for which a tax credit is  
260 allowed under this section by:  
261 (a) providing proof to the board in the form the board requires by rule;  
262 (b) receiving a written statement from the board acknowledging receipt of the proof;  
263 and  
264 (c) retaining the written statement described in Subsection (3)(b).  
265 (4) Except as provided by Subsection (5), the tax credit under this section is allowed  
266 only:  
267 (a) against any Utah tax owed in the taxable year by the taxpayer;  
268 (b) in the taxable year in which the item is purchased for which the tax credit is  
269 claimed; and  
270 (c) once per vehicle.  
271 (5) If the amount of a tax credit claimed by a taxpayer under this section exceeds the  
272 taxpayer's tax liability under this chapter for a taxable year, the amount of the tax credit  
273 exceeding the tax liability may be carried forward for a period that does not exceed the next

274 five taxable years.

275 Section 6. Section **59-7-614** is amended to read:

276 **59-7-614. Renewable energy systems tax credit -- Definitions -- Limitations --**  
277 **State tax credit in addition to allowable federal credits -- Certification -- Rulemaking**  
278 **authority -- Reimbursement of Uniform School Fund.**

279 (1) As used in this section:

280 (a) "Active solar system":

281 (i) means a system of equipment capable of collecting and converting incident solar  
282 radiation into thermal, mechanical, or electrical energy, and transferring these forms of energy  
283 by a separate apparatus to storage or to the point of use; and

284 (ii) includes water heating, space heating or cooling, and electrical or mechanical  
285 energy generation.

286 (b) "Biomass system" means any system of apparatus and equipment capable of  
287 converting organic plant, wood, or waste products into electrical and thermal energy and  
288 transferring these forms of energy by a separate apparatus to the point of use or storage.

289 (c) "Business entity" means any sole proprietorship, estate, trust, partnership,  
290 association, corporation, cooperative, or other entity under which business is conducted or  
291 transacted.

292 (d) "Commercial energy system" means any active solar, passive solar, wind,  
293 hydroenergy, or biomass system used to supply energy to a commercial unit or as a commercial  
294 enterprise.

295 (e) "Commercial enterprise" means a business entity whose purpose is to produce  
296 electrical, mechanical, or thermal energy for sale from a commercial energy system.

297 (f) (i) "Commercial unit" means any building or structure which a business entity uses  
298 to transact its business except as provided in Subsection (1)(f)(ii); and

299 (ii) (A) in the case of an active solar system used for agricultural water pumping or a  
300 wind system, each individual energy generating device shall be a commercial unit; and

301 (B) if an energy system is the building or structure which a business entity uses to  
302 transact its business, a commercial unit is the complete energy system itself.

303 (g) "Hydroenergy system" means a system of apparatus and equipment capable of  
304 intercepting and converting kinetic water energy into electrical or mechanical energy and

305 transferring this form of energy by separate apparatus to the point of use or storage.

306 (h) "Individual taxpayer" means any person who is a taxpayer as defined in Section  
307 59-10-103 and an individual as defined in Section 59-10-103.

308 ~~[(i) "Office of Energy and Resource Planning" means the Office of Energy and  
309 Resource Planning, Department of Natural Resources.]~~

310 ~~[(j)]~~ (i) "Passive solar system":

311 (i) means a direct thermal system which utilizes the structure of a building and its  
312 operable components to provide for collection, storage, and distribution of heating or cooling  
313 during the appropriate times of the year by utilizing the climate resources available at the site;  
314 and

315 (ii) includes those portions and components of a building that are expressly designed  
316 and required for the collection, storage, and distribution of solar energy.

317 ~~[(k)]~~ (j) "Residential energy system" means any active solar, passive solar, wind, or  
318 hydroenergy system used to supply energy to or for any residential unit.

