

ECONOMIC DEVELOPMENT AMENDMENTS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ann Millner

House Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions related to economic development.

Highlighted Provisions:

This bill:

- ▶ moves the STEM Action Center from the Governor's Office of Economic Development to the State Board of Education;
- ▶ moves the Office of Energy Development to the Governor's Office of Economic Development;
- ▶ moves provisions related to the Community Impact Board from the Department of Workforce Services to the Governor's Office of Economic Development;
- ▶ moves provisions related to private activity bonds from the Department of Workforce Services to the Governor's Office of Economic Development;
- ▶ moves the Pete Suazo Utah Athletic Commission from the Governor's Office of Economic Development to the Division of Occupational and Professional Licensing; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.



28 **Utah Code Sections Affected:**

29 AMENDS:

- 30 **11-13-103**, as last amended by Laws of Utah 2018, Chapter 424
- 31 **11-42a-102**, as last amended by Laws of Utah 2018, Chapter 431
- 32 **11-45-102**, as last amended by Laws of Utah 2012, Chapter 37
- 33 **11-58-302**, as last amended by Laws of Utah 2018, Second Special Session, Chapter 1
- 34 **53C-3-203**, as last amended by Laws of Utah 2013, Chapter 101
- 35 **59-7-614**, as last amended by Laws of Utah 2018, Chapters 426 and 436
- 36 **59-7-614.7**, as last amended by Laws of Utah 2016, Third Special Session, Chapter 1
- 37 **59-7-619**, as last amended by Laws of Utah 2016, Third Special Session, Chapter 1
- 38 **59-10-1014**, as last amended by Laws of Utah 2018, Chapters 426 and 436
- 39 **59-10-1029**, as last amended by Laws of Utah 2016, Third Special Session, Chapter 1
- 40 **59-10-1034**, as last amended by Laws of Utah 2016, Third Special Session, Chapter 1
- 41 **59-10-1106**, as last amended by Laws of Utah 2016, Third Special Session, Chapter 1
- 42 **59-12-103**, as amended by Statewide Initiative -- Proposition 3, Nov. 6, 2018
- 43 **59-21-2**, as last amended by Laws of Utah 2018, Chapter 28
- 44 **63A-3-205**, as last amended by Laws of Utah 2017, Chapters 56 and 345
- 45 **63B-1b-102**, as last amended by Laws of Utah 2017, Chapter 345
- 46 **63J-1-602.1**, as last amended by Laws of Utah 2018, Chapters 114, 347, 430 and
- 47 repealed and reenacted by Laws of Utah 2018, Chapter 469
- 48 **63M-4-102**, as last amended by Laws of Utah 2012, Chapter 37
- 49 **63M-4-502**, as enacted by Laws of Utah 2012, Chapter 410
- 50 **63M-4-602**, as last amended by Laws of Utah 2016, Chapter 348
- 51 **63N-2-105**, as last amended by Laws of Utah 2016, Chapter 350

52 ENACTS:

- 53 **63N-15-101**, Utah Code Annotated 1953
- 54 **63N-15-102**, Utah Code Annotated 1953

55 RENUMBERS AND AMENDS:

- 56 **53E-10-801**, (Renumbered from 63N-12-202, as last amended by Laws of Utah 2018,
- 57 Chapters 415 and 423)
- 58 **53E-10-802**, (Renumbered from 63N-12-203, as last amended by Laws of Utah 2017,

- 59 Chapter 382)
- 60 **53E-10-803**, (Renumbered from 63N-12-204, as last amended by Laws of Utah 2017,
- 61 Chapter 353)
- 62 **53E-10-804**, (Renumbered from 63N-12-204.5, as enacted by Laws of Utah 2017,
- 63 Chapter 353)
- 64 **53E-10-805**, (Renumbered from 63N-12-205, as last amended by Laws of Utah 2016,
- 65 Chapter 139)
- 66 **53E-10-806**, (Renumbered from 63N-12-206, as renumbered and amended by Laws of
- 67 Utah 2015, Chapter 283)
- 68 **53E-10-807**, (Renumbered from 63N-12-207, as renumbered and amended by Laws of
- 69 Utah 2015, Chapter 283)
- 70 **53E-10-808**, (Renumbered from 63N-12-208, as last amended by Laws of Utah 2015,
- 71 Chapter 292 and renumbered and amended by Laws of Utah 2015, Chapter 283)
- 72 **53E-10-809**, (Renumbered from 63N-12-209, as last amended by Laws of Utah 2016,
- 73 Chapter 139)
- 74 **53E-10-810**, (Renumbered from 63N-12-210, as last amended by Laws of Utah 2017,
- 75 Chapter 353)
- 76 **53E-10-811**, (Renumbered from 63N-12-211, as renumbered and amended by Laws of
- 77 Utah 2015, Chapter 283)
- 78 **53E-10-812**, (Renumbered from 63N-12-212, as last amended by Laws of Utah 2017,
- 79 Chapter 382)
- 80 **53E-10-813**, (Renumbered from 63N-12-213, as last amended by Laws of Utah 2018,
- 81 Chapter 415)
- 82 **53E-10-814**, (Renumbered from 63N-12-214, as enacted by Laws of Utah 2017,
- 83 Chapter 219)
- 84 **58-88-101**, (Renumbered from 63N-10-101, as renumbered and amended by Laws of
- 85 Utah 2015, Chapter 283)
- 86 **58-88-102**, (Renumbered from 63N-10-102, as renumbered and amended by Laws of
- 87 Utah 2015, Chapter 283)
- 88 **58-88-201**, (Renumbered from 63N-10-201, as last amended by Laws of Utah 2018,
- 89 Chapter 466)

- 90 **58-88-202**, (Renumbered from 63N-10-202, as renumbered and amended by Laws of
- 91 Utah 2015, Chapter 283)
- 92 **58-88-203**, (Renumbered from 63N-10-203, as renumbered and amended by Laws of
- 93 Utah 2015, Chapter 283)
- 94 **58-88-204**, (Renumbered from 63N-10-204, as renumbered and amended by Laws of
- 95 Utah 2015, Chapter 283)
- 96 **58-88-205**, (Renumbered from 63N-10-205, as renumbered and amended by Laws of
- 97 Utah 2015, Chapter 283)
- 98 **58-88-301**, (Renumbered from 63N-10-301, as renumbered and amended by Laws of
- 99 Utah 2015, Chapter 283)
- 100 **58-88-302**, (Renumbered from 63N-10-302, as renumbered and amended by Laws of
- 101 Utah 2015, Chapter 283)
- 102 **58-88-303**, (Renumbered from 63N-10-303, as renumbered and amended by Laws of
- 103 Utah 2015, Chapter 283)
- 104 **58-88-304**, (Renumbered from 63N-10-304, as renumbered and amended by Laws of
- 105 Utah 2015, Chapter 283)
- 106 **58-88-305**, (Renumbered from 63N-10-305, as renumbered and amended by Laws of
- 107 Utah 2015, Chapter 283)
- 108 **58-88-306**, (Renumbered from 63N-10-306, as renumbered and amended by Laws of
- 109 Utah 2015, Chapter 283)
- 110 **58-88-307**, (Renumbered from 63N-10-307, as renumbered and amended by Laws of
- 111 Utah 2015, Chapter 283)
- 112 **58-88-308**, (Renumbered from 63N-10-308, as renumbered and amended by Laws of
- 113 Utah 2015, Chapter 283)
- 114 **58-88-309**, (Renumbered from 63N-10-309, as renumbered and amended by Laws of
- 115 Utah 2015, Chapter 283)
- 116 **58-88-310**, (Renumbered from 63N-10-310, as renumbered and amended by Laws of
- 117 Utah 2015, Chapter 283)
- 118 **58-88-311**, (Renumbered from 63N-10-311, as renumbered and amended by Laws of
- 119 Utah 2015, Chapter 283)
- 120 **58-88-312**, (Renumbered from 63N-10-312, as renumbered and amended by Laws of

121 Utah 2015, Chapter 283)
122 **58-88-313**, (Renumbered from 63N-10-313, as renumbered and amended by Laws of
123 Utah 2015, Chapter 283)
124 **58-88-314**, (Renumbered from 63N-10-314, as renumbered and amended by Laws of
125 Utah 2015, Chapter 283)
126 **58-88-315**, (Renumbered from 63N-10-315, as renumbered and amended by Laws of
127 Utah 2015, Chapter 283)
128 **58-88-316**, (Renumbered from 63N-10-316, as renumbered and amended by Laws of
129 Utah 2015, Chapter 283)
130 **58-88-317**, (Renumbered from 63N-10-317, as renumbered and amended by Laws of
131 Utah 2015, Chapter 283)
132 **58-88-318**, (Renumbered from 63N-10-318, as renumbered and amended by Laws of
133 Utah 2015, Chapter 283)
134 **63N-4-501**, (Renumbered from 35A-8-301, as renumbered and amended by Laws of
135 Utah 2012, Chapter 212)
136 **63N-4-502**, (Renumbered from 35A-8-302, as last amended by Laws of Utah 2017,
137 Chapter 262)
138 **63N-4-503**, (Renumbered from 35A-8-303, as renumbered and amended by Laws of
139 Utah 2012, Chapter 212)
140 **63N-4-504**, (Renumbered from 35A-8-304, as renumbered and amended by Laws of
141 Utah 2012, Chapter 212)
142 **63N-4-505**, (Renumbered from 35A-8-305, as last amended by Laws of Utah 2012,
143 Chapter 9 and renumbered and amended by Laws of Utah 2012, Chapter 212 and
144 last amended by Coordination Clause, Laws of Utah 2012, Chapter 212)
145 **63N-4-506**, (Renumbered from 35A-8-306, as renumbered and amended by Laws of
146 Utah 2012, Chapter 212)
147 **63N-4-507**, (Renumbered from 35A-8-307, as last amended by Laws of Utah 2014,
148 Chapter 371)
149 **63N-4-508**, (Renumbered from 35A-8-308, as last amended by Laws of Utah 2017,
150 Chapters 181 and 421)
151 **63N-4-509**, (Renumbered from 35A-8-309, as last amended by Laws of Utah 2017,

152 Chapters 181 and 421)
153 **63N-14-101**, (Renumbered from 35A-8-2101, as renumbered and amended by Laws of
154 Utah 2018, Chapter 182)
155 **63N-14-102**, (Renumbered from 35A-8-2102, as renumbered and amended by Laws of
156 Utah 2018, Chapter 182)
157 **63N-14-103**, (Renumbered from 35A-8-2103, as renumbered and amended by Laws of
158 Utah 2018, Chapter 182)
159 **63N-14-104**, (Renumbered from 35A-8-2104, as renumbered and amended by Laws of
160 Utah 2018, Chapter 182)
161 **63N-14-105**, (Renumbered from 35A-8-2105, as renumbered and amended by Laws of
162 Utah 2018, Chapter 182)
163 **63N-14-106**, (Renumbered from 35A-8-2106, as renumbered and amended by Laws of
164 Utah 2018, Chapter 182)
165 **63N-14-107**, (Renumbered from 35A-8-2107, as renumbered and amended by Laws of
166 Utah 2018, Chapter 182)
167 **63N-14-108**, (Renumbered from 35A-8-2108, as renumbered and amended by Laws of
168 Utah 2018, Chapter 182)
169 **63N-14-109**, (Renumbered from 35A-8-2109, as renumbered and amended by Laws of
170 Utah 2018, Chapter 182)
171 **63N-14-110**, (Renumbered from 35A-8-2110, as renumbered and amended by Laws of
172 Utah 2018, Chapter 182)
173 **63N-15-201**, (Renumbered from 63M-4-401, as last amended by Laws of Utah 2017,
174 Chapters 227 and 470)
175 **63N-15-202**, (Renumbered from 63M-4-402, as enacted by Laws of Utah 2014, Chapter
176 294)
177 REPEALS:
178 **63N-12-201**, as enacted by Laws of Utah 2015, Chapter 283
179

180 *Be it enacted by the Legislature of the state of Utah:*
181 Section 1. Section **11-13-103** is amended to read:
182 **11-13-103. Definitions.**

183 As used in this chapter:

184 (1) (a) "Additional project capacity" means electric generating capacity provided by a
185 generating unit that first produces electricity on or after May 6, 2002, and that is constructed or
186 installed at or adjacent to the site of a project that first produced electricity before May 6, 2002,
187 regardless of whether:

188 (i) the owners of the new generating unit are the same as or different from the owner of
189 the project; and

190 (ii) the purchasers of electricity from the new generating unit are the same as or
191 different from the purchasers of electricity from the project.

192 (b) "Additional project capacity" does not mean or include replacement project
193 capacity.

194 (2) "Board" means the Permanent Community Impact Fund Board created by Section
195 ~~[35A-8-304]~~ [63N-4-504](#), and its successors.

196 (3) "Candidate" means one or more of:

197 (a) the state;

198 (b) a county, municipality, school district, local district, special service district, or other
199 political subdivision of the state; and

200 (c) a prosecution district.

201 (4) "Commercial project entity" means a project entity, defined in Subsection (18),
202 that:

203 (a) has no taxing authority; and

204 (b) is not supported in whole or in part by and does not expend or disburse tax
205 revenues.

206 (5) "Direct impacts" means an increase in the need for public facilities or services that
207 is attributable to the project or facilities providing additional project capacity, except impacts
208 resulting from the construction or operation of a facility that is:

209 (a) owned by an owner other than the owner of the project or of the facilities providing
210 additional project capacity; and

211 (b) used to furnish fuel, construction, or operation materials for use in the project.

212 (6) "Electric interlocal entity" means an interlocal entity described in Subsection
213 [11-13-203](#)(3).

214 (7) "Energy services interlocal entity" means an interlocal entity that is described in
215 Subsection 11-13-203(4).

216 (8) (a) "Estimated electric requirements," when used with respect to a qualified energy
217 services interlocal entity, includes any of the following that meets the requirements of
218 Subsection (8)(b):

- 219 (i) generation capacity;
- 220 (ii) generation output; or
- 221 (iii) an electric energy production facility.

222 (b) An item listed in Subsection (8)(a) is included in "estimated electric requirements"
223 if it is needed by the qualified energy services interlocal entity to perform the qualified energy
224 services interlocal entity's contractual or legal obligations to any of its members.

225 (9) (a) "Facilities providing replacement project capacity" means facilities that have
226 been, are being, or are proposed to be constructed, reconstructed, converted, repowered,
227 acquired, leased, used, or installed to provide replacement project capacity.

228 (b) "Facilities providing replacement project capacity" includes facilities that have
229 been, are being, or are proposed to be constructed, reconstructed, converted, repowered,
230 acquired, leased, used, or installed:

- 231 (i) to support and facilitate the construction, reconstruction, conversion, repowering,
232 installation, financing, operation, management, or use of replacement project capacity; or
- 233 (ii) for the distribution of power generated from existing capacity or replacement
234 project capacity to facilities located on real property in which the project entity that owns the
235 project has an ownership, leasehold, right-of-way, or permitted interest.

236 (10) "Governing authority" means a governing board or joint administrator.

237 (11) (a) "Governing board" means the body established in reliance on the authority
238 provided under Subsection 11-13-206(1)(b) to govern an interlocal entity.

239 (b) "Governing board" includes a board of directors described in an agreement, as
240 amended, that creates a project entity.

241 (c) "Governing board" does not include a board as defined in Subsection (2).

242 (12) "Interlocal entity" means:

243 (a) a Utah interlocal entity, an electric interlocal entity, or an energy services interlocal
244 entity; or

- 245 (b) a separate legal or administrative entity created under Section 11-13-205.
- 246 (13) "Joint administrator" means an administrator or joint board described in Section
- 247 11-13-207 to administer a joint or cooperative undertaking.
- 248 (14) "Joint or cooperative undertaking" means an undertaking described in Section
- 249 11-13-207 that is not conducted by an interlocal entity.
- 250 (15) "Member" means a public agency that, with another public agency, creates an
- 251 interlocal entity under Section 11-13-203.
- 252 (16) "Out-of-state public agency" means a public agency as defined in Subsection
- 253 (19)(c), (d), or (e).
- 254 (17) (a) "Project":
- 255 (i) means an electric generation and transmission facility owned by a Utah interlocal
- 256 entity or an electric interlocal entity; and
- 257 (ii) includes fuel or fuel transportation facilities and water facilities owned by that Utah
- 258 interlocal entity or electric interlocal entity and required for the generation and transmission
- 259 facility.
- 260 (b) "Project" includes a project entity's ownership interest in:
- 261 (i) facilities that provide additional project capacity;
- 262 (ii) facilities providing replacement project capacity; and
- 263 (iii) additional generating, transmission, fuel, fuel transportation, water, or other
- 264 facilities added to a project.
- 265 (18) "Project entity" means a Utah interlocal entity or an electric interlocal entity that
- 266 owns a project as defined in this section.
- 267 (19) "Public agency" means:
- 268 (a) a city, town, county, school district, local district, special service district, an
- 269 interlocal entity, or other political subdivision of the state;
- 270 (b) the state or any department, division, or agency of the state;
- 271 (c) any agency of the United States;
- 272 (d) any political subdivision or agency of another state or the District of Columbia
- 273 including any interlocal cooperation or joint powers agency formed under the authority of the
- 274 law of the other state or the District of Columbia; or
- 275 (e) any Indian tribe, band, nation, or other organized group or community which is

276 recognized as eligible for the special programs and services provided by the United States to
277 Indians because of their status as Indians.

278 (20) "Qualified energy services interlocal entity" means an energy services interlocal
279 entity that at the time that the energy services interlocal entity acquires its interest in facilities
280 providing additional project capacity has at least five members that are Utah public agencies.

281 (21) "Replacement project capacity" means electric generating capacity or transmission
282 capacity that:

283 (a) replaces all or a portion of the existing electric generating or transmission capacity
284 of a project; and

285 (b) is provided by a facility that is on, adjacent to, in proximity to, or interconnected
286 with the site of a project, regardless of whether:

287 (i) the capacity replacing existing capacity is less than or exceeds the generating or
288 transmission capacity of the project existing before installation of the capacity replacing
289 existing capacity;

290 (ii) the capacity replacing existing capacity is owned by the project entity that is the
291 owner of the project, a segment established by the project entity, or a person with whom the
292 project entity or a segment established by the project entity has contracted; or

293 (iii) the facility that provides the capacity replacing existing capacity is constructed,
294 reconstructed, converted, repowered, acquired, leased, used, or installed before or after any
295 actual or anticipated reduction or modification to existing capacity of the project.

296 (22) "Transportation reinvestment zone" means an area created by two or more public
297 agencies by interlocal agreement to capture increased property or sales tax revenue generated
298 by a transportation infrastructure project as described in Section [11-13-227](#).

299 (23) "Utah interlocal entity":

300 (a) means an interlocal entity described in Subsection [11-13-203\(2\)](#); and

301 (b) includes a separate legal or administrative entity created under Laws of Utah 1977,
302 Chapter 47, Section 3, as amended.

303 (24) "Utah public agency" means a public agency under Subsection (19)(a) or (b).
304 Section 2. Section **11-42a-102** is amended to read:

305 **11-42a-102. Definitions.**

306 (1) (a) "Assessment" means the assessment that a local entity or the C-PACE district

307 levies on private property under this chapter to cover the costs of an energy efficiency upgrade,
308 a renewable energy system, or an electric vehicle charging infrastructure.

309 (b) "Assessment" does not constitute a property tax but shares the same priority lien as
310 a property tax.

311 (2) "Assessment fund" means a special fund that a local entity establishes under
312 Section [11-42a-206](#).

313 (3) "Benefitted property" means private property within an energy assessment area that
314 directly benefits from improvements.

315 (4) "Bond" means an assessment bond and a refunding assessment bond.

316 (5) (a) "Commercial or industrial real property" means private real property used
317 directly or indirectly or held for one of the following purposes or activities, regardless of
318 whether the purpose or activity is for profit:

319 (i) commercial;

320 (ii) mining;

321 (iii) agricultural;

322 (iv) industrial;

323 (v) manufacturing;

324 (vi) trade;

325 (vii) professional;

326 (viii) a private or public club;

327 (ix) a lodge;

328 (x) a business; or

329 (xi) a similar purpose.

330 (b) "Commercial or industrial real property" includes:

331 (i) private real property that is used as or held for dwelling purposes and contains:

332 (A) more than four rental units; or

333 (B) one or more owner-occupied or rental condominium units affiliated with a hotel;

334 and

335 (ii) real property that the military installation development authority, created in Section
336 [63H-1-201](#), owns.

337 (6) "Contract price" means:

338 (a) up to 100% of the cost of installing, acquiring, refinancing, or reimbursing for an
339 improvement, as determined by the owner of the property benefitting from the improvement; or

340 (b) the amount payable to one or more contractors for the assessment, design,
341 engineering, inspection, and construction of an improvement.

342 (7) "C-PACE" means commercial property assessed clean energy.

343 (8) "C-PACE district" means the statewide authority established in Section [11-42a-106](#)
344 to implement the C-PACE Act in collaboration with governing bodies, under the direction of
345 OED.

346 (9) "Electric vehicle charging infrastructure" means equipment that is:

347 (a) permanently affixed to commercial or industrial real property; and

348 (b) designed to deliver electric energy to a qualifying electric vehicle or a qualifying
349 plug-in hybrid vehicle, as those terms are defined in Section [59-7-605](#).

350 (10) "Energy assessment area" means an area:

351 (a) within the jurisdictional boundaries of a local entity that approves an energy
352 assessment area or, if the C-PACE district or a state interlocal entity levies the assessment, the
353 C-PACE district or the state interlocal entity;

354 (b) containing only the commercial or industrial real property of owners who have
355 voluntarily consented to an assessment under this chapter for the purpose of financing the costs
356 of improvements that benefit property within the energy assessment area; and

357 (c) in which the proposed benefitted properties in the area are:

358 (i) contiguous; or

359 (ii) located on one or more contiguous or adjacent tracts of land that would be
360 contiguous or adjacent property but for an intervening right-of-way, including a sidewalk,
361 street, road, fixed guideway, or waterway.

362 (11) "Energy assessment bond" means a bond:

363 (a) issued under Section [11-42a-401](#); and

364 (b) payable in part or in whole from assessments levied in an energy assessment area.

365 (12) "Energy assessment lien" means a lien on property within an energy assessment
366 area that arises from the levy of an assessment in accordance with Section [11-42a-301](#).

367 (13) "Energy assessment ordinance" means an ordinance that a local entity adopts
368 under Section [11-42a-201](#) that:

- 369 (a) designates an energy assessment area;
- 370 (b) levies an assessment on benefitted property within the energy assessment area; and
- 371 (c) if applicable, authorizes the issuance of energy assessment bonds.

372 (14) "Energy assessment resolution" means one or more resolutions adopted by a local
373 entity under Section 11-42a-201 that:

- 374 (a) designates an energy assessment area;
- 375 (b) levies an assessment on benefitted property within the energy assessment area; and
- 376 (c) if applicable, authorizes the issuance of energy assessment bonds.

377 (15) "Energy efficiency upgrade" means an improvement that is:

378 (a) permanently affixed to commercial or industrial real property; and

379 (b) designed to reduce energy or water consumption, including:

380 (i) insulation in:

381 (A) a wall, roof, floor, or foundation; or

382 (B) a heating and cooling distribution system;

383 (ii) a window or door, including:

384 (A) a storm window or door;

385 (B) a multiglazed window or door;

386 (C) a heat-absorbing window or door;

387 (D) a heat-reflective glazed and coated window or door;

388 (E) additional window or door glazing;

389 (F) a window or door with reduced glass area; or

390 (G) other window or door modifications;

391 (iii) an automatic energy control system;

392 (iv) in a building or a central plant, a heating, ventilation, or air conditioning and
393 distribution system;

394 (v) caulk or weatherstripping;

395 (vi) a light fixture that does not increase the overall illumination of a building, unless
396 an increase is necessary to conform with the applicable building code;

397 (vii) an energy recovery system;

398 (viii) a daylighting system;

399 (ix) measures to reduce the consumption of water, through conservation or more

400 efficient use of water, including installation of:

401 (A) low-flow toilets and showerheads;

402 (B) timer or timing systems for a hot water heater; or

403 (C) rain catchment systems;

404 (x) a modified, installed, or remodeled fixture that is approved as a utility cost-saving
405 measure by the governing body or executive of a local entity;

406 (xi) measures or other improvements to effect seismic upgrades;

407 (xii) structures, measures, or other improvements to provide automated parking or
408 parking that reduces land use;

409 (xiii) the extension of an existing natural gas distribution company line;

410 (xiv) an energy efficient elevator, escalator, or other vertical transport device;

411 (xv) any other improvement that the governing body or executive of a local entity

412 approves as an energy efficiency upgrade; or

413 (xvi) any improvement that relates physically or functionally to any of the

414 improvements listed in Subsections (15)(b)(i) through (xv).

415 (16) "Governing body" means:

416 (a) for a county, city, town, or metro township, the legislative body of the county, city,
417 town, or metro township;

418 (b) for a local district, the board of trustees of the local district;

419 (c) for a special service district:

420 (i) if no administrative control board has been appointed under Section 17D-1-301, the
421 legislative body of the county, city, town, or metro township that established the special service
422 district; or

423 (ii) if an administrative control board has been appointed under Section 17D-1-301, the
424 administrative control board of the special service district; and

425 (d) for the military installation development authority created in Section 63H-1-201,
426 the board, as that term is defined in Section 63H-1-102.

427 (17) "Improvement" means a publicly or privately owned energy efficiency upgrade,
428 renewable energy system, or electric vehicle charging infrastructure that:

429 (a) a property owner has requested; or

430 (b) has been or is being installed on a property for the benefit of the property owner.

431 (18) "Incidental refunding costs" means any costs of issuing a refunding assessment
432 bond and calling, retiring, or paying prior bonds, including:

- 433 (a) legal and accounting fees;
- 434 (b) charges of financial advisors, escrow agents, certified public accountant verification
435 entities, and trustees;
- 436 (c) underwriting discount costs, printing costs, and the costs of giving notice;
- 437 (d) any premium necessary in the calling or retiring of prior bonds;
- 438 (e) fees to be paid to the local entity to issue the refunding assessment bond and to
439 refund the outstanding prior bonds;
- 440 (f) any other costs that the governing body determines are necessary and proper to incur
441 in connection with the issuance of a refunding assessment bond; and
- 442 (g) any interest on the prior bonds that is required to be paid in connection with the
443 issuance of the refunding assessment bond.

444 (19) "Installment payment date" means the date on which an installment payment of an
445 assessment is payable.

446 (20) "Jurisdictional boundaries" means:

- 447 (a) for the C-PACE district or any state interlocal entity, the boundaries of the state;
448 and
- 449 (b) for each local entity, the boundaries of the local entity.

450 (21) "Local district" means a local district under Title 17B, Limited Purpose Local
451 Government Entities - Local Districts.

452 (22) (a) "Local entity" means:

- 453 (i) a county, city, town, or metro township;
 - 454 (ii) a special service district, a local district, or an interlocal entity as that term is
455 defined in Section [11-13-103](#);
 - 456 (iii) a state interlocal entity;
 - 457 (iv) the military installation development authority created in Section [63H-1-201](#); or
 - 458 (v) any political subdivision of the state.
- 459 (b) "Local entity" includes the C-PACE district solely in connection with:
- 460 (i) the designation of an energy assessment area;
 - 461 (ii) the levying of an assessment; and

462 (iii) the assignment of an energy assessment lien to a third-party lender under Section
463 [11-42a-302](#).

464 (23) "Local entity obligations" means energy assessment bonds and refunding
465 assessment bonds that a local entity issues.

466 (24) "OED" means the Office of Energy Development created in Section [~~63M-4-401~~]
467 [63N-15-201](#).

468 (25) "Overhead costs" means the actual costs incurred or the estimated costs to be
469 incurred in connection with an energy assessment area, including:

470 (a) appraisals, legal fees, filing fees, facilitation fees, and financial advisory charges;

471 (b) underwriting fees, placement fees, escrow fees, trustee fees, and paying agent fees;

472 (c) publishing and mailing costs;

473 (d) costs of levying an assessment;

474 (e) recording costs; and

475 (f) all other incidental costs.

476 (26) "Parameters resolution" means a resolution or ordinance that a local entity adopts
477 in accordance with Section [11-42a-201](#).

478 (27) "Prior bonds" means the energy assessment bonds refunded in part or in whole by
479 a refunding assessment bond.

480 (28) "Prior energy assessment ordinance" means the ordinance levying the assessments
481 from which the prior bonds are payable.

482 (29) "Prior energy assessment resolution" means the resolution levying the assessments
483 from which the prior bonds are payable.

484 (30) "Property" includes real property and any interest in real property, including water
485 rights and leasehold rights.

486 (31) "Public electrical utility" means a large-scale electric utility as that term is defined
487 in Section [54-2-1](#).

488 (32) "Reduced payment obligation" means the full obligation of an owner of property
489 within an energy assessment area to pay an assessment levied on the property after the local
490 entity has reduced the assessment because of the issuance of a refunding assessment bond, in
491 accordance with Section [11-42a-403](#).

492 (33) "Refunding assessment bond" means an assessment bond that a local entity issues

493 under Section 11-42a-403 to refund, in part or in whole, energy assessment bonds.

494 (34) (a) "Renewable energy system" means a product, system, device, or interacting
495 group of devices that is permanently affixed to commercial or industrial real property not
496 located in the certified service area of a distribution electrical cooperative, as that term is
497 defined in Section 54-2-1, and:

498 (i) produces energy from renewable resources, including:

499 (A) a photovoltaic system;

500 (B) a solar thermal system;

501 (C) a wind system;

502 (D) a geothermal system, including a generation system, a direct-use system, or a
503 ground source heat pump system;

504 (E) a microhydro system;

505 (F) a biofuel system; or

506 (G) any other renewable source system that the governing body of the local entity
507 approves;

508 (ii) stores energy, including:

509 (A) a battery storage system; or

510 (B) any other energy storing system that the governing body or chief executive officer
511 of a local entity approves; or

512 (iii) any improvement that relates physically or functionally to any of the products,
513 systems, or devices listed in Subsection (34)(a)(i) or (ii).

514 (b) "Renewable energy system" does not include a system described in Subsection
515 (34)(a)(i) if the system provides energy to property outside the energy assessment area, unless
516 the system:

517 (i) (A) existed before the creation of the energy assessment area; and

518 (B) beginning before January 1, 2017, provides energy to property outside of the area
519 that became the energy assessment area; or

520 (ii) provides energy to property outside the energy assessment area under an agreement
521 with a public electrical utility that is substantially similar to agreements for other renewable
522 energy systems that are not funded under this chapter.

523 (35) "Special service district" means the same as that term is defined in Section

524 [17D-1-102](#).

525 (36) "State interlocal entity" means:

526 (a) an interlocal entity created under Title 11, Chapter 13, Interlocal Cooperation Act,
527 by two or more counties, cities, towns, or metro townships that collectively represent at least a
528 majority of the state's population; or

529 (b) an entity that another state authorized, before January 1, 2017, to issue bonds,
530 notes, or other obligations or refunding obligations to finance or refinance projects in the state.

531 (37) "Third-party lender" means a trust company, savings bank, savings and loan
532 association, bank, credit union, or any other entity that provides loans directly to property
533 owners for improvements authorized under this chapter.

534 Section 3. Section **11-45-102** is amended to read:

535 **11-45-102. Definitions.**

536 As used in this section:

537 (1) "Energy code" means the energy efficiency code adopted under Section [15A-1-204](#).

538 (2) (a) "Energy efficiency project" means:

539 (i) for an existing building, a retrofit to improve energy efficiency; or

540 (ii) for a new building, an enhancement to improve energy efficiency beyond the
541 minimum required by the energy code.

542 (b) "Energy efficiency projects" include the following expenses:

543 (i) construction;

544 (ii) engineering;

545 (iii) energy audit; or

546 (iv) inspection.

547 (3) "Fund" means the Energy Efficiency Fund created in Part 2, Energy Efficiency
548 Fund.

549 (4) "Office" means the Office of Energy Development created in Section [~~63M-4-401~~]
550 [63N-15-201](#).

551 (5) "Political subdivision" means a county, city, town, or school district.

552 Section 4. Section **11-58-302** is amended to read:

553 **11-58-302. Number of board members -- Appointment -- Vacancies.**

554 (1) The authority's board shall consist of 11 members, as provided in Subsection (2).

555 (2) (a) The governor shall appoint two board members, one of whom shall be an
556 employee or officer of the Governor's Office of Economic Development, created in Section
557 [63N-1-201](#).

558 (b) The president of the Senate shall appoint one board member.

559 (c) The speaker of the House of Representatives shall appoint one board member.

560 (d) The Salt Lake County mayor shall appoint one board member.

561 (e) The chair of the Permanent Community Impact Fund Board, created in Section
562 ~~[35A-8-304]~~ [63N-4-504](#), shall appoint one board member from among the members of the
563 Permanent Community Impact Fund Board.

