SB0172S01 compared with SB0172

~~{deleted text}~~ shows text that was in SB0172 but was deleted in SB0172S01.

Inserted text shows text that was not in SB0172 but was inserted into SB0172S01.

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

Senator Ann Millner proposes the following substitute bill:

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;~~

}Heritage and Arts;

- moves the Pete Suazo Utah Athletic Commission from the Governor's Office of Economic Development to the {Division of Occupational and Professional Licensing; and

}Department of Public Safety;

- requires the Governor's Office of Economic Development to develop a written strategic plan;
- creates the Utah Works Program within the Talent Ready Utah Center and describes the duties associated with the program; and
- makes technical changes.

Money Appropriated in this Bill:

{None}This bill appropriates in fiscal year 2020:

- to the Governor's Office of Economic Development -- Talent Ready Utah Center -- Utah Works Program, as a one-time appropriation:
  - from the General Fund, $4,000,000; and
- to the Governor's Office of Economic Development -- Talent Ready Utah Center -- Utah Works Program, as an ongoing appropriation:
  - from the General Fund, $1,000,000.

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

{ **11-13-103**, as last amended by Laws of Utah 2018, Chapter 424

11-42a-102, as last amended by Laws of Utah 2018, Chapter 431

11-45-102, as last amended by Laws of Utah 2012, Chapter 37

11-58-302, as last amended by Laws of Utah 2018, Second Special Session, Chapter 1

53C-3-203, as last amended by Laws of Utah 2013, Chapter 101

59-7-614, as last amended by Laws of Utah 2018, Chapters 426 and 436

59-7-614.7, as last amended by Laws of Utah 2016, Third Special Session, Chapter 1

59-7-619, as last amended by Laws of Utah 2016, Third Special Session, Chapter 1

59-10-1014, as last amended by Laws of Utah 2018, Chapters 426 and 436

~~59-10-1029, as last amended by Laws of Utah 2016, Third Special Session, Chapter 1~~

~~59-10-1034, as last amended by Laws of Utah 2016, Third Special Session, Chapter 1~~

~~59-10-1106, as last amended by Laws of Utah 2016, Third Special Session, Chapter 1~~

~~59-12-103, as amended by Statewide Initiative -- Proposition 3, Nov. 6, 2018~~

~~59-21-2, as last amended by Laws of Utah 2018, Chapter 28~~

~~63A-3-205, as last amended by Laws of Utah 2017, Chapters 56 and 345~~

~~63B-1b-102, as last amended by Laws of Utah 2017, Chapter 345~~

~~}~~ **63J-1-602.1**, as last amended by Laws of Utah 2018, Chapters 114, 347, 430 and repealed and reenacted by Laws of Utah 2018, Chapter 469

~~{63M-4-102}~~63N-1-301, as last amended by Laws of Utah ~~{2012}~~2018, Chapter ~~{37~~

~~63M-4-502, as enacted by Laws of Utah 2012, Chapter 410~~

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

~~63N-2-105, as last amended by Laws of Utah 2016, Chapter 350~~

~~}~~423

ENACTS:

~~{63N-15-101}~~63N-12-505, Utah Code Annotated 1953

~~{ 63N-15-102, Utah Code Annotated 1953~~

~~}~~RENUMBERS AND AMENDS:

~~{53E-10-801}~~9-20-101, (Renumbered from ~~{63N-12-202}~~63N-12-201, as ~~{last amended}~~enacted by Laws of Utah ~~{2018}~~2015, ~~{Chapters 415 and 423}~~Chapter 283)

~~{53E-10-802}~~9-20-102, (Renumbered from ~~{63N-12-203}~~63N-12-202, as last amended by Laws of Utah ~~{2017}~~2018, ~~{Chapter 382}~~Chapters 415 and 423)

~~{53E-10-803}~~9-20-103, (Renumbered from ~~{63N-12-204}~~63N-12-203, as last amended by Laws of Utah 2017, Chapter ~~{353}~~382)

~~{53E-10-804}~~9-20-104, (Renumbered from 63N-12-204~~{.5}~~, as ~~{enacted}~~last amended by Laws of Utah 2017, Chapter 353)

~~{53E-10-805}~~9-20-105, (Renumbered from ~~{63N-12-205}~~63N-12-204.5, as ~~{last amended}~~enacted by Laws of Utah ~~{2016}~~2017, Chapter ~~{139}~~353)