319 ~~[(l)]~~ (k) "Residential unit" means any house, condominium, apartment, or similar  
320 dwelling unit which serves as a dwelling for a person, group of persons, or a family but does  
321 not include property subject to the fees in lieu of the ad valorem tax under:

322 (i) Section 59-2-404;

323 (ii) Section 59-2-405; or

324 (iii) Section 59-2-405.1.

325 (l) "Utah Geological Survey" means the Utah Geological Survey established in Section  
326 63-73-5.

327 (m) "Wind system" means a system of apparatus and equipment capable of intercepting  
328 and converting wind energy into mechanical or electrical energy and transferring these forms of  
329 energy by a separate apparatus to the point of use or storage.

330 (2) (a) (i) For taxable years beginning on or after January 1, 2001, but beginning on or  
331 before December 31, 2006, a business entity that purchases and completes or participates in the  
332 financing of a residential energy system to supply all or part of the energy required for a  
333 residential unit owned or used by the business entity and situated in Utah is entitled to a tax  
334 credit as provided in this Subsection (2)(a).

335 (ii) (A) A business entity is entitled to a tax credit equal to 25% of the costs of a

336 residential energy system installed with respect to each residential unit it owns or uses,  
337 including installation costs, against any tax due under this chapter for the taxable year in which  
338 the energy system is completed and placed in service.

339 (B) The total amount of the credit under this Subsection (2)(a) may not exceed \$2,000  
340 per residential unit.

341 (C) The credit under this Subsection (2)(a) is allowed for any residential energy system  
342 completed and placed in service on or after January 1, 2001, but on or before December 31,  
343 2006.

344 (iii) If a business entity sells a residential unit to an individual taxpayer prior to making  
345 a claim for the tax credit under this Subsection (2)(a), the business entity may:

346 (A) assign its right to this tax credit to the individual taxpayer; and

347 (B) if the business entity assigns its right to the tax credit to an individual taxpayer  
348 under Subsection (2)(a)(iii)(A), the individual taxpayer may claim the tax credit as if the  
349 individual taxpayer had completed or participated in the costs of the residential energy system  
350 under Section 59-10-134.

351 (b) (i) For taxable years beginning on or after January 1, 2001, but beginning on or  
352 before December 31, 2006, a business entity that purchases or participates in the financing of a  
353 commercial energy system is entitled to a tax credit as provided in this Subsection (2)(b) if:

354 (A) the commercial energy system supplies all or part of the energy required by  
355 commercial units owned or used by the business entity; or

356 (B) the business entity sells all or part of the energy produced by the commercial  
357 energy system as a commercial enterprise.

358 (ii) (A) A business entity is entitled to a tax credit equal to 10% of the costs of any  
359 commercial energy system installed, including installation costs, against any tax due under this  
360 chapter for the taxable year in which the commercial energy system is completed and placed in  
361 service.

362 (B) The total amount of the credit under this Subsection (2)(b) may not exceed \$50,000  
363 per commercial unit.

364 (C) The credit under this Subsection (2)(b) is allowed for any commercial energy  
365 system completed and placed in service on or after January 1, 2001, but on or before December  
366 31, 2006.

367 (iii) A business entity that leases a commercial energy system installed on a  
368 commercial unit is eligible for the tax credit under this Subsection (2)(b) if the lessee can  
369 confirm that the lessor irrevocably elects not to claim the credit.

370 (iv) Only the principal recovery portion of the lease payments, which is the cost  
371 incurred by a business entity in acquiring a commercial energy system, excluding interest  
372 charges and maintenance expenses, is eligible for the tax credit under this Subsection (2)(b).

373 (v) A business entity that leases a commercial energy system is eligible to use the tax  
374 credit under this Subsection (2)(b) for a period no greater than seven years from the initiation  
375 of the lease.

376 (c) (i) A tax credit under this section may be claimed for the taxable year in which the  
377 energy system is completed and placed in service.

378 (ii) Additional energy systems or parts of energy systems may be claimed for  
379 subsequent years.

