

HB0109S01 compared with HB0109

~~{deleted text}~~ shows text that was in HB0109 but was deleted in HB0109S01.

Inserted text shows text that was not in HB0109 but was inserted into HB0109S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Representative Douglas V. Sagers proposes the following substitute bill:

HYDROGEN FUEL PRODUCTION AMENDMENTS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Douglas V. Sagers

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions related to the Permanent Community Impact Fund and the High Cost Infrastructure Development Tax Credit Act.

Highlighted Provisions:

This bill:

- ▶ expands the definition of "throughput infrastructure project" to include a plant or facility that stores, produces, or distributes hydrogen for use as a fuel in zero emission motor vehicles, for electrical generation, or for industrial use in the context of allowable uses for money in the Permanent Community Impact Fund;~~{~~
~~and}~~
- ▶ expands the definition of "high cost infrastructure project" to include the construction of a plant or other facility for the production and distribution of

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hydrogen fuel used for transportation, in the context of a program to allow a tax credit for costs associated with the project~~(-)~~; and

▶ expands the definition of "infrastructure."

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

35A-8-302, as last amended by Laws of Utah 2017, Chapter 262

63M-4-602, as last amended by Laws of Utah 2016, Chapter 348

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

Section 1. Section **35A-8-302** is amended to read:

35A-8-302. Definitions.

As used in this part:

(1) "Bonus payments" means that portion of the bonus payments received by the United States government under the Leasing Act paid to the state under Section 35 of the Leasing Act, 30 U.S.C. Sec. 191, together with any interest that had accrued on those payments.

(2) "Impact board" means the Permanent Community Impact Fund Board created under Section 35A-8-304.

(3) "Impact fund" means the Permanent Community Impact Fund established by this chapter.

(4) "Interlocal agency" means a legal or administrative entity created by a subdivision or combination of subdivisions under the authority of Title 11, Chapter 13, Interlocal Cooperation Act.

(5) "Leasing Act" means the Mineral Lands Leasing Act of 1920, 30 U.S.C. Sec. 181 et seq.

(6) "Qualifying sales and use tax distribution reduction" means that, for the calendar year beginning on January 1, 2008, the total sales and use tax distributions a city received

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under Section 59-12-205 were reduced by at least 15% from the total sales and use tax distributions the city received under Section 59-12-205 for the calendar year beginning on January 1, 2007.

(7) "Subdivision" means a county, city, town, county service area, special service district, special improvement district, water conservancy district, water improvement district, sewer improvement district, housing authority, building authority, school district, or public postsecondary institution organized under the laws of this state.

(8) (a) "Throughput infrastructure project" means the following facilities, whether located within, partially within, or outside of the state:

- (i) a bulk commodities ocean terminal;
- (ii) a pipeline for the transportation of liquid or gaseous hydrocarbons;
- (iii) electric transmission lines and ancillary facilities;
- (iv) a shortline freight railroad and ancillary facilities;
- (v) a plant ~~for~~ or facility for storing, distributing, or producing hydrogen, including the liquification of hydrogen, for use as a fuel in zero emission motor vehicles, for electricity generation, or for industrial use; or

(vi) a plant for the production of zero emission hydrogen fueled trucks.

(b) "Throughput infrastructure project" includes:

- (i) an ownership interest or a joint or undivided ownership interest in a facility;
- (ii) a membership interest in the owner of a facility; or
- (iii) a contractual right, whether secured or unsecured, to use all or a portion of the throughput, transportation, or transmission capacity of a facility.

Section 2. Section **63M-4-602** is amended to read:

63M-4-602. Definitions.

As used in this part:

(1) "Applicant" means a person that conducts business in the state and that applies for a tax credit under this part.

(2) "Fuel standard compliance project" means a project designed to retrofit a fuel refinery in order to make the refinery capable of producing fuel that complies with the United States Environmental Protection Agency's Tier 3 gasoline sulfur standard described in 40 C.F.R. Sec. 79.54.

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(3) "High cost infrastructure project" means a project:

(a) (i) that expands or creates new industrial, mining, manufacturing, or agriculture activity in the state, not including a retail business; ~~[or]~~

(ii) that involves new investment of at least \$50,000,000 in an existing industrial, mining, manufacturing, or agriculture entity, by the entity; or

(iii) for the construction of a plant or other facility, including a fueling station, for the storage, production ~~and~~, or distribution of hydrogen fuel used for transportation, electricity generation, or industrial use;

(b) that requires or is directly facilitated by infrastructure construction; and

(c) for which the cost of infrastructure construction to the entity creating the project is greater than:

(i) 10% of the total cost of the project; or

(ii) \$10,000,000.

(4) "Infrastructure" means:

(a) an energy delivery project as defined in Section 63H-2-102;

(b) a railroad as defined in Section 54-2-1;

(c) a fuel standard compliance project;

(d) a road improvement project;

(e) a water self-supply project;

(f) a water removal system project; ~~[or]~~

(g) a solution-mined subsurface salt cavern; or

~~[(g)]~~ (h) a project that is designed to:

(i) increase the capacity for water delivery to a water user in the state; or

(ii) increase the capability of an existing water delivery system or related facility to deliver water to a water user in the state.

(5) (a) "Infrastructure cost-burdened entity" means an applicant that enters into an agreement with the office that qualifies the applicant to receive a tax credit as provided in this part.

(b) "Infrastructure cost-burdened entity" includes a pass-through entity taxpayer, as defined in Section 59-10-1402, of a person described in Subsection (5)(a).

(6) "Infrastructure-related revenue" means an amount of tax revenue, for an entity

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creating a high cost infrastructure project, in a taxable year, that is directly attributable to a high cost infrastructure project, under:

- (a) Title 59, Chapter 7, Corporate Franchise and Income Taxes;
- (b) Title 59, Chapter 10, Individual Income Tax Act; and
- (c) Title 59, Chapter 12, Sales and Use Tax Act.
- (7) "Office" means the Office of Energy Development created in Section 63M-4-401.
- (8) "Tax credit" means a tax credit under Section 59-7-619 or 59-10-1034.
- (9) "Tax credit certificate" means a certificate issued by the office to an infrastructure

cost-burdened entity that:

- (a) lists the name of the infrastructure cost-burdened entity;
- (b) lists the infrastructure cost-burdened entity's taxpayer identification number;
- (c) lists, for a taxable year, the amount of the tax credit authorized for the infrastructure cost-burdened entity under this part; and
- (d) includes other information as determined by the office.