564 (f) The chair of the Salt Lake Airport Advisory Board, or the chair's designee, shall
565 serve as a board member.

566 (g) The member of the Salt Lake City council who is elected by district and whose
567 district includes the Salt Lake City Airport shall serve as a board member.

568 (h) The city manager of West Valley City, with the consent of the city council of West
569 Valley City, shall appoint one board member.

570 (i) The executive director of the Department of Transportation, appointed under
571 Section [72-1-202](#), shall serve as a board member.

572 (j) The director of the Salt Lake County office of Regional Economic Development
573 shall serve as a board member.

574 (3) An individual required under Subsection (2) to appoint a board member shall
575 appoint each initial board member the individual is required to appoint no later than June 1,
576 2018.

577 (4) (a) A vacancy in the board shall be filled in the same manner under this section as
578 the appointment of the member whose vacancy is being filled.

579 (b) A person appointed to fill a vacancy shall serve the remaining unexpired term of
580 the member whose vacancy the person is filling.

581 (5) A member of the board appointed by the governor, president of the Senate, or
582 speaker of the House of Representatives serves at the pleasure of and may be removed and
583 replaced at any time, with or without cause, by the governor, president of the Senate, or speaker
584 of the House of Representatives, respectively.

585 (6) The authority may appoint nonvoting members of the board and set terms for those

586 nonvoting members.

587 (7) Upon a vote of a majority of all board members, the board may appoint a board
588 chair and any other officer of the board.

589 (8) (a) An individual designated as a board member under Subsection (2)(g), (i), or (j)
590 who would be precluded from serving as a board member because of Subsection 11-58-304(2):

591 (i) may serve as a board member notwithstanding Subsection 11-58-304(2); and

592 (ii) shall disclose in writing to the board the circumstances that would otherwise have
593 precluded the individual from serving as a board member under Subsection 11-58-304(2).

594 (b) A written disclosure under Subsection (8)(a)(ii) is a public record under Title 63G,
595 Chapter 2, Government Records Access and Management Act.

596 (9) The board may appoint one or more advisory committees that may include
597 individuals from impacted public entities, community organizations, environmental
598 organizations, business organizations, or other organizations or associations.

599 Section 5. Section 53C-3-203 is amended to read:

600 **53C-3-203. Land Exchange Distribution Account.**

601 (1) As used in this section, "account" means the Land Exchange Distribution Account
602 created in Subsection (2)(a).

603 (2) (a) There is created within the General Fund a restricted account known as the Land
604 Exchange Distribution Account.

605 (b) The account shall consist of revenue deposited in the account as required by
606 Section 53C-3-202.

607 (3) (a) The state treasurer shall invest money in the account according to Title 51,
608 Chapter 7, State Money Management Act.

609 (b) The Division of Finance shall deposit interest or other earnings derived from
610 investment of account money into the General Fund.

611 (4) The Legislature shall annually appropriate from the account in the following order:

612 (a) \$1,000,000 to the Constitutional Defense Restricted Account created in Section
613 63C-4a-402; and

614 (b) from the deposits to the account remaining after the appropriation in Subsection
615 (4)(a), the following amounts:

616 (i) 55% of the deposits to counties in amounts proportionate to the amounts of mineral

617 revenue generated from the acquired land, exchanged land, acquired mineral interests, or
 618 exchanged mineral interests located in each county, to be used to mitigate the impacts caused
 619 by mineral development;

620 (ii) 25% of the deposits to counties in amounts proportionate to the total surface and
 621 mineral acreage within each county that was conveyed to the United States under the agreement
 622 or an exchange, to be used to mitigate the loss of mineral development opportunities resulting
 623 from the agreement or exchange;

624 (iii) 1.68% of the deposits to the State Board of Education, to be used for education
 625 research and experimentation in the use of staff and facilities designed to improve the quality
 626 of education in Utah;

627 (iv) 1.66% of the deposits to the Geological Survey, to be used for natural resources
 628 development in the state;

629 (v) 1.66% of the deposits to the Water Research Laboratory at Utah State University, to
 630 be used for water development in the state;

631 (vi) 11% of the deposits to the Constitutional Defense Restricted Account created in
 632 Section [63C-4a-402](#);

633 (vii) 1% of the deposits to the Geological Survey, to be used for test wells, other
 634 hydrologic studies, and air quality monitoring in the West Desert; and

635 (viii) 3% of the deposits to the Permanent Community Impact Fund created in Section
 636 [\[35A-8-303\]](#) [63N-4-503](#), to be used for grants to political subdivisions of the state to mitigate
 637 the impacts resulting from the development or use of school and institutional trust lands.

638 (5) The administration shall make recommendations to the Permanent Community
 639 Impact Fund Board for its consideration when awarding the grants described in Subsection
 640 (4)(b)(viii).

641 Section 6. Section **53E-10-801**, which is renumbered from Section 63N-12-202 is
 642 renumbered and amended to read:

643 **Part 8. STEM Action Center**

644 ~~**63N-12-202.**~~ **53E-10-801. Definitions.**

645 As used in this part:

646 ~~[(1) "Board" means the STEM Action Center Board created in Section [63N-12-203](#).]~~

647 ~~[(2)]~~ (1) "Computing partnerships" means a set of skills, knowledge, and aptitudes

648 used in computer science, information technology, or computer engineering courses and career
649 options.

650 ~~[(3)]~~ (2) "Director" means the director appointed by the STEM board to oversee the
651 administration of the STEM Action Center.

652 ~~[(4)]~~ (3) "Educator" means the same as that term is defined in Section [53E-6-102](#).

653 ~~[(5)]~~ (4) "Foundation" means a foundation established as described in Subsections
654 ~~[[63N-12-204](#)(3) and (4)]~~ [53E-10-803](#)(3) and (4).

655 ~~[(6)]~~ (5) "Fund" means the STEM Action Center Foundation Fund created in Section
656 ~~[[63N-12-204.5](#)]~~ [53E-10-804](#).

657 ~~[(7)]~~ (6) "Grant program" means the Computing Partnerships Grants program created
658 in this part.

659 ~~[(8)]~~ (7) "High quality professional development" means professional development that
660 meets high quality standards developed by the State Board of Education.

661 ~~[(9)]~~ (8) "Institution of higher education" means an institution listed in Section
662 [53B-1-102](#).

663 ~~[(10)]~~ (9) "K-16" means kindergarten through grade 12 and post-secondary education
664 programs.

665 ~~[(11)] "Office" means the Governor's Office of Economic Development.]~~

666 ~~[(12)]~~ (10) "Provider" means a provider selected on behalf of the STEM board by the
667 staff of the board and the staff of the ~~[State Board of Education]~~ STEM board:

668 (a) through a request for proposals process; or

669 (b) through a direct award or sole source procurement process for a pilot described in
670 Section ~~[[63N-12-206](#)]~~ [53E-10-806](#).

671 ~~[(13)]~~ (11) "Review committee" means the committee established under Section
672 ~~[[63N-12-214](#)]~~ [53E-10-814](#).

673 ~~[(14)]~~ (12) "Stacked credentials" means credentials that:

674 (a) an individual can build upon to access an advanced job or higher wage;

675 (b) are part of a career pathway system;

676 (c) provide a pathway culminating in the equivalent of an associate's or bachelor's
677 degree;

678 (d) facilitate multiple exit and entry points; and

- 679 (e) recognize sub-goals or momentum points.
- 680 [(+5)] (13) "STEM" means science, technology, engineering, and mathematics.
- 681 [(+6)] (14) "STEM Action Center" means the center described in Section [~~63N-12-205~~]
- 682 53E-10-805.
- 683 (15) "STEM board" means the STEM Action Center Board created in Section
- 684 53E-10-802.
- 685 [(+7)] (16) "Talent Ready Utah" means the Talent Ready Utah Center created in
- 686 Section 63N-12-502.
- 687 Section 7. Section **53E-10-802**, which is renumbered from Section 63N-12-203 is
- 688 renumbered and amended to read:
- 689 [~~63N-12-203~~]. **53E-10-802. STEM Action Center Board creation --**
- 690 **Membership.**
- 691 (1) There is created the STEM Action Center Board [~~within the office~~], composed of
- 692 the following members:
- 693 (a) six private sector members who represent business, appointed by the governor;
- 694 (b) the state superintendent of public instruction or the state [~~superintendent of public~~
- 695 ~~instruction's~~] superintendent's designee;
- 696 (c) the commissioner of higher education or the [~~commissioner of higher education's~~]
- 697 commissioner's designee;
- 698 (d) one member appointed by the governor;
- 699 (e) a member of the [~~State Board of Education~~] state board, chosen by the chair of the
- 700 [~~State Board of Education~~] state board;
- 701 (f) the executive director of [~~the office or the executive director's designee~~] the
- 702 Governor's Office of Economic Development or the executive director's designee;
- 703 (g) the Utah System of Technical Colleges commissioner of technical education or the
- 704 [~~Utah System of Technical Colleges commissioner of technical education's~~] commissioner's
- 705 designee;
- 706 (h) the executive director of the Department of Workforce Services or the executive
- 707 [~~director of the Department of Workforce Services'~~] director's designee; and
- 708 (i) one member who has a degree in engineering and experience working in a
- 709 government military installation, appointed by the governor.

710 (2) (a) The private sector members appointed by the governor in Subsection (1)(a) shall
711 represent a business or trade association whose primary focus is science, technology, or
712 engineering.

713 (b) Except as required by Subsection (2)(c), members appointed by the governor shall
714 be appointed to four-year terms.

715 (c) The length of terms of the members shall be staggered so that approximately half of
716 the committee is appointed every two years.

717 (d) The members may not serve more than two full consecutive terms except where the
718 governor determines that an additional term is in the best interest of the state.

719 (e) When a vacancy occurs in the membership for any reason, the replacement shall be
720 appointed for the unexpired term.

721 (3) Attendance of a simple majority of the members constitutes a quorum for the
722 transaction of official committee business.

723 (4) Formal action by the ~~[committee]~~ STEM board requires a majority vote of a
724 quorum.

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

727 (a) Section [63A-3-106](#);

728 (b) Section [63A-3-107](#); and

729 (c) rules made by the Division of Finance under Sections [63A-3-106](#) and [63A-3-107](#).

730 (6) The governor shall select the chair of the ~~[board]~~ STEM board to serve a two-year
731 term.

732 (7) The ~~[executive director of the office or the executive director's designee]~~ member
733 of the state board chosen by the chair of the state board shall serve as the vice chair of the
734 STEM board.

735 Section 8. Section **53E-10-803**, which is renumbered from Section 63N-12-204 is
736 renumbered and amended to read:

737 ~~[63N-12-204]~~. **53E-10-803. STEM Action Center Board -- Duties.**

738 (1) The STEM board shall:

739 (a) establish a STEM Action Center to:

740 (i) coordinate STEM activities in the state among the following stakeholders:

- 741 (A) the [~~State Board of Education~~] state board;
- 742 (B) school districts and charter schools;
- 743 (C) the State Board of Regents;
- 744 (D) institutions of higher education;
- 745 (E) parents of home-schooled students;
- 746 (F) other state agencies; and
- 747 (G) business and industry representatives;
- 748 (ii) align public education STEM activities with higher education STEM activities; and
- 749 (iii) create and coordinate best practices among public education and higher education;
- 750 (b) with the consent of the Senate, appoint a director to oversee the administration of
- 751 the STEM Action Center;
- 752 (c) select a physical location for the STEM Action Center;
- 753 (d) strategically engage industry and business entities to cooperate with the STEM
- 754 board:
- 755 (i) to support high quality professional development and provide other assistance for
- 756 educators and students; and
- 757 (ii) to provide private funding and support for the STEM Action Center;
- 758 (e) give direction to the STEM Action Center and the providers selected through a
- 759 request for proposals process pursuant to this part; and
- 760 (f) work to meet the following expectations:
- 761 (i) that at least 50 educators are implementing best practice learning tools in
- 762 classrooms;
- 763 (ii) performance change in student achievement in each classroom participating in a
- 764 STEM Action Center project; and
- 765 (iii) that students from at least 50 schools in the state participate in the STEM
- 766 competitions, fairs, and camps described in Subsection [~~63N-12-205(2)(d)~~] 53E-10-805(2)(d).
- 767 (2) The STEM board may:
- 768 (a) enter into contracts for the purposes of this part;
- 769 (b) apply for, receive, and disburse funds, contributions, or grants from any source for
- 770 the purposes set forth in this part;
- 771 (c) employ, compensate, and prescribe the duties and powers of individuals necessary

772 to execute the duties and powers of the STEM board;

773 (d) prescribe the duties and powers of the STEM Action Center providers; and

774 (e) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
775 make rules to administer this part.

776 (3) The STEM board may establish a foundation to assist in:

777 (a) the development and implementation of the programs authorized under this part to
778 promote STEM education; and

779 (b) implementation of other STEM education objectives described in this part.

780 (4) A foundation established by the STEM board under Subsection (3):

781 (a) may solicit and receive contributions from a private organization for STEM
782 education objectives described in this part;

783 (b) shall comply with the requirements described in Section [~~63N-12-204.5~~]
784 [53E-10-804](#);

785 (c) does not have power or authority to incur contractual obligations or liabilities that
786 constitute a claim against public funds;

787 (d) may not exercise executive or administrative authority over the programs or other
788 activities described in this part, except to the extent specifically authorized by the STEM board;

789 (e) shall provide the STEM board with information detailing transactions and balances
790 associated with the foundation; and

791 (f) may not:

792 (i) engage in lobbying activities;

793 (ii) attempt to influence legislation; or

794 (iii) participate in any campaign activity for or against:

795 (A) a political candidate; or

796 (B) an initiative, referendum, proposed constitutional amendment, bond, or any other
797 ballot proposition submitted to the voters.

798 Section 9. Section **53E-10-804**, which is renumbered from Section 63N-12-204.5 is
799 renumbered and amended to read:

800 [~~63N-12-204.5~~]. **53E-10-804. STEM Action Center Foundation Fund.**

801 (1) There is created an expendable special revenue fund known as the "STEM Action
802 Center Foundation Fund."

803 (2) The director shall administer the fund under the direction of the STEM board.

804 (3) Money may be deposited into the fund from a variety of sources, including
805 transfers, grants, private foundations, individual donors, gifts, bequests, legislative
806 appropriations, and money made available from any other source.

807 (4) Money collected by a foundation described in Subsections [~~63N-12-204(3)~~]
808 53E-10-803(3) and (4) shall be deposited into the fund.

809 (5) Any portion of the fund may be treated as an endowment fund such that the
810 principal of that portion of the fund is held in perpetuity on behalf of the STEM Action Center.

811 (6) The state treasurer shall invest the money in the fund according to the procedures
812 and requirements of Title 51, Chapter 7, State Money Management Act, except that all interest
813 or other earnings derived from those investments shall be deposited into the fund.

814 (7) The director, under the direction of the STEM board, may expend money from the
815 fund for the purposes described in this part.

816 Section 10. Section **53E-10-805**, which is renumbered from Section 63N-12-205 is
817 renumbered and amended to read:

818 [~~63N-12-205~~]. **53E-10-805. STEM Action Center.**

819 (1) [~~As funding allows, the board~~] The STEM board shall:

820 (a) establish a STEM Action Center;

821 (b) ensure that the STEM Action Center:

822 (i) is accessible [~~by~~] to the public; and

823 (ii) includes the components described in Subsection (2);

824 (c) work cooperatively with the [~~State Board of Education~~] state board to:

825 (i) further STEM education; and

826 (ii) ensure best practices are implemented as described in Sections [~~63N-12-206 and~~
827 63N-12-207] 53E-10-806 and 53E-10-807;

828 (d) engage private entities to provide financial support or employee time for STEM
829 activities in schools in addition to what is currently provided by private entities; and

830 (e) work cooperatively with stakeholders to support and promote activities that align
831 STEM education and training activities with the employment needs of business and industry in
832 the state.

833 (2) As funding allows, the director of the STEM Action Center shall:

- 834 (a) support high quality professional development for educators regarding STEM
835 education;
- 836 (b) ensure that the STEM Action Center acts as a research and development center for
837 STEM education through a request for proposals process described in Section [[63N-12-206](#)]
838 [53E-10-806](#);
- 839 (c) review and acquire STEM education related materials and products for:
- 840 (i) high quality professional development;
- 841 (ii) assessment, data collection, analysis, and reporting; and
- 842 (iii) public school instruction;
- 843 (d) facilitate participation in interscholastic STEM related competitions, fairs, camps,
844 and STEM education activities;
- 845 (e) engage private industry in the development and maintenance of the STEM Action
846 Center and STEM Action Center projects;
- 847 (f) use resources to bring the latest STEM education learning tools into public
848 education classrooms;
- 849 (g) identify at least 10 best practice innovations used in Utah that have resulted in a
850 measurable improvement in student performance or outcomes in STEM areas;
- 851 (h) identify best practices being used outside the state and, as appropriate, develop and
852 implement selected practices through a pilot program;
- 853 (i) identify:
- 854 (i) learning tools for kindergarten through grade 6 identified as best practices; and
- 855 (ii) learning tools for grades 7 through 12 identified as best practices;
- 856 (j) collect data on Utah best practices, including best practices from public education,
857 higher education, the Utah Education and Telehealth Network, and other STEM related
858 entities;
- 859 (k) keep track of the following items related to best practices described in Subsection
860 (2)(j):
- 861 (i) how the best practices data are being used; and
- 862 (ii) how many individuals are using the data, including the demographics of the users,
863 if available;
- 864 (l) as appropriate, join and participate in a national STEM network;

865 (m) work cooperatively with the [~~State Board of Education~~] state board to designate
866 schools as STEM schools, where the schools have agreed to adopt a plan of STEM
867 implementation in alignment with criteria set by the [~~State Board of Education~~] state board and
868 the STEM board;

869 (n) support best methods of high quality professional development for STEM
870 education in kindergarten through grade 12, including methods of high quality professional
871 development that reduce cost and increase effectiveness, to help educators learn how to most
872 effectively implement best practice learning tools in classrooms;

873 (o) recognize achievement in the STEM competitions, fairs, and camps described in
874 Subsection (2)(d);

875 (p) send student results from STEM competitions, fairs, and camps described in
876 Subsection (2)(d) to media and ask the media to report on them;

877 (q) develop and distribute STEM information to parents of students in the state;

878 (r) support targeted high quality professional development for improved instruction in
879 STEM education, including:

880 (i) improved instructional materials that are dynamic and engaging for students;

881 (ii) use of applied instruction; and

882 (iii) introduction of other research-based methods that support student achievement in
883 STEM areas; and

884 (s) ensure that an online college readiness assessment tool be accessible by:

885 (i) public education students; and

886 (ii) higher education students.

887 (3) The STEM board may prescribe other duties for the STEM Action Center in
888 addition to the responsibilities described in this section.

889 (4) (a) The director shall work with an independent evaluator to track and compare the
890 student performance of students participating in a STEM Action Center program to all other
891 similarly situated students in the state, if appropriate, in the following activities:

892 (i) public education high school graduation rates;

893 (ii) the number of students taking a remedial mathematics course at an institution of
894 higher education described in Section [53B-2-101](#);

895 (iii) the number of students who graduate from a Utah public school and begin a

896 postsecondary education program; and

897 (iv) the number of students, as compared to all similarly situated students, who are
898 performing at grade level in STEM classes.

899 (b) The [~~State Board of Education~~] state board and the State Board of Regents shall
900 provide information to the STEM board to assist the STEM board in complying with the
901 requirements of Subsection (4)(a) if allowed under federal law.

902 Section 11. Section **53E-10-806**, which is renumbered from Section 63N-12-206 is
903 renumbered and amended to read:

904 ~~[63N-12-206].~~ **53E-10-806. Acquisition of STEM education related**
905 **instructional technology program -- Research and development of education related**
906 **instructional technology through a pilot program.**

907 (1) For purposes of this section:

908 (a) "Pilot" means a pilot of the program.

909 (b) "Program" means the STEM education related instructional technology program
910 created in Subsection (2).

911 (2) (a) There is created the STEM education related instructional technology program
912 to provide public schools the STEM education related instructional technology described in
913 Subsection (3).

914 (b) On behalf of the STEM board, the staff of the STEM board and the staff of the
915 [~~State Board of Education~~] state board shall collaborate and may select one or more providers,
916 through a request for proposals process, to provide STEM education related instructional
917 technology to school districts and charter schools.

918 (c) On behalf of the STEM board, the staff of the STEM board and the staff of the
919 [~~State Board of Education~~] state board shall consider and may accept an offer from a provider
920 in response to the request for proposals described in Subsection (2)(b) even if the provider did
921 not participate in a pilot described in Subsection (5).

922 (3) The STEM education related instructional technology shall:

923 (a) support mathematics instruction for students in:

924 (i) kindergarten through grade 6; or

925 (ii) grades 7 and 8; or

926 (b) support mathematics instruction for secondary students to prepare the secondary

927 students for college mathematics courses.

928 (4) In selecting a provider for STEM education related instructional technology to
929 support mathematics instruction for the students described in Subsection (3)(a), the STEM
930 board shall consider the following criteria:

931 (a) the technology contains individualized instructional support for skills and
932 understanding of the core standards in mathematics;

933 (b) the technology is self-adapting to respond to the needs and progress of the learner;
934 and

935 (c) the technology provides opportunities for frequent, quick, and informal assessments
936 and includes an embedded progress monitoring tool and mechanisms for regular feedback to
937 students and teachers.

938 (5) Before issuing a request for proposals described in Subsection (2), on behalf of the
939 STEM board, the staff of the STEM board and the staff of the [~~State Board of Education~~] state
940 board shall collaborate and may:

941 (a) conduct a pilot of the program to test and select providers for the program;

942 (b) select at least two providers through a direct award or sole source procurement
943 process for the purpose of conducting the pilot; and

944 (c) select schools to participate in the pilot.

945 (6) (a) A contract with a provider for STEM education related instructional technology
946 may include professional development for full deployment of the STEM education related
947 instructional technology.

948 (b) No more than 10% of the money appropriated for the program may be used to
949 provide professional development related to STEM education related instructional technology
950 in addition to the professional development described in Subsection (6)(a).

951 Section 12. Section **53E-10-807**, which is renumbered from Section 63N-12-207 is
952 renumbered and amended to read:

953 [~~63N-12-207~~]. **53E-10-807. Distribution of STEM education instructional**
954 **technology to schools.**

955 (1) Subject to legislative appropriations, on behalf of the STEM board, the staff of the
956 STEM board and the staff of the [~~State Board of Education~~] state board shall collaborate and
957 shall:

958 (a) distribute STEM education related instructional technology described in Section
959 [~~63N-12-206~~] 53E-10-806 to school districts and charter schools; and

960 (b) provide related professional development to the school districts and charter schools
961 that receive STEM education related instructional technology.

962 (2) A school district or charter school may apply to the STEM board, through a
963 competitive process, to receive STEM education related instructional technology from the
964 STEM board.

965 (3) A school district or charter school that receives STEM education related
966 instructional technology as described in this section shall provide the school district's or charter
967 school's own computer hardware.

968 Section 13. Section **53E-10-808**, which is renumbered from Section 63N-12-208 is
969 renumbered and amended to read:

970 [~~63N-12-208~~]. **53E-10-808. Report to Legislature and the state board.**

971 (1) The STEM board shall report the progress of the STEM Action Center, including
972 the information described in Subsection (2), to the following groups once each year:

- 973 (a) the Education Interim Committee;
- 974 (b) the Public Education Appropriations Subcommittee; and
- 975 (c) the [~~State Board of Education; and~~] state board.

976 [~~(d) the office for inclusion in the office's annual written report described in Section~~
977 ~~63N-1-301.~~]

978 (2) The report described in Subsection (1) shall include information that demonstrates
979 the effectiveness of the program, including:

- 980 (a) the number of educators receiving high quality professional development;
- 981 (b) the number of students receiving services from the STEM Action Center;
- 982 (c) a list of the providers selected pursuant to this part;
- 983 (d) a report on the STEM Action Center's fulfilment of its duties described in Section
984 [~~63N-12-205~~] 53E-10-805; and

985 (e) student performance of students participating in a STEM Action Center program as
986 collected in Subsection [~~63N-12-205~~] 53E-10-805(4).

987 Section 14. Section **53E-10-809**, which is renumbered from Section 63N-12-209 is
988 renumbered and amended to read:

989 ~~[63N-12-209].~~ **53E-10-809. STEM education endorsements and incentive**
990 **program.**

991 (1) The ~~[State Board of Education]~~ state board shall collaborate with the STEM board
992 and the STEM Action Center to:

993 (a) develop STEM education endorsements; and

994 (b) create and implement financial incentives for:

995 (i) an educator to earn an elementary or secondary STEM education endorsement
996 described in Subsection (1)(a); and

997 (ii) a school district or a charter school to have STEM endorsed educators on staff.

998 (2) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
999 ~~[State Board of Education]~~ state board shall make rules establishing the uses of STEM
1000 education endorsements described in Subsection (1), including that:

1001 (a) an incentive for an educator to take a course leading to a STEM education
1002 endorsement may only be given for a course that carries higher-education credit; and

1003 (b) a school district or a charter school may consider a STEM education endorsement
1004 as part of an educator's salary schedule.

1005 Section 15. Section **53E-10-810**, which is renumbered from Section 63N-12-210 is
1006 renumbered and amended to read:

1007 ~~[63N-12-210].~~ **53E-10-810. Acquisition of STEM education high quality**
1008 **professional development.**

1009 (1) The STEM Action Center may, through a request for proposals process, select
1010 technology providers for the purpose of providing a STEM education high quality professional
1011 development application.

1012 (2) The high quality professional development application described in Subsection (1)
1013 shall:

1014 (a) allow the ~~[State Board of Education]~~ state board, a school district, or a school to
1015 define the application's input and track results of the high quality professional development;

1016 (b) allow educators to access automatic tools, resources, and strategies, including
1017 instructional materials with integrated STEM content;

1018 (c) allow educators to work in online learning communities, including giving and
1019 receiving feedback via uploaded video;

- 1020 (d) track and report data on the usage of the components of the application's system
1021 and the relationship to improvement in classroom instruction;
- 1022 (e) include video examples of highly effective STEM education teaching that:
- 1023 (i) cover a cross section of grade levels and subjects;
- 1024 (ii) under the direction of the [~~State Board of Education~~] state board, include videos of
1025 highly effective Utah STEM educators; and
- 1026 (iii) contain tools to help educators implement what they have learned; and
- 1027 (f) allow for additional STEM education video content to be added.

1028 (3) In addition to the high quality professional development application described in
1029 Subsections (1) and (2), the STEM Action Center may create STEM education hybrid or
1030 blended high quality professional development that allows for face-to-face applied learning.

1031 Section 16. Section **53E-10-811**, which is renumbered from Section 63N-12-211 is
1032 renumbered and amended to read:

1033 ~~[63N-12-211]~~. **53E-10-811. STEM education middle school applied science**
1034 **initiative.**

1035 (1) The STEM Action Center shall develop an applied science initiative for students in
1036 grades 7 and 8 that includes:

- 1037 (a) a STEM applied science curriculum with instructional materials;
- 1038 (b) STEM hybrid or blended high quality professional development that allows for
1039 face-to-face applied learning; and
- 1040 (c) hands-on tools for STEM applied science learning.

1041 (2) The STEM Action Center may, through a request for proposals process, select a
1042 consultant to assist in developing the initiative described in Subsection (1).

1043 Section 17. Section **53E-10-812**, which is renumbered from Section 63N-12-212 is
1044 renumbered and amended to read:

1045 ~~[63N-12-212]~~. **53E-10-812. High school STEM education initiative.**

1046 (1) Subject to legislative appropriations, after consulting with [~~State Board of~~
1047 ~~Education staff~~] staff of the state board, the STEM Action Center shall award grants to school
1048 districts and charter schools to fund STEM related certification for high school students.

1049 (2) (a) A school district or charter school may apply for a grant from the STEM Action
1050 Center, through a competitive process, to fund the school district's or charter school's STEM

1051 related certification training program.

1052 (b) A school district's or charter school's STEM related certification training program
1053 shall:

1054 (i) prepare high school students to be job ready for available STEM related positions of
1055 employment; and

1056 (ii) when a student completes the program, result in the student gaining an
1057 industry-recognized employer STEM related certification.

1058 (3) A school district or charter school may partner with one or more of the following to
1059 provide a STEM related certification program:

1060 (a) a technical college described in Section [53B-2a-105](#);

1061 (b) Salt Lake Community College;

1062 (c) Snow College;

1063 (d) Utah State University Eastern; or

1064 (e) a private sector employer.

1065 Section 18. Section **53E-10-813**, which is renumbered from Section 63N-12-213 is
1066 renumbered and amended to read:

1067 ~~[63N-12-213]~~. **53E-10-813. Computer science initiative for public schools.**

1068 (1) As used in this section:

1069 (a) "Computational thinking" means the set of problem-solving skills and techniques
1070 that software engineers use to write programs that underlie computer applications, including
1071 decomposition, pattern recognition, pattern generalization, and algorithm design.

1072 (b) "Computer coding" means the process of writing script for a computer program or
1073 mobile device.

1074 (c) "Educator" means the same as that term is defined in Section [53E-6-102](#).

1075 (d) "Endorsement" means a stipulation, authorized by the [~~State Board of Education~~]
1076 state board and appended to a license, that specifies the areas of practice to which the license
1077 applies.

1078 (e) (i) "Institution of higher education" means the same as that term is defined in
1079 Section [53B-3-102](#).

1080 (ii) "Institution of higher education" includes a technical college described in Section
1081 [53B-2a-105](#).

1082 (f) "Employer" means a private employer, public employer, industry association, union,
1083 or the military.

1084 (g) "License" means the same as that term is defined in Section [53E-6-102](#).

1085 (2) Subject to legislative appropriations, on behalf of the STEM board, the staff of the
1086 STEM board and the staff of the [~~State Board of Education~~] state board shall collaborate to
1087 develop and implement a computer science initiative for public schools by:

1088 (a) creating an online repository that:

1089 (i) is available for school districts and charter schools to use as a resource; and

1090 (ii) includes high quality computer science instructional resources that are designed to
1091 teach students in all grade levels:

1092 (A) computational thinking skills; and

1093 (B) computer coding skills;

1094 (b) providing for professional development on teaching computer science by:

1095 (i) including resources for educators related to teaching computational thinking and
1096 computer coding in the STEM education high quality professional development application
1097 described in Section [~~63N-12-210~~] [53E-10-810](#); and

1098 (ii) providing statewide or regional professional development institutes; and

1099 (c) awarding grants to a school district or charter school, on a competitive basis, that
1100 may be used to provide incentives for an educator to earn a computer science endorsement.

1101 (3) A school district or charter school may enter into an agreement with one or more of
1102 the following entities to jointly apply for a grant under Subsection (2)(c):

1103 (a) a school district;

1104 (b) a charter school;

1105 (c) an employer;

1106 (d) an institution of higher education; or

1107 (e) a non-profit organization.

1108 (4) To apply for a grant described in Subsection (2)(c), a school district or charter
1109 school shall submit a plan to the [~~State Board of Education~~] state board for the use of the grant,
1110 including a statement of purpose that describes the methods the school district or charter school
1111 proposes to use to incentivize an educator to earn a computer science endorsement.

1112 (5) The [~~board and the State Board of Education~~] state board and the STEM board shall

1113 encourage schools to independently pursue computer science and coding initiatives, subject to
 1114 local school board or charter school governing board approval, based on the unique needs of
 1115 the school's students.

1116 (6) The STEM board shall include information on the status of the computer science
 1117 initiative in the annual report described in Section [~~63N-12-208~~] 53E-10-808.

1118 Section 19. Section **53E-10-814**, which is renumbered from Section 63N-12-214 is
 1119 renumbered and amended to read:

1120 [~~63N-12-214~~]. **53E-10-814. Computing Partnerships Grants program.**

1121 (1) There is created the Computing Partnerships Grants program consisting of the
 1122 grants created in this part to provide for the design and implementation of a comprehensive
 1123 K-16 computing partnerships program, based upon the following common elements:

- 1124 (a) outreach and student engagement;
- 1125 (b) courses and content;
- 1126 (c) instruction and instructional support;
- 1127 (d) work-based learning opportunities;
- 1128 (e) student retention;
- 1129 (f) industry engagement;
- 1130 (g) stacked credentials that allow for multiple exit and entry points;
- 1131 (h) competency-based learning strategies; and
- 1132 (i) secondary and post-secondary collaborations.