380 (iii) If the amount of a tax credit under this section exceeds a business entity's tax  
381 liability under this chapter for a taxable year, the amount of the credit exceeding the liability  
382 may be carried over for a period which does not exceed the next four taxable years.

383 (3) (a) The tax credits provided for under Subsection (2) are in addition to any tax  
384 credits provided under the laws or rules and regulations of the United States.

385 (b) (i) The [~~Office of Energy and Resource Planning~~] Utah Geological Survey may  
386 [~~promulgate~~] set standards for residential and commercial energy systems that cover the safety,  
387 reliability, efficiency, leasing, and technical feasibility of the systems to ensure that the systems  
388 eligible for the tax credit use the state's renewable and nonrenewable energy resources in an  
389 appropriate and economic manner.

390 (ii) A tax credit may not be taken under Subsection (2) until the [~~Office of Energy and~~  
391 ~~Resource Planning~~] Utah Geological Survey has certified that the energy system has been  
392 completely installed and is a viable system for saving or production of energy from renewable  
393 resources.

394 (c) The [~~Office of Energy and Resource Planning~~] Utah Geological Survey and the  
395 commission are authorized to promulgate rules in accordance with Title 63, Chapter 46a, Utah  
396 Administrative Rulemaking Act, which are necessary to implement this section.

397 (d) The Uniform School Fund shall be reimbursed by transfers from the General Fund

398 for any credits taken under this section.

399 Section 7. Section **59-10-127** is amended to read:

400 **59-10-127. Definitions -- Tax credit -- Cleaner burning fuels.**

401 (1) As used in this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

429 (c) "Clean fuel grant" means a grant the taxpayer receives under Title ~~[63]~~ 19, Chapter  
430 ~~[34]~~ 1, Part ~~[2]~~ 4, Clean Fuels Conversion Program Act, for reimbursement of a portion of the  
431 incremental cost of the OEM vehicle or the cost of conversion equipment.

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

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

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

436 (g) "Special mobile equipment":

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

439 (ii) includes construction or maintenance equipment.

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

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

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

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

449 (iii) meets the clean-fuel vehicle standards in the federal Clean Air Act Amendments of  
450 1990, 42 U.S.C. Sec. 7521 et seq.;

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

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

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

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

459 (c) 50% of the cost of equipment for conversion, if certified by the board, of a special

460 mobile equipment engine minus the amount of any clean fuel conversion grant received, up to a  
461 maximum tax credit of \$1,000 per special mobile equipment engine, if the special mobile  
462 equipment is to be fueled by:

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

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

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

466 or

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

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

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

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

473 and

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

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

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

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

480 (c) once per vehicle.

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

485 Section 8. Section **59-10-134** is amended to read:

486 **59-10-134. Renewable energy systems tax credit -- Definitions -- Individual tax**  
487 **credit -- Limitations -- Business tax credit -- Limitations -- State tax credit in addition to**  
488 **allowable federal credits -- Certification -- Rulemaking authority -- Reimbursement of**  
489 **Uniform School Fund.**

490 (1) As used in this part:



491 (a) "Active solar system":

492 (i) means a system of equipment capable of collecting and converting incident solar  
493 radiation into thermal, mechanical, or electrical energy, and transferring these forms of energy  
494 by a separate apparatus to storage or to the point of use; and

495 (ii) includes water heating, space heating or cooling, and electrical or mechanical  
496 energy generation.

497 (b) "Biomass system" means any system of apparatus and equipment capable of  
498 converting organic plant, wood, or waste products into electrical and thermal energy and  
499 transferring these forms of energy by a separate apparatus to the point of use or storage.

500 (c) "Business entity" means any sole proprietorship, estate, trust, partnership,  
501 association, corporation, cooperative, or other entity under which business is conducted or  
502 transacted.

503 (d) "Commercial energy system" means any active solar, passive solar, wind,  
504 hydroenergy, or biomass system used to supply energy to a commercial unit or as a commercial  
505 enterprise.