~~{53E-10-806}~~9-20-106, (Renumbered from ~~{63N-12-206}~~63N-12-205, as ~~{renumbered and}~~last amended by Laws of Utah ~~{2015}~~2016, Chapter ~~{283}~~139)

~~{53E-10-807}~~**9-20-107**, (Renumbered from ~~{63N-12-207}~~63N-12-206, as renumbered and amended by Laws of Utah 2015, Chapter 283)

~~{ 53E-10-808, (Renumbered from 63N-12-208, as last amended by Laws of Utah 2015, Chapter 292 and renumbered and amended by Laws of Utah 2015, Chapter 283)~~

~~}~~ ~~{53E-10-809}~~**9-20-108**, (Renumbered from ~~{63N-12-209}~~63N-12-207, as ~~{last}~~renumbered and amended by Laws of Utah ~~{2016}~~2015, Chapter ~~{139)~~

~~53E-10-810}~~283)

9-20-109, (Renumbered from 63N-12-208, as last amended by Laws of Utah 2015, Chapter 292 and renumbered and amended by Laws of Utah 2015, Chapter 283)

9-20-110, (Renumbered from ~~{63N-12-210}~~63N-12-209, as last amended by Laws of Utah ~~{2017}~~2016, Chapter ~~{353}~~139)

~~{53E-10-811}~~**9-20-111**, (Renumbered from ~~{63N-12-211}~~63N-12-210, as ~~{renumbered and}~~last amended by Laws of Utah ~~{2015}~~2017, Chapter ~~{283}~~353)

~~{53E-10-812}~~**9-20-112**, (Renumbered from ~~{63N-12-212}~~63N-12-211, as ~~{last}~~renumbered and amended by Laws of Utah ~~{2017}~~2015, Chapter ~~{382}~~283)

~~{53E-10-813}~~**9-20-113**, (Renumbered from ~~{63N-12-213}~~63N-12-212, as last amended by Laws of Utah ~~{2018}~~2017, Chapter ~~{415}~~382)

~~{53E-10-814}~~**9-20-114**, (Renumbered from ~~{63N-12-214}~~63N-12-213, as ~~{enacted}~~last amended by Laws of Utah ~~{2017}~~2018, Chapter ~~{219}~~415)

~~{58-88-101}~~**9-20-115**, (Renumbered from ~~{63N-10-101}~~63N-12-214, as ~~{renumbered and amended}~~enacted by Laws of Utah ~~{2015}~~2017, Chapter ~~{283}~~219)

~~{58-88-102}~~**53-19-101**, (Renumbered from ~~{63N-10-102}~~63N-10-101, as renumbered and amended by Laws of Utah 2015, Chapter 283)

~~{58-88-201}~~**53-19-102**, (Renumbered from ~~{63N-10-201}~~63N-10-102, as ~~{last}~~renumbered and amended by Laws of Utah ~~{2018}~~2015, Chapter ~~{466}~~283)

~~{58-88-202}~~**53-19-201**, (Renumbered from ~~{63N-10-202}~~63N-10-201, as ~~{renumbered and}~~last amended by Laws of Utah ~~{2015}~~2018, Chapter ~~{283}~~466)

~~{58-88-203}~~**53-19-202**, (Renumbered from ~~{63N-10-203}~~63N-10-202, as renumbered and amended by Laws of Utah 2015, Chapter 283)

~~{58-88-204}~~**53-19-203**, (Renumbered from ~~{63N-10-204}~~63N-10-203, as renumbered and amended by Laws of Utah 2015, Chapter 283)

~~{58-88-205}~~53-19-204, (Renumbered from ~~{63N-10-205}~~63N-10-204, as renumbered and amended by Laws of Utah 2015, Chapter 283)

~~{58-88-301}~~53-19-205, (Renumbered from ~~{63N-10-301}~~63N-10-205, as renumbered and amended by Laws of Utah 2015, Chapter 283)

~~{58-88-302}~~53-19-301, (Renumbered from ~~{63N-10-302}~~63N-10-301, as renumbered and amended by Laws of Utah 2015, Chapter 283)

~~{58-88-303}~~53-19-302, (Renumbered from ~~{63N-10-303}~~63N-10-302, as renumbered and amended by Laws of Utah 2015, Chapter 283)