1133 (2) The grant program shall incentivize public schools and school districts to work
 1134 with the STEM Action Center, staff of the [~~State Board of Education~~] STEM board, staff of the
 1135 state board, Talent Ready Utah, industry representatives, and secondary partners on the design
 1136 and implementation of comprehensive K-16 computing partnerships through:

- 1137 (a) leveraging existing resources for content, professional learning, and instruction,
 1138 including existing career and technical education funds, programs, and initiatives;
- 1139 (b) allowing for the support of professional learning for pre- and in-service educators;
- 1140 (c) supporting activities that promote and enhance access, diversity, and equity;
- 1141 (d) supporting collaborations and partnerships between K-12, institutions of higher
 1142 education, cultural and community partners, and industry representatives;
- 1143 (e) identifying the appropriate credentials that align with industry needs and providing

- 1144 the credentials in a stacked credentials pathway;
- 1145 (f) implementing a collaborative network that enables sharing and identification of best
1146 practices; and
- 1147 (g) providing infrastructure assistance that allows for the support of new courses and
1148 the expansion of capacity for existing courses.
- 1149 (3) The grant program shall include the following:
- 1150 (a) rigorous and relevant metrics that are shared by all grant participants; and
- 1151 (b) an evaluation by the STEM Action Center of the grant program that identifies best
1152 practices.
- 1153 (4) The STEM Action Center, in consultation with the [~~State Board of Education~~] state
1154 board, shall:
- 1155 (a) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
1156 adopt rules:
- 1157 (i) for the administration of the grant program and awarding of grants; and
- 1158 (ii) that define outcome-based measures appropriate to the type of grant awarded under
1159 this part;
- 1160 (b) establish a grant application process;
- 1161 (c) in accordance with Subsection (5), establish a review committee to make
1162 recommendations for:
- 1163 (i) metrics to analyze the quality of a grant application;
- 1164 (ii) approval of a grant application; and
- 1165 (iii) criteria to establish a requirement for an applicant to demonstrate financial need;
1166 and
- 1167 (d) with input from the review committee, adopt metrics to analyze the quality of a
1168 grant application.
- 1169 (5) (a) The review committee shall consist of K-16 educators, staff of the [~~State Board~~
1170 ~~of Education~~] state board, representatives of Talent Ready Utah, post-secondary partners, and
1171 industry representatives.
- 1172 (b) The review committee shall:
- 1173 (i) review a grant application submitted;
- 1174 (ii) make recommendations to a grant applicant to modify the grant application, if

1175 necessary; and

1176 (iii) make recommendations regarding the final disposition of an application.

1177 (6) The STEM Action Center shall report annually on the grant program to the [State
1178 Board of Education] state board and any findings and recommendations on the grant program
1179 shall be included in the STEM Action Center annual report to the Education Interim
1180 Committee.

1181 Section 20. Section **58-88-101**, which is renumbered from Section 63N-10-101 is
1182 renumbered and amended to read:

1183 **CHAPTER 88. PETE SUAZO UTAH ATHLETIC COMMISSION ACT**

1184 [~~63N-10-101~~]. **58-88-101. Title.**

1185 This chapter is known as the "Pete Suazo Utah Athletic Commission Act."

1186 Section 21. Section **58-88-102**, which is renumbered from Section 63N-10-102 is
1187 renumbered and amended to read:

1188 [~~63N-10-102~~]. **58-88-102. Definitions.**

1189 As used in this chapter:

1190 (1) "Bodily injury" has the same meaning as defined in Section [76-1-601](#).

1191 (2) "Boxing" means the sport of attack and defense using the fist, which is covered by
1192 an approved boxing glove.

1193 (3) (a) "Club fighting" means any contest of unarmed combat, whether admission is
1194 charged or not, where:

1195 (i) the rules of the contest are not approved by the commission;

1196 (ii) a licensed physician or osteopath approved by the commission is not in attendance;

1197 (iii) a correct HIV negative test regarding each contestant has not been provided to the
1198 commission;

1199 (iv) the contest is not conducted in accordance with commission rules; or

1200 (v) the contestants are not matched by the weight standards established in accordance
1201 with Section [~~63N-10-316~~] [58-88-316](#).

1202 (b) "Club fighting" does not include sparring if:

1203 (i) it is conducted for training purposes;

1204 (ii) no tickets are sold to spectators;

1205 (iii) no concessions are available for spectators;

1206 (iv) protective clothing, including protective headgear, a mouthguard, and a protective
1207 cup, is worn; and

1208 (v) for boxing, 16 ounce boxing gloves are worn.

1209 (4) "Commission" means the Pete Suazo Utah Athletic Commission created by this
1210 chapter.

1211 (5) "Contest" means a live match, performance, or exhibition involving two or more
1212 persons engaged in unarmed combat.

1213 (6) "Contestant" means an individual who participates in a contest.

1214 (7) "Designated commission member" means a member of the commission designated
1215 to:

1216 (a) attend and supervise a particular contest; and

1217 (b) act on the behalf of the commission at a contest venue.

1218 (8) "Director" means the director appointed by the commission.

1219 (9) "Elimination unarmed combat contest" means a contest where:

1220 (a) a number of contestants participate in a tournament;

1221 (b) the duration is not more than 48 hours; and

1222 (c) the loser of each contest is eliminated from further competition.

1223 (10) "Exhibition" means an engagement in which the participants show or display their
1224 skills without necessarily striving to win.

1225 (11) "Judge" means an individual qualified by training or experience to:

1226 (a) rate the performance of contestants;

1227 (b) score a contest; and

1228 (c) determine with other judges whether there is a winner of the contest or whether the
1229 contestants performed equally, resulting in a draw.

1230 (12) "Licensee" means an individual licensed by the commission to act as a:

1231 (a) contestant;

1232 (b) judge;

1233 (c) manager;

1234 (d) promoter;

1235 (e) referee;

1236 (f) second; or

- 1237 (g) other official established by the commission by rule.
- 1238 (13) "Manager" means an individual who represents a contestant for the purpose of:
- 1239 (a) obtaining a contest for a contestant;
- 1240 (b) negotiating terms and conditions of the contract under which the contestant will
- 1241 engage in a contest; or
- 1242 (c) arranging for a second for the contestant at a contest.
- 1243 (14) "Promoter" means a person who engages in producing or staging contests and
- 1244 promotions.
- 1245 (15) "Promotion" means a single contest or a combination of contests that:
- 1246 (a) occur during the same time and at the same location; and
- 1247 (b) is produced or staged by a promoter.
- 1248 (16) "Purse" means any money, prize, remuneration, or any other valuable
- 1249 consideration a contestant receives or may receive for participation in a contest.
- 1250 (17) "Referee" means an individual qualified by training or experience to act as the
- 1251 official attending a contest at the point of contact between contestants for the purpose of:
- 1252 (a) enforcing the rules relating to the contest;
- 1253 (b) stopping the contest in the event the health, safety, and welfare of a contestant or
- 1254 any other person in attendance at the contest is in jeopardy; and
- 1255 (c) acting as a judge if so designated by the commission.
- 1256 (18) "Round" means one of a number of individual time periods that, taken together,
- 1257 constitute a contest during which contestants are engaged in a form of unarmed combat.
- 1258 (19) "Second" means an individual who attends a contestant at the site of the contest
- 1259 before, during, and after the contest in accordance with contest rules.
- 1260 (20) "Serious bodily injury" has the same meaning as defined in Section [76-1-601](#).
- 1261 (21) "Total gross receipts" means the amount of the face value of all tickets sold to a
- 1262 particular contest plus any sums received as consideration for holding the contest at a particular
- 1263 location.
- 1264 (22) "Ultimate fighting" means a live contest, whether or not an admission fee is
- 1265 charged, in which:
- 1266 (a) contest rules permit contestants to use a combination of boxing, kicking, wrestling,
- 1267 hitting, punching, or other combative contact techniques;

1268 (b) contest rules incorporate a formalized system of combative techniques against
1269 which a contestant's performance is judged to determine the prevailing contestant;

1270 (c) contest rules divide nonchampionship contests into three equal and specified rounds
1271 of no more than five minutes per round with a rest period of one minute between each round;

1272 (d) contest rules divide championship contests into five equal and specified rounds of
1273 no more than five minutes per round with a rest period of one minute between each round; and

1274 (e) contest rules prohibit contestants from:

1275 (i) using anything that is not part of the human body, except for boxing gloves, to
1276 intentionally inflict serious bodily injury upon an opponent through direct contact or the
1277 expulsion of a projectile;

1278 (ii) striking a person who demonstrates an inability to protect himself from the
1279 advances of an opponent;

1280 (iii) biting; or

1281 (iv) direct, intentional, and forceful strikes to the eyes, groin area, Adam's apple area of
1282 the neck, and the rear area of the head and neck.

1283 (23) (a) "Unarmed combat" means boxing or any other form of competition in which a
1284 blow is usually struck which may reasonably be expected to inflict bodily injury.

1285 (b) "Unarmed combat" does not include a competition or exhibition between
1286 participants in which the participants engage in simulated combat for entertainment purposes.

1287 (24) "Unlawful conduct" means organizing, promoting, or participating in a contest
1288 which involves contestants that are not licensed under this chapter.

1289 (25) "Unprofessional conduct" means:

1290 (a) entering into a contract for a contest in bad faith;

1291 (b) participating in any sham or fake contest;

1292 (c) participating in a contest pursuant to a collusive understanding or agreement in
1293 which the contestant competes in or terminates the contest in a manner that is not based upon
1294 honest competition or the honest exhibition of the skill of the contestant;

1295 (d) engaging in an act or conduct that is detrimental to a contest, including any foul or
1296 unsportsmanlike conduct in connection with a contest;

1297 (e) failing to comply with any limitation, restriction, or condition placed on a license;

1298 (f) striking of a downed opponent by a contestant while the contestant remains on the

1299 contestant's feet, unless the designated commission member or director has exempted the
1300 contest and each contestant from the prohibition on striking a downed opponent before the start
1301 of the contest;

1302 (g) after entering the ring or contest area, penetrating an area within four feet of an
1303 opponent by a contestant, manager, or second before the commencement of the contest; or

1304 (h) as further defined by rules made by the commission under Title 63G, Chapter 3,
1305 Utah Administrative Rulemaking Act.

1306 (26) "White-collar contest" means a contest conducted at a training facility where no
1307 alcohol is served in which:

1308 (a) for boxing:

1309 (i) neither contestant is or has been a licensed contestant in any state or an amateur
1310 registered with USA Boxing, Inc.;

1311 (ii) no cash prize, or other prize valued at greater than \$35, is awarded;

1312 (iii) protective clothing, including protective headgear, a mouthguard, a protective cup,
1313 and for a female contestant a chestguard, is worn;

1314 (iv) 16 ounce boxing gloves are worn;

1315 (v) the contest is no longer than three rounds of no longer than three minutes each;

1316 (vi) no winner or loser is declared or recorded; and

1317 (vii) the contestants do not compete in a cage; and

1318 (b) for ultimate fighting:

1319 (i) neither contestant is or has been a licensed contestant in any state or an amateur
1320 registered with USA Boxing, Inc.;

1321 (ii) no cash prize, or other prize valued at greater than \$35, is awarded;

1322 (iii) protective clothing, including a protective mouthguard and a protective cup, is
1323 worn;

1324 (iv) downward elbow strikes are not allowed;

1325 (v) a contestant is not allowed to stand and strike a downed opponent;

1326 (vi) a closed-hand blow to the head is not allowed while either contestant is on the
1327 ground;

1328 (vii) the contest is no longer than three rounds of no longer than three minutes each;

1329 and

1330 (viii) no winner or loser is declared or recorded.

1331 Section 22. Section **58-88-201**, which is renumbered from Section 63N-10-201 is
1332 renumbered and amended to read:

1333 ~~[63N-10-201]~~. **58-88-201. Commission -- Creation -- Appointments --**
1334 **Terms -- Expenses -- Quorum.**

1335 (1) There is created within the [office] division the Pete Suazo Utah Athletic
1336 Commission consisting of five members.

1337 (2) (a) The governor shall appoint three commission members.

1338 (b) The president of the Senate and the speaker of the House of Representatives shall
1339 each appoint one commission member.

1340 (c) The commission members may not be licensees under this chapter.

1341 (3) (a) Except as required by Subsection (3)(b), as terms of current members expire, the
1342 governor, president, or speaker, respectively, shall appoint each new member or reappointed
1343 member to a four-year term.

1344 (b) The governor shall, at the time of appointment or reappointment, adjust the length
1345 of the governor's appointees' terms to ensure that the terms of members are staggered so that
1346 approximately half of the commission is appointed every two years.

1347 (c) When a vacancy occurs in the membership for any reason, the replacement shall be
1348 appointed for the unexpired term.

1349 (d) A commission member may be removed for any reason and replaced in accordance
1350 with this section by:

1351 (i) the governor, for a commission member appointed by the governor;

1352 (ii) the president of the Senate, for a commission member appointed by the president of
1353 the Senate; or

1354 (iii) the speaker of the House of Representatives, for a commission member appointed
1355 by the speaker of the House of Representatives.

1356 (4) (a) A majority of the commission members constitutes a quorum.

1357 (b) A majority of a quorum is sufficient authority for the commission to act.

1358 (5) A member may not receive compensation or benefits for the member's service, but
1359 may receive per diem and travel expenses in accordance with:

1360 (a) Section [63A-3-106](#);

- 1361 (b) Section [63A-3-107](#); and
- 1362 (c) rules made by the Division of Finance under Sections [63A-3-106](#) and [63A-3-107](#).
- 1363 (6) The commission shall annually designate one of its members to serve as chair for a
- 1364 one-year period.

1365 Section 23. Section **58-88-202**, which is renumbered from Section 63N-10-202 is

1366 renumbered and amended to read:

1367 ~~[63N-10-202]~~. **58-88-202. Commission powers and duties.**

- 1368 (1) The commission shall:
 - 1369 (a) purchase and use a seal;
 - 1370 (b) adopt rules for the administration of this chapter in accordance with Title 63G,
 - 1371 Chapter 3, Utah Administrative Rulemaking Act;
 - 1372 (c) prepare all forms of contracts between sponsors, licensees, promoters, and
 - 1373 contestants; and
 - 1374 (d) hold hearings relating to matters under its jurisdiction, including violations of this
 - 1375 chapter or rules made under this chapter.

1376 (2) The commission may subpoena witnesses, take evidence, and require the

1377 production of books, papers, documents, records, contracts, recordings, tapes, correspondence,

1378 or other information relevant to an investigation if the commission or ~~[its]~~ the commission's

1379 designee considers it necessary.

1380 Section 24. Section **58-88-203**, which is renumbered from Section 63N-10-203 is

1381 renumbered and amended to read:

1382 ~~[63N-10-203]~~. **58-88-203. Commission director.**

1383 (1) The commission shall employ a director, who may not be a member of the

1384 commission, to conduct the commission's business.

1385 (2) The director serves at the pleasure of the commission.

1386 Section 25. Section **58-88-204**, which is renumbered from Section 63N-10-204 is

1387 renumbered and amended to read:

1388 ~~[63N-10-204]~~. **58-88-204. Inspectors.**

1389 (1) The commission may appoint one or more official representatives to be designated

1390 as inspectors, who shall serve at the pleasure of the commission.

1391 (2) Each inspector must receive from the commission a card authorizing that inspector

1392 to act as an inspector for the commission.

1393 (3) An inspector may not promote or sponsor any contest.

1394 (4) Each inspector may receive a fee approved by the commission for the performance
1395 of duties under this chapter.

1396 Section 26. Section **58-88-205**, which is renumbered from Section 63N-10-205 is
1397 renumbered and amended to read:

1398 ~~[63N-10-205]~~. **58-88-205. Affiliation with other commissions.**

1399 The commission may affiliate with any other state, tribal, or national boxing
1400 commission or athletic authority.

1401 Section 27. Section **58-88-301**, which is renumbered from Section 63N-10-301 is
1402 renumbered and amended to read:

1403 ~~[63N-10-301]~~. **58-88-301. Licensing.**

1404 (1) A license is required for a person to act as or to represent that the person is:

1405 (a) a promoter;

1406 (b) a manager;

1407 (c) a contestant;

1408 (d) a second;

1409 (e) a referee;

1410 (f) a judge; or

1411 (g) another official established by the commission by rule.

1412 (2) The commission shall issue to a person who qualifies under this chapter a license in
1413 the classifications of:

1414 (a) promoter;

1415 (b) manager;

1416 (c) contestant;

1417 (d) second;

1418 (e) referee;

1419 (f) judge; or

1420 (g) another official who meets the requirements established by rule under Subsection

1421 (1)(g).

1422 (3) All money collected under this section and Sections [~~63N-10-304, 63N-10-307~~;

1423 ~~63N-10-310, and 63N-10-313]~~ 58-88-304, 58-88-307, 58-88-310, and 58-88-313 shall be
1424 retained as dedicated credits to pay for commission expenses.

1425 (4) Each applicant for licensure as a promoter shall:

1426 (a) submit an application in a form prescribed by the commission;

1427 (b) pay the fee determined by the commission under Section 63J-1-504;

1428 (c) provide to the commission evidence of financial responsibility, which shall include
1429 financial statements and other information that the commission may reasonably require to
1430 determine that the applicant or licensee is able to competently perform as and meet the
1431 obligations of a promoter in this state;

1432 (d) make assurances that the applicant:

1433 (i) is not engaging in illegal gambling with respect to sporting events or gambling with
1434 respect to the promotions the applicant is promoting;

1435 (ii) has not been found in a criminal or civil proceeding to have engaged in or
1436 attempted to engage in any fraud or misrepresentation in connection with a contest or any other
1437 sporting event; and

1438 (iii) has not been found in a criminal or civil proceeding to have violated or attempted
1439 to violate any law with respect to a contest in any jurisdiction or any law, rule, or order relating
1440 to the regulation of contests in this state or any other jurisdiction;

1441 (e) acknowledge in writing to the commission receipt, understanding, and intent to
1442 comply with this chapter and the rules made under this chapter; and

1443 (f) if requested by the commission or the director, meet with the commission or the
1444 director to examine the applicant's qualifications for licensure.

1445 (5) Each applicant for licensure as a contestant shall:

1446 (a) be ~~[not less than]~~ at least 18 years of age at the time the application is submitted to
1447 the commission;

1448 (b) submit an application in a form prescribed by the commission;

1449 (c) pay the fee established by the commission under Section 63J-1-504;

1450 (d) provide a certificate of physical examination, dated not more than 60 days ~~[prior to]~~
1451 before the date of application for licensure, in a form provided by the commission, completed
1452 by a licensed physician and surgeon certifying that the applicant is free from any physical or
1453 mental condition that indicates the applicant should not engage in activity as a contestant;

- 1454 (e) make assurances that the applicant:
- 1455 (i) is not engaging in illegal gambling with respect to sporting events or gambling with
1456 respect to a contest in which the applicant will participate;
- 1457 (ii) has not been found in a criminal or civil proceeding to have engaged in or
1458 attempted to have engaged in any fraud or misrepresentation in connection with a contest or
1459 any other sporting event; and
- 1460 (iii) has not been found in a criminal or civil proceeding to have violated or attempted
1461 to violate any law with respect to contests in any jurisdiction or any law, rule, or order relating
1462 to the regulation of contests in this state or any other jurisdiction;
- 1463 (f) acknowledge in writing to the commission receipt, understanding, and intent to
1464 comply with this chapter and the rules made under this chapter; and
- 1465 (g) if requested by the commission or the director, meet with the commission or the
1466 director to examine the applicant's qualifications for licensure.
- 1467 (6) Each applicant for licensure as a manager or second shall:
- 1468 (a) submit an application in a form prescribed by the commission;
- 1469 (b) pay a fee determined by the commission under Section [63J-1-504](#);
- 1470 (c) make assurances that the applicant:
- 1471 (i) is not engaging in illegal gambling with respect to sporting events or gambling with
1472 respect to a contest in which the applicant is participating;
- 1473 (ii) has not been found in a criminal or civil proceeding to have engaged in or
1474 attempted to have engaged in any fraud or misrepresentation in connection with a contest or
1475 any other sporting event; and
- 1476 (iii) has not been found in a criminal or civil proceeding to have violated or attempted
1477 to violate any law with respect to a contest in any jurisdiction or any law, rule, or order relating
1478 to the regulation of contests in this state or any other jurisdiction;
- 1479 (d) acknowledge in writing to the commission receipt, understanding, and intent to
1480 comply with this chapter and the rules made under this chapter; and
- 1481 (e) if requested by the commission or director, meet with the commission or the
1482 director to examine the applicant's qualifications for licensure.
- 1483 (7) Each applicant for licensure as a referee or judge shall:
- 1484 (a) submit an application in a form prescribed by the commission;

- 1485 (b) pay a fee determined by the commission under Section 63J-1-504;
- 1486 (c) make assurances that the applicant:
- 1487 (i) is not engaging in illegal gambling with respect to sporting events or gambling with
- 1488 respect to a contest in which the applicant is participating;
- 1489 (ii) has not been found in a criminal or civil proceeding to have engaged in or
- 1490 attempted to have engaged in any fraud or misrepresentation in connection with a contest or
- 1491 any other sporting event; and
- 1492 (iii) has not been found in a criminal or civil proceeding to have violated or attempted
- 1493 to violate any law with respect to contests in any jurisdiction or any law, rule, or order relating
- 1494 to the regulation of contests in this state or any other jurisdiction;
- 1495 (d) acknowledge in writing to the commission receipt, understanding, and intent to
- 1496 comply with this chapter and the rules made under this chapter;
- 1497 (e) provide evidence satisfactory to the commission that the applicant is qualified by
- 1498 training and experience to competently act as a referee or judge in a contest; and
- 1499 (f) if requested by the commission or the director, meet with the commission or the
- 1500 director to examine the applicant's qualifications for licensure.
- 1501 (8) The commission may make rules concerning the requirements for a license under
- 1502 this chapter, that deny a license to an applicant for the violation of a crime that, in the
- 1503 commission's determination, would have a material affect on the integrity of a contest held
- 1504 under this chapter.
- 1505 (9) (a) A licensee serves at the pleasure, and under the direction, of the commission
- 1506 while participating in any way at a contest.
- 1507 (b) A licensee's license may be suspended, or a fine imposed, if the licensee does not
- 1508 follow the commission's direction at an event or contest.
- 1509 Section 28. Section **58-88-302**, which is renumbered from Section 63N-10-302 is
- 1510 renumbered and amended to read:
- 1511 ~~[63N-10-302]~~. **58-88-302. Term of license -- Expiration -- Renewal.**
- 1512 (1) The commission shall issue each license under this chapter in accordance with a
- 1513 renewal cycle established by rule.
- 1514 (2) At the time of renewal, the licensee shall show satisfactory evidence of compliance
- 1515 with renewal requirements established by rule by the commission.

1516 (3) Each license automatically expires on the expiration date shown on the license
1517 unless the licensee renews it in accordance with the rules established by the commission.

1518 Section 29. Section **58-88-303**, which is renumbered from Section 63N-10-303 is
1519 renumbered and amended to read:

1520 ~~[63N-10-303]~~. **58-88-303. Grounds for denial of license -- Disciplinary**
1521 **proceedings -- Reinstatement.**

1522 (1) The commission shall refuse to issue a license to an applicant and shall refuse to
1523 renew or shall revoke, suspend, restrict, place on probation, or otherwise act upon the license of
1524 a licensee who does not meet the qualifications for licensure under this chapter.

1525 (2) The commission may refuse to issue a license to an applicant and may refuse to
1526 renew or may revoke, suspend, restrict, place on probation, issue a public or private reprimand
1527 to, or otherwise act upon the license of any licensee if:

1528 (a) the applicant or licensee has engaged in unlawful or unprofessional conduct, as
1529 defined by statute or rule under this chapter;

1530 (b) the applicant or licensee has been determined to be mentally incompetent for any
1531 reason by a court of competent jurisdiction; or

1532 (c) the applicant or licensee is unable to practice the occupation or profession with
1533 reasonable skill and safety because of illness, drunkenness, excessive use of drugs, narcotics,
1534 chemicals, or any other type of material, or as a result of any other mental or physical
1535 condition, when the licensee's condition demonstrates a threat or potential threat to the public
1536 health, safety, or welfare, as determined by a ringside physician or the commission.

1537 (3) Any licensee whose license under this chapter has been suspended, revoked, or
1538 restricted may apply for reinstatement of the license at reasonable intervals and upon
1539 compliance with any conditions imposed upon the licensee by statute, rule, or terms of the
1540 license suspension, revocation, or restriction.

1541 (4) The commission may issue cease and desist orders:

1542 (a) to a licensee or applicant who may be disciplined under Subsection (1) or (2); and

1543 (b) to any person who otherwise violates this chapter or any rules adopted under this
1544 chapter.

1545 (5) (a) The commission may impose an administrative fine for acts of unprofessional or
1546 unlawful conduct under this chapter.

1547 (b) An administrative fine under this Subsection (5) may not [~~exceed~~] be more than
1548 \$2,500 for each separate act of unprofessional or unlawful conduct.

1549 (c) The commission shall comply with Title 63G, Chapter 4, Administrative
1550 Procedures Act, in any action to impose an administrative fine under this chapter.

1551 (d) The imposition of a fine under this Subsection (5) does not affect any other action
1552 the commission or [~~department~~] division may take concerning a license issued under this
1553 chapter.

1554 (6) (a) The commission may not take disciplinary action against any person for
1555 unlawful or unprofessional conduct under this chapter, unless the commission initiates an
1556 adjudicative proceeding regarding the conduct within four years after the conduct is reported to
1557 the commission, except under Subsection (6)(b).

1558 (b) The commission may not take disciplinary action against any person for unlawful
1559 or unprofessional conduct more than 10 years after the occurrence of the conduct, unless the
1560 proceeding is in response to a civil or criminal judgment or settlement and the proceeding is
1561 initiated within one year following the judgment or settlement.

1562 (7) (a) Notwithstanding Title 63G, Chapter 4, Administrative Procedures Act, the
1563 following may immediately suspend the license of a licensee at such time and for such period
1564 that the following believes is necessary to protect the health, safety, and welfare of the licensee,
1565 another licensee, or the public:

1566 (i) the commission;

1567 (ii) a designated commission member; or

1568 (iii) if a designated commission member is not present, the director.

1569 (b) The commission shall establish by rule appropriate procedures to invoke the
1570 suspension and to provide a suspended licensee a right to a hearing before the commission with
1571 respect to the suspension within a reasonable time after the suspension.

1572 Section 30. Section ~~58-88-304~~, which is renumbered from Section 63N-10-304 is
1573 renumbered and amended to read:

1574 ~~[63N-10-304]~~. 58-88-304. Additional fees for license of promoter --

1575 Dedicated credits -- Promotion of contests -- Annual exemption of showcase event.

1576 (1) In addition to the payment of any other fees and money due under this chapter,
1577 every promoter shall pay a license fee determined by the commission and established in rule.

1578 (2) License fees collected under this Subsection (2) from professional boxing contests
1579 or exhibitions shall be retained by the commission as a dedicated credit to be used by the
1580 commission to award grants to organizations that promote amateur boxing in the state and
1581 cover commission expenses.

1582 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1583 commission shall adopt rules:

1584 (a) governing the manner in which applications for grants under Subsection (2) may be
1585 submitted to the commission; and

1586 (b) establishing standards for awarding grants under Subsection (2) to organizations
1587 which promote amateur boxing in the state.

1588 (4) (a) For the purpose of creating a greater interest in contests in the state, the
1589 commission may exempt from the payment of license fees under this section one contest or
1590 exhibition in each calendar year, intended as a showcase event.

1591 (b) The commission shall select the contest or exhibition to be exempted based on
1592 factors which include:

1593 (i) attraction of the optimum number of spectators;

1594 (ii) costs of promoting and producing the contest or exhibition;

1595 (iii) ticket pricing;

1596 (iv) committed promotions and advertising of the contest or exhibition;

1597 (v) rankings and quality of the contestants; and

1598 (vi) committed television and other media coverage of the contest or exhibition.

1599 Section 31. Section **58-88-305**, which is renumbered from Section 63N-10-305 is
1600 renumbered and amended to read:

1601 ~~[63N-10-305]~~. **58-88-305. Jurisdiction of commission.**

1602 (1) (a) The commission has the sole authority concerning direction, management,
1603 control, and jurisdiction over all contests or exhibitions of unarmed combat to be conducted,
1604 held, or given within this state.

1605 (b) A contest or exhibition may not be conducted, held, or given within this state
1606 except in accordance with this chapter.

1607 (2) Any contest involving a form of unarmed self-defense must be conducted pursuant
1608 to rules for that form which are approved by the commission before the contest is conducted,

1609 held, or given.

1610 (3) (a) An area not less than six feet from the perimeter of the ring shall be reserved for
1611 the use of:

- 1612 (i) the designated commission member;
- 1613 (ii) other commission members in attendance;
- 1614 (iii) the director;
- 1615 (iv) commission employees;
- 1616 (v) officials;
- 1617 (vi) licensees participating or assisting in the contest; and
- 1618 (vii) others granted credentials by the commission.

1619 (b) The promoter shall provide security at the direction of the commission or
1620 designated commission member to secure the area described in Subsection (3)(a).

1621 (4) The area described in Subsection (3), the area in the dressing rooms, and other
1622 areas considered necessary by the designated commission member for the safety and welfare of
1623 a licensee and the public shall be reserved for the use of:

- 1624 (a) the designated commission member;
- 1625 (b) other commission members in attendance;
- 1626 (c) the director;
- 1627 (d) commission employees;
- 1628 (e) officials;
- 1629 (f) licensees participating or assisting in the contest; and
- 1630 (g) others granted credentials by the commission.

1631 (5) The promoter shall provide security at the direction of the commission or
1632 designated commission member to secure the areas described in Subsections (3) and (4).

1633 (6) (a) The designated commission member may direct the removal from the contest
1634 venue and premises, of any individual whose actions:

- 1635 (i) are disruptive to the safe conduct of the contest; or
- 1636 (ii) pose a danger to the safety and welfare of the licensees, the commission, or the
1637 public, as determined by the designated commission member.

1638 (b) The promoter shall provide security at the direction of the commission or
1639 designated commission member to effectuate a removal under Subsection (6)(a).

1640 Section 32. Section **58-88-306**, which is renumbered from Section 63N-10-306 is
1641 renumbered and amended to read:

1642 ~~[63N-10-306]~~. **58-88-306. Club fighting prohibited.**

1643 (1) Club fighting is prohibited.

1644 (2) Any person who publicizes, promotes, conducts, or engages in a club fighting
1645 match is:

1646 (a) guilty of a class A misdemeanor as provided in Section [76-9-705](#); and

1647 (b) subject to license revocation under this chapter.

1648 Section 33. Section **58-88-307**, which is renumbered from Section 63N-10-307 is
1649 renumbered and amended to read:

1650 ~~[63N-10-307]~~. **58-88-307. Approval to hold contest or promotion -- Bond**
1651 **required.**

1652 (1) An application to hold a contest or multiple contests as part of a single promotion
1653 shall be made by a licensed promoter to the commission on forms provided by the commission.

1654 (2) The application shall be accompanied by a contest fee determined by the
1655 commission under Section [63J-1-505](#).

1656 (3) (a) The commission may approve or deny approval to hold a contest or promotion
1657 permitted under this chapter.

1658 (b) Provisional approval under Subsection (3)(a) shall be granted upon a determination
1659 by the commission that:

1660 (i) the promoter of the contest or promotion is properly licensed;

1661 (ii) a bond meeting the requirements of Subsection (6) has been posted by the promoter
1662 of the contest or promotion; and

1663 (iii) the contest or promotion will be held in accordance with this chapter and rules
1664 made under this chapter.

1665 (4) (a) Final approval to hold a contest or promotion may not be granted unless the
1666 commission receives, not less than seven days before the day of the contest with 10 or more
1667 rounds:

1668 (i) proof of a negative HIV test performed not more than 180 days before the day of the
1669 contest for each contestant;

1670 (ii) a copy of each contestant's federal identification card;

1671 (iii) a copy of a signed contract between each contestant and the promoter for the
1672 contest;
1673 (iv) a statement specifying the maximum number of rounds of the contest;
1674 (v) a statement specifying the site, date, and time of weigh-in; and
1675 (vi) the name of the physician selected from among a list of registered and
1676 commission-approved ringside physicians who shall act as ringside physician for the contest.

1677 (b) Notwithstanding Subsection (4)(a), the commission may approve a contest or
1678 promotion if the requirements under Subsection (4)(a) are not met because of unforeseen
1679 circumstances beyond the promoter's control.

1680 (5) Final approval for a contest under 10 rounds in duration may be granted as
1681 determined by the commission after receiving the materials identified in Subsection (4) at a
1682 time determined by the commission.

1683 (6) An applicant shall post a surety bond or cashier's check with the commission in the
1684 greater of \$10,000 or the amount of the purse, providing for forfeiture and disbursement of the
1685 proceeds if the applicant fails to comply with:

1686 (a) the requirements of this chapter; or

1687 (b) rules made under this chapter relating to the promotion or conduct of the contest or
1688 promotion.

1689 Section 34. Section **58-88-308**, which is renumbered from Section 63N-10-308 is
1690 renumbered and amended to read:

1691 ~~[63N-10-308].~~ **58-88-308. Rules for the conduct of contests.**

1692 (1) The commission shall adopt rules in accordance with Title 63G, Chapter 3, Utah
1693 Administrative Rulemaking Act, for the conduct of contests in the state.