506 (e) "Commercial enterprise" means a business entity whose purpose is to produce  
507 electrical, mechanical, or thermal energy for sale from a commercial energy system.

508 (f) (i) "Commercial unit" means any building or structure which a business entity uses  
509 to transact its business, except as provided in Subsection (1)(f)(ii); and

510 (ii) (A) in the case of an active solar system used for agricultural water pumping or a  
511 wind system, each individual energy generating device shall be a commercial unit; and

512 (B) if an energy system is the building or structure which a business entity uses to  
513 transact its business, a commercial unit is the complete energy system itself.

514 (g) "Hydroenergy system" means a system of apparatus and equipment capable of  
515 intercepting and converting kinetic water energy into electrical or mechanical energy and  
516 transferring this form of energy by separate apparatus to the point of use or storage.

517 (h) "Individual taxpayer" means any person who is a taxpayer as defined in Section  
518 59-10-103 and an individual as defined in Section 59-10-103.

519 [~~(i) "Office of Energy and Resource Planning" means the Office of Energy and  
520 Resource Planning, Department of Natural Resources.~~]

521 [~~(j)~~] (i) "Passive solar system":

522 (i) means a direct thermal system which utilizes the structure of a building and its  
523 operable components to provide for collection, storage, and distribution of heating or cooling  
524 during the appropriate times of the year by utilizing the climate resources available at the site;  
525 and

526 (ii) includes those portions and components of a building that are expressly designed  
527 and required for the collection, storage, and distribution of solar energy.

528 [~~(k)~~] (j) "Residential energy system" means any active solar, passive solar, wind, or  
529 hydroenergy system used to supply energy to or for any residential unit.

530 [(†)] (k) "Residential unit" means any house, condominium, apartment, or similar  
531 dwelling unit which serves as a dwelling for a person, group of persons, or a family but does  
532 not include property subject to the fees in lieu of the ad valorem tax under:

533 (i) Section 59-2-404;

534 (ii) Section 59-2-405; or

535 (iii) Section 59-2-405.1.

536 (l) "Utah Geological Survey" means the Utah Geological Survey established in Section  
537 63-73-5.

538 (m) "Wind system" means a system of apparatus and equipment capable of intercepting  
539 and converting wind energy into mechanical or electrical energy and transferring these forms of  
540 energy by a separate apparatus to the point of use or storage.

541 (2) For taxable years beginning on or after January 1, 2001, but beginning on or before  
542 December 31, 2006, any individual taxpayer may claim a tax credit as provided in this section  
543 if:

544 (a) the individual taxpayer purchases and completes or participates in the financing of a  
545 residential energy system to supply all or part of the energy for the individual taxpayer's  
546 residential unit in the state; or

547 (b) (i) a business entity sells a residential unit to an individual taxpayer prior to making  
548 a claim for a tax credit under Subsection (6) or Section 59-7-614; and

549 (ii) the business entity assigns its right to the tax credit to the individual taxpayer as  
550 provided in Subsection (6)(c) or Subsection 59-7-614(2)(a)(iii).

551 (3) (a) An individual taxpayer meeting the requirements of Subsection (2) is entitled to  
552 a tax credit equal to 25% of the costs of the energy system, including installation costs, against

553 any income tax liability of the individual taxpayer under this chapter for the taxable year in  
554 which the residential energy system is completed and placed in service.

555 (b) The total amount of the credit under this section may not exceed \$2,000 per  
556 residential unit.

557 (c) The credit under this section is allowed for any residential energy system completed  
558 and placed in service on or after January 1, 2001, but on or before December 31, 2006.

559 (4) (a) The tax credit provided for in this section shall be claimed in the return for the  
560 taxable year in which the energy system is completed and placed in service.

561 (b) Additional residential energy systems or parts of residential energy systems may be  
562 similarly claimed in returns for subsequent taxable years as long as the total amount claimed  
563 does not exceed \$2,000 per residential unit.