~~{58-88-304}~~53-19-303, (Renumbered from ~~{63N-10-304}~~63N-10-303, as renumbered and amended by Laws of Utah 2015, Chapter 283)

~~{58-88-305}~~53-19-304, (Renumbered from ~~{63N-10-305}~~63N-10-304, as renumbered and amended by Laws of Utah 2015, Chapter 283)

~~{58-88-306}~~53-19-305, (Renumbered from ~~{63N-10-306}~~63N-10-305, as renumbered and amended by Laws of Utah 2015, Chapter 283)

~~{58-88-307}~~53-19-306, (Renumbered from ~~{63N-10-307}~~63N-10-306, as renumbered and amended by Laws of Utah 2015, Chapter 283)

~~{58-88-308}~~53-19-307, (Renumbered from ~~{63N-10-308}~~63N-10-307, as renumbered and amended by Laws of Utah 2015, Chapter 283)

~~{58-88-309}~~53-19-308, (Renumbered from ~~{63N-10-309}~~63N-10-308, as renumbered and amended by Laws of Utah 2015, Chapter 283)

~~{58-88-310}~~53-19-309, (Renumbered from ~~{63N-10-310}~~63N-10-309, as renumbered and amended by Laws of Utah 2015, Chapter 283)

~~{58-88-311}~~53-19-310, (Renumbered from ~~{63N-10-311}~~63N-10-310, as renumbered and amended by Laws of Utah 2015, Chapter 283)

~~{58-88-312}~~53-19-311, (Renumbered from ~~{63N-10-312}~~63N-10-311, as renumbered and amended by Laws of Utah 2015, Chapter 283)

~~{58-88-313}~~53-19-312, (Renumbered from ~~{63N-10-313}~~63N-10-312, as renumbered and amended by Laws of Utah 2015, Chapter 283)

~~{58-88-314}~~53-19-313, (Renumbered from ~~{63N-10-314}~~63N-10-313, as renumbered and amended by Laws of Utah 2015, Chapter 283)

~~{58-88-315}~~53-19-314, (Renumbered from ~~{63N-10-315}~~63N-10-314, as renumbered

and amended by Laws of Utah 2015, Chapter 283)

~~{**58-88-316**}~~**53-19-315**, (Renumbered from ~~{63N-10-316}~~63N-10-315, as renumbered and amended by Laws of Utah 2015, Chapter 283)

~~{**58-88-317**}~~**53-19-316**, (Renumbered from ~~{63N-10-317}~~63N-10-316, as renumbered and amended by Laws of Utah 2015, Chapter 283)

~~{**58-88-318**}~~**53-19-317**, (Renumbered from ~~{63N-10-318}~~63N-10-317, as renumbered and amended by Laws of Utah 2015, Chapter 283)

~~{**63N-4-501**}~~**53-19-318**, (Renumbered from ~~{35A-8-301}~~63N-10-318, as renumbered and amended by Laws of Utah ~~{2012, Chapter 212)~~

~~**63N-4-502**, (Renumbered from 35A-8-302, as last amended by Laws of Utah 2017, Chapter 262)~~

~~**63N-4-503**, (Renumbered from 35A-8-303, as renumbered and amended by Laws of Utah 2012, Chapter 212)~~

~~**63N-4-504**, (Renumbered from 35A-8-304, as renumbered and amended by Laws of Utah 2012, Chapter 212)~~

~~**63N-4-505**, (Renumbered from 35A-8-305, as last amended by Laws of Utah 2012, Chapter 9 and renumbered and amended by Laws of Utah 2012, Chapter 212 and last amended by Coordination Clause, Laws of Utah 2012, Chapter 212)~~

~~**63N-4-506**, (Renumbered from 35A-8-306, as renumbered and amended by Laws of Utah 2012, Chapter 212)~~

~~**63N-4-507**, (Renumbered from 35A-8-307, as last amended by Laws of Utah 2014, Chapter 371)~~

~~**63N-4-508**, (Renumbered from 35A-8-308, as last amended by Laws of Utah 2017, Chapters 181 and 421)~~

~~**63N-4-509**, (Renumbered from 35A-8-309, as last amended by Laws of Utah 2017, Chapters 181 and 421)~~

~~**63N-14-101**, (Renumbered from 35A-8-2101, as renumbered and amended by Laws of Utah 2018, Chapter 182)~~