1694 (2) The rules shall include:

1695 (a) authority for:

1696 (i) stopping contests; and

1697 (ii) impounding purses with respect to contests when there is a question with respect to
1698 the contest, contestants, or any other licensee associated with the contest; and

1699 (b) reasonable and necessary provisions to ensure that all obligations of a promoter
1700 with respect to any promotion or contest are paid in accordance with agreements made by the
1701 promoter.

1702 (3) (a) The commission may, in its discretion, exempt a contest and each contestant
1703 from the definition of unprofessional conduct found in Subsection [~~63N-10-102(25)(f)~~
1704 58-88-102(25)(f) after:

- 1705 (i) a promoter requests the exemption; and
- 1706 (ii) the commission considers relevant factors, including:
 - 1707 (A) the experience of the contestants;
 - 1708 (B) the win and loss records of each contestant;
 - 1709 (C) each contestant's level of training; and
 - 1710 (D) any other evidence relevant to the contestants' professionalism and the ability to
 - 1711 safely conduct the contest.

1712 (b) The commission's hearing of a request for an exemption under this Subsection (3)
1713 is an informal adjudicative proceeding under Section 63G-4-202.

1714 (c) The commission's decision to grant or deny a request for an exemption under this
1715 Subsection (3) is not subject to agency review under Section 63G-4-301.

1716 Section 35. Section ~~58-88-309~~, which is renumbered from Section 63N-10-309 is
1717 renumbered and amended to read:

1718 [~~63N-10-309~~]. **58-88-309. Medical examinations and drug tests.**

1719 (1) The commission shall adopt rules in accordance with Title 63G, Chapter 3, Utah
1720 Administrative Rulemaking Act, for medical examinations and drug testing of contestants,
1721 including provisions under which contestants shall:

1722 (a) produce evidence based upon competent laboratory examination that they are HIV
1723 negative as a condition of participating as a contestant in any contest;

1724 (b) be subject to random drug testing before or after participation in a contest, and
1725 sanctions, including barring participation in a contest or withholding a percentage of any purse,
1726 that shall be placed against a contestant testing positive for alcohol or any other drug that in the
1727 opinion of the commission is inconsistent with the safe and competent participation of that
1728 contestant in a contest;

1729 (c) be subject to a medical examination by the ringside physician not more than 30
1730 hours before the contest to identify any physical ailment or communicable disease that, in the
1731 opinion of the commission or designated commission member, are inconsistent with the safe
1732 and competent participation of that contestant in the contest; and

1733 (d) be subject to medical testing for communicable diseases as considered necessary by
1734 the commission to protect the health, safety, and welfare of the licensees and the public.

1735 (2) (a) Medical information concerning a contestant shall be provided by the contestant
1736 or medical professional or laboratory.

1737 (b) A promoter or manager may not provide to or receive from the commission medical
1738 information concerning a contestant.

1739 Section 36. Section **58-88-310**, which is renumbered from Section 63N-10-310 is
1740 renumbered and amended to read:

1741 ~~[63N-10-310]~~. **58-88-310. Contests.**

1742 (1) Except as provided in Section [~~63N-10-317~~] 58-88-317, a licensee may not
1743 participate in an unarmed combat contest within a predetermined time after another unarmed
1744 combat contest, as prescribed in rules made by the commission.

1745 (2) During the period of time beginning 60 minutes before the beginning of a contest,
1746 the promoter shall demonstrate the promoter's compliance with the commission's security
1747 requirements to all commission members present at the contest.

1748 (3) The commission shall establish fees in accordance with Section 63J-1-504 to be
1749 paid by a promoter for the conduct of each contest or event composed of multiple contests
1750 conducted under this chapter.

1751 Section 37. Section **58-88-311**, which is renumbered from Section 63N-10-311 is
1752 renumbered and amended to read:

1753 ~~[63N-10-311]~~. **58-88-311. Ringside physician.**

1754 (1) The commission shall maintain a list of ringside physicians who hold a Doctor of
1755 Medicine (MD) degree and are registered with the commission as approved to act as a ringside
1756 physician and meet the requirements of Subsection (2).

1757 (2) (a) The commission shall appoint a registered ringside physician to perform the
1758 duties of a ringside physician at each contest held under this chapter.

1759 (b) The promoter of a contest shall pay a fee determined by the commission by rule to
1760 the commission for a ringside physician.

1761 (3) An applicant for registration as a ringside physician shall:

1762 (a) submit an application for registration;

1763 (b) provide the commission with evidence of the applicant's licensure to practice

1764 medicine in the state; and

1765 (c) satisfy minimum qualifications established by the department by rule.

1766 (4) A ringside physician at attendance at a contest:

1767 (a) may stop the contest at any point if the ringside physician determines that a
1768 contestant's physical condition renders the contestant unable to safely continue the contest; and

1769 (b) works under the direction of the commission.

1770 Section 38. Section **58-88-312**, which is renumbered from Section 63N-10-312 is
1771 renumbered and amended to read:

1772 ~~[63N-10-312]~~. **58-88-312. Contracts.**

1773 Before a contest is held, a copy of the signed contract or agreement between the
1774 promoter of the contest and each contestant shall be filed with the commission. Approval of
1775 the contract's terms and conditions shall be obtained from the commission as a condition
1776 precedent to the contest.

1777 Section 39. Section **58-88-313**, which is renumbered from Section 63N-10-313 is
1778 renumbered and amended to read:

1779 ~~[63N-10-313]~~. **58-88-313. Withholding of purse.**

1780 (1) The commission, the director, or any other agent authorized by the commission
1781 may order a promoter to withhold any part of a purse or other money belonging or payable to
1782 any contestant, manager, or second if, in the judgment of the commission, director, or other
1783 agent:

1784 (a) the contestant is not competing honestly or to the best of the contestant's skill and
1785 ability or the contestant otherwise violates any rules adopted by the commission or any of the
1786 provisions of this chapter; or

1787 (b) the manager or second violates any rules adopted by the commission or any of the
1788 provisions of this chapter.

1789 (2) This section does not apply to any contestant in a wrestling exhibition who appears
1790 not to be competing honestly or to the best of the contestant's skill and ability.

1791 (3) Upon the withholding of any part of a purse or other money pursuant to this section,
1792 the commission shall immediately schedule a hearing on the matter, provide adequate notice to
1793 all interested parties, and dispose of the matter as promptly as possible.

1794 (4) If it is determined that a contestant, manager, or second is not entitled to any part of

1795 that person's share of the purse or other money, the promoter shall pay the money over to the
1796 commission.

1797 Section 40. Section **58-88-314**, which is renumbered from Section 63N-10-314 is
1798 renumbered and amended to read:

1799 ~~[63N-10-314]~~. **58-88-314. Penalty for unlawful conduct.**

1800 A person who engages in any act of unlawful conduct, as defined in Section
1801 ~~[63N-10-102]~~ 58-88-102, is guilty of a class A misdemeanor.

1802 Section 41. Section **58-88-315**, which is renumbered from Section 63N-10-315 is
1803 renumbered and amended to read:

1804 ~~[63N-10-315]~~. **58-88-315. Exemptions.**

1805 This chapter does not apply to:

1806 (1) any amateur contest or exhibition of unarmed combat conducted by or participated
1807 in exclusively by:

1808 (a) a school accredited by the Utah Board of Education;

1809 (b) a college or university accredited by the United States Department of Education; or

1810 (c) any association or organization of a school, college, or university described in

1811 Subsections (1)(a) and (b), when each participant in the contests or exhibitions is a bona fide
1812 student in the school, college, or university;

1813 (2) any contest or exhibition of unarmed combat conducted in accordance with the
1814 standards and regulations of USA Boxing, Inc.; or

1815 (3) a white-collar contest.

1816 Section 42. Section **58-88-316**, which is renumbered from Section 63N-10-316 is
1817 renumbered and amended to read:

1818 ~~[63N-10-316]~~. **58-88-316. Contest weights and classes -- Matching**
1819 **contestants.**

1820 (1) The commission shall make rules in accordance with Title 63G, Chapter 3, Utah
1821 Administrative Rulemaking Act, establishing boxing contest weights and classes consistent
1822 with those adopted by the Association of Boxing Commissions.

1823 (2) The commission shall make rules in accordance with Title 63G, Chapter 3, Utah
1824 Administrative Rulemaking Act, establishing contest weights and classes for unarmed combat
1825 that is not boxing.

1826 (3) (a) As to any unarmed combat contest, a contestant may not fight another contestant
1827 who is outside of the contestant's weight classification.

1828 (b) Notwithstanding Subsection (3)(a), the commission may permit a contestant to
1829 fight another contestant who is outside of the contestant's weight classification.

1830 (4) Except as provided in Subsection (3)(b), as to any unarmed combat contest:

1831 (a) a contestant who has contracted to participate in a given weight class may not be
1832 permitted to compete if the contestant is not within that weight class at the weigh-in; and

1833 (b) a contestant may have two hours to attempt to gain or lose not more than three
1834 pounds in order to be reweighed.

1835 (5) (a) As to any unarmed combat contest, the commission may not allow a contest in
1836 which the contestants are not fairly matched.

1837 (b) Factors in determining if contestants are fairly matched include:

1838 (i) the win-loss record of the contestants;

1839 (ii) the weight differential between the contestants;

1840 (iii) the caliber of opponents for each contestant;

1841 (iv) each contestant's number of fights; and

1842 (v) previous suspensions or disciplinary actions of the contestants.

1843 Section 43. Section **58-88-317**, which is renumbered from Section 63N-10-317 is
1844 renumbered and amended to read:

1845 ~~[63N-10-317]~~. **58-88-317. Elimination contests -- Conduct of contests --**
1846 **Applicability of provisions -- Limitations on license -- Duration of contests -- Equipment**
1847 **-- Limitations on contests.**

1848 (1) An elimination unarmed combat contest shall be conducted under the supervision
1849 and authority of the commission.

1850 (2) Except as otherwise provided in this section and except as otherwise provided by
1851 specific statute, the provisions of this chapter pertaining to boxing apply to an elimination
1852 unarmed combat contest.

1853 (3) (a) All contests in an elimination unarmed combat contest shall be no more than
1854 three rounds in duration.

1855 (b) A round of unarmed combat in an elimination unarmed combat contest shall:

1856 (i) be no more than one minute in duration; or

- 1857 (ii) be up to three minutes in duration if there is only a single round.
- 1858 (c) A period of rest following a round shall be no more than one minute in duration.
- 1859 (4) A contestant:
- 1860 (a) shall wear gloves approved by the commission; and
- 1861 (b) shall wear headgear approved by the commission, the designated commission
- 1862 member, or the director if a designated commission member is not present.
- 1863 (5) A contestant may participate in more than one contest, but may not participate in
- 1864 more than a total of seven rounds in the entire tournament.

1865 Section 44. Section **58-88-318**, which is renumbered from Section 63N-10-318 is

1866 renumbered and amended to read:

1867 ~~[63N-10-318]~~. **58-88-318. Commission rulemaking.**

1868 The commission may make rules in accordance with Title 63G, Chapter 3, Utah

1869 Administrative Rulemaking Act, governing the conduct of a contest held under this chapter to

1870 protect the health and safety of licensees and members of the public.

1871 Section 45. Section **59-7-614** is amended to read:

1872 **59-7-614. Renewable energy systems tax credits -- Definitions -- Certification --**

1873 **Rulemaking authority.**

- 1874 (1) As used in this section:
- 1875 (a) (i) "Active solar system" means a system of equipment that is capable of:
- 1876 (A) collecting and converting incident solar radiation into thermal, mechanical, or
- 1877 electrical energy; and
- 1878 (B) transferring a form of energy described in Subsection (1)(a)(i)(A) by a separate
- 1879 apparatus to storage or to the point of use.
- 1880 (ii) "Active solar system" includes water heating, space heating or cooling, and
- 1881 electrical or mechanical energy generation.
- 1882 (b) "Biomass system" means a system of apparatus and equipment for use in:
- 1883 (i) converting material into biomass energy, as defined in Section **59-12-102**; and
- 1884 (ii) transporting the biomass energy by separate apparatus to the point of use or storage.
- 1885 (c) "Commercial energy system" means a system that is:
- 1886 (i) (A) an active solar system;
- 1887 (B) a biomass system;

- 1888 (C) a direct use geothermal system;
- 1889 (D) a geothermal electricity system;
- 1890 (E) a geothermal heat pump system;
- 1891 (F) a hydroenergy system;
- 1892 (G) a passive solar system; or
- 1893 (H) a wind system;
- 1894 (ii) located in the state; and
- 1895 (iii) used:
 - 1896 (A) to supply energy to a commercial unit; or
 - 1897 (B) as a commercial enterprise.
- 1898 (d) "Commercial enterprise" means an entity, the purpose of which is to produce
- 1899 electrical, mechanical, or thermal energy for sale from a commercial energy system.
- 1900 (e) (i) "Commercial unit" means a building or structure that an entity uses to transact
- 1901 business.
- 1902 (ii) Notwithstanding Subsection (1)(e)(i):
 - 1903 (A) with respect to an active solar system used for agricultural water pumping or a
 - 1904 wind system, each individual energy generating device is considered to be a commercial unit;
 - 1905 or
 - 1906 (B) if an energy system is the building or structure that an entity uses to transact
 - 1907 business, a commercial unit is the complete energy system itself.
- 1908 (f) "Direct use geothermal system" means a system of apparatus and equipment that
- 1909 enables the direct use of geothermal energy to meet energy needs, including heating a building,
- 1910 an industrial process, and aquaculture.
- 1911 (g) "Geothermal electricity" means energy that is:
 - 1912 (i) contained in heat that continuously flows outward from the earth; and
 - 1913 (ii) used as a sole source of energy to produce electricity.
- 1914 (h) "Geothermal energy" means energy generated by heat that is contained in the earth.
- 1915 (i) "Geothermal heat pump system" means a system of apparatus and equipment that:
 - 1916 (i) enables the use of thermal properties contained in the earth at temperatures well
 - 1917 below 100 degrees Fahrenheit; and
 - 1918 (ii) helps meet heating and cooling needs of a structure.

1919 (j) "Hydroenergy system" means a system of apparatus and equipment that is capable
1920 of:

1921 (i) intercepting and converting kinetic water energy into electrical or mechanical
1922 energy; and

1923 (ii) transferring this form of energy by separate apparatus to the point of use or storage.

1924 (k) "Office" means the Office of Energy Development created in Section [~~63M-4-401~~]
1925 [63N-15-201](#).

1926 (l) (i) "Passive solar system" means a direct thermal system that utilizes the structure of
1927 a building and its operable components to provide for collection, storage, and distribution of
1928 heating or cooling during the appropriate times of the year by utilizing the climate resources
1929 available at the site.

1930 (ii) "Passive solar system" includes those portions and components of a building that
1931 are expressly designed and required for the collection, storage, and distribution of solar energy.

1932 (m) "Photovoltaic system" means an active solar system that generates electricity from
1933 sunlight.

1934 (n) (i) "Principal recovery portion" means the portion of a lease payment that
1935 constitutes the cost a person incurs in acquiring a commercial energy system.

1936 (ii) "Principal recovery portion" does not include:

1937 (A) an interest charge; or

1938 (B) a maintenance expense.

1939 (o) "Residential energy system" means the following used to supply energy to or for a
1940 residential unit:

1941 (i) an active solar system;

1942 (ii) a biomass system;

1943 (iii) a direct use geothermal system;

1944 (iv) a geothermal heat pump system;

1945 (v) a hydroenergy system;

1946 (vi) a passive solar system; or

1947 (vii) a wind system.

1948 (p) (i) "Residential unit" means a house, condominium, apartment, or similar dwelling
1949 unit that:

- 1950 (A) is located in the state; and
- 1951 (B) serves as a dwelling for a person, group of persons, or a family.
- 1952 (ii) "Residential unit" does not include property subject to a fee under:
 - 1953 (A) Section 59-2-405;
 - 1954 (B) Section 59-2-405.1;
 - 1955 (C) Section 59-2-405.2;
 - 1956 (D) Section 59-2-405.3; or
 - 1957 (E) Section 72-10-110.5.
- 1958 (q) "Wind system" means a system of apparatus and equipment that is capable of:
 - 1959 (i) intercepting and converting wind energy into mechanical or electrical energy; and
 - 1960 (ii) transferring these forms of energy by a separate apparatus to the point of use, sale,
 - 1961 or storage.
- 1962 (2) A taxpayer may claim an energy system tax credit as provided in this section
- 1963 against a tax due under this chapter for a taxable year.
- 1964 (3) (a) Subject to the other provisions of this Subsection (3), a taxpayer may claim a
- 1965 nonrefundable tax credit under this Subsection (3) with respect to a residential unit the taxpayer
- 1966 owns or uses if:
 - 1967 (i) the taxpayer:
 - 1968 (A) purchases and completes a residential energy system to supply all or part of the
 - 1969 energy required for the residential unit; or
 - 1970 (B) participates in the financing of a residential energy system to supply all or part of
 - 1971 the energy required for the residential unit;
 - 1972 (ii) the residential energy system is completed and placed in service on or after January
 - 1973 1, 2007; and
 - 1974 (iii) the taxpayer obtains a written certification from the office in accordance with
 - 1975 Subsection (7).
 - 1976 (b) (i) Subject to Subsections (3)(b)(ii) through (iv) and, as applicable, Subsection
 - 1977 (3)(c) or (d), the tax credit is equal to 25% of the reasonable costs of each residential energy
 - 1978 system installed with respect to each residential unit the taxpayer owns or uses.
 - 1979 (ii) A tax credit under this Subsection (3) may include installation costs.
 - 1980 (iii) A taxpayer may claim a tax credit under this Subsection (3) for the taxable year in

1981 which the residential energy system is completed and placed in service.

1982 (iv) If the amount of a tax credit under this Subsection (3) exceeds a taxpayer's tax
1983 liability under this chapter for a taxable year, the amount of the tax credit exceeding the
1984 liability may be carried forward for a period that does not exceed the next four taxable years.

1985 (c) The total amount of tax credit a taxpayer may claim under this Subsection (3) for a
1986 residential energy system, other than a photovoltaic system, may not exceed \$2,000 per
1987 residential unit.

1988 (d) The total amount of tax credit a taxpayer may claim under this Subsection (3) for a
1989 photovoltaic system may not exceed:

1990 (i) for a system installed on or after January 1, 2018 but on or before December 31,
1991 2020, \$1,600;

1992 (ii) for a system installed on or after January 1, 2021 but on or before December 31,
1993 2021, \$1,200;

1994 (iii) for a system installed on or after January 1, 2022 but on or before December 31,
1995 2022, \$800;

1996 (iv) for a system installed on or after January 1, 2023 but on or before December 31,
1997 2023, \$400; and

1998 (v) for a system installed on or after January 1, 2024, \$0.

1999 (e) If a taxpayer sells a residential unit to another person before the taxpayer claims the
2000 tax credit under this Subsection (3):

2001 (i) the taxpayer may assign the tax credit to the other person; and

2002 (ii) (A) if the other person files a return under this chapter, the other person may claim
2003 the tax credit under this section as if the other person had met the requirements of this section
2004 to claim the tax credit; or

2005 (B) if the other person files a return under Chapter 10, Individual Income Tax Act, the
2006 other person may claim the tax credit under Section 59-10-1014 as if the other person had met
2007 the requirements of Section 59-10-1014 to claim the tax credit.

2008 (4) (a) Subject to the other provisions of this Subsection (4), a taxpayer may claim a
2009 refundable tax credit under this Subsection (4) with respect to a commercial energy system if:

2010 (i) the commercial energy system does not use:

2011 (A) wind, geothermal electricity, solar, or biomass equipment capable of producing a

2012 total of 660 or more kilowatts of electricity; or
2013 (B) solar equipment capable of producing 2,000 or more kilowatts of electricity;
2014 (ii) the taxpayer purchases or participates in the financing of the commercial energy
2015 system;
2016 (iii) (A) the commercial energy system supplies all or part of the energy required by
2017 commercial units owned or used by the taxpayer; or
2018 (B) the taxpayer sells all or part of the energy produced by the commercial energy
2019 system as a commercial enterprise;
2020 (iv) the commercial energy system is completed and placed in service on or after
2021 January 1, 2007; and
2022 (v) the taxpayer obtains a written certification from the office in accordance with
2023 Subsection (7).
2024 (b) (i) Subject to Subsections (4)(b)(ii) through (v), the tax credit is equal to 10% of the
2025 reasonable costs of the commercial energy system.
2026 (ii) A tax credit under this Subsection (4) may include installation costs.
2027 (iii) A taxpayer may claim a tax credit under this Subsection (4) for the taxable year in
2028 which the commercial energy system is completed and placed in service.
2029 (iv) A tax credit under this Subsection (4) may not be carried forward or carried back.
2030 (v) The total amount of tax credit a taxpayer may claim under this Subsection (4) may
2031 not exceed \$50,000 per commercial unit.
2032 (c) (i) Subject to Subsections (4)(c)(ii) and (iii), a taxpayer that is a lessee of a
2033 commercial energy system installed on a commercial unit may claim a tax credit under this
2034 Subsection (4) if the taxpayer confirms that the lessor irrevocably elects not to claim the tax
2035 credit.
2036 (ii) A taxpayer described in Subsection (4)(c)(i) may claim as a tax credit under this
2037 Subsection (4) only the principal recovery portion of the lease payments.
2038 (iii) A taxpayer described in Subsection (4)(c)(i) may claim a tax credit under this
2039 Subsection (4) for a period that does not exceed seven taxable years after the date the lease
2040 begins, as stated in the lease agreement.
2041 (5) (a) Subject to the other provisions of this Subsection (5), a taxpayer may claim a
2042 refundable tax credit under this Subsection (5) with respect to a commercial energy system if:

- 2043 (i) the commercial energy system uses wind, geothermal electricity, or biomass
2044 equipment capable of producing a total of 660 or more kilowatts of electricity;
- 2045 (ii) (A) the commercial energy system supplies all or part of the energy required by
2046 commercial units owned or used by the taxpayer; or
2047 (B) the taxpayer sells all or part of the energy produced by the commercial energy
2048 system as a commercial enterprise;
- 2049 (iii) the commercial energy system is completed and placed in service on or after
2050 January 1, 2007; and
- 2051 (iv) the taxpayer obtains a written certification from the office in accordance with
2052 Subsection (7).
- 2053 (b) (i) Subject to Subsections (5)(b)(ii) and (iii), a tax credit under this Subsection (5)
2054 is equal to the product of:
- 2055 (A) 0.35 cents; and
2056 (B) the kilowatt hours of electricity produced and used or sold during the taxable year.
- 2057 (ii) A tax credit under this Subsection (5) may be claimed for production occurring
2058 during a period of 48 months beginning with the month in which the commercial energy
2059 system is placed in commercial service.
- 2060 (iii) A tax credit under this Subsection (5) may not be carried forward or carried back.
- 2061 (c) A taxpayer that is a lessee of a commercial energy system installed on a commercial
2062 unit may claim a tax credit under this Subsection (5) if the taxpayer confirms that the lessor
2063 irrevocably elects not to claim the tax credit.
- 2064 (6) (a) Subject to the other provisions of this Subsection (6), a taxpayer may claim a
2065 refundable tax credit as provided in this Subsection (6) if:
- 2066 (i) the taxpayer owns a commercial energy system that uses solar equipment capable of
2067 producing a total of 660 or more kilowatts of electricity;
- 2068 (ii) (A) the commercial energy system supplies all or part of the energy required by
2069 commercial units owned or used by the taxpayer; or
2070 (B) the taxpayer sells all or part of the energy produced by the commercial energy
2071 system as a commercial enterprise;
- 2072 (iii) the taxpayer does not claim a tax credit under Subsection (4);
- 2073 (iv) the commercial energy system is completed and placed in service on or after

2074 January 1, 2015; and

2075 (v) the taxpayer obtains a written certification from the office in accordance with
2076 Subsection (7).

2077 (b) (i) Subject to Subsections (6)(b)(ii) and (iii), a tax credit under this Subsection (6)
2078 is equal to the product of:

2079 (A) 0.35 cents; and

2080 (B) the kilowatt hours of electricity produced and used or sold during the taxable year.

2081 (ii) A tax credit under this Subsection (6) may be claimed for production occurring
2082 during a period of 48 months beginning with the month in which the commercial energy
2083 system is placed in commercial service.

2084 (iii) A tax credit under this Subsection (6) may not be carried forward or carried back.

2085 (c) A taxpayer that is a lessee of a commercial energy system installed on a commercial
2086 unit may claim a tax credit under this Subsection (6) if the taxpayer confirms that the lessor
2087 irrevocably elects not to claim the tax credit.

2088 (7) (a) Before a taxpayer may claim a tax credit under this section, the taxpayer shall
2089 obtain a written certification from the office.

2090 (b) The office shall issue a taxpayer a written certification if the office determines that:

2091 (i) the taxpayer meets the requirements of this section to receive a tax credit; and

2092 (ii) the residential energy system or commercial energy system with respect to which
2093 the taxpayer seeks to claim a tax credit:

2094 (A) has been completely installed;

2095 (B) is a viable system for saving or producing energy from renewable resources; and

2096 (C) is safe, reliable, efficient, and technically feasible to ensure that the residential
2097 energy system or commercial energy system uses the state's renewable and nonrenewable
2098 energy resources in an appropriate and economic manner.

2099 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2100 office may make rules:

2101 (i) for determining whether a residential energy system or commercial energy system
2102 meets the requirements of Subsection (7)(b)(ii); and

2103 (ii) for purposes of a tax credit under Subsection (3) or (4), establishing the reasonable
2104 costs of a residential energy system or a commercial energy system, as an amount per unit of

2105 energy production.

2106 (d) A taxpayer that obtains a written certification from the office shall retain the
2107 certification for the same time period a person is required to keep books and records under
2108 Section [59-1-1406](#).

2109 (8) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2110 commission may make rules to address the certification of a tax credit under this section.

2111 (9) A tax credit under this section is in addition to any tax credits provided under the
2112 laws or rules and regulations of the United States.

2113 Section 46. Section **59-7-614.7** is amended to read:

2114 **59-7-614.7. Nonrefundable alternative energy development tax credit.**

2115 (1) As used in this section:

2116 (a) "Alternative energy entity" means the same as that term is defined in Section
2117 [63M-4-502](#).

2118 (b) "Alternative energy project" means the same as that term is defined in Section
2119 [63M-4-502](#).

2120 (c) "Office" means the Office of Energy Development created in Section [~~63M-4-401~~]
2121 [63N-15-201](#).

2122 (2) Subject to the other provisions of this section, an alternative energy entity may
2123 claim a nonrefundable tax credit for alternative energy development as provided in this section.

2124 (3) The tax credit under this section is the amount listed as the tax credit amount on a
2125 tax credit certificate that the office issues under Title 63M, Chapter 4, Part 5, Alternative
2126 Energy Development Tax Credit Act, to the alternative energy entity for the taxable year.

2127 (4) An alternative energy entity may carry forward a tax credit under this section for a
2128 period that does not exceed the next seven taxable years if:

2129 (a) the alternative energy entity is allowed to claim a tax credit under this section for a
2130 taxable year; and

2131 (b) the amount of the tax credit exceeds the alternative energy entity's tax liability
2132 under this chapter for that taxable year.

2133 (5) (a) In accordance with Section [59-7-159](#), the Revenue and Taxation Interim
2134 Committee shall study the tax credit allowed by this section and make recommendations
2135 concerning whether the tax credit should be continued, modified, or repealed.

2136 (b) (i) Except as provided in Subsection (5)(b)(ii), for purposes of the study required by
2137 this Subsection (5), the office shall provide the following information, if available to the office,
2138 to the Office of the Legislative Fiscal Analyst by electronic means:

2139 (A) the amount of tax credit that the office grants to each alternative energy entity for
2140 each taxable year;

2141 (B) the new state revenues generated by each alternative energy project;

2142 (C) the information contained in the office's latest report under Section 63M-4-505;

2143 and

2144 (D) any other information that the Office of the Legislative Fiscal Analyst requests.

2145 (ii) (A) In providing the information described in Subsection (5)(b)(i), the office shall
2146 redact information that identifies a recipient of a tax credit under this section.

2147 (B) If, notwithstanding the redactions made under Subsection (5)(b)(ii)(A), reporting
2148 the information described in Subsection (5)(b)(i) might disclose the identity of a recipient of a
2149 tax credit, the office may file a request with the Revenue and Taxation Interim Committee to
2150 provide the information described in Subsection (5)(b)(i) in the aggregate for all alternative
2151 energy entities that receive the tax credit under this section.

2152 (c) As part of the study required by this Subsection (5), the Office of the Legislative
2153 Fiscal Analyst shall report to the Revenue and Taxation Interim Committee a summary and
2154 analysis of the information provided to the Office of the Legislative Fiscal Analyst by the
2155 office under Subsection (5)(b).

2156 (d) The Revenue and Taxation Interim Committee shall ensure that the
2157 recommendations described in Subsection (5)(a) include an evaluation of:

2158 (i) the cost of the tax credit to the state;

2159 (ii) the purpose and effectiveness of the tax credit; and

2160 (iii) the extent to which the state benefits from the tax credit.

2161 Section 47. Section **59-7-619** is amended to read:

2162 **59-7-619. Nonrefundable high cost infrastructure development tax credit.**

2163 (1) As used in this section:

2164 (a) "High cost infrastructure project" means the same as that term is defined in Section
2165 63M-4-602.

2166 (b) "Infrastructure cost-burdened entity" means the same as that term is defined in

2167 Section [63M-4-602](#).

2168 (c) "Infrastructure-related revenue" means the same as that term is defined in Section
2169 [63M-4-602](#).

2170 (d) "Office" means the Office of Energy Development created in Section [~~63M-4-401~~]
2171 [63N-15-201](#).

2172 (2) Subject to the other provisions of this section, a corporation that is an infrastructure
2173 cost-burdened entity may claim a nonrefundable tax credit for development of a high cost
2174 infrastructure project as provided in this section.

2175 (3) The tax credit under this section is the amount listed as the tax credit amount on a
2176 tax credit certificate that the office issues under Title 63M, Chapter 4, Part 6, High Cost
2177 Infrastructure Development Tax Credit Act, to the infrastructure cost-burdened entity for the
2178 taxable year.

2179 (4) An infrastructure cost-burdened entity may carry forward a tax credit under this
2180 section for a period that does not exceed the next seven taxable years if:

2181 (a) the infrastructure cost-burdened entity is allowed to claim a tax credit under this
2182 section for a taxable year; and

2183 (b) the amount of the tax credit exceeds the infrastructure cost-burdened entity's tax
2184 liability under this chapter for that taxable year.

2185 (5) (a) In accordance with Section [59-7-159](#), the Revenue and Taxation Interim
2186 Committee shall study the tax credit allowed by this section and make recommendations
2187 concerning whether the tax credit should be continued, modified, or repealed.

2188 (b) (i) Except as provided in Subsection (5)(b)(ii), for purposes of the study required by
2189 this Subsection (5), the office shall provide the following information, if available to the office,
2190 to the Office of the Legislative Fiscal Analyst:

2191 (A) the amount of tax credit that the office grants to each infrastructure cost-burdened
2192 entity for each taxable year;

2193 (B) the infrastructure-related revenue generated by each high cost infrastructure
2194 project;

2195 (C) the information contained in the office's latest report under Section [63M-4-505](#);
2196 and

2197 (D) any other information that the Office of the Legislative Fiscal Analyst requests.

2198 (ii) (A) In providing the information described in Subsection (5)(b)(i), the office shall
2199 redact information that identifies a recipient of a tax credit under this section.

2200 (B) If, notwithstanding the redactions made under Subsection (5)(b)(ii)(A), reporting
2201 the information described in Subsection (5)(b)(i) might disclose the identity of a recipient of a
2202 tax credit, the office may file a request with the Revenue and Taxation Interim Committee to
2203 provide the information described in Subsection (5)(b)(i) in the aggregate for all infrastructure
2204 cost-burdened entities that receive the tax credit under this section.

2205 (c) As part of the study required by this Subsection (5), the Office of the Legislative
2206 Fiscal Analyst shall report to the Revenue and Taxation Interim Committee a summary and
2207 analysis of the information provided to the Office of the Legislative Fiscal Analyst by the
2208 office under Subsection (5)(b).

2209 (d) The Revenue and Taxation Interim Committee shall ensure that the
2210 recommendations described in Subsection (5)(a) include an evaluation of:

- 2211 (i) the cost of the tax credit to the state;
- 2212 (ii) the purpose and effectiveness of the tax credit; and
- 2213 (iii) the extent to which the state benefits from the tax credit.

2214 Section 48. Section **59-10-1014** is amended to read:

2215 **59-10-1014. Nonrefundable renewable energy systems tax credits -- Definitions --**
2216 **Certification -- Rulemaking authority.**

2217 (1) As used in this section:

2218 (a) (i) "Active solar system" means a system of equipment that is capable of:

2219 (A) collecting and converting incident solar radiation into thermal, mechanical, or
2220 electrical energy; and

2221 (B) transferring a form of energy described in Subsection (1)(a)(i)(A) by a separate
2222 apparatus to storage or to the point of use.