564 (c) If the amount of the tax credit under this section exceeds the income tax liability of  
565 the individual taxpayer for that taxable year, then the amount not used may be carried over for  
566 a period which does not exceed the next four taxable years.

567 (5) (a) Individual taxpayers who lease a residential energy system installed on a  
568 residential unit are eligible for the residential energy tax credits if the lessee can confirm that  
569 the lessor irrevocably elects not to claim the state tax credit.

570 (b) Only the principal recovery portion of the lease payments, which is the cost  
571 incurred by the taxpayer in acquiring the residential energy system excluding interest charges  
572 and maintenance expenses, is eligible for the tax credits.

573 (c) Individual taxpayers who lease residential energy systems are eligible to use the tax  
574 credits for a period no greater than seven years from the initiation of the lease.

575 (6) (a) A business entity that purchases and completes or participates in the financing  
576 of a residential energy system to supply all or part of the energy required for a residential unit  
577 owned or used by the business entity and situated in Utah is entitled to a tax credit as provided  
578 in this Subsection (6).

579 (b) (i) For taxable years beginning on or after January 1, 2001, but beginning on or  
580 before December 31, 2006, a business entity is entitled to a tax credit equal to 25% of the costs  
581 of a residential energy system installed with respect to each residential unit it owns or uses,  
582 including installation costs, against any tax due under this chapter for the taxable year in which  
583 the energy system is completed and placed in service.

584 (ii) The total amount of the credit under this Subsection (6) may not exceed \$2,000 per  
585 residential unit.

586 (iii) The credit under this Subsection (6) is allowed for any residential energy system  
587 completed and placed in service on or after January 1, 2001, but on or before December 31,  
588 2006.

589 (c) If a business entity sells a residential unit to an individual taxpayer prior to making  
590 a claim for the tax credit under this Subsection (6), the business entity may:

591 (i) assign its right to this tax credit to the individual taxpayer; and

592 (ii) if the business entity assigns its right to the tax credit to an individual taxpayer  
593 under Subsection (6)(c)(i), the individual taxpayer may claim the tax credit as if the individual  
594 taxpayer had completed or participated in the costs of the residential energy system under this  
595 section.

596 (7) (a) A business entity that purchases or participates in the financing of a commercial  
597 energy system is entitled to a tax credit as provided in this Subsection (7) if:

598 (i) the commercial energy system supplies all or part of the energy required by  
599 commercial units owned or used by the business entity; or

600 (ii) the business entity sells all or part of the energy produced by the commercial  
601 energy system as a commercial enterprise.

602 (b) (i) A business entity is entitled to a tax credit equal to 10% of the costs of any  
603 commercial energy system installed, including installation costs, against any tax due under this  
604 chapter for the taxable year in which the commercial energy system is completed and placed in  
605 service.

606 (ii) The total amount of the credit under this Subsection (7) may not exceed \$50,000  
607 per commercial unit.

608 (iii) The credit under this Subsection (7) is allowed for any commercial energy system  
609 completed and placed in service on or after January 1, 2001, but on or before December 31,  
610 2006.

611 (c) A business entity that leases a commercial energy system installed on a commercial  
612 unit is eligible for the tax credit under this Subsection (7) if the lessee can confirm that the  
613 lessor irrevocably elects not to claim the credit.

614 (d) Only the principal recovery portion of the lease payments, which is the cost

615 incurred by a business entity in acquiring a commercial energy system, excluding interest  
616 charges and maintenance expenses, is eligible for the tax credit under this Subsection (7).

617 (e) A business entity that leases a commercial energy system is eligible to use the tax  
618 credit under this Subsection (7) for a period no greater than seven years from the initiation of  
619 the lease.

620 (8) (a) A tax credit under this section may be claimed for the taxable year in which the  
621 energy system is completed and placed in service.

622 (b) Additional energy systems or parts of energy systems may be claimed for  
623 subsequent years.

