

1 **HIGH COST INFRASTRUCTURE TAX CREDIT**

2 **AMENDMENTS**

3 2016 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Ralph Okerlund**

6 House Sponsor: Francis D. Gibson

8 **LONG TITLE**

9 **General Description:**

10 This bill modifies provisions related to tax credits for infrastructure development.

11 **Highlighted Provisions:**

12 This bill:

- 13 ▶ modifies the composition of the Utah Energy Infrastructure Authority Board; and
- 14 ▶ authorizes the Office of Energy Development to make rules to implement the high

15 cost infrastructure tax credit program and to establish criteria for an infrastructure
16 cost-burdened entity to qualify for a tax credit.

17 **Money Appropriated in this Bill:**

18 None

19 **Other Special Clauses:**

20 This bill provides a special effective date.

21 **Utah Code Sections Affected:**

22 AMENDS:

23 **63H-2-202**, as last amended by Laws of Utah 2012, Chapter 37

24 ENACTS:

25 **63M-4-606**, Utah Code Annotated 1953

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

28 Section 1. Section **63H-2-202** is amended to read:

29 **63H-2-202. Authority board.**

30 (1) There is created the Utah Energy Infrastructure Authority Board that consists of
31 nine members, appointed by the governor as follows:

32 (a) the energy advisor[;] or the executive director of the Office of Energy
33 Development, who shall serve as chair of the board;

34 (b) one member from the Governor's Office of Economic Development;

35 (c) [~~three members~~] one member from a public utility or electric interlocal entity that
36 operates electric transmission facilities within the state [~~as follows:~~];

37 [~~(i) one member selected by the governor from recommendations from an~~
38 ~~investor-owned electric corporation that operates in this state;~~]

39 [~~(ii) one member selected by the governor from recommendations from a wholesale~~
40 ~~electrical cooperative, as defined in Section 54-2-1, in the state; and]~~

41 [~~(iii) one member selected by the governor from recommendations from an electric~~
42 ~~interlocal entity;~~]

43 (d) two members representing the economic development interests of rural
44 communities as follows:

45 (i) one member currently serving as county commissioner of a county of the third,
46 fourth, fifth, or sixth class, as described in Section 17-50-501; and

47 (ii) one member of a rural community with work experience in the energy industry;

48 (e) two members of the general public with relevant industry or community experience;

49 [~~(d)~~] (f) the director of the School and Institutional Trust Lands Administration created
50 in Section 53C-1-201; and

51 [~~(e) two representatives of business entities that produce energy; and]~~

52 [(f)] (g) one member of the general public who has experience with public finance and
53 bonding.

54 (2) (a) The term of a board member is four years.

55 (b) Notwithstanding Subsection (2)(a), the governor shall, at the time of appointment
56 or reappointment, adjust the length of terms to ensure that the terms of board members are
57 staggered so that approximately half of the board is appointed every two years.

58 (c) The governor may remove a member of the board for cause.

59 (d) The governor shall fill a vacancy in the board in the same manner under this section
60 as the appointment of the member whose vacancy is being filled.

61 (e) An individual appointed to fill a vacancy shall serve the remaining unexpired term
62 of the member whose vacancy the individual is filling.

63 (f) A board member shall serve until a successor is appointed and qualified.

64 (3) (a) Five members of the board constitute a quorum for conducting board business.

65 (b) A majority vote of the quorum present is required for an action to be taken by the
66 board.

67 (4) (a) ~~[The board shall meet at least quarterly on a date the board sets. (b) The chair of~~
68 ~~the board or any two members of the board may call additional meetings.]~~ Except as provided
69 in Subsections (4)(b) and (4)(c), the board shall meet once each month, on a day determined by
70 the board, to review an application referred to the board by the Office of Energy Development
71 under Title 63M, Chapter 4, Part 6, High Cost Infrastructure Development Tax Credit Act.

72 (b) Subject to Subsection (4)(c), the board may cancel the board's meeting for a given
73 month if there are no applications described in Subsection (4)(a) pending board approval.

74 (c) The board shall meet no less frequently than once each quarter, on a day determined
75 by the board.

76 (5) A member may not receive compensation or benefits for the member's service, but
77 may receive per diem and travel expenses in accordance with:

78 (a) Section 63A-3-106;

79 (b) Section 63A-3-107; and

80 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
81 63A-3-107.

82 Section 2. Section 63M-4-606 is enacted to read:

83 **63M-4-606. Administrative rules.**

84 The office may establish, by rule made in accordance with Title 63G, Chapter 3, Utah
85 Administrative Rulemaking Act, requirements and procedures for the implementation of this

86 part.

87 Section 3. **Effective date.**

88 (1) Except as provided in Subsection (2), if approved by two-thirds of all members
89 elected to each house, this bill takes effect upon approval by the governor, or the day following
90 the constitutional time limit of Utah Constitution, Article VII, Section 8, without the governor's
91 signature, or in the case of a veto, the date of veto override.

92 (2) The actions affecting the following sections take effect for a taxable year beginning
93 on or after January 1, 2017:

94 (a) Section [59-7-619](#); and

95 (b) Section [59-10-1034](#).