2223 (ii) "Active solar system" includes water heating, space heating or cooling, and
2224 electrical or mechanical energy generation.

2225 (b) "Biomass system" means a system of apparatus and equipment for use in:

2226 (i) converting material into biomass energy, as defined in Section [59-12-102](#); and

2227 (ii) transporting the biomass energy by separate apparatus to the point of use or storage.

2228 (c) "Direct use geothermal system" means a system of apparatus and equipment that

2229 enables the direct use of geothermal energy to meet energy needs, including heating a building,
2230 an industrial process, and aquaculture.

2231 (d) "Geothermal electricity" means energy that is:

2232 (i) contained in heat that continuously flows outward from the earth; and

2233 (ii) used as a sole source of energy to produce electricity.

2234 (e) "Geothermal energy" means energy generated by heat that is contained in the earth.

2235 (f) "Geothermal heat pump system" means a system of apparatus and equipment that:

2236 (i) enables the use of thermal properties contained in the earth at temperatures well

2237 below 100 degrees Fahrenheit; and

2238 (ii) helps meet heating and cooling needs of a structure.

2239 (g) "Hydroenergy system" means a system of apparatus and equipment that is capable

2240 of:

2241 (i) intercepting and converting kinetic water energy into electrical or mechanical

2242 energy; and

2243 (ii) transferring this form of energy by separate apparatus to the point of use or storage.

2244 (h) "Office" means the Office of Energy Development created in Section [~~63M-4-401~~]

2245 [63N-15-201](#).

2246 (i) (i) "Passive solar system" means a direct thermal system that utilizes the structure of
2247 a building and its operable components to provide for collection, storage, and distribution of
2248 heating or cooling during the appropriate times of the year by utilizing the climate resources
2249 available at the site.

2250 (ii) "Passive solar system" includes those portions and components of a building that
2251 are expressly designed and required for the collection, storage, and distribution of solar energy.

2252 (j) "Photovoltaic system" means an active solar system that generates electricity from
2253 sunlight.

2254 (k) (i) "Principal recovery portion" means the portion of a lease payment that
2255 constitutes the cost a person incurs in acquiring a residential energy system.

2256 (ii) "Principal recovery portion" does not include:

2257 (A) an interest charge; or

2258 (B) a maintenance expense.

2259 (l) "Residential energy system" means the following used to supply energy to or for a

2260 residential unit:

- 2261 (i) an active solar system;
- 2262 (ii) a biomass system;
- 2263 (iii) a direct use geothermal system;
- 2264 (iv) a geothermal heat pump system;
- 2265 (v) a hydroenergy system;
- 2266 (vi) a passive solar system; or
- 2267 (vii) a wind system.

2268 (m) (i) "Residential unit" means a house, condominium, apartment, or similar dwelling
2269 unit that:

- 2270 (A) is located in the state; and
- 2271 (B) serves as a dwelling for a person, group of persons, or a family.
- 2272 (ii) "Residential unit" does not include property subject to a fee under:
 - 2273 (A) Section 59-2-405;
 - 2274 (B) Section 59-2-405.1;
 - 2275 (C) Section 59-2-405.2;
 - 2276 (D) Section 59-2-405.3; or
 - 2277 (E) Section 72-10-110.5.

2278 (n) "Wind system" means a system of apparatus and equipment that is capable of:

- 2279 (i) intercepting and converting wind energy into mechanical or electrical energy; and
- 2280 (ii) transferring these forms of energy by a separate apparatus to the point of use or
2281 storage.

2282 (2) A claimant, estate, or trust may claim an energy system tax credit as provided in
2283 this section against a tax due under this chapter for a taxable year.

2284 (3) For a taxable year beginning on or after January 1, 2007, a claimant, estate, or trust
2285 may claim a nonrefundable tax credit under this section with respect to a residential unit the
2286 claimant, estate, or trust owns or uses if:

2287 (a) the claimant, estate, or trust:

- 2288 (i) purchases and completes a residential energy system to supply all or part of the
2289 energy required for the residential unit; or

2290 (ii) participates in the financing of a residential energy system to supply all or part of

2291 the energy required for the residential unit;

2292 (b) the residential energy system is installed on or after January 1, 2007; and

2293 (c) the claimant, estate, or trust obtains a written certification from the office in
2294 accordance with Subsection (5).

2295 (4) (a) For a residential energy system, other than a photovoltaic system, the tax credit
2296 described in this section is equal to the lesser of:

2297 (i) 25% of the reasonable costs, including installation costs, of each residential energy
2298 system installed with respect to each residential unit the claimant, estate, or trust owns or uses;
2299 and

2300 (ii) \$2,000.

2301 (b) Subject to Subsection (5)(d), for a residential energy system that is a photovoltaic
2302 system, the tax credit described in this section is equal to the lesser of:

2303 (i) 25% of the reasonable costs, including installation costs, of each system installed
2304 with respect to each residential unit the claimant, estate, or trust owns or uses; or

2305 (ii) (A) for a system installed on or after January 1, 2007, but on or before December
2306 31, 2017, \$2,000;

2307 (B) for a system installed on or after January 1, 2018, but on or before December 31,
2308 2020, \$1,600;

2309 (C) for a system installed on or after January 1, 2021, but on or before December 31,
2310 2021, \$1,200;

2311 (D) for a system installed on or after January 1, 2022, but on or before December 31,
2312 2022, \$800;

2313 (E) for a system installed on or after January 1, 2023, but on or before December 31,
2314 2023, \$400; and

2315 (F) for a system installed on or after January 1, 2024, \$0.

2316 (c) (i) The office shall determine the amount of the tax credit that a claimant, estate, or
2317 trust may claim and list that amount on the written certification that the office issues under
2318 Subsection (5).

2319 (ii) The claimant, estate, or trust may claim the tax credit in the amount listed on the
2320 written certification that the office issues under Subsection (5).

2321 (d) A claimant, estate, or trust may claim a tax credit under Subsection (3) for the

2322 taxable year in which the residential energy system is installed.

2323 (e) If the amount of a tax credit listed on the written certification exceeds a claimant's,
2324 estate's, or trust's tax liability under this chapter for a taxable year, the claimant, estate, or trust
2325 may carry forward the amount of the tax credit exceeding the liability for a period that does not
2326 exceed the next four taxable years.

2327 (f) A claimant, estate, or trust may claim a tax credit with respect to additional
2328 residential energy systems or parts of residential energy systems for a subsequent taxable year
2329 if the total amount of tax credit the claimant, estate, or trust claims does not exceed \$2,000 per
2330 residential unit.

2331 (g) (i) Subject to Subsections (4)(g)(ii) and (iii), a claimant, estate, or trust that leases a
2332 residential energy system installed on a residential unit may claim a tax credit under Subsection
2333 (3) if the claimant, estate, or trust confirms that the lessor irrevocably elects not to claim the tax
2334 credit.

2335 (ii) A claimant, estate, or trust described in Subsection (4)(g)(i) that leases a residential
2336 energy system may claim as a tax credit under Subsection (3) only the principal recovery
2337 portion of the lease payments.

2338 (iii) A claimant, estate, or trust described in Subsection (4)(g)(i) that leases a
2339 residential energy system may claim a tax credit under Subsection (3) for a period that does not
2340 exceed seven taxable years after the date the lease begins, as stated in the lease agreement.

2341 (h) If a claimant, estate, or trust sells a residential unit to another person before the
2342 claimant, estate, or trust claims the tax credit under Subsection (3):

2343 (i) the claimant, estate, or trust may assign the tax credit to the other person; and

2344 (ii) (A) if the other person files a return under Chapter 7, Corporate Franchise and
2345 Income Taxes, the other person may claim the tax credit as if the other person had met the
2346 requirements of Section [59-7-614](#) to claim the tax credit; or

2347 (B) if the other person files a return under this chapter, the other person may claim the
2348 tax credit under this section as if the other person had met the requirements of this section to
2349 claim the tax credit.

2350 (5) (a) Before a claimant, estate, or trust may claim a tax credit under this section, the
2351 claimant, estate, or trust shall obtain a written certification from the office.

2352 (b) The office shall issue a claimant, estate, or trust a written certification if the office

2353 determines that:

2354 (i) the claimant, estate, or trust meets the requirements of this section to receive a tax
2355 credit; and

2356 (ii) the office determines that the residential energy system with respect to which the
2357 claimant, estate, or trust seeks to claim a tax credit:

2358 (A) has been completely installed;

2359 (B) is a viable system for saving or producing energy from renewable resources; and

2360 (C) is safe, reliable, efficient, and technically feasible to ensure that the residential
2361 energy system uses the state's renewable and nonrenewable energy resources in an appropriate
2362 and economic manner.

2363 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2364 office may make rules:

2365 (i) for determining whether a residential energy system meets the requirements of
2366 Subsection (5)(b)(ii); and

2367 (ii) for purposes of determining the amount of a tax credit that a claimant, estate, or
2368 trust may receive under Subsection (4), establishing the reasonable costs of a residential energy
2369 system, as an amount per unit of energy production.

2370 (d) A claimant, estate, or trust that obtains a written certification from the office shall
2371 retain the certification for the same time period a person is required to keep books and records
2372 under Section [59-1-1406](#).

2373 (6) A tax credit under this section is in addition to any tax credits provided under the
2374 laws or rules and regulations of the United States.

2375 (7) A purchaser of one or more solar units that claims a tax credit under Section
2376 [59-10-1024](#) for the purchase of the one or more solar units may not claim a tax credit under this
2377 section for that purchase.

2378 Section 49. Section **59-10-1029** is amended to read:

2379 **59-10-1029. Nonrefundable alternative energy development tax credit.**

2380 (1) As used in this section:

2381 (a) "Alternative energy entity" means the same as that term is defined in Section
2382 [63M-4-502](#).

2383 (b) "Alternative energy project" means the same as that term is defined in Section

2384 [63M-4-502](#).

2385 (c) "Office" means the Office of Energy Development created in Section [~~63M-4-401~~]

2386 [63N-15-201](#).

2387 (2) Subject to the other provisions of this section, an alternative energy entity may
2388 claim a nonrefundable tax credit for alternative energy development as provided in this section.

2389 (3) The tax credit under this section is the amount listed as the tax credit amount on a
2390 tax credit certificate that the office issues under Title 63M, Chapter 4, Part 5, Alternative
2391 Energy Development Tax Credit Act, to the alternative energy entity for the taxable year.

2392 (4) An alternative energy entity may carry forward a tax credit under this section for a
2393 period that does not exceed the next seven taxable years if:

2394 (a) the alternative energy entity is allowed to claim a tax credit under this section for a
2395 taxable year; and

2396 (b) the amount of the tax credit exceeds the alternative energy entity's tax liability
2397 under this chapter for that taxable year.

2398 (5) (a) In accordance with Section [59-10-137](#), the Revenue and Taxation Interim
2399 Committee shall study the tax credit allowed by this section and make recommendations
2400 concerning whether the tax credit should be continued, modified, or repealed.

2401 (b) (i) Except as provided in Subsection (5)(b)(ii), for purposes of the study required by
2402 this Subsection (5), the office shall provide the following information, if available to the office,
2403 to the Office of the Legislative Fiscal Analyst by electronic means:

2404 (A) the amount of tax credit that the office grants to each alternative energy entity for
2405 each taxable year;

2406 (B) the new state revenues generated by each alternative energy project;

2407 (C) the information contained in the office's latest report under Section [63M-4-505](#);

2408 and

2409 (D) any other information that the Office of the Legislative Fiscal Analyst requests.

2410 (ii) (A) In providing the information described in Subsection (5)(b)(i), the office shall
2411 redact information that identifies a recipient of a tax credit under this section.

2412 (B) If, notwithstanding the redactions made under Subsection (5)(b)(ii)(A), reporting
2413 the information described in Subsection (5)(b)(i) might disclose the identity of a recipient of a
2414 tax credit, the office may file a request with the Revenue and Taxation Interim Committee to

2415 provide the information described in Subsection (5)(b)(i) in the aggregate for all alternative
2416 energy entities that receive the tax credit under this section.

2417 (c) As part of the study required by this Subsection (5), the Office of the Legislative
2418 Fiscal Analyst shall report to the Revenue and Taxation Interim Committee a summary and
2419 analysis of the information provided to the Office of the Legislative Fiscal Analyst by the
2420 office under Subsection (5)(b).

2421 (d) The Revenue and Taxation Interim Committee shall ensure that the
2422 recommendations described in Subsection (5)(a) include an evaluation of:

- 2423 (i) the cost of the tax credit to the state;
- 2424 (ii) the purpose and effectiveness of the tax credit; and
- 2425 (iii) the extent to which the state benefits from the tax credit.

2426 Section 50. Section **59-10-1034** is amended to read:

2427 **59-10-1034. Nonrefundable high cost infrastructure development tax credit.**

2428 (1) As used in this section:

2429 (a) "High cost infrastructure project" means the same as that term is defined in Section
2430 [63M-4-602](#).

2431 (b) "Infrastructure cost-burdened entity" means the same as that term is defined in
2432 Section [63M-4-602](#).

2433 (c) "Infrastructure-related revenue" means the same as that term is defined in Section
2434 [63M-4-602](#).

2435 (d) "Office" means the Office of Energy Development created in Section [~~63M-4-401~~]
2436 [63N-15-201](#).

2437 (2) Subject to the other provisions of this section, a claimant, estate, or trust that is an
2438 infrastructure cost-burdened entity may claim a nonrefundable tax credit for development of a
2439 high cost infrastructure project as provided in this section.

2440 (3) The tax credit under this section is the amount listed as the tax credit amount on a
2441 tax credit certificate that the office issues under Title 63M, Chapter 4, Part 6, High Cost
2442 Infrastructure Development Tax Credit Act, to the infrastructure cost-burdened entity for the
2443 taxable year.

2444 (4) An infrastructure cost-burdened entity may carry forward a tax credit under this
2445 section for a period that does not exceed the next seven taxable years if:

2446 (a) the infrastructure cost-burdened entity is allowed to claim a tax credit under this
2447 section for a taxable year; and

2448 (b) the amount of the tax credit exceeds the infrastructure cost-burdened entity's tax
2449 liability under this chapter for that taxable year.

2450 (5) (a) In accordance with Section [59-10-137](#), the Revenue and Taxation Interim
2451 Committee shall study the tax credit allowed by this section and make recommendations
2452 concerning whether the tax credit should be continued, modified, or repealed.

2453 (b) (i) Except as provided in Subsection (5)(b)(ii), for purposes of the study required by
2454 this Subsection (5), the office shall provide the following information, if available to the office,
2455 to the Office of the Legislative Fiscal Analyst:

2456 (A) the amount of tax credit that the office grants to each infrastructure cost-burdened
2457 entity for each taxable year;

2458 (B) the infrastructure-related revenue generated by each high cost infrastructure
2459 project;

2460 (C) the information contained in the office's latest report under Section [63M-4-505](#);
2461 and

2462 (D) any other information that the Office of the Legislative Fiscal Analyst requests.

2463 (ii) (A) In providing the information described in Subsection (5)(b)(i), the office shall
2464 redact information that identifies a recipient of a tax credit under this section.

2465 (B) If, notwithstanding the redactions made under Subsection (5)(b)(ii)(A), reporting
2466 the information described in Subsection (5)(b)(i) might disclose the identity of a recipient of a
2467 tax credit, the office may file a request with the Revenue and Taxation Interim Committee to
2468 provide the information described in Subsection (5)(b)(i) in the aggregate for all infrastructure
2469 cost-burdened entities that receive the tax credit under this section.

2470 (c) As part of the study required by this Subsection (5), the Office of the Legislative
2471 Fiscal Analyst shall report to the Revenue and Taxation Interim Committee a summary and
2472 analysis of the information provided to the Office of the Legislative Fiscal Analyst by the
2473 office under Subsection (5)(b).

2474 (d) The Revenue and Taxation Interim Committee shall ensure that the
2475 recommendations described in Subsection (5)(a) include an evaluation of:

2476 (i) the cost of the tax credit to the state;

2477 (ii) the purpose and effectiveness of the tax credit; and

2478 (iii) the extent to which the state benefits from the tax credit.

2479 Section 51. Section **59-10-1106** is amended to read:

2480 **59-10-1106. Refundable renewable energy systems tax credits -- Definitions --**

2481 **Certification -- Rulemaking authority.**

2482 (1) As used in this section:

2483 (a) "Active solar system" means the same as that term is defined in Section

2484 [59-10-1014](#).

2485 (b) "Biomass system" means the same as that term is defined in Section [59-10-1014](#).

2486 (c) "Commercial energy system" means the same as that term is defined in Section

2487 [59-7-614](#).

2488 (d) "Commercial enterprise" means the same as that term is defined in Section

2489 [59-7-614](#).

2490 (e) (i) "Commercial unit" means the same as that term is defined in Section [59-7-614](#).

2491 (ii) Notwithstanding Subsection (1)(e)(i):

2492 (A) with respect to an active solar system used for agricultural water pumping or a
2493 wind system, each individual energy generating device is considered to be a commercial unit;
2494 or

2495 (B) if an energy system is the building or structure that a claimant, estate, or trust uses
2496 to transact business, a commercial unit is the complete energy system itself.

2497 (f) "Direct use geothermal system" means the same as that term is defined in Section

2498 [59-10-1014](#).

2499 (g) "Geothermal electricity" means the same as that term is defined in Section

2500 [59-10-1014](#).

2501 (h) "Geothermal energy" means the same as that term is defined in Section [59-10-1014](#).

2502 (i) "Geothermal heat pump system" means the same as that term is defined in Section

2503 [59-10-1014](#).

2504 (j) "Hydroenergy system" means the same as that term is defined in Section

2505 [59-10-1014](#).

2506 (k) "Office" means the Office of Energy Development created in Section [~~63M-4-401~~]

2507 [63N-15-201](#).

- 2508 (l) "Passive solar system" means the same as that term is defined in Section
- 2509 59-10-1014.
- 2510 (m) "Principal recovery portion" means the same as that term is defined in Section
- 2511 59-10-1014.
- 2512 (n) "Wind system" means the same as that term is defined in Section 59-10-1014.
- 2513 (2) A claimant, estate, or trust may claim an energy system tax credit as provided in
- 2514 this section against a tax due under this chapter for a taxable year.
- 2515 (3) (a) Subject to the other provisions of this Subsection (3), a claimant, estate, or trust
- 2516 may claim a refundable tax credit under this Subsection (3) with respect to a commercial
- 2517 energy system if:
- 2518 (i) the commercial energy system does not use:
- 2519 (A) wind, geothermal electricity, solar, or biomass equipment capable of producing a
- 2520 total of 660 or more kilowatts of electricity; or
- 2521 (B) solar equipment capable of producing 2,000 or more kilowatts of electricity;
- 2522 (ii) the claimant, estate, or trust purchases or participates in the financing of the
- 2523 commercial energy system;
- 2524 (iii) (A) the commercial energy system supplies all or part of the energy required by
- 2525 commercial units owned or used by the claimant, estate, or trust; or
- 2526 (B) the claimant, estate, or trust sells all or part of the energy produced by the
- 2527 commercial energy system as a commercial enterprise;
- 2528 (iv) the commercial energy system is completed and placed in service on or after
- 2529 January 1, 2007; and
- 2530 (v) the claimant, estate, or trust obtains a written certification from the office in
- 2531 accordance with Subsection (6).
- 2532 (b) (i) Subject to Subsections (3)(b)(ii) through (v), the tax credit is equal to 10% of the
- 2533 reasonable costs of the commercial energy system.
- 2534 (ii) A tax credit under this Subsection (3) may include installation costs.
- 2535 (iii) A claimant, estate, or trust may claim a tax credit under this Subsection (3) for the
- 2536 taxable year in which the commercial energy system is completed and placed in service.
- 2537 (iv) A tax credit under this Subsection (3) may not be carried forward or carried back.
- 2538 (v) The total amount of tax credit a claimant, estate, or trust may claim under this

2539 Subsection (3) may not exceed \$50,000 per commercial unit.

2540 (c) (i) Subject to Subsections (3)(c)(ii) and (iii), a claimant, estate, or trust that is a
2541 lessee of a commercial energy system installed on a commercial unit may claim a tax credit
2542 under this Subsection (3) if the claimant, estate, or trust confirms that the lessor irrevocably
2543 elects not to claim the tax credit.

2544 (ii) A claimant, estate, or trust described in Subsection (3)(c)(i) may claim as a tax
2545 credit under this Subsection (3) only the principal recovery portion of the lease payments.

2546 (iii) A claimant, estate, or trust described in Subsection (3)(c)(i) may claim a tax credit
2547 under this Subsection (3) for a period that does not exceed seven taxable years after the date the
2548 lease begins, as stated in the lease agreement.

2549 (4) (a) Subject to the other provisions of this Subsection (4), a claimant, estate, or trust
2550 may claim a refundable tax credit under this Subsection (4) with respect to a commercial
2551 energy system if:

2552 (i) the commercial energy system uses wind, geothermal electricity, or biomass
2553 equipment capable of producing a total of 660 or more kilowatts of electricity;

2554 (ii) (A) the commercial energy system supplies all or part of the energy required by
2555 commercial units owned or used by the claimant, estate, or trust; or

2556 (B) the claimant, estate, or trust sells all or part of the energy produced by the
2557 commercial energy system as a commercial enterprise;

2558 (iii) the commercial energy system is completed and placed in service on or after
2559 January 1, 2007; and

2560 (iv) the claimant, estate, or trust obtains a written certification from the office in
2561 accordance with Subsection (6).

2562 (b) (i) Subject to Subsections (4)(b)(ii) and (iii), a tax credit under this Subsection (4)
2563 is equal to the product of:

2564 (A) 0.35 cents; and

2565 (B) the kilowatt hours of electricity produced and used or sold during the taxable year.

2566 (ii) A tax credit under this Subsection (4) may be claimed for production occurring
2567 during a period of 48 months beginning with the month in which the commercial energy
2568 system is placed in commercial service.

2569 (iii) A tax credit under this Subsection (4) may not be carried forward or back.

2570 (c) A claimant, estate, or trust that is a lessee of a commercial energy system installed
2571 on a commercial unit may claim a tax credit under this Subsection (4) if the claimant, estate, or
2572 trust confirms that the lessor irrevocably elects not to claim the tax credit.

2573 (5) (a) Subject to the other provisions of this Subsection (5), a claimant, estate, or trust
2574 may claim a refundable tax credit as provided in this Subsection (5) if:

2575 (i) the claimant, estate, or trust owns a commercial energy system that uses solar
2576 equipment capable of producing a total of 660 or more kilowatts of electricity;

2577 (ii) (A) the commercial energy system supplies all or part of the energy required by
2578 commercial units owned or used by the claimant, estate, or trust; or

2579 (B) the claimant, estate, or trust sells all or part of the energy produced by the
2580 commercial energy system as a commercial enterprise;

2581 (iii) the claimant, estate, or trust does not claim a tax credit under Subsection (3);

2582 (iv) the commercial energy system is completed and placed in service on or after
2583 January 1, 2015; and

2584 (v) the claimant, estate, or trust obtains a written certification from the office in
2585 accordance with Subsection (6).

2586 (b) (i) Subject to Subsections (5)(b)(ii) and (iii), a tax credit under this Subsection (5)
2587 is equal to the product of:

2588 (A) 0.35 cents; and

2589 (B) the kilowatt hours of electricity produced and used or sold during the taxable year.

2590 (ii) A tax credit under this Subsection (5) may be claimed for production occurring
2591 during a period of 48 months beginning with the month in which the commercial energy
2592 system is placed in commercial service.

2593 (iii) A tax credit under this Subsection (5) may not be carried forward or carried back.

2594 (c) A claimant, estate, or trust that is a lessee of a commercial energy system installed
2595 on a commercial unit may claim a tax credit under this Subsection (5) if the claimant, estate, or
2596 trust confirms that the lessor irrevocably elects not to claim the tax credit.

2597 (6) (a) Before a claimant, estate, or trust may claim a tax credit under this section, the
2598 claimant, estate, or trust shall obtain a written certification from the office.

2599 (b) The office shall issue a claimant, estate, or trust a written certification if the office
2600 determines that:

2601 (i) the claimant, estate, or trust meets the requirements of this section to receive a tax
2602 credit; and

2603 (ii) the office determines that the commercial energy system with respect to which the
2604 claimant, estate, or trust seeks to claim a tax credit:

2605 (A) has been completely installed;

2606 (B) is a viable system for saving or producing energy from renewable resources; and

2607 (C) is safe, reliable, efficient, and technically feasible to ensure that the commercial
2608 energy system uses the state's renewable and nonrenewable resources in an appropriate and
2609 economic manner.

2610 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2611 office may make rules:

2612 (i) for determining whether a commercial energy system meets the requirements of
2613 Subsection (6)(b)(ii); and

2614 (ii) for purposes of a tax credit under Subsection (3), establishing the reasonable costs
2615 of a commercial energy system, as an amount per unit of energy production.

2616 (d) A claimant, estate, or trust that obtains a written certification from the office shall
2617 retain the certification for the same time period a person is required to keep books and records
2618 under Section [59-1-1406](#).

2619 (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2620 commission may make rules to address the certification of a tax credit under this section.

2621 (8) A tax credit under this section is in addition to any tax credits provided under the
2622 laws or rules and regulations of the United States.

2623 (9) A purchaser of one or more solar units that claims a tax credit under Section
2624 [59-10-1024](#) for the purchase of the one or more solar units may not claim a tax credit under this
2625 section for that purchase.

2626 Section 52. Section **59-12-103** is amended to read:

2627 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**
2628 **tax revenues.**

2629 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or
2630 sales price for amounts paid or charged for the following transactions:

2631 (a) retail sales of tangible personal property made within the state;

- 2632 (b) amounts paid for:
- 2633 (i) telecommunications service, other than mobile telecommunications service, that
- 2634 originates and terminates within the boundaries of this state;
- 2635 (ii) mobile telecommunications service that originates and terminates within the
- 2636 boundaries of one state only to the extent permitted by the Mobile Telecommunications
- 2637 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
- 2638 (iii) an ancillary service associated with a:
- 2639 (A) telecommunications service described in Subsection (1)(b)(i); or
- 2640 (B) mobile telecommunications service described in Subsection (1)(b)(ii);
- 2641 (c) sales of the following for commercial use:
- 2642 (i) gas;
- 2643 (ii) electricity;
- 2644 (iii) heat;
- 2645 (iv) coal;
- 2646 (v) fuel oil; or
- 2647 (vi) other fuels;
- 2648 (d) sales of the following for residential use:
- 2649 (i) gas;
- 2650 (ii) electricity;
- 2651 (iii) heat;
- 2652 (iv) coal;
- 2653 (v) fuel oil; or
- 2654 (vi) other fuels;
- 2655 (e) sales of prepared food;
- 2656 (f) except as provided in Section [59-12-104](#), amounts paid or charged as admission or
- 2657 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 2658 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 2659 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 2660 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 2661 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 2662 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,

- 2663 horseback rides, sports activities, or any other amusement, entertainment, recreation,
2664 exhibition, cultural, or athletic activity;
- 2665 (g) amounts paid or charged for services for repairs or renovations of tangible personal
2666 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 2667 (i) the tangible personal property; and
2668 (ii) parts used in the repairs or renovations of the tangible personal property described
2669 in Subsection (1)(g)(i), regardless of whether:
- 2670 (A) any parts are actually used in the repairs or renovations of that tangible personal
2671 property; or
2672 (B) the particular parts used in the repairs or renovations of that tangible personal
2673 property are exempt from a tax under this chapter;
- 2674 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
2675 assisted cleaning or washing of tangible personal property;
- 2676 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
2677 accommodations and services that are regularly rented for less than 30 consecutive days;
- 2678 (j) amounts paid or charged for laundry or dry cleaning services;
- 2679 (k) amounts paid or charged for leases or rentals of tangible personal property if within
2680 this state the tangible personal property is:
- 2681 (i) stored;
2682 (ii) used; or
2683 (iii) otherwise consumed;
- 2684 (l) amounts paid or charged for tangible personal property if within this state the
2685 tangible personal property is:
- 2686 (i) stored;
2687 (ii) used; or
2688 (iii) consumed; and
2689 (m) amounts paid or charged for a sale:
- 2690 (i) (A) of a product transferred electronically; or
2691 (B) of a repair or renovation of a product transferred electronically; and
2692 (ii) regardless of whether the sale provides:
2693 (A) a right of permanent use of the product; or

2694 (B) a right to use the product that is less than a permanent use, including a right:

2695 (I) for a definite or specified length of time; and

2696 (II) that terminates upon the occurrence of a condition.

2697 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax

2698 is imposed on a transaction described in Subsection (1) equal to the sum of:

2699 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:

2700 (A) (I) through March 31, 2019, 4.70%; and

2701 (II) beginning on April 1, 2019, 4.70% plus the rate specified in Subsection (14)(a); and

2702 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales

2703 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211

2704 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional

2705 State Sales and Use Tax Act; and

2706 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales

2707 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211

2708 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state

2709 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

2710 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the

2711 transaction under this chapter other than this part.

2712 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed

2713 on a transaction described in Subsection (1)(d) equal to the sum of:

2714 (i) a state tax imposed on the transaction at a tax rate of 2%; and

2715 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the

2716 transaction under this chapter other than this part.

2717 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed

2718 on amounts paid or charged for food and food ingredients equal to the sum of:

2719 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at

2720 a tax rate of 1.75%; and

2721 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the

2722 amounts paid or charged for food and food ingredients under this chapter other than this part.

2723 (d) (i) For a bundled transaction that is attributable to food and food ingredients and

2724 tangible personal property other than food and food ingredients, a state tax and a local tax is

2725 imposed on the entire bundled transaction equal to the sum of:

2726 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

2727 (I) the tax rate described in Subsection (2)(a)(i)(A); and

2728 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State

2729 Sales and Use Tax Act, if the location of the transaction as determined under Sections

2730 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,

2731 Additional State Sales and Use Tax Act; and

2732 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State

2733 Sales and Use Tax Act, if the location of the transaction as determined under Sections

2734 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which

2735 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

2736 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates

2737 described in Subsection (2)(a)(ii).

2738 (ii) If an optional computer software maintenance contract is a bundled transaction that

2739 consists of taxable and nontaxable products that are not separately itemized on an invoice or

2740 similar billing document, the purchase of the optional computer software maintenance contract

2741 is 40% taxable under this chapter and 60% nontaxable under this chapter.

2742 (iii) Subject to Subsection (2)(d)(iv), for a bundled transaction other than a bundled

2743 transaction described in Subsection (2)(d)(i) or (ii):

2744 (A) if the sales price of the bundled transaction is attributable to tangible personal

2745 property, a product, or a service that is subject to taxation under this chapter and tangible

2746 personal property, a product, or service that is not subject to taxation under this chapter, the

2747 entire bundled transaction is subject to taxation under this chapter unless:

2748 (I) the seller is able to identify by reasonable and verifiable standards the tangible

2749 personal property, product, or service that is not subject to taxation under this chapter from the

2750 books and records the seller keeps in the seller's regular course of business; or

2751 (II) state or federal law provides otherwise; or

2752 (B) if the sales price of a bundled transaction is attributable to two or more items of

2753 tangible personal property, products, or services that are subject to taxation under this chapter

2754 at different rates, the entire bundled transaction is subject to taxation under this chapter at the

2755 higher tax rate unless:

2756 (I) the seller is able to identify by reasonable and verifiable standards the tangible
2757 personal property, product, or service that is subject to taxation under this chapter at the lower
2758 tax rate from the books and records the seller keeps in the seller's regular course of business; or

2759 (II) state or federal law provides otherwise.

2760 (iv) For purposes of Subsection (2)(d)(iii), books and records that a seller keeps in the
2761 seller's regular course of business includes books and records the seller keeps in the regular
2762 course of business for nontax purposes.

2763 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)
2764 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a
2765 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental
2766 of tangible personal property, other property, a product, or a service that is not subject to
2767 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless
2768 the seller, at the time of the transaction:

2769 (A) separately states the portion of the transaction that is not subject to taxation under
2770 this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

2771 (B) is able to identify by reasonable and verifiable standards, from the books and
2772 records the seller keeps in the seller's regular course of business, the portion of the transaction
2773 that is not subject to taxation under this chapter.

2774 (ii) A purchaser and a seller may correct the taxability of a transaction if:

2775 (A) after the transaction occurs, the purchaser and the seller discover that the portion of
2776 the transaction that is not subject to taxation under this chapter was not separately stated on an
2777 invoice, bill of sale, or similar document provided to the purchaser because of an error or
2778 ignorance of the law; and

2779 (B) the seller is able to identify by reasonable and verifiable standards, from the books
2780 and records the seller keeps in the seller's regular course of business, the portion of the
2781 transaction that is not subject to taxation under this chapter.