624 (c) If the amount of a tax credit under this section exceeds a business entity's tax  
625 liability under this chapter for a taxable year, the amount of the credit exceeding the liability  
626 may be carried over for a period which does not exceed the next four taxable years.

627 (9) The tax credits provided for under this section are in addition to any tax credits  
628 provided under the laws or rules and regulations of the United States.

629 (10) (a) The [~~Office of Energy and Resource Planning~~] Utah Geological Survey may  
630 [~~promulgate~~] set standards for residential and commercial energy systems that cover the safety,  
631 reliability, efficiency, leasing, and technical feasibility of the systems to ensure that the systems  
632 eligible for the tax credit use the state's renewable and nonrenewable energy resources in an  
633 appropriate and economic manner.

634 (b) A tax credit may not be taken under this section until the [~~Office of Energy and~~  
635 ~~Resource Planning~~] Utah Geological Survey has certified that the energy system has been  
636 completely installed and is a viable system for saving or production of energy from renewable  
637 resources.

638 (11) The [~~Office of Energy and Resource Planning~~] Utah Geological Survey and the  
639 commission are authorized to promulgate rules in accordance with Title 63, Chapter 46a, Utah  
640 Administrative Rulemaking Act, which are necessary to implement this section.

641 (12) The Uniform School Fund shall be reimbursed by transfers from the General Fund  
642 for any credits taken under this section.

643 Section 9. Section **63-65-2** is amended to read:

644 **63-65-2. Definitions.**

645 As used in this chapter:

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

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

650 (3) "Authorizing agency" means the board, person, or unit with legal responsibility for  
651 administering and managing revolving loan funds.

652 (4) "Bond document" means:

653 (a) a resolution of the commission; or

654 (b) an indenture or other similar document authorized by the commission that  
655 authorizes and secures outstanding revenue bonds from time to time.

656 (5) "Commission" means the State Bonding Commission created in Section  
657 63B-1-201.

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

659 (7) "Revolving Loan Funds" means:

660 (a) the Water Resources Conservation and Development Fund, created in Section  
661 73-10-24;

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

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

664 (d) the Clean Fuel Conversion Funds, created in Title ~~[63]~~ 19, Chapter ~~[34]~~ 1, Part ~~[2]~~  
665 4, Clean Fuels Conversion Program Act;

666 (e) the Water Development Security Fund and its subaccounts created in Section  
667 73-10c-5;

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

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

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

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

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

673 Section 10. Section ~~63-73-6~~ is amended to read:

674 **~~63-73-6. Powers and duties of survey.~~**

675 (1) The survey shall:

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

677 institutions on geologic, paleontologic, and mineralogic subjects;

678 (b) collect and distribute reliable information regarding the mineral industry and  
679 mineral resources, topography, paleontology, and geology of the state;

680 (c) survey the geology of the state, including mineral occurrences and the ores of  
681 metals, energy resources, industrial minerals and rocks, mineral-bearing waters, and surface  
682 and ground water resources, with special reference to their economic contents, values, uses,  
683 kind, and availability in order to facilitate their economic use;

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

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

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

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

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

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

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

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

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

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

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

715 (o) administer critical paleontological site excavation records; ~~and~~

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

717 (q) by following the procedures and requirements of Title 63, Chapter 38e, Federal

718 Funds Procedures, seek federal grants, loans, or participation in federal programs, and, in

719 accordance with applicable federal program guidelines, administer federally funded state

720 programs regarding:

721 (i) renewable energy;

722 (ii) energy efficiency; and

723 (iii) energy conservation.