2782 (iii) For purposes of Subsections (2)(e)(i) and (ii), books and records that a seller keeps
2783 in the seller's regular course of business includes books and records the seller keeps in the
2784 regular course of business for nontax purposes.

2785 (f) (i) If the sales price of a transaction is attributable to two or more items of tangible
2786 personal property, products, or services that are subject to taxation under this chapter at

2787 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate
2788 unless the seller, at the time of the transaction:

2789 (A) separately states the items subject to taxation under this chapter at each of the
2790 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

2791 (B) is able to identify by reasonable and verifiable standards the tangible personal
2792 property, product, or service that is subject to taxation under this chapter at the lower tax rate
2793 from the books and records the seller keeps in the seller's regular course of business.

2794 (ii) For purposes of Subsection (2)(f)(i), books and records that a seller keeps in the
2795 seller's regular course of business includes books and records the seller keeps in the regular
2796 course of business for nontax purposes.

2797 (g) Subject to Subsections (2)(h) and (i), a tax rate repeal or tax rate change for a tax
2798 rate imposed under the following shall take effect on the first day of a calendar quarter:

2799 (i) Subsection (2)(a)(i)(A);

2800 (ii) Subsection (2)(b)(i);

2801 (iii) Subsection (2)(c)(i); or

2802 (iv) Subsection (2)(d)(i)(A)(I).

2803 (h) (i) A tax rate increase takes effect on the first day of the first billing period that
2804 begins on or after the effective date of the tax rate increase if the billing period for the
2805 transaction begins before the effective date of a tax rate increase imposed under:

2806 (A) Subsection (2)(a)(i)(A);

2807 (B) Subsection (2)(b)(i);

2808 (C) Subsection (2)(c)(i); or

2809 (D) Subsection (2)(d)(i)(A)(I).

2810 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
2811 statement for the billing period is rendered on or after the effective date of the repeal of the tax
2812 or the tax rate decrease imposed under:

2813 (A) Subsection (2)(a)(i)(A);

2814 (B) Subsection (2)(b)(i);

2815 (C) Subsection (2)(c)(i); or

2816 (D) Subsection (2)(d)(i)(A)(I).

2817 (i) (i) For a tax rate described in Subsection (2)(i)(ii), if a tax due on a catalogue sale is

2818 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or
2819 change in a tax rate takes effect:

2820 (A) on the first day of a calendar quarter; and

2821 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

2822 (ii) Subsection (2)(i)(i) applies to the tax rates described in the following:

2823 (A) Subsection (2)(a)(i)(A);

2824 (B) Subsection (2)(b)(i);

2825 (C) Subsection (2)(c)(i); or

2826 (D) Subsection (2)(d)(i)(A)(I).

2827 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,

2828 the commission may by rule define the term "catalogue sale."

2829 (3) (a) The following state taxes shall be deposited into the General Fund:

2830 (i) the tax imposed by Subsection (2)(a)(i)(A);

2831 (ii) the tax imposed by Subsection (2)(b)(i);

2832 (iii) the tax imposed by Subsection (2)(c)(i); or

2833 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

2834 (b) The following local taxes shall be distributed to a county, city, or town as provided
2835 in this chapter:

2836 (i) the tax imposed by Subsection (2)(a)(ii);

2837 (ii) the tax imposed by Subsection (2)(b)(ii);

2838 (iii) the tax imposed by Subsection (2)(c)(ii); and

2839 (iv) the tax imposed by Subsection (2)(d)(i)(B).

2840 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,

2841 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)

2842 through (g):

2843 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

2844 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and

2845 (B) for the fiscal year; or

2846 (ii) \$17,500,000.

2847 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount

2848 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the

2849 Department of Natural Resources to:

2850 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
2851 protect sensitive plant and animal species; or

2852 (B) award grants, up to the amount authorized by the Legislature in an appropriations
2853 act, to political subdivisions of the state to implement the measures described in Subsections
2854 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

2855 (ii) Money transferred to the Department of Natural Resources under Subsection
2856 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
2857 person to list or attempt to have listed a species as threatened or endangered under the
2858 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

2859 (iii) At the end of each fiscal year:

2860 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
2861 Conservation and Development Fund created in Section 73-10-24;

2862 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
2863 Program Subaccount created in Section 73-10c-5; and

2864 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
2865 Program Subaccount created in Section 73-10c-5.

2866 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
2867 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund
2868 created in Section 4-18-106.

2869 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described
2870 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water
2871 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of
2872 water rights.

2873 (ii) At the end of each fiscal year:

2874 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
2875 Conservation and Development Fund created in Section 73-10-24;

2876 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
2877 Program Subaccount created in Section 73-10c-5; and

2878 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
2879 Program Subaccount created in Section 73-10c-5.

2880 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described
2881 in Subsection (4)(a) shall be deposited into the Water Resources Conservation and
2882 Development Fund created in Section 73-10-24 for use by the Division of Water Resources.

2883 (ii) In addition to the uses allowed of the Water Resources Conservation and
2884 Development Fund under Section 73-10-24, the Water Resources Conservation and
2885 Development Fund may also be used to:

2886 (A) conduct hydrologic and geotechnical investigations by the Division of Water
2887 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
2888 quantifying surface and ground water resources and describing the hydrologic systems of an
2889 area in sufficient detail so as to enable local and state resource managers to plan for and
2890 accommodate growth in water use without jeopardizing the resource;

2891 (B) fund state required dam safety improvements; and

2892 (C) protect the state's interest in interstate water compact allocations, including the
2893 hiring of technical and legal staff.

2894 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
2895 in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount
2896 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

2897 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
2898 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount
2899 created in Section 73-10c-5 for use by the Division of Drinking Water to:

2900 (i) provide for the installation and repair of collection, treatment, storage, and
2901 distribution facilities for any public water system, as defined in Section 19-4-102;

2902 (ii) develop underground sources of water, including springs and wells; and

2903 (iii) develop surface water sources.

2904 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
2905 2006, the difference between the following amounts shall be expended as provided in this
2906 Subsection (5), if that difference is greater than \$1:

2907 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the
2908 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

2909 (ii) \$17,500,000.

2910 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

2911 (A) transferred each fiscal year to the Department of Natural Resources as dedicated
2912 credits; and

2913 (B) expended by the Department of Natural Resources for watershed rehabilitation or
2914 restoration.

2915 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
2916 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund
2917 created in Section 73-10-24.

2918 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
2919 remaining difference described in Subsection (5)(a) shall be:

2920 (A) transferred each fiscal year to the Division of Water Resources as dedicated
2921 credits; and

2922 (B) expended by the Division of Water Resources for cloud-seeding projects
2923 authorized by Title 73, Chapter 15, Modification of Weather.

2924 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
2925 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund
2926 created in Section 73-10-24.

2927 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the
2928 remaining difference described in Subsection (5)(a) shall be deposited into the Water
2929 Resources Conservation and Development Fund created in Section 73-10-24 for use by the
2930 Division of Water Resources for:

2931 (i) preconstruction costs:

2932 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
2933 26, Bear River Development Act; and

2934 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
2935 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

2936 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,
2937 Chapter 26, Bear River Development Act;

2938 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project
2939 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

2940 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and
2941 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

2942 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to
2943 Subsection (5)(f), 15% of the remaining difference described in Subsection (5)(a) shall be
2944 transferred each year as dedicated credits to the Division of Water Rights to cover the costs
2945 incurred for employing additional technical staff for the administration of water rights.

2946 (f) At the end of each fiscal year, any unexpended dedicated credits described in
2947 Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development
2948 Fund created in Section 73-10-24.

2949 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), the
2950 amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection
2951 (1) for the fiscal year shall be deposited as follows:

2952 (a) for fiscal year 2016-17 only, 100% of the revenue described in this Subsection (6)
2953 shall be deposited into the Transportation Investment Fund of 2005 created by Section
2954 72-2-124;

2955 (b) for fiscal year 2017-18 only:

2956 (i) 80% of the revenue described in this Subsection (6) shall be deposited into the
2957 Transportation Investment Fund of 2005 created by Section 72-2-124; and

2958 (ii) 20% of the revenue described in this Subsection (6) shall be deposited into the
2959 Water Infrastructure Restricted Account created by Section 73-10g-103;

2960 (c) for fiscal year 2018-19 only:

2961 (i) 60% of the revenue described in this Subsection (6) shall be deposited into the
2962 Transportation Investment Fund of 2005 created by Section 72-2-124; and

2963 (ii) 40% of the revenue described in this Subsection (6) shall be deposited into the
2964 Water Infrastructure Restricted Account created by Section 73-10g-103;

2965 (d) for fiscal year 2019-20 only:

2966 (i) 40% of the revenue described in this Subsection (6) shall be deposited into the
2967 Transportation Investment Fund of 2005 created by Section 72-2-124; and

2968 (ii) 60% of the revenue described in this Subsection (6) shall be deposited into the
2969 Water Infrastructure Restricted Account created by Section 73-10g-103;

2970 (e) for fiscal year 2020-21 only:

2971 (i) 20% of the revenue described in this Subsection (6) shall be deposited into the
2972 Transportation Investment Fund of 2005 created by Section 72-2-124; and

2973 (ii) 80% of the revenue described in this Subsection (6) shall be deposited into the
2974 Water Infrastructure Restricted Account created by Section 73-10g-103; and

2975 (f) for a fiscal year beginning on or after July 1, 2021, 100% of the revenue described
2976 in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account
2977 created by Section 73-10g-103.

2978 (7) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in
2979 Subsection (6), and subject to Subsection (7)(b), for a fiscal year beginning on or after July 1,
2980 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005
2981 created by Section 72-2-124:

2982 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of
2983 the revenues collected from the following taxes, which represents a portion of the
2984 approximately 17% of sales and use tax revenues generated annually by the sales and use tax
2985 on vehicles and vehicle-related products:

2986 (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

2987 (B) the tax imposed by Subsection (2)(b)(i);

2988 (C) the tax imposed by Subsection (2)(c)(i); and

2989 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

2990 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the
2991 current fiscal year from the sales and use taxes described in Subsections (7)(a)(i)(A) through
2992 (D) that exceeds the amount collected from the sales and use taxes described in Subsections
2993 (7)(a)(i)(A) through (D) in the 2010-11 fiscal year.

2994 (b) (i) Subject to Subsections (7)(b)(ii) and (iii), in any fiscal year that the portion of
2995 the sales and use taxes deposited under Subsection (7)(a) represents an amount that is a total
2996 lower percentage of the sales and use taxes described in Subsections (7)(a)(i)(A) through (D)
2997 generated in the current fiscal year than the total percentage of sales and use taxes deposited in
2998 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection
2999 (7)(a) equal to the product of:

3000 (A) the total percentage of sales and use taxes deposited under Subsection (7)(a) in the
3001 previous fiscal year; and

3002 (B) the total sales and use tax revenue generated by the taxes described in Subsections
3003 (7)(a)(i)(A) through (D) in the current fiscal year.

3004 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under
3005 Subsection (7)(a) would exceed 17% of the revenues collected from the sales and use taxes
3006 described in Subsections (7)(a)(i)(A) through (D) in the current fiscal year, the Division of
3007 Finance shall deposit 17% of the revenues collected from the sales and use taxes described in
3008 Subsections (7)(a)(i)(A) through (D) for the current fiscal year under Subsection (7)(a).

3009 (iii) In all subsequent fiscal years after a year in which 17% of the revenues collected
3010 from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) was deposited
3011 under Subsection (7)(a), the Division of Finance shall annually deposit 17% of the revenues
3012 collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) in the
3013 current fiscal year under Subsection (7)(a).

3014 (8) (a) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited
3015 under Subsections (6) and (7), for the 2016-17 fiscal year only, the Division of Finance shall
3016 deposit \$64,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into
3017 the Transportation Investment Fund of 2005 created by Section [72-2-124](#).

3018 (b) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under
3019 Subsections (6) and (7), for the 2017-18 fiscal year only, the Division of Finance shall deposit
3020 \$63,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the
3021 Transportation Investment Fund of 2005 created by Section [72-2-124](#).

3022 (c) (i) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under
3023 Subsections (6) and (7), and subject to Subsection (8)(c)(ii), for a fiscal year beginning on or
3024 after July 1, 2018, the commission shall annually deposit into the Transportation Investment
3025 Fund of 2005 created by Section [72-2-124](#) a portion of the taxes listed under Subsection (3)(a)
3026 in an amount equal to 3.68% of the revenues collected from the following taxes:

- 3027 (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- 3028 (B) the tax imposed by Subsection (2)(b)(i);
- 3029 (C) the tax imposed by Subsection (2)(c)(i); and
- 3030 (D) the tax imposed by Subsection (2)(d)(i)(A)(I).

3031 (ii) For a fiscal year beginning on or after July 1, 2019, the commission shall annually
3032 reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(c)(i)
3033 by an amount that is equal to 35% of the amount of revenue generated in the current fiscal year
3034 by the portion of the tax imposed on motor and special fuel that is sold, used, or received for

3035 sale or use in this state that exceeds 29.4 cents per gallon.

3036 (iii) The commission shall annually deposit the amount described in Subsection
3037 (8)(c)(ii) into the Transit and Transportation Investment Fund created in Section 72-2-124.

3038 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
3039 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
3040 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

3041 (10) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c),
3042 in addition to any amounts deposited under Subsections (6), (7), and (8), and for the 2016-17
3043 fiscal year only, the Division of Finance shall deposit into the Transportation Investment Fund
3044 of 2005 created by Section 72-2-124 the amount of tax revenue generated by a .05% tax rate on
3045 the transactions described in Subsection (1).

3046 (b) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c), and in
3047 addition to any amounts deposited under Subsections (6), (7), and (8), the Division of Finance
3048 shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the
3049 amount of revenue described as follows:

3050 (i) for fiscal year 2017-18 only, 83.33% of the amount of revenue generated by a .05%
3051 tax rate on the transactions described in Subsection (1);

3052 (ii) for fiscal year 2018-19 only, 66.67% of the amount of revenue generated by a .05%
3053 tax rate on the transactions described in Subsection (1);

3054 (iii) for fiscal year 2019-20 only, 50% of the amount of revenue generated by a .05%
3055 tax rate on the transactions described in Subsection (1);

3056 (iv) for fiscal year 2020-21 only, 33.33% of the amount of revenue generated by a
3057 .05% tax rate on the transactions described in Subsection (1); and

3058 (v) for fiscal year 2021-22 only, 16.67% of the amount of revenue generated by a .05%
3059 tax rate on the transactions described in Subsection (1).

3060 (c) For purposes of Subsections (10)(a) and (b), the Division of Finance may not
3061 deposit into the Transportation Investment Fund of 2005 any tax revenue generated by amounts
3062 paid or charged for food and food ingredients, except for tax revenue generated by a bundled
3063 transaction attributable to food and food ingredients and tangible personal property other than
3064 food and food ingredients described in Subsection (2)(d).

3065 (11) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the

3066 fiscal year during which the Division of Finance receives notice under Section [63N-2-510](#) that
3067 construction on a qualified hotel, as defined in Section [63N-2-502](#), has begun, the Division of
3068 Finance shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue
3069 generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund,
3070 created in Section [63N-2-512](#).

3071 (12) (a) Notwithstanding Subsection (3)(a), for the 2016-17 fiscal year only, the
3072 Division of Finance shall deposit \$26,000,000 of the revenues generated by the taxes listed
3073 under Subsection (3)(a) into the Throughput Infrastructure Fund created by Section
3074 ~~[35A-8-308]~~ [63N-4-508](#).

3075 (b) Notwithstanding Subsection (3)(a), for the 2017-18 fiscal year only, the Division of
3076 Finance shall deposit \$27,000,000 of the revenues generated by the taxes listed under
3077 Subsection (3)(a) into the Throughput Infrastructure Fund created by Section ~~[35A-8-308]~~
3078 [63N-4-508](#).

3079 (13) Notwithstanding Subsections (4) through (12) and (14), an amount required to be
3080 expended or deposited in accordance with Subsections (4) through (12) and (14) may not
3081 include an amount the Division of Finance deposits in accordance with Section [59-12-103.2](#).

3082 (14) (a) The rate specified in this subsection is 0.15%.

3083 (b) Notwithstanding Subsection (3)(a), the Division of Finance shall:

3084 (i) on or before September 30, 2019, transfer the amount of revenue generated by a
3085 0.15% tax rate imposed beginning on April 1, 2019, and ending on June 30, 2019, on the
3086 transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(A) as dedicated
3087 credits to the Division of Health Care Financing; and

3088 (ii) for a fiscal year beginning on or after fiscal year 2019-20, annually transfer the
3089 amount of revenue generated by a 0.15% tax rate on the transactions that are subject to the
3090 sales and use tax under Subsection (2)(a)(i)(A) as dedicated credits to the Division of Health
3091 Care Financing.

3092 (c) The revenue described in Subsection (14)(b) that the Division of Finance transfers
3093 to the Division of Health Care Financing as dedicated credits shall be expended for the
3094 following uses:

3095 (i) implementation of the Medicaid expansion described in Sections [26-18-3.1\(4\)](#) and
3096 [26-18-3.9\(2\)\(b\)](#);

3097 (ii) if revenue remains after the use specified in Subsection (14)(c)(i), other measures
3098 required by Section 26-18-3.9; and

3099 (iii) if revenue remains after the uses specified in Subsections (14)(c)(i) and (ii), other
3100 measures described in Title 26, Chapter 18, Medical Assistance Act.

3101 Section 53. Section 59-21-2 is amended to read:

3102 **59-21-2. Mineral Bonus Account created -- Contents -- Use of Mineral Bonus**
3103 **Account money -- Mineral Lease Account created -- Contents -- Appropriation of money**
3104 **from Mineral Lease Account.**

3105 (1) (a) There is created a restricted account within the General Fund known as the
3106 "Mineral Bonus Account."

3107 (b) The Mineral Bonus Account consists of federal mineral lease bonus payments
3108 deposited pursuant to Subsection 59-21-1(3).

3109 (c) The Legislature shall make appropriations from the Mineral Bonus Account in
3110 accordance with Section 35 of the Mineral Lands Leasing Act of 1920, 30 U.S.C. Sec. 191.

3111 (d) The state treasurer shall:

3112 (i) invest the money in the Mineral Bonus Account by following the procedures and
3113 requirements of Title 51, Chapter 7, State Money Management Act; and

3114 (ii) deposit all interest or other earnings derived from the account into the Mineral
3115 Bonus Account.

3116 (e) The Division of Finance shall, beginning on July 1, 2017, annually deposit 30% of
3117 mineral lease bonus payments deposited under Subsection (1)(b) from the previous fiscal year
3118 into the Wildland Fire Suppression Fund created in Section 65A-8-204, up to \$2,000,000 but
3119 not to exceed 20% of the amount expended in the previous fiscal year from the Wildland Fire
3120 Suppression Fund.

3121 (2) (a) There is created a restricted account within the General Fund known as the
3122 "Mineral Lease Account."

3123 (b) The Mineral Lease Account consists of federal mineral lease money deposited
3124 pursuant to Subsection 59-21-1(1).

3125 (c) The Legislature shall make appropriations from the Mineral Lease Account as
3126 provided in Subsection 59-21-1(1) and this Subsection (2).

3127 (d) (i) Except as provided in Subsections (2)(d)(ii) and (iii), the Legislature shall

3128 annually appropriate 32.5% of all deposits made to the Mineral Lease Account to the
3129 Permanent Community Impact Fund established by Section [~~35A-8-303~~] [63N-4-503](#).

3130 (ii) For fiscal year 2016-17 only and from the amount required to be deposited under
3131 Subsection (2)(d)(i), the Legislature shall appropriate \$26,000,000 of the deposits made to the
3132 Mineral Lease Account to the Impacted Communities Transportation Development Restricted
3133 Account established by Section [72-2-128](#).

3134 (iii) For fiscal year 2017-18 only and from the amount required to be deposited under
3135 Subsection (2)(d)(i), the Legislature shall appropriate \$27,000,000 of the deposits made to the
3136 Mineral Lease Account to the Impacted Communities Transportation Development Restricted
3137 Account established by Section [72-2-128](#).

3138 (e) The Legislature shall annually appropriate 2.25% of all deposits made to the
3139 Mineral Lease Account to the State Board of Education, to be used for education research and
3140 experimentation in the use of staff and facilities designed to improve the quality of education in
3141 Utah.

3142 (f) The Legislature shall annually appropriate 2.25% of all deposits made to the
3143 Mineral Lease Account to the Utah Geological Survey, to be used for activities carried on by
3144 the survey having as a purpose the development and exploitation of natural resources in the
3145 state.

3146 (g) The Legislature shall annually appropriate 2.25% of all deposits made to the
3147 Mineral Lease Account to the Water Research Laboratory at Utah State University, to be used
3148 for activities carried on by the laboratory having as a purpose the development and exploitation
3149 of water resources in the state.

3150 (h) (i) The Legislature shall annually appropriate to the Division of Finance 40% of all
3151 deposits made to the Mineral Lease Account to be distributed as provided in Subsection
3152 (2)(h)(ii) to:

- 3153 (A) counties;
- 3154 (B) special service districts established:
 - 3155 (I) by counties;
 - 3156 (II) under Title 17D, Chapter 1, Special Service District Act; and
 - 3157 (III) for the purpose of constructing, repairing, or maintaining roads; or
- 3158 (C) special service districts established:

- 3159 (I) by counties;
- 3160 (II) under Title 17D, Chapter 1, Special Service District Act; and
- 3161 (III) for other purposes authorized by statute.
- 3162 (ii) The Division of Finance shall allocate the funds specified in Subsection (2)(h)(i):
- 3163 (A) in amounts proportionate to the amount of mineral lease money generated by each
- 3164 county; and
- 3165 (B) to a county or special service district established by a county under Title 17D,
- 3166 Chapter 1, Special Service District Act, as determined by the county legislative body.
- 3167 (i) (i) The Legislature shall annually appropriate 5% of all deposits made to the
- 3168 Mineral Lease Account to the Department of Workforce Services to be distributed to:
- 3169 (A) special service districts established:
- 3170 (I) by counties;
- 3171 (II) under Title 17D, Chapter 1, Special Service District Act; and
- 3172 (III) for the purpose of constructing, repairing, or maintaining roads; or
- 3173 (B) special service districts established:
- 3174 (I) by counties;
- 3175 (II) under Title 17D, Chapter 1, Special Service District Act; and
- 3176 (III) for other purposes authorized by statute.
- 3177 (ii) The Department of Workforce Services may distribute the amounts described in
- 3178 Subsection (2)(i)(i) only to special service districts established under Title 17D, Chapter 1,
- 3179 Special Service District Act, by counties:
- 3180 (A) of the third, fourth, fifth, or sixth class;
- 3181 (B) in which 4.5% or less of the mineral lease money within the state is generated; and
- 3182 (C) that are significantly socially or economically impacted as provided in Subsection
- 3183 (2)(i)(iii) by the development of minerals under the Mineral Lands Leasing Act, 30 U.S.C. Sec.
- 3184 181 et seq.
- 3185 (iii) The significant social or economic impact required under Subsection (2)(i)(ii)(C)
- 3186 shall be as a result of:
- 3187 (A) the transportation within the county of hydrocarbons, including solid hydrocarbons
- 3188 as defined in Section [59-5-101](#);
- 3189 (B) the employment of persons residing within the county in hydrocarbon extraction,

3190 including the extraction of solid hydrocarbons as defined in Section 59-5-101; or

3191 (C) a combination of Subsections (2)(i)(iii)(A) and (B).

3192 (iv) For purposes of distributing the appropriations under this Subsection (2)(i) to
3193 special service districts established by counties under Title 17D, Chapter 1, Special Service
3194 District Act, the Department of Workforce Services shall:

3195 (A) (I) allocate 50% of the appropriations equally among the counties meeting the
3196 requirements of Subsections (2)(i)(ii) and (iii); and

3197 (II) allocate 50% of the appropriations based on the ratio that the population of each
3198 county meeting the requirements of Subsections (2)(i)(ii) and (iii) bears to the total population
3199 of all of the counties meeting the requirements of Subsections (2)(i)(ii) and (iii); and

3200 (B) after making the allocations described in Subsection (2)(i)(iv)(A), distribute the
3201 allocated revenues to special service districts established by the counties under Title 17D,
3202 Chapter 1, Special Service District Act, as determined by the executive director of the
3203 Department of Workforce Services after consulting with the county legislative bodies of the
3204 counties meeting the requirements of Subsections (2)(i)(ii) and (iii).

3205 (v) The executive director of the Department of Workforce Services:

3206 (A) shall determine whether a county meets the requirements of Subsections (2)(i)(ii)
3207 and (iii);

3208 (B) shall distribute the appropriations under Subsection (2)(i)(i) to special service
3209 districts established by counties under Title 17D, Chapter 1, Special Service District Act, that
3210 meet the requirements of Subsections (2)(i)(ii) and (iii); and

3211 (C) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
3212 may make rules:

3213 (I) providing a procedure for making the distributions under this Subsection (2)(i) to
3214 special service districts; and

3215 (II) defining the term "population" for purposes of Subsection (2)(i)(iv).

3216 (j) (i) The Legislature shall annually make the following appropriations from the
3217 Mineral Lease Account:

3218 (A) an amount equal to 52 cents multiplied by the number of acres of school or
3219 institutional trust lands, lands owned by the Division of Parks and Recreation, and lands owned
3220 by the Division of Wildlife Resources that are not under an in lieu of taxes contract, to each

3221 county in which those lands are located;

3222 (B) to each county in which school or institutional trust lands are transferred to the
3223 federal government after December 31, 1992, an amount equal to the number of transferred
3224 acres in the county multiplied by a payment per acre equal to the difference between 52 cents
3225 per acre and the per acre payment made to that county in the most recent payment under the
3226 federal payment in lieu of taxes program, 31 U.S.C. Sec. 6901 et seq., unless the federal
3227 payment was equal to or exceeded the 52 cents per acre, in which case a payment under this
3228 Subsection (2)(j)(i)(B) may not be made for the transferred lands;

3229 (C) to each county in which federal lands, which are entitlement lands under the federal
3230 in lieu of taxes program, are transferred to the school or institutional trust, an amount equal to
3231 the number of transferred acres in the county multiplied by a payment per acre equal to the
3232 difference between the most recent per acre payment made under the federal payment in lieu of
3233 taxes program and 52 cents per acre, unless the federal payment was equal to or less than 52
3234 cents per acre, in which case a payment under this Subsection (2)(j)(i)(C) may not be made for
3235 the transferred land; and

3236 (D) to a county of the fifth or sixth class, an amount equal to the product of:

3237 (I) \$1,000; and

3238 (II) the number of residences described in Subsection (2)(j)(iv) that are located within
3239 the county.

3240 (ii) A county receiving money under Subsection (2)(j)(i) may, as determined by the
3241 county legislative body, distribute the money or a portion of the money to:

3242 (A) special service districts established by the county under Title 17D, Chapter 1,
3243 Special Service District Act;

3244 (B) school districts; or

3245 (C) public institutions of higher education.

3246 (iii) (A) Beginning in fiscal year 1994-95 and in each year after fiscal year 1994-95, the
3247 Division of Finance shall increase or decrease the amounts per acre provided for in Subsections
3248 (2)(j)(i)(A) through (C) by the average annual change in the Consumer Price Index for all urban
3249 consumers published by the Department of Labor.

3250 (B) For fiscal years beginning on or after fiscal year 2001-02, the Division of Finance
3251 shall increase or decrease the amount described in Subsection (2)(j)(i)(D)(I) by the average

3252 annual change in the Consumer Price Index for all urban consumers published by the
3253 Department of Labor.

3254 (iv) Residences for purposes of Subsection (2)(j)(i)(D)(II) are residences that are:

3255 (A) owned by:

3256 (I) the Division of Parks and Recreation; or

3257 (II) the Division of Wildlife Resources;

3258 (B) located on lands that are owned by:

3259 (I) the Division of Parks and Recreation; or

3260 (II) the Division of Wildlife Resources; and

3261 (C) are not subject to taxation under:

3262 (I) Chapter 2, Property Tax Act; or

3263 (II) Chapter 4, Privilege Tax.

3264 (k) The Legislature shall annually appropriate to the Permanent Community Impact
3265 Fund all deposits remaining in the Mineral Lease Account after making the appropriations
3266 provided for in Subsections (2)(d) through (j).

3267 (3) (a) Each agency, board, institution of higher education, and political subdivision
3268 receiving money under this chapter shall provide the Legislature, through the Office of the
3269 Legislative Fiscal Analyst, with a complete accounting of the use of that money on an annual
3270 basis.

3271 (b) The accounting required under Subsection (3)(a) shall:

3272 (i) include actual expenditures for the prior fiscal year, budgeted expenditures for the
3273 current fiscal year, and planned expenditures for the following fiscal year; and

3274 (ii) be reviewed by the Business, Economic Development, and Labor Appropriations
3275 Subcommittee as part of its normal budgetary process under Title 63J, Chapter 1, Budgetary
3276 Procedures Act.

3277 Section 54. Section **63A-3-205** is amended to read:

3278 **63A-3-205. Revolving loan funds -- Standards and procedures.**

3279 (1) As used in this section, "revolving loan fund" means:

3280 (a) the Water Resources Conservation and Development Fund, created in Section
3281 [73-10-24](#);

3282 (b) the Water Resources Construction Fund, created in Section [73-10-8](#);

- 3283 (c) the Water Resources Cities Water Loan Fund, created in Section [73-10-22](#);
- 3284 (d) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean
3285 Fuels and Vehicle Technology Program Act;
- 3286 (e) the Water Development Security Fund and its subaccounts, created in Section
3287 [73-10c-5](#);
- 3288 (f) the Agriculture Resource Development Fund, created in Section [4-18-106](#);
- 3289 (g) the Utah Rural Rehabilitation Fund, created in Section [4-19-105](#);
- 3290 (h) the Permanent Community Impact Fund, created in Section [~~[35A-8-303](#)~~]
3291 [63N-4-503](#);
- 3292 (i) the Petroleum Storage Tank Trust Fund, created in Section [19-6-409](#);
- 3293 (j) the Uintah Basin Revitalization Fund, created in Section [35A-8-1602](#);
- 3294 (k) the Navajo Revitalization Fund, created in Section [35A-8-1704](#); and
- 3295 (l) the Energy Efficiency Fund, created in Section [11-45-201](#).
- 3296 (2) The division shall for each revolving loan fund make rules establishing standards
3297 and procedures governing:
- 3298 (a) payment schedules and due dates;
- 3299 (b) interest rate effective dates;
- 3300 (c) loan documentation requirements; and
- 3301 (d) interest rate calculation requirements.
- 3302 Section 55. Section **63B-1b-102** is amended to read:
- 3303 **63B-1b-102. Definitions.**
- 3304 As used in this chapter:
- 3305 (1) "Agency bonds" means any bond, note, contract, or other evidence of indebtedness
3306 representing loans or grants made by an authorizing agency.
- 3307 (2) "Authorized official" means the state treasurer or other person authorized by a bond
3308 document to perform the required action.
- 3309 (3) "Authorizing agency" means the board, person, or unit with legal responsibility for
3310 administering and managing revolving loan funds.
- 3311 (4) "Bond document" means:
- 3312 (a) a resolution of the commission; or
- 3313 (b) an indenture or other similar document authorized by the commission that

3314 authorizes and secures outstanding revenue bonds from time to time.

3315 (5) "Commission" means the State Bonding Commission, created in Section
3316 [63B-1-201](#).

3317 (6) "Revenue bonds" means any special fund revenue bonds issued under this chapter.

3318 (7) "Revolving Loan Funds" means:

3319 (a) the Water Resources Conservation and Development Fund, created in Section
3320 [73-10-24](#);

3321 (b) the Water Resources Construction Fund, created in Section [73-10-8](#);

3322 (c) the Water Resources Cities Water Loan Fund, created in Section [73-10-22](#);

3323 (d) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean
3324 Fuels and Vehicle Technology Program Act;

3325 (e) the Water Development Security Fund and its subaccounts, created in Section
3326 [73-10c-5](#);

3327 (f) the Agriculture Resource Development Fund, created in Section [4-18-106](#);

3328 (g) the Utah Rural Rehabilitation Fund, created in Section [4-19-105](#);

3329 (h) the Permanent Community Impact Fund, created in Section [~~[35A-8-303](#)~~]

3330 [63N-4-503](#);

3331 (i) the Petroleum Storage Tank Trust Fund, created in Section [19-6-409](#); and

3332 (j) the Transportation Infrastructure Loan Fund, created in Section [72-2-202](#).

3333 Section 56. Section **63J-1-602.1** is amended to read:

3334 **63J-1-602.1. List of nonlapsing appropriations from accounts and funds.**

3335 Appropriations made from the following accounts or funds are nonlapsing:

3336 (1) The Utah Intracurricular Student Organization Support for Agricultural Education
3337 and Leadership Restricted Account created in Section [4-42-102](#).

3338 (2) The Native American Repatriation Restricted Account created in Section [9-9-407](#).

3339 (3) The Martin Luther King, Jr. Civil Rights Support Restricted Account created in
3340 Section [9-18-102](#).

3341 (4) The National Professional Men's Soccer Team Support of Building Communities
3342 Restricted Account created in Section [9-19-102](#).

3343 (5) Funds collected for directing and administering the C-PACE district created in
3344 Section [11-42a-302](#).

- 3345 (6) Award money under the State Asset Forfeiture Grant Program, as provided under
3346 Section [24-4-117](#).
- 3347 (7) Funds collected from the program fund for local health department expenses
3348 incurred in responding to a local health emergency under Section [26-1-38](#).
- 3349 (8) Funds collected from the emergency medical services grant program, as provided in
3350 Section [26-8a-207](#).
- 3351 (9) The Prostate Cancer Support Restricted Account created in Section [26-21a-303](#).
- 3352 (10) The Children with Cancer Support Restricted Account created in Section
3353 [26-21a-304](#).
- 3354 (11) State funds for matching federal funds in the Children's Health Insurance Program
3355 as provided in Section [26-40-108](#).
- 3356 (12) The Children with Heart Disease Support Restricted Account created in Section
3357 [26-58-102](#).
- 3358 (13) The Nurse Home Visiting Restricted Account created in Section [26-62-601](#).
- 3359 (14) The Technology Development Restricted Account created in Section [31A-3-104](#).
- 3360 (15) The Criminal Background Check Restricted Account created in Section
3361 [31A-3-105](#).
- 3362 (16) The Captive Insurance Restricted Account created in Section [31A-3-304](#), except
3363 to the extent that Section [31A-3-304](#) makes the money received under that section free revenue.
- 3364 (17) The Title Licensee Enforcement Restricted Account created in Section
3365 [31A-23a-415](#).
- 3366 (18) The Health Insurance Actuarial Review Restricted Account created in Section
3367 [31A-30-115](#).
- 3368 (19) The Insurance Fraud Investigation Restricted Account created in Section
3369 [31A-31-108](#).
- 3370 (20) The Underage Drinking Prevention Media and Education Campaign Restricted
3371 Account created in Section [32B-2-306](#).
- 3372 (21) The School Readiness Restricted Account created in Section [35A-3-210](#).
- 3373 (22) The Youth Development Organization Restricted Account created in Section
3374 [35A-8-1903](#).
- 3375 (23) The Youth Character Organization Restricted Account created in Section

3376 [35A-8-2003](#).

3377 (24) Money received by the Utah State Office of Rehabilitation for the sale of certain
3378 products or services, as provided in Section [35A-13-202](#).

3379 (25) The Oil and Gas Conservation Account created in Section [40-6-14.5](#).

3380 (26) The Electronic Payment Fee Restricted Account created by Section [41-1a-121](#) to
3381 the Motor Vehicle Division.

3382 (27) The Motor Vehicle Enforcement Division Temporary Permit Restricted Account
3383 created by Section [41-3-110](#) to the State Tax Commission.

3384 (28) The Utah Law Enforcement Memorial Support Restricted Account created in
3385 Section [53-1-120](#).

3386 (29) The State Disaster Recovery Restricted Account to the Division of Emergency
3387 Management, as provided in Section [53-2a-603](#).

3388 (30) The Department of Public Safety Restricted Account to the Department of Public
3389 Safety, as provided in Section [53-3-106](#).

3390 (31) The Utah Highway Patrol Aero Bureau Restricted Account created in Section
3391 [53-8-303](#).

3392 (32) The DNA Specimen Restricted Account created in Section [53-10-407](#).

3393 (33) The Canine Body Armor Restricted Account created in Section [53-16-201](#).

3394 (34) A certain portion of money collected for administrative costs under the School
3395 Institutional Trust Lands Management Act, as provided under Section [53C-3-202](#).

3396 (35) The Public Utility Regulatory Restricted Account created in Section [54-5-1.5](#),
3397 subject to Subsection [54-5-1.5\(4\)\(d\)](#).

3398 (36) Certain fines collected by the Division of Occupational and Professional Licensing
3399 for violation of unlawful or unprofessional conduct that are used for education and enforcement
3400 purposes, as provided in Section [58-17b-505](#).

3401 (37) Certain fines collected by the Division of Occupational and Professional Licensing
3402 for use in education and enforcement of the Security Personnel Licensing Act, as provided in
3403 Section [58-63-103](#).

3404 (38) The Relative Value Study Restricted Account created in Section [59-9-105](#).

3405 (39) The Cigarette Tax Restricted Account created in Section [59-14-204](#).

3406 (40) Funds paid to the Division of Real Estate for the cost of a criminal background

- 3407 check for a mortgage loan license, as provided in Section [61-2c-202](#).
- 3408 (41) Funds paid to the Division of Real Estate for the cost of a criminal background
3409 check for principal broker, associate broker, and sales agent licenses, as provided in Section
3410 [61-2f-204](#).
- 3411 (42) Certain funds donated to the Department of Human Services, as provided in
3412 Section [62A-1-111](#).
- 3413 (43) The National Professional Men's Basketball Team Support of Women and
3414 Children Issues Restricted Account created in Section [62A-1-202](#).
- 3415 (44) Certain funds donated to the Division of Child and Family Services, as provided
3416 in Section [62A-4a-110](#).
- 3417 (45) The Choose Life Adoption Support Restricted Account created in Section
3418 [62A-4a-608](#).
- 3419 (46) Funds collected by the Office of Administrative Rules for publishing, as provided
3420 in Section [63G-3-402](#).
- 3421 (47) The Immigration Act Restricted Account created in Section [63G-12-103](#).
- 3422 (48) Money received by the military installation development authority, as provided in
3423 Section [63H-1-504](#).
- 3424 (49) The Computer Aided Dispatch Restricted Account created in Section [63H-7a-303](#).
- 3425 (50) The Unified Statewide 911 Emergency Service Account created in Section
3426 [63H-7a-304](#).
- 3427 (51) The Utah Statewide Radio System Restricted Account created in Section
3428 [63H-7a-403](#).
- 3429 (52) The Employability to Careers Program Restricted Account created in Section
3430 [63J-4-703](#).
- 3431 (53) The Motion Picture Incentive Account created in Section [63N-8-103](#).
- 3432 (54) Certain money payable for expenses of the Pete Suazo Utah Athletic Commission,
3433 as provided under Section [~~63N-10-301~~] [58-88-301](#).
- 3434 (55) Funds collected by the housing of state probationary inmates or state parole
3435 inmates, as provided in Subsection [64-13e-104](#)(2).
- 3436 (56) Certain forestry and fire control funds utilized by the Division of Forestry, Fire,
3437 and State Lands, as provided in Section [65A-8-103](#).

3438 (57) Certain funds received by the Office of the State Engineer for well drilling fines or
3439 bonds, as provided in Section [73-3-25](#).

3440 (58) The Water Resources Conservation and Development Fund, as provided in
3441 Section [73-23-2](#).

3442 (59) Funds donated or paid to a juvenile court by private sources, as provided in
3443 Subsection [78A-6-203\(1\)\(c\)](#).

3444 (60) Fees for certificate of admission created under Section [78A-9-102](#).

3445 (61) Funds collected for adoption document access as provided in Sections [78B-6-141](#),
3446 [78B-6-144](#), and [78B-6-144.5](#).

3447 (62) Revenue for golf user fees at the Wasatch Mountain State Park, Palisades State
3448 Park, Jordan River State Park, and Green River State Park, as provided under Section
3449 [79-4-403](#).

3450 (63) Certain funds received by the Division of Parks and Recreation from the sale or
3451 disposal of buffalo, as provided under Section [79-4-1001](#).

3452 (64) Funds collected for indigent defense as provided in Title 77, Chapter 32, Part 8,
3453 Utah Indigent Defense Commission.

3454 Section 57. Section **63M-4-102** is amended to read:

3455 **63M-4-102. Definitions.**

3456 As used in this chapter:

3457 (1) "Energy advisor" means the governor's energy advisor appointed under Section
3458 [~~63M-4-401~~] [63N-15-201](#).

3459 (2) "Office" means the Office of Energy Development created in Section [~~63M-4-401~~]
3460 [63N-15-201](#).

3461 (3) "State agency" means an executive branch:

3462 (a) department;

3463 (b) agency;

3464 (c) board;

3465 (d) commission;

3466 (e) division; or

3467 (f) state educational institution.

3468 Section 58. Section **63M-4-502** is amended to read:

3469 **63M-4-502. Definitions.**

3470 As used in this part:

3471 (1) "Alternative energy" is as defined in Section [59-12-102](#).

3472 (2) (a) "Alternative energy entity" means a person that:

3473 (i) conducts business within the state; and

3474 (ii) enters into an agreement with the office that qualifies the person to receive a tax
3475 credit.3476 (b) "Alternative energy entity" includes a pass-through entity taxpayer, as defined in
3477 Section [59-10-1402](#), of a person described in Subsection (2)(a).3478 (3) "Alternative energy project" means a project produced by an alternative energy
3479 entity if that project involves:

3480 (a) a new or expanding operation in the state; and

3481 (b) (i) utility-scale alternative energy generation; or

3482 (ii) the extraction of alternative fuels.

3483 (4) "New incremental job within the state" means, with respect to an alternative energy
3484 entity, an employment position that:

3485 (a) did not exist within the state before:

3486 (i) the alternative energy entity entered into an agreement with the office in accordance
3487 with Section [63M-4-503](#); and

3488 (ii) the alternative energy project began;

3489 (b) is not shifted from one location in the state to another location in the state; and

3490 (c) is established to the satisfaction of the office, including by amounts paid or
3491 withheld by the alternative energy entity under Title 59, Chapter 10, Individual Income Tax
3492 Act.3493 (5) "New state revenues" means an increased amount of tax revenues generated as a
3494 result of an alternative energy project by an alternative energy entity or a new incremental job
3495 within the state under the following:

3496 (a) Title 59, Chapter 7, Corporate Franchise and Income Taxes;

3497 (b) Title 59, Chapter 10, Individual Income Tax Act; and

3498 (c) Title 59, Chapter 12, Sales and Use Tax Act.

3499 (6) "Office" is as defined in Section [~~63M-4-401~~] [63N-15-201](#).

- 3500 (7) "Tax credit" means a tax credit under Section 59-7-614.7 or 59-10-1029.
- 3501 (8) "Tax credit applicant" means an alternative energy entity that applies to the office
- 3502 to receive a tax credit certificate under this part.
- 3503 (9) "Tax credit certificate" means a certificate issued by the office that:
- 3504 (a) lists the name of the tax credit certificate recipient;
- 3505 (b) lists the tax credit certificate recipient's taxpayer identification number;
- 3506 (c) lists the amount of the tax credit certificate recipient's tax credits authorized under
- 3507 this part for a taxable year; and
- 3508 (d) includes other information as determined by the office.
- 3509 (10) "Tax credit certificate recipient" means an alternative energy entity that receives a
- 3510 tax credit certificate for a tax credit in accordance with this part.

3511 Section 59. Section 63M-4-602 is amended to read:

3512 **63M-4-602. Definitions.**

3513 As used in this part:

- 3514 (1) "Applicant" means a person that conducts business in the state and that applies for a
- 3515 tax credit under this part.
- 3516 (2) "Fuel standard compliance project" means a project designed to retrofit a fuel
- 3517 refinery in order to make the refinery capable of producing fuel that complies with the United
- 3518 States Environmental Protection Agency's Tier 3 gasoline sulfur standard described in 40
- 3519 C.F.R. Sec. 79.54.
- 3520 (3) "High cost infrastructure project" means a project:
- 3521 (a) (i) that expands or creates new industrial, mining, manufacturing, or agriculture
- 3522 activity in the state, not including a retail business; or
- 3523 (ii) that involves new investment of at least \$50,000,000 in an existing industrial,
- 3524 mining, manufacturing, or agriculture entity, by the entity;
- 3525 (b) that requires or is directly facilitated by infrastructure construction; and
- 3526 (c) for which the cost of infrastructure construction to the entity creating the project is
- 3527 greater than:
- 3528 (i) 10% of the total cost of the project; or
- 3529 (ii) \$10,000,000.
- 3530 (4) "Infrastructure" means:

- 3531 (a) an energy delivery project as defined in Section [63H-2-102](#);
- 3532 (b) a railroad as defined in Section [54-2-1](#);
- 3533 (c) a fuel standard compliance project;
- 3534 (d) a road improvement project;
- 3535 (e) a water self-supply project;
- 3536 (f) a water removal system project; or
- 3537 (g) a project that is designed to:
- 3538 (i) increase the capacity for water delivery to a water user in the state; or
- 3539 (ii) increase the capability of an existing water delivery system or related facility to
- 3540 deliver water to a water user in the state.
- 3541 (5) (a) "Infrastructure cost-burdened entity" means an applicant that enters into an
- 3542 agreement with the office that qualifies the applicant to receive a tax credit as provided in this
- 3543 part.
- 3544 (b) "Infrastructure cost-burdened entity" includes a pass-through entity taxpayer, as
- 3545 defined in Section [59-10-1402](#), of a person described in Subsection (5)(a).
- 3546 (6) "Infrastructure-related revenue" means an amount of tax revenue, for an entity
- 3547 creating a high cost infrastructure project, in a taxable year, that is directly attributable to a high
- 3548 cost infrastructure project, under:
- 3549 (a) Title 59, Chapter 7, Corporate Franchise and Income Taxes;
- 3550 (b) Title 59, Chapter 10, Individual Income Tax Act; and
- 3551 (c) Title 59, Chapter 12, Sales and Use Tax Act.
- 3552 (7) "Office" means the Office of Energy Development created in Section [~~63M-4-401~~]
- 3553 [63N-15-201](#).
- 3554 (8) "Tax credit" means a tax credit under Section [59-7-619](#) or [59-10-1034](#).
- 3555 (9) "Tax credit certificate" means a certificate issued by the office to an infrastructure
- 3556 cost-burdened entity that:
- 3557 (a) lists the name of the infrastructure cost-burdened entity;
- 3558 (b) lists the infrastructure cost-burdened entity's taxpayer identification number;
- 3559 (c) lists, for a taxable year, the amount of the tax credit authorized for the infrastructure
- 3560 cost-burdened entity under this part; and
- 3561 (d) includes other information as determined by the office.

3562 Section 60. Section **63N-2-105** is amended to read:

3563 **63N-2-105. Qualifications for tax credit -- Procedure.**

3564 (1) The office shall certify a business entity's or local government entity's eligibility for
3565 a tax credit as provided in this part.

3566 (2) A business entity or local government entity seeking to receive a tax credit as
3567 provided in this part shall provide the office with:

3568 (a) an application for a tax credit certificate, including a certification, by an officer of
3569 the business entity, of any signature on the application;

3570 (b) (i) for a business entity, documentation of the new state revenues from the business
3571 entity's new commercial project that were paid during the preceding calendar year; or

3572 (ii) for a local government entity, documentation of the new state revenues from the
3573 new commercial project within the area of the local government entity that were paid during
3574 the preceding calendar year;

3575 (c) known or expected detriments to the state or existing businesses in the state;

3576 (d) if a local government entity seeks to assign the tax credit to a community
3577 reinvestment agency as described in Section **63N-2-104**, a statement providing the name and
3578 taxpayer identification number of the community reinvestment agency to which the local
3579 government entity seeks to assign the tax credit;

3580 (e) (i) with respect to a business entity, a document that expressly directs and
3581 authorizes the State Tax Commission to disclose to the office and the Office of the Legislative
3582 Fiscal Analyst the business entity's returns and other information that would otherwise be
3583 subject to confidentiality under Section **59-1-403** or Section 6103, Internal Revenue Code;

3584 (ii) with respect to a local government entity that seeks to claim the tax credit:

3585 (A) a document that expressly directs and authorizes the State Tax Commission to
3586 disclose to the office the local government entity's returns and other information that would
3587 otherwise be subject to confidentiality under Section **59-1-403** or Section 6103, Internal
3588 Revenue Code; and

3589 (B) if the new state revenues collected as a result of a new commercial project are
3590 attributable in whole or in part to a new or expanded industrial, manufacturing, distribution, or
3591 business service within a new commercial project within the area of the local government
3592 entity, a document signed by an authorized representative of the new or expanded industrial,

3593 manufacturing, distribution, or business service that:

3594 (I) expressly directs and authorizes the State Tax Commission to disclose to the office
3595 and the Office of the Legislative Fiscal Analyst the returns of the new or expanded industrial,
3596 manufacturing, distribution, or business service and other information that would otherwise be
3597 subject to confidentiality under Section 59-1-403 or Section 6103, Internal Revenue Code; and

3598 (II) lists the taxpayer identification number of the new or expanded industrial,
3599 manufacturing, distribution, or business service; or

3600 (iii) with respect to a local government entity that seeks to assign the tax credit to a
3601 community reinvestment agency:

3602 (A) a document signed by the members of the governing body of the community
3603 reinvestment agency that expressly directs and authorizes the State Tax Commission to
3604 disclose to the office and the Office of the Legislative Fiscal Analyst the returns of the
3605 community reinvestment agency and other information that would otherwise be subject to
3606 confidentiality under Section 59-1-403 or Section 6103, Internal Revenue Code; and

3607 (B) if the new state revenues collected as a result of a new commercial project are
3608 attributable in whole or in part to a new or expanded industrial, manufacturing, distribution, or
3609 business service within a new commercial project within the community reinvestment agency,
3610 a document signed by an authorized representative of the new or expanded industrial,
3611 manufacturing, distribution, or business service that:

3612 (I) expressly directs and authorizes the State Tax Commission to disclose to the office
3613 and the Office of the Legislative Fiscal Analyst the returns of the new or expanded industrial,
3614 manufacturing, distribution, or business service and other information that would otherwise be
3615 subject to confidentiality under Section 59-1-403 or Section 6103, Internal Revenue Code; and

3616 (II) lists the taxpayer identification number of the new or expanded industrial,
3617 manufacturing, distribution, or business service; and

3618 (f) for a business entity only, documentation that the business entity has satisfied the
3619 performance benchmarks outlined in the written agreement described in Subsection
3620 63N-2-104(3)(a), including:

3621 (i) the creation of new incremental jobs that are also high paying jobs;

3622 (ii) significant capital investment;

3623 (iii) significant purchases from Utah vendors and providers; or

3624 (iv) a combination of these benchmarks.

3625 (3) (a) The office shall submit the documents described in Subsection (2)(e) to the
3626 State Tax Commission.

3627 (b) Upon receipt of a document described in Subsection (2)(e), the State Tax
3628 Commission shall provide the office and the Office of the Legislative Fiscal Analyst with the
3629 returns and other information requested by the office that the State Tax Commission is directed
3630 or authorized to provide to the office and the Office of the Legislative Fiscal Analyst in
3631 accordance with Subsection (2)(e).

3632 (4) If, after review of the returns and other information provided by the State Tax
3633 Commission, or after review of the ongoing performance of the business entity or local
3634 government entity, the office determines that the returns and other information are inadequate
3635 to provide a reasonable justification for authorizing or continuing a tax credit, the office shall:

3636 (a) (i) deny the tax credit; or

3637 (ii) terminate the agreement described in Subsection 63N-2-104(3)(a) for failure to
3638 meet the performance standards established in the agreement; or

3639 (b) inform the business entity or local government entity that the returns or other
3640 information were inadequate and ask the business entity or local government entity to submit
3641 new documentation.

3642 (5) If after review of the returns and other information provided by the State Tax
3643 Commission, the office determines that the returns and other information provided by the
3644 business entity or local government entity provide reasonable justification for authorizing a tax
3645 credit, the office shall, based upon the returns and other information:

3646 (a) determine the amount of the tax credit to be granted to the business entity, local
3647 government entity, or if the local government entity assigns the tax credit as described in
3648 Section 63N-2-104, to the community reinvestment agency to which the local government
3649 entity assigns the tax credit;

3650 (b) issue a tax credit certificate to the business entity, local government entity, or if the
3651 local government entity assigns the tax credit as described in Section 63N-2-104, to the
3652 community reinvestment agency to which the local government entity assigns the tax credit;
3653 and

3654 (c) provide a duplicate copy of the tax credit certificate to the State Tax Commission.

3655 (6) A business entity, local government entity, or community reinvestment agency may
3656 not claim a tax credit unless the business entity, local government entity, or community
3657 reinvestment agency has a tax credit certificate issued by the office.

3658 (7) (a) A business entity, local government entity, or community reinvestment agency
3659 may claim a tax credit in the amount listed on the tax credit certificate on its tax return.

3660 (b) A business entity, local government entity, or community reinvestment agency that
3661 claims a tax credit under this section shall retain the tax credit certificate in accordance with
3662 Section [59-7-614.2](#) or [59-10-1107](#).

3663 Section 61. Section **63N-4-501**, which is renumbered from Section 35A-8-301 is
3664 renumbered and amended to read:

3665 **Part 5. Community Impact Alleviation**

3666 ~~[35A-8-301]~~. **63N-4-501. Legislative intent -- Purpose and policy.**

3667 (1) It is the intent of the Legislature to make available funds received by the state from
3668 federal mineral lease revenues under Section [59-21-2](#), bonus payments on federal oil shale
3669 lease tracts U-A and U-B, and all other bonus payments on federal mineral leases to be used for
3670 the alleviation of social, economic, and public finance impacts resulting from the development
3671 of natural resources in this state, subject to the limitations provided for in Section 35 of the
3672 Mineral Leasing Act of 1920 (41 Stat. 450, 30 U.S.C. Sec. 191).

3673 (2) The purpose of this part is to maximize the long term benefit of funds derived from
3674 these lease revenues and bonus payments by fostering funding mechanisms which will,
3675 consistent with sound financial practices, result in the greatest use of financial resources for the
3676 greatest number of citizens of this state, with priority given to those communities designated as
3677 impacted by the development of natural resources covered by the Mineral Leasing Act.

3678 (3) The policy of this state is to promote cooperation and coordination between the
3679 state and its agencies and political subdivisions with individuals, firms, and business
3680 organizations engaged in the development of the natural resources of this state. The purpose of
3681 such efforts include private sector participation, financial and otherwise, in the alleviation of
3682 impacts associated with resources development activities.

3683 Section 62. Section **63N-4-502**, which is renumbered from Section 35A-8-302 is
3684 renumbered and amended to read:

3685 ~~[35A-8-302]~~. **63N-4-502. Definitions.**

3686 As used in this part:

3687 (1) "Bonus payments" means that portion of the bonus payments received by the
3688 United States government under the Leasing Act paid to the state under Section 35 of the
3689 Leasing Act, 30 U.S.C. Sec. 191, together with any interest that had accrued on those
3690 payments.

3691 (2) "Impact board" means the Permanent Community Impact Fund Board created under
3692 Section ~~[35A-8-304]~~ [63N-4-504](#).

3693 (3) "Impact fund" means the Permanent Community Impact Fund established by this
3694 chapter.

3695 (4) "Interlocal agency" means a legal or administrative entity created by a subdivision
3696 or combination of subdivisions under the authority of Title 11, Chapter 13, Interlocal
3697 Cooperation Act.

3698 (5) "Leasing Act" means the Mineral Lands Leasing Act of 1920, 30 U.S.C. Sec. 181 et
3699 seq.

3700 (6) "Qualifying sales and use tax distribution reduction" means that, for the calendar
3701 year beginning on January 1, 2008, the total sales and use tax distributions a city received
3702 under Section [59-12-205](#) were reduced by at least 15% from the total sales and use tax
3703 distributions the city received under Section [59-12-205](#) for the calendar year beginning on
3704 January 1, 2007.

3705 (7) "Subdivision" means a county, city, town, county service area, special service
3706 district, special improvement district, water conservancy district, water improvement district,
3707 sewer improvement district, housing authority, building authority, school district, or public
3708 postsecondary institution organized under the laws of this state.

3709 (8) (a) "Throughput infrastructure project" means the following facilities, whether
3710 located within, partially within, or outside of the state:

3711 (i) a bulk commodities ocean terminal;

3712 (ii) a pipeline for the transportation of liquid or gaseous hydrocarbons;

3713 (iii) electric transmission lines and ancillary facilities;

3714 (iv) a shortline freight railroad and ancillary facilities;

3715 (v) a plant for producing hydrogen, including the liquification of hydrogen, for use as a
3716 fuel in zero emission motor vehicles; or

- 3717 (vi) a plant for the production of zero emission hydrogen fueled trucks.
- 3718 (b) "Throughput infrastructure project" includes:
- 3719 (i) an ownership interest or a joint or undivided ownership interest in a facility;
- 3720 (ii) a membership interest in the owner of a facility; or
- 3721 (iii) a contractual right, whether secured or unsecured, to use all or a portion of the
- 3722 throughput, transportation, or transmission capacity of a facility.

3723 Section 63. Section **63N-4-503**, which is renumbered from Section 35A-8-303 is

3724 renumbered and amended to read:

3725 ~~[35A-8-303]~~. **63N-4-503. Impact fund -- Deposits and contents -- Use of**

3726 **fund money.**

3727 (1) There is created an enterprise fund entitled the "Permanent Community Impact

3728 Fund."

3729 (2) The fund consists of:

3730 (a) all amounts appropriated to the impact fund under Section [59-21-2](#);

3731 (b) bonus payments deposited to the impact fund under Subsection [59-21-1\(2\)](#);

3732 (c) all amounts appropriated to the impact fund under Section [53C-3-203](#);

3733 (d) all amounts received for the repayment of loans made by the impact board under

3734 this chapter; and

3735 (e) all other money appropriated or otherwise made available to the impact fund by the

3736 Legislature.

3737 (3) The state treasurer shall:

3738 (a) invest the money in the impact fund by following the procedures and requirements

3739 of Title 51, Chapter 7, State Money Management Act; and

3740 (b) deposit all interest or other earnings derived from those investments into the impact

3741 fund.

3742 (4) The amounts in the impact fund available for loans, grants, administrative costs, or

3743 other purposes of this part shall be limited to that which the Legislature appropriates for these

3744 purposes.

3745 (5) Federal mineral lease revenue received by the state under the Leasing Act that is

3746 deposited into the impact fund shall be used:

3747 (a) in a manner consistent with the provisions of:

3748 (i) the Leasing Act; and

3749 (ii) this part; and

3750 (b) for loans, grants, or both to state agencies or subdivisions that are socially or
3751 economically impacted by the leasing of minerals under the Leasing Act.

3752 (6) The money described in Subsection (2)(c) shall be used for grants to political
3753 subdivisions of the state to mitigate the impacts resulting from the development or use of
3754 school and institutional trust lands.

3755 Section 64. Section **63N-4-504**, which is renumbered from Section 35A-8-304 is
3756 renumbered and amended to read:

3757 ~~[35A-8-304]~~. **63N-4-504. Permanent Community Impact Fund Board**
3758 **created -- Members -- Terms -- Chair -- Expenses.**

3759 (1) There is created within the department the Permanent Community Impact Fund
3760 Board composed of 11 members as follows:

3761 (a) the chair of the Board of Water Resources or the chair's designee;

3762 (b) the chair of the Water Quality Board or the chair's designee;

3763 (c) the ~~[director of the department or the director's designee]~~ executive director or the
3764 executive director's designee;

3765 (d) the state treasurer;

3766 (e) the chair of the Transportation Commission or the chair's designee;

3767 (f) a locally elected official who resides in Carbon, Emery, Grand, or San Juan County;

3768 (g) a locally elected official who resides in Juab, Millard, Sanpete, Sevier, Piute, or
3769 Wayne County;

3770 (h) a locally elected official who resides in Duchesne, Daggett, or Uintah County;

3771 (i) a locally elected official who resides in Beaver, Iron, Washington, Garfield, or Kane
3772 County; and

3773 (j) a locally elected official from each of the two counties that produced the most
3774 mineral lease money during the previous four-year period, prior to the term of appointment, as
3775 determined by ~~[the department]~~ GOED.

3776 (2) (a) The members specified under Subsections (1)(f) through (j) may not reside in
3777 the same county and shall be:

3778 (i) nominated by the Board of Directors of the Southeastern Association of

3779 Governments, Central Utah Association of Governments, Uintah Basin Association of
3780 Governments, and Southwestern Association of Governments, respectively, except that a
3781 member under Subsection (1)(j) shall be nominated by the Board of Directors of the
3782 Association of Governments from the region of the state in which the county is located; and

3783 (ii) appointed by the governor with the consent of the Senate.

3784 (b) Except as required by Subsection (2)(c), as terms of current board members expire,
3785 the governor shall appoint each new member or reappointed member to a four-year term.

3786 (c) Notwithstanding the requirements of Subsection (2)(b), the governor shall, at the
3787 time of appointment or reappointment, adjust the length of terms to ensure that the terms of
3788 board members are staggered so that approximately half of the board is appointed every two
3789 years.

3790 (d) When a vacancy occurs in the membership for any reason, the replacement shall be
3791 appointed for the unexpired term.

3792 (3) The terms of office for the members of the impact board specified under
3793 Subsections (1)(a) through (1)(e) shall run concurrently with the terms of office for the
3794 councils, boards, committees, commission, departments, or offices from which the members
3795 come.

3796 (4) The executive director [~~of the department~~], or the executive director's designee, is
3797 the chair of the impact board.

3798 (5) A member may not receive compensation or benefits for the member's service, but
3799 may receive per diem and travel expenses in accordance with:

3800 (a) Section [63A-3-106](#);

3801 (b) Section [63A-3-107](#); and

3802 (c) rules made by the Division of Finance pursuant to Sections [63A-3-106](#) and
3803 [63A-3-107](#).

3804 Section 65. Section **63N-4-505**, which is renumbered from Section 35A-8-305 is
3805 renumbered and amended to read:

3806 ~~[35A-8-305]~~. **63N-4-505. Duties -- Loans -- Interest.**

3807 (1) The impact board shall:

3808 (a) make grants and loans from the amounts appropriated by the Legislature out of the
3809 impact fund to state agencies, subdivisions, and interlocal agencies that are or may be socially

3810 or economically impacted, directly or indirectly, by mineral resource development for:

3811 (i) planning;

3812 (ii) construction and maintenance of public facilities; and

3813 (iii) provision of public services;

3814 (b) establish the criteria by which the loans and grants will be made;

3815 (c) determine the order in which projects will be funded;

3816 (d) in conjunction with other agencies of the state, subdivisions, or interlocal agencies,

3817 conduct studies, investigations, and research into the effects of proposed mineral resource

3818 development projects upon local communities;

3819 (e) sue and be sued in accordance with applicable law;

3820 (f) qualify for, accept, and administer grants, gifts, loans, or other funds from:

3821 (i) the federal government; and

3822 (ii) other sources, public or private; and

3823 (g) perform other duties assigned to it under Sections 11-13-306 and 11-13-307.

3824 (2) Money, including all loan repayments and interest, in the impact fund derived from

3825 bonus payments may be used for any of the purposes set forth in Subsection (1)(a) but may

3826 only be given in the form of loans to be paid back into the impact fund by the agency,

3827 subdivision, or interlocal agency.

3828 (3) The average annual return to the impact fund on all bonus money may not be less

3829 than 1/2 of the average interest rate paid by the state on general obligation bonds issued during

3830 the most recent fiscal year in which bonds were sold.

3831 (4) (a) "Provision of public services" under Subsection (1)(a) includes contracts with

3832 public postsecondary institutions to fund research, education, or public service programs that

3833 benefit impacted counties or political subdivisions of the counties.

3834 (b) Each contract under Subsection (4)(a) shall be:

3835 (i) based on an application to the impact board from the impacted county; and

3836 (ii) approved by the county legislative body.

3837 (c) For purposes of this section, a land use plan is a public service program.

3838 Section 66. Section **63N-4-506**, which is renumbered from Section 35A-8-306 is

3839 renumbered and amended to read:

3840 ~~[35A-8-306]~~. **63N-4-506. Powers.**

3841 The impact board may:

3842 (1) appoint~~[, where it considers this appropriate,]~~ a hearing examiner or administrative
3843 law judge with authority to conduct hearings, make determinations, and enter appropriate
3844 findings of facts, conclusions of law, and orders under authority of the impact board under
3845 Sections [11-13-306](#) and [11-13-307](#);

3846 (2) appoint additional professional and administrative staff necessary to effectuate
3847 Sections [11-13-306](#) and [11-13-307](#);

3848 (3) make independent studies regarding matters submitted to ~~[it]~~ the impact board
3849 under Sections [11-13-306](#) and [11-13-307](#) ~~[that],~~ which the impact board, in ~~[its]~~ the discretion
3850 of the impact board, considers necessary, and which studies shall be made a part of the record
3851 and may be considered in the impact board's determination; and

3852 (4) make rules under Title 63G, Chapter 3, Utah Administrative Rulemaking Act ~~[it]~~,
3853 that the impact board considers necessary to perform ~~[its]~~ the impact board's responsibilities
3854 under Sections [11-13-306](#) and [11-13-307](#).