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

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

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

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

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

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

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

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



- 739 (iii) the results of the projects are available to the public.
- 740 Section 11. Section **63A-3-205** is amended to read:
- 741 **63A-3-205. Revolving loan funds -- Standards and procedures -- Annual report.**
- 742 (1) As used in this section, "revolving loan fund" means:
- 743 (a) the Water Resources Conservation and Development Fund, created in Section
- 744 73-10-24;
- 745 (b) the Water Resources Construction Fund, created in Section 73-10-8;
- 746 (c) the Water Resources Cities Water Loan Fund, created in Section 73-10-22;
- 747 (d) the Clean Fuel Conversion Funds, created in Title ~~[63]~~ 19, Chapter ~~[34]~~ 1, Part ~~[2]~~
- 748 4, Clean Fuels Conversion Program;
- 749 (e) the Water Development Security Account and its subaccounts created in Section
- 750 73-10c-5;
- 751 (f) the Agriculture Resource Development Fund, created in Section 4-18-6;
- 752 (g) the Utah Rural Rehabilitation Fund, created in Section 4-19-4;
- 753 (h) the Permanent Community Impact Fund, created in Section 9-4-303;
- 754 (i) the Petroleum Storage Tank Loan Fund, created in Section 19-6-405.3;
- 755 (j) the Uintah Basin Revitalization Fund, created in Section 9-10-102; and
- 756 (k) the Navajo Revitalization Fund, created in Section 9-11-104.
- 757 (2) The division shall for each revolving loan fund:
- 758 (a) make rules establishing standards and procedures governing:
- 759 (i) payment schedules and due dates;
- 760 (ii) interest rate effective dates;
- 761 (iii) loan documentation requirements; and
- 762 (iv) interest rate calculation requirements;
- 763 (b) make an annual report to the Legislature containing:
- 764 (i) the total dollars loaned by that fund during the last fiscal year;
- 765 (ii) a listing of each loan currently more than 90 days delinquent, in default, or that was
- 766 restructured during the last fiscal year;
- 767 (iii) a description of each project that received money from that revolving loan fund;
- 768 (iv) the amount of each loan made to that project;
- 769 (v) the specific purpose for which the proceeds of the loan were to be used, if any;

770 (vi) any restrictions on the use of the loan proceeds;  
771 (vii) the present value of each loan at the end of the fiscal year calculated using the  
772 interest rate paid by the state on the bonds providing the revenue on which the loan is based or,  
773 if that is unknown, on the average interest rate paid by the state on general obligation bonds  
774 issued during the most recent fiscal year in which bonds were sold; and  
775 (viii) the financial position of each revolving loan fund, including the fund's cash  
776 investments, cash forecasts, and equity position.

777 **Section 12. Repealer.**

778 This bill repeals:

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

780 **Section 13. Intent language regarding application of rules relating to the Clean**  
781 **Fuels Conversion Program.**

782 It is the intent of the Legislature that administrative rules in effect at the time this bill  
783 passes, which are issued under Section 63-34-204 by the Department of Natural Resources  
784 relating to the Clean Fuels Conversion Program, are not modified by this bill and remain in  
785 effect, except that the agency administering the administrative rules shall be the Department of  
786 Environmental Quality pursuant to Section 19-1-404. The Department of Environmental  
787 Quality shall coordinate with the Division of Administrative Rules and correct references  
788 within the rules, within three months of the bill's effective date.

789 **Section 14. Intent language regarding application of rules relating to the**  
790 **Renewable Energy Tax Credit.**

791 It is the intent of the Legislature that administrative rules in effect at the time this bill  
792 passes, which are issued by the Utah Energy Office in the Department of Natural Resources  
793 relating to Renewable Energy Tax Credits, are not modified by this bill and remain in effect,  
794 except that the agency administering the administrative rules shall be the Utah Geological  
795 Survey pursuant to Section 63-73-4. The Utah Geological Survey shall coordinate with the  
796 Division of Administrative Rules and correct references within the rules, within three months  
797 of the bill's effective date.

798 **Section 15. Effective date.**

799 This bill takes effect May 15, 2005.

800 **Section 16. Coordinating S.B. 199 with H.B. 34.**

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

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**Fiscal Note**  
**Bill Number SB0199s02**

**Office of Energy - Oversight**

*28-Feb-05*

*9:59 AM*

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**State Impact**

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

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**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.

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**Office of the Legislative Fiscal Analyst**