3855 Section 67. Section ~~63N-4-507~~, which is renumbered from Section 35A-8-307 is
3856 renumbered and amended to read:

3857 ~~[35A-8-307]~~. **63N-4-507. Impact fund administered by impact board --**
3858 **Eligibility for assistance -- Review by board -- Administration costs -- Annual report.**

3859 (1) (a) The impact board shall:

3860 (i) administer the impact fund in a manner that will keep a portion of the impact fund
3861 revolving;

3862 (ii) determine provisions for repayment of loans;

3863 (iii) establish criteria for determining eligibility for assistance under this part; and

3864 (iv) consider recommendations from the School and Institutional Trust Lands
3865 Administration when awarding a grant described in Subsection ~~[35A-8-303(6)]~~ [63N-4-503\(6\)](#).

3866 (b) (i) The criteria for awarding loans or grants made from funds described in
3867 Subsection ~~[35A-8-303(5)]~~ [63N-4-503\(5\)](#) shall be consistent with the requirements of
3868 Subsection ~~[35A-8-303(5)]~~ [63N-4-503\(5\)](#).

3869 (ii) The criteria for awarding grants made from funds described in Subsection
3870 ~~[35A-8-303(2)(c)]~~ [63N-4-503\(2\)\(c\)](#) shall be consistent with the requirements of Subsection
3871 ~~[35A-8-303(6)]~~ [63N-4-503\(6\)](#).

3872 (c) In order to receive assistance under this part, subdivisions and interlocal agencies
3873 shall submit formal applications containing the information that the impact board requires.

3874 (2) In determining eligibility for loans and grants under this part, the impact board shall
3875 consider the following:

3876 (a) the subdivision's or interlocal agency's current mineral lease production;

3877 (b) the feasibility of the actual development of a resource that may impact the
3878 subdivision or interlocal agency directly or indirectly;

3879 (c) current taxes being paid by the subdivision's or interlocal agency's residents;

3880 (d) the borrowing capacity of the subdivision or interlocal agency, including:

3881 (i) its ability and willingness to sell bonds or other securities in the open market; and

3882 (ii) its current and authorized indebtedness;

3883 (e) all possible additional sources of state and local revenue, including utility user
3884 charges;

3885 (f) the availability of federal assistance funds;

3886 (g) probable growth of population due to actual or prospective natural resource
3887 development in an area;

3888 (h) existing public facilities and services;

3889 (i) the extent of the expected direct or indirect impact upon public facilities and
3890 services of the actual or prospective natural resource development in an area; and

3891 (j) the extent of industry participation in an impact alleviation plan, either as specified
3892 in Title 63M, Chapter 5, Resource Development Act, or otherwise.

3893 (3) The impact board may not fund an education project that could otherwise have
3894 reasonably been funded by a school district through a program of annual budgeting, capital
3895 budgeting, bonded indebtedness, or special assessments.

3896 (4) The impact board may restructure all or part of the agency's or subdivision's
3897 liability to repay loans for extenuating circumstances.

3898 (5) The impact board shall:

3899 (a) review the proposed uses of the impact fund for loans or grants before approving
3900 them and may condition [its] approval on whatever assurances the impact board considers
3901 necessary to ensure that proceeds of the loan or grant will be used in accordance with the
3902 Leasing Act and this part; and

3903 (b) ensure that each loan specifies the terms for repayment and is evidenced by general
 3904 obligation, special assessment, or revenue bonds, notes, or other obligations of the appropriate
 3905 subdivision or interlocal agency issued to the impact board under whatever authority for the
 3906 issuance of those bonds, notes, or obligations exists at the time of the loan.

3907 (6) The impact board shall allocate from the impact fund to the department those funds
 3908 that are appropriated by the Legislature for the administration of the impact fund, but this
 3909 amount may not exceed 2% of the annual receipts to the impact fund.

3910 (7) [~~The department~~] GOED shall include in the annual written report described in
 3911 Section [~~35A-1-109~~] 63N-1-301, the number and type of loans and grants made as well as a list
 3912 of subdivisions and interlocal agencies that received this assistance.

3913 Section 68. Section **63N-4-508**, which is renumbered from Section 35A-8-308 is
 3914 renumbered and amended to read:

3915 ~~[35A-8-308].~~ **63N-4-508. Throughput Infrastructure Fund.**

3916 (1) There is created an enterprise fund known as the Throughput Infrastructure Fund.

3917 (2) The fund consists of money generated from the following revenue sources:

3918 (a) all amounts transferred to the fund under Subsection 59-12-103(12);

3919 (b) any voluntary contributions received;

3920 (c) appropriations made to the fund by the Legislature; and

3921 (d) all amounts received from the repayment of loans made by the impact board under
 3922 Section [~~35A-8-309~~] 63N-4-509.

3923 (3) The state treasurer shall:

3924 (a) invest the money in the fund by following the procedures and requirements of Title
 3925 51, Chapter 7, State Money Management Act; and

3926 (b) deposit all interest or other earnings derived from those investments into the fund.

3927 Section 69. Section **63N-4-509**, which is renumbered from Section 35A-8-309 is
 3928 renumbered and amended to read:

3929 ~~[35A-8-309].~~ **63N-4-509. Throughput Infrastructure Fund administered**
 3930 **by impact board -- Uses -- Review by board -- Annual report.**

3931 (1) The impact board shall:

3932 (a) make grants and loans from the Throughput Infrastructure Fund created in Section
 3933 [~~35A-8-308~~] 63N-4-508 for a throughput infrastructure project;

3934 (b) use money transferred to the Throughput Infrastructure Fund in accordance with
3935 Subsection 59-12-103(12) to provide a loan or grant to finance the cost of acquisition or
3936 construction of a throughput infrastructure project to one or more local political subdivisions,
3937 including a Utah interlocal entity created under Title 11, Chapter 13, Interlocal Cooperation
3938 Act;

3939 (c) administer the Throughput Infrastructure Fund in a manner that will keep a portion
3940 of the fund revolving;

3941 (d) determine provisions for repayment of loans;

3942 (e) establish criteria for awarding loans and grants; and

3943 (f) establish criteria for determining eligibility for assistance under this section.

3944 (2) The cost of acquisition or construction of a throughput infrastructure project
3945 includes amounts for working capital, reserves, transaction costs, and other amounts
3946 determined by the impact board to be allocable to a throughput infrastructure project.

3947 (3) The impact board may restructure or forgive all or part of a local political
3948 subdivision's or interlocal entity's obligation to repay loans for extenuating circumstances.

3949 (4) In order to receive assistance under this section, a local political subdivision or an
3950 interlocal entity shall submit a formal application containing the information that the impact
3951 board requires.

3952 (5) (a) The impact board shall:

3953 (i) review the proposed uses of the Throughput Infrastructure Fund for a loan or grant
3954 before approving the loan or grant and may condition its approval on whatever assurances the
3955 impact board considers necessary to ensure that proceeds of the loan or grant will be used in
3956 accordance with this section;

3957 (ii) ensure that each loan specifies terms for interest deferments, accruals, and
3958 scheduled principal repayment; and

3959 (iii) ensure that repayment terms are evidenced by bonds, notes, or other obligations of
3960 the appropriate local political subdivision or interlocal entity issued to the impact board and
3961 payable from the net revenues of a throughput infrastructure project.

3962 (b) An instrument described in Subsection (5)(a)(iii) may be:

3963 (i) non-recourse to the local political subdivision or interlocal entity; and

3964 (ii) limited to a pledge of the net revenues from a throughput infrastructure project.

3965 (6) (a) Subject to the restriction in Subsection (6)(b), the impact board shall allocate
 3966 from the Throughput Infrastructure Fund to the impact board those amounts that are
 3967 appropriated by the Legislature for the administration of the Throughput Infrastructure Fund.

3968 (b) The amount described in Subsection (6)(a) may not exceed 2% of the annual
 3969 receipts to the fund.

3970 (7) [~~The board~~] GOED shall include in the annual written report described in Section
 3971 [~~35A-1-109~~] 63N-1-301:

3972 (a) the number and type of loans and grants made under this section; and

3973 (b) a list of local political subdivisions or interlocal entities that received assistance
 3974 under this section.

3975 Section 70. Section **63N-14-101**, which is renumbered from Section 35A-8-2101 is
 3976 renumbered and amended to read:

3977 **CHAPTER 14. PRIVATE ACTIVITY BONDS**

3978 [~~35A-8-2101~~]. **63N-14-101. Title -- Purpose.**

3979 (1) This [~~part~~] chapter is known as "Private Activity Bonds."

3980 (2) This [~~part~~] chapter establishes procedures to effectively and equitably allocate this
 3981 state's private activity bond volume cap authorized by the Internal Revenue Code of 1986 in
 3982 order to maximize the social and economic benefits to this state.

3983 Section 71. Section **63N-14-102**, which is renumbered from Section 35A-8-2102 is
 3984 renumbered and amended to read:

3985 [~~35A-8-2102~~]. **63N-14-102. Definitions.**

3986 As used in this part:

3987 (1) "Allocated volume cap" means a volume cap for which:

3988 (a) a certificate of allocation is in effect; or

3989 (b) bonds have been issued.

3990 (2) "Allotment accounts" means the various accounts created in Section [~~35A-8-2106~~]
 3991 63N-14-106.

3992 (3) "Board of review" means the Private Activity Bond Review Board created in
 3993 Section [~~35A-8-2103~~] 63N-14-103.

3994 (4) "Bond" means any obligation for which an allocation of volume cap is required by
 3995 the code.

3996 (5) "Code" means the Internal Revenue Code of 1986, as amended, and any related
3997 Internal Revenue Service regulations.

3998 (6) "Form 8038" means the Department of the Treasury tax form 8038 (OMB No.
3999 1545-0720) or any other federal tax form or other method of reporting required by the
4000 Department of the Treasury under Section 149(e) of the code.

4001 (7) "Issuing authority" means:

4002 (a) any county, city, or town in the state;

4003 (b) any not-for-profit corporation or joint agency, or other entity acting on behalf of
4004 one or more counties, cities, towns, or any combination of these;

4005 (c) the state; or

4006 (d) any other entity authorized to issue bonds under state law.

4007 (8) "State" means the state of Utah and any of its agencies, institutions, and divisions
4008 authorized to issue bonds or certificates under state law.

4009 (9) "Volume cap" means the private activity bond volume cap for the state as computed
4010 under Section 146 of the code.

4011 (10) "Year" means each calendar year.

4012 Section 72. Section **63N-14-103**, which is renumbered from Section 35A-8-2103 is
4013 renumbered and amended to read:

4014 ~~[35A-8-2103]~~. **63N-14-103. Private Activity Bond Review Board.**

4015 (1) There is created within the ~~[department]~~ office the Private Activity Bond Review
4016 Board, composed of the following 11 members:

4017 (a) (i) the executive director ~~[of the department]~~ of the office or the executive director's
4018 designee;

4019 (ii) the executive director of the ~~[Governor's Office of Economic Development]~~

4020 Department of Workforce Services or the executive director's designee;

4021 (iii) the state treasurer or the state treasurer's designee;

4022 (iv) the chair of the Board of Regents or the chair's designee; and

4023 (v) the chair of the Utah Housing Corporation or the chair's designee; and

4024 (b) six local government members who are:

4025 (i) three elected or appointed county officials, nominated by the Utah Association of

4026 Counties and appointed by the governor with the consent of the Senate; and

4027 (ii) three elected or appointed municipal officials, nominated by the Utah League of
4028 Cities and Towns and appointed by the governor with the consent of the Senate.

4029 (2) (a) Except as required by Subsection (2)(b), the terms of office for the local
4030 government members of the board of review shall be four-year terms.

4031 (b) Notwithstanding the requirements of Subsection (2)(a), the governor shall, at the
4032 time of appointment or reappointment, adjust the length of terms to ensure that the terms of
4033 board of review members are staggered so that approximately half of the board of review is
4034 appointed every two years.

4035 (c) Members may be reappointed only once.

4036 (3) (a) If a local government member ceases to be an elected or appointed official of
4037 the city or county the member is appointed to represent, that membership on the board of
4038 review terminates immediately and there shall be a vacancy in the membership.

4039 (b) When a vacancy occurs in the membership for any reason, the replacement shall be
4040 appointed within 30 days in the manner of the regular appointment for the unexpired term.

4041 (4) (a) The chair of the board of review is the executive director of the [department]
4042 office or the executive director's designee.

4043 (b) The chair is nonvoting except in the case of a tie vote.

4044 (5) Six members of the board of review constitute a quorum.

4045 (6) Formal action by the board of review requires a majority vote of a quorum.

4046 (7) A member may not receive compensation or benefits for the member's service, but
4047 may receive per diem and travel expenses in accordance with:

4048 (a) Section 63A-3-106;

4049 (b) Section 63A-3-107; and

4050 (c) rules made by the Division of Finance under Sections 63A-3-106 and 63A-3-107.

4051 (8) The chair of the board of review serves as the state official designated under state
4052 law to make certifications required to be made under Section 146 of the code including the
4053 certification required by Section 149(e)(2)(F) of the code.

4054 Section 73. Section 63N-14-104, which is renumbered from Section 35A-8-2104 is
4055 renumbered and amended to read:

4056 ~~[35A-8-2104]~~. 63N-14-104. Powers, functions, and duties of the board of
4057 review.

4058 The board of review shall:

4059 (1) make, subject to the limitations of the code, allocations of volume cap to issuing
4060 authorities;

4061 (2) determine the amount of volume cap to be allocated with respect to approved
4062 applications;

4063 (3) maintain a record of all applications filed by issuing authorities under Section
4064 ~~[35A-8-2105]~~ 63N-14-105 and all certificates of allocation issued under Section ~~[35A-8-2107]~~
4065 63N-14-107;

4066 (4) maintain a record of all bonds issued by issuing authorities during each year;

4067 (5) determine the amount of volume cap to be treated as a carryforward under Section
4068 146(f) of the code and allocate this carryforward to one or more qualified carryforward
4069 purposes;

4070 (6) make available upon reasonable request a certified copy of all or any part of the
4071 records maintained by the board of review under this part or a summary of them, including
4072 information relating to the volume cap for each year and any amounts available for allocation
4073 under this part;

4074 (7) make rules for the allocation of volume cap under this part; and

4075 (8) charge reasonable fees for the performance of duties prescribed by this part,
4076 including application, filing, and processing fees.

4077 Section 74. Section **63N-14-105**, which is renumbered from Section 35A-8-2105 is
4078 renumbered and amended to read:

4079 ~~[35A-8-2105]~~. **63N-14-105. Allocation of volume cap.**

4080 (1) (a) Subject to Subsection (1)(b), the volume cap for each year shall be distributed
4081 by the board of review to the allotment accounts as described in Section ~~[35A-8-2106]~~
4082 63N-14-106.

4083 (b) The board of review may distribute up to 50% of each increase in the volume cap
4084 for use in development that occurs in quality growth areas, depending upon the board's analysis
4085 of the relative need for additional volume cap between development in quality growth areas
4086 and the allotment accounts under Section ~~[35A-8-2106]~~ 63N-14-106.

4087 (2) To obtain an allocation of the volume cap, issuing authorities shall submit to the
4088 board of review an application containing information required by the procedures and

4089 processes of the board of review.

4090 (3) (a) The board of review shall establish criteria for making allocations of volume
4091 cap that are consistent with the purposes of the code and this part.

4092 (b) In making an allocation of volume cap the board of review shall consider the
4093 following:

4094 (i) the principal amount of the bonds proposed to be issued;

4095 (ii) the nature and the location of the project or the type of program;

4096 (iii) the likelihood that the bonds will be sold and the timeframe of bond issuance;

4097 (iv) whether the project or program could obtain adequate financing without an
4098 allocation of volume cap;

4099 (v) the degree to which an allocation of volume cap is required for the project or
4100 program to proceed or continue;

4101 (vi) the social, health, economic, and educational effects of the project or program on
4102 the local community and state as a whole;

4103 (vii) the anticipated economic development created or retained within the local
4104 community and the state as a whole;

4105 (viii) the anticipated number of jobs, both temporary and permanent, created or
4106 retained within the local community and the state as a whole;

4107 (ix) if the project is a residential rental project, the degree to which the residential
4108 rental project:

4109 (A) targets lower income populations; and

4110 (B) is accessible housing; and

4111 (x) whether the project meets the principles of quality growth recommended by the
4112 Quality Growth Commission created in Section [11-38-201](#).

4113 (4) The board of review shall provide evidence of an allocation of volume cap by
4114 issuing a certificate in accordance with Section [\[35A-8-2107\]](#) [63N-14-107](#).

4115 (5) (a) From January 1 to June 30 of each year, the board of review shall set aside at
4116 least 50% of the Small Issue Bond Account that may only be allocated to manufacturing
4117 projects.

4118 (b) From July 1 to August 15 of each year, the board of review shall set aside at least
4119 50% of the Pool Account that may only be allocated to manufacturing projects.

4120 Section 75. Section **63N-14-106**, which is renumbered from Section 35A-8-2106 is
4121 renumbered and amended to read:

4122 ~~[35A-8-2106]~~. **63N-14-106. Allotment accounts.**

4123 (1) There are created the following allotment accounts:

4124 (a) the Single Family Housing Account, for which eligible issuing authorities are those
4125 authorized under the code and state statute to issue qualified mortgage bonds under Section 143
4126 of the code;

4127 (b) the Student Loan Account, for which eligible issuing authorities are those
4128 authorized under the code and state statute to issue qualified student loan bonds under Section
4129 144(b) of the code;

4130 (c) the Small Issue Bond Account, for which eligible issuing authorities are those
4131 authorized under the code and state statute to issue:

4132 (i) qualified small issue bonds under Section 144(a) of the code;

4133 (ii) qualified exempt facility bonds for qualified residential rental projects under
4134 Section 142(d) of the code; or

4135 (iii) qualified redevelopment bonds under Section 144(c) of the code;

4136 (d) the Exempt Facilities Account, for which eligible issuing authorities are those
4137 authorized under the code and state statute to issue any bonds requiring an allocation of volume
4138 cap other than for purposes described in ~~[Subsections]~~ Subsection (1)(a), (b), or (c);

4139 (e) the Pool Account, for which eligible issuing authorities are those authorized under
4140 the code and state statute to issue any bonds requiring an allocation of volume cap; and

4141 (f) the Carryforward Account, for which eligible issuing authorities are those with
4142 projects or programs qualifying under Section 146(f) of the code.

4143 (2) (a) The volume cap shall be distributed to the allotment accounts on January 1 of
4144 each year on the following basis:

4145 (i) 42% to the Single Family Housing Account;

4146 (ii) 33% to the Student Loan Account;

4147 (iii) 1% to the Exempt Facilities Account; and

4148 (iv) 24% to the Small Issue Bond Account.

4149 (b) From July 1 to September 30 of each year, the board of review may transfer any
4150 unallocated volume cap from the Exempt Facilities Account or the Small Issue Bond Account

4151 to the Pool Account.

4152 (c) Upon written notification by the issuing authorities eligible for volume cap
4153 allocation from the Single Family Housing Account or the Student Loan Account that all or a
4154 portion of volume cap distributed into that allotment account will not be used, the board of
4155 review may transfer the unused volume cap between the Single Family Housing Account and
4156 the Student Loan Account.

4157 (d) From October 1 to the third Friday of December of each year, the board of review
4158 shall transfer all unallocated volume cap into the Pool Account.

4159 (e) On the third Saturday of December of each year, the board of review shall transfer
4160 uncollected volume cap, or allocated volume cap for which bonds have not been issued prior to
4161 the third Saturday of December, into the Carryforward Account.

4162 (f) If the authority to issue bonds designated in any allotment account is rescinded by
4163 amendment to the code, the board of review may transfer any unallocated volume cap from that
4164 allotment account to any other allotment account.

4165 Section 76. Section **63N-14-107**, which is renumbered from Section 35A-8-2107 is
4166 renumbered and amended to read:

4167 ~~[35A-8-2107]~~. **63N-14-107. Certificates of allocation.**

4168 (1) (a) After an allocation of volume cap for a project or program is approved by the
4169 board of review, the board of review shall issue a numbered certificate of allocation stating the
4170 amount of the allocation, the allotment account for which the allocation is being made, and the
4171 expiration date of the allocation.

4172 (b) The certificates of allocation shall be mailed to the issuing authority within 10
4173 working days of the date of approval.

4174 (c) Bonds are not entitled to any allocation of the volume cap unless the issuing
4175 authority received a certificate of allocation with respect to the bonds.

4176 (d) (i) Certificates of allocation shall remain in effect for a period of 90 days from the
4177 date of approval.

4178 (ii) If bonds for which a certificate has been approved are not issued within the 90-day
4179 period, the certificate of allocation is void and volume cap shall be returned to the applicable
4180 allotment account for reallocation by the board of review.

4181 (2) (a) An issuing authority receiving an allocation of volume cap from the

4182 Carryforward Account shall receive a certificate of allocation similar to the certificates of
4183 allocation described in Subsection (1) from the board of review stating the amount of allocation
4184 from the Carryforward Account that has been allocated to the issuing authority and the
4185 expiration of the allocation.

4186 (b) (i) If in the judgment of the board of review an issuing authority or a person or
4187 entity responsible for a project or program receiving an allocation from the Carryforward
4188 Account does not proceed with diligence in providing for the issuance of the bonds with
4189 respect to the project or program, and because of the lack of diligence the volume cap cannot
4190 be used, the board of review may exclude from the board of review's consideration for a given
4191 period of time, determined by the board of review, an application of the issuing authority,
4192 person, or entity.

4193 (ii) The board of review may, at any time, review and modify the board of review's
4194 decisions relating to the exclusion described in this Subsection (2)(b).

4195 Section 77. Section **63N-14-108**, which is renumbered from Section 35A-8-2108 is
4196 renumbered and amended to read:

4197 ~~[35A-8-2108]~~. **63N-14-108**. **Issuing authorities -- Limitations -- Duties.**

4198 (1) (a) Notwithstanding any law to the contrary, an issuing authority issuing bonds
4199 without a certificate of allocation issued under Section ~~[35A-8-2107]~~ 63N-14-107, or an
4200 issuing authority issuing bonds after the expiration of a certificate of allocation, is not entitled
4201 to an allocation of the volume cap for those bonds.

4202 (b) An issuing authority issuing bonds in excess of the amount set forth in the related
4203 certificate of allocation is not entitled to an allocation of the volume cap for the excess.

4204 (2) Each issuing authority shall:

4205 (a) advise the board of review, within 15 days after the issuance of bonds, of the
4206 principal amount of bonds issued under each certificate of allocation by delivering to the board
4207 of review a copy of the Form 8038 that was delivered or shall be delivered to the Internal
4208 Revenue Service in connection with the bonds, or, if no Form 8038 is required to be delivered
4209 to the Internal Revenue Service, a completed copy of a Form 8038 prepared for the board of
4210 review with respect to the bonds; and

4211 (b) if all or a stated portion of the bonds for which a certificate of allocation was
4212 received will not be issued, advise the board of review in writing, within 15 days of the earlier

4213 of:

4214 (i) the final decision not to issue all or a stated portion of the bonds; or

4215 (ii) the expiration of the certificate of allocation.

4216 (3) Failure by an issuing authority to notify the board of review under Subsection (2),
4217 including failure to timely deliver a Form 8038, may, in the sole discretion of the board of
4218 review, result in the board of review denying further consideration of applications from the
4219 issuing authority.

4220 Section 78. Section **63N-14-109**, which is renumbered from Section 35A-8-2109 is
4221 renumbered and amended to read:

4222 ~~[35A-8-2109]~~. **63N-14-109. Procedures -- Adjudicative proceedings.**

4223 The board of review shall comply with the procedures and requirements of Title 63G,
4224 Chapter 4, Administrative Procedures Act, in the board of review's adjudicative proceedings.

4225 Section 79. Section **63N-14-110**, which is renumbered from Section 35A-8-2110 is
4226 renumbered and amended to read:

4227 ~~[35A-8-2110]~~. **63N-14-110. Duties of the office.**

4228 (1) The ~~[department]~~ office is recognized as an issuing authority as defined in Section
4229 ~~[35A-8-2102]~~ 63N-14-102, entitled to issue bonds from the Small Issue Bond Account created
4230 in Subsection ~~[35A-8-2106]~~ 63N-14-106(1)(c) as a part of the state's private activity bond
4231 volume cap authorized by the Internal Revenue Code and computed under Section 146, Internal
4232 Revenue Code.

4233 (2) To promote and encourage the issuance of bonds from the Small Issue Bond
4234 Account for manufacturing projects, the ~~[department]~~ office may:

4235 (a) develop campaigns and materials that inform qualified small manufacturing
4236 businesses about the existence of the program and the application process;

4237 (b) assist small businesses in applying for and qualifying for these bonds; and

4238 (c) develop strategies to lower the cost to small businesses of applying for and
4239 qualifying for these bonds, including making arrangements with financial advisors,
4240 underwriters, bond counsel, and other professionals involved in the issuance process to provide
4241 services at a reduced rate when the ~~[department]~~ office can provide such service providers
4242 with a high volume of applicants or issues.

4243 Section 80. Section **63N-15-101** is enacted to read:

4244 CHAPTER 15. UTAH OFFICE OF ENERGY DEVELOPMENT

4245 Part 1. General Provisions

4246 **63N-15-101. Title.**4247 This chapter is known as the "Utah Office of Energy Development."4248 Section 81. Section **63N-15-102** is enacted to read:4249 **63N-15-102. Definitions.**4250 As used in this chapter:4251 (1) "Director" means the director of the energy development office.4252 (2) "Energy development office" means the Utah Office of Energy Development
4253 created in Section [63N-15-201](#).4254 (3) "Executive director" means the executive director of GOED.4255 Section 82. Section **63N-15-201**, which is renumbered from Section 63M-4-401 is
4256 renumbered and amended to read:4257 **Part 2. Office of Energy Development**4258 ~~**[63M-4-401].**~~ **63N-15-201. Office of Energy Development -- Creation --**4259 **Director -- Purpose -- Rulemaking regarding confidential information -- Fees.**4260 (1) There is created ~~[an]~~ within GOED the Utah Office of Energy Development.4261 (2) (a) The governor's energy advisor shall serve as the director of the energy
4262 development office or appoint a director of the energy development office.

4263 (b) The director:

4264 (i) shall, if the governor's energy advisor appoints a director under Subsection (2)(a),
4265 report to the governor's energy advisor; and

4266 (ii) may appoint staff as funding within existing budgets allows.

4267 (c) The energy development office may consolidate energy staff and functions existing
4268 in the state energy program.4269 (3) The ~~[purposes of the]~~ energy development office ~~[are to]~~ shall:4270 (a) serve as the primary resource for advancing energy and mineral development in the
4271 state;

4272 (b) implement:

4273 (i) the state energy policy under Section [63M-4-301](#); and

4274 (ii) the governor's energy and mineral development goals and objectives;

4275 (c) advance energy education, outreach, and research, including the creation of
4276 elementary, higher education, and technical college energy education programs;

4277 (d) promote energy and mineral development workforce initiatives; and

4278 (e) support collaborative research initiatives targeted at Utah-specific energy and
4279 mineral development.

4280 (4) By following the procedures and requirements of Title 63J, Chapter 5, Federal
4281 Funds Procedures Act, the energy development office may:

4282 (a) seek federal grants or loans;

4283 (b) seek to participate in federal programs; and

4284 (c) in accordance with applicable federal program guidelines, administer federally
4285 funded state energy programs.

4286 (5) The energy development office shall perform the duties required by [Sections]
4287 Section 11-42a-106, Section 59-7-614.7, Section 59-10-1029, Title 63M, Chapter 4, Part 5,
4288 Alternative Energy Development Tax Credit Act, and Title 63M, Chapter 5, Part 6, High Cost
4289 Infrastructure Development Tax Credit Act.

4290 (6) (a) For purposes of administering this section, [~~the office~~] GOED may make rules,
4291 by following the procedures and requirements of Title 63G, Chapter 3, Utah Administrative
4292 Rulemaking Act, to maintain as confidential, and not as a public record, information that the
4293 energy development office receives from any source.

4294 (b) The energy development office shall maintain information the energy development
4295 office receives from any source at the level of confidentiality assigned by the source.

4296 (7) The energy development office may charge application, filing, and processing fees
4297 in amounts determined by the energy development office in accordance with Section 63J-1-504
4298 as dedicated credits for performing energy development office duties described in this part.

4299 Section 83. Section **63N-15-202**, which is renumbered from Section 63M-4-402 is
4300 renumbered and amended to read:

4301 ~~[63M-4-402]~~. **63N-15-202. In-state generator need -- Merchant electric**
4302 **transmission line.**

4303 (1) As used in this section:

4304 (a) "Capacity allocation process" means the process outlined by the Federal Energy
4305 Regulatory Commission in its final policy statement dated January 17, 2013, "Allocation of

4306 Capacity on New Merchant Transmission Projects and New Cost-Based, Participant-Funded
4307 Transmission Projects, Priority Rights to New Participant-Funded Transmission," 142 F.E.R.C.
4308 P61,038 (2013).

4309 (b) "Certificate of in-state need" means a certificate issued by the energy development
4310 office in accordance with this section identifying an in-state generator that meets the
4311 requirements and qualifications of this section.

4312 (c) "Expression of need" means a document prepared and submitted to the energy
4313 development office by an in-state merchant generator that describes or otherwise documents
4314 the transmission needs of the in-state merchant generator in conformance with the requirements
4315 of this section.

4316 (d) "In-state merchant generator" means an electric power provider that generates
4317 power in Utah and does not provide service to retail customers within the boundaries of Utah.

4318 (e) "Merchant electric transmission line" means a transmission line that does not
4319 provide electricity to retail customers within the boundaries of Utah.

4320 ~~[(f) "Office" means the Office of Energy Development established in Section~~
4321 ~~63M-4-401.]~~

4322 ~~[(g)]~~ (f) "Open solicitation notice" means a document prepared and submitted to the
4323 energy development office by a merchant electric transmission line regarding the
4324 commencement of the line's open solicitation in compliance with 142 F.E.R.C. P61,038 (2013).

4325 (2) As part of the capacity allocation process, a merchant electric transmission line
4326 shall file an open solicitation notice with the energy development office containing a
4327 description of the merchant electric transmission line, including:

4328 (a) the proposed capacity;

4329 (b) the location of potential interconnection for in-state merchant generators;

4330 (c) the planned date for commencement of construction; and

4331 (d) the planned commercial operations date.

4332 (3) Upon receipt of the open solicitation notice, the energy development office shall:

4333 (a) publish the notice on the Utah Public Notice Website created under Section
4334 ~~63F-1-701;~~

4335 (b) include in the notice contact information; and

4336 (c) provide the deadline date for submission of an expression of need.

4337 (4) (a) In response to the open solicitation notice published by the energy development
4338 office, and no later than 30 days after publication of the notice, an in-state merchant generator
4339 may submit an expression of need to the energy development office.

4340 (b) An expression of need submitted under Subsection (4)(a) shall include:

4341 (i) a description of the in-state merchant generator; and

4342 (ii) a schedule of transmission capacity requirement provided in megawatts, by point of
4343 receipt and point of delivery and by operating year.

4344 (5) No later than 60 days after notice is published under Subsection (3), the energy
4345 development office shall prepare a certificate of in-state need identifying the in-state merchant
4346 generators.

4347 (6) Within five days of preparing the certificate of in-state need, the energy
4348 development office shall:

4349 (a) publish the certificate on the Utah Public Notice Website created under Section
4350 [63F-1-701](#); and

4351 (b) provide the certificate to the merchant electric transmission line for consideration in
4352 the capacity allocation process.

4353 (7) The merchant electric transmission line shall:

4354 (a) provide the Federal Energy Regulatory Commission with a copy of the certificate of
4355 in-state need; and

4356 (b) certify that the certificate is being provided to the Federal Energy Regulatory
4357 Commission in accordance with the requirements of this section, including a citation to this
4358 section.

4359 (8) At the conclusion of the capacity allocation process, and unless prohibited by a
4360 contractual obligation of confidentiality, the merchant electric transmission line shall report to
4361 the energy development office whether a merchant in-state generator reflected on the certificate
4362 of in-state need has entered into a transmission service agreement with the merchant electric
4363 transmission line.

4364 (9) This section may not be interpreted to:

4365 (a) create an obligation of a merchant electric transmission line to pay for, or construct
4366 any portion of, the transmission line on behalf of an in-state merchant generator; or

4367 (b) preempt, supersede, or otherwise conflict with Federal Energy Regulatory

4368 Commission rules and regulations applicable to a commercial transmission agreement,
4369 including agreements, or terms of agreements, as to cost, terms, transmission capacity, or key
4370 rates.

4371 (10) Subsections (2) through (9) do not apply to a project entity as defined in Section
4372 [11-13-103](#).

4373 Section 84. **Repealer.**

4374 This bill repeals:

4375 Section [63N-12-201](#), Title.

4376 Section 85. **Effective date.**

4377 This bill takes effect on July 1, 2019.