~~**63N-14-102**, (Renumbered from 35A-8-2102, as renumbered and amended by Laws of Utah 2018, Chapter 182)~~

~~**63N-14-103**, (Renumbered from 35A-8-2103, as renumbered and amended by Laws of~~

~~Utah 2018, Chapter 182)~~

~~**63N-14-104**, (Renumbered from 35A-8-2104, as renumbered and amended by Laws of Utah 2018, Chapter 182)~~

~~**63N-14-105**, (Renumbered from 35A-8-2105, as renumbered and amended by Laws of Utah 2018, Chapter 182)~~

~~**63N-14-106**, (Renumbered from 35A-8-2106, as renumbered and amended by Laws of Utah 2018, Chapter 182)~~

~~**63N-14-107**, (Renumbered from 35A-8-2107, as renumbered and amended by Laws of Utah 2018, Chapter 182)~~

~~**63N-14-108**, (Renumbered from 35A-8-2108, as renumbered and amended by Laws of Utah 2018, Chapter 182)~~

~~**63N-14-109**, (Renumbered from 35A-8-2109, as renumbered and amended by Laws of Utah 2018, Chapter 182)~~

~~**63N-14-110**, (Renumbered from 35A-8-2110, as renumbered and amended by Laws of Utah 2018, Chapter 182)~~

~~**63N-15-201**, (Renumbered from 63M-4-401, as last amended by Laws of Utah 2017, Chapters 227 and 470)~~

~~**63N-15-202**, (Renumbered from 63M-4-402, as enacted by Laws of Utah 2014, Chapter 294)~~

~~REPEALS:~~

~~**63N-12-201**, as enacted by Laws of Utah 2015, Chapter 283~~

~~}~~2015, Chapter 283)

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

~~{**63N-12-201. Title.**~~

~~This part is known as the "STEM Action Center."~~

~~}~~Section 1. Section ~~**{11-13-103 is amended to read:**~~

~~**11-13-103. Definitions.**~~

~~**As used in this chapter:**~~

~~**(1) (a) "Additional project capacity" means electric generating capacity provided by a generating unit that first produces electricity on or after May 6, 2002, and that is**~~

~~constructed or installed at or adjacent to the site of a project that first produced electricity before May 6, 2002, regardless of whether:~~

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

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

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

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

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

~~(a) the state;~~

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

~~(c) a prosecution district.~~

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

~~(a) has no taxing authority; and~~

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

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

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

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

~~(6) "Electric interlocal entity" means an interlocal entity described in Subsection 11-13-203(3).~~

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

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

~~(i) generation capacity;~~

~~(ii) generation output; or~~

~~(iii) an electric energy production facility.~~

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

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

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

~~(i) to support and facilitate the construction, reconstruction, conversion, repowering, installation, financing, operation, management, or use of replacement project capacity; or~~

~~(ii) for the distribution of power generated from existing capacity or replacement project capacity to facilities located on real property in which the project entity that owns the project has an ownership, leasehold, right-of-way, or permitted interest.~~

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

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

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

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

~~(12) "Interlocal entity" means:~~

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

~~(b) a separate legal or administrative entity created under Section 11-13-205.~~

~~(13) "Joint administrator" means an administrator or joint board described in Section 11-13-207 to administer a joint or cooperative undertaking.~~

~~(14) "Joint or cooperative undertaking" means an undertaking described in Section 11-13-207 that is not conducted by an interlocal entity.~~

~~(15) "Member" means a public agency that, with another public agency, creates an interlocal entity under Section 11-13-203.~~

~~(16) "Out-of-state public agency" means a public agency as defined in Subsection (19)(c), (d), or (e).~~

~~(17) (a) "Project":~~

~~(i) means an electric generation and transmission facility owned by a Utah interlocal entity or an electric interlocal entity; and~~

~~(ii) includes fuel or fuel transportation facilities and water facilities owned by that Utah interlocal entity or electric interlocal entity and required for the generation and transmission facility.~~

~~(b) "Project" includes a project entity's ownership interest in:~~

~~(i) facilities that provide additional project capacity;~~

~~(ii) facilities providing replacement project capacity; and~~

~~(iii) additional generating, transmission, fuel, fuel transportation, water, or other facilities added to a project.~~

~~(18) "Project entity" means a Utah interlocal entity or an electric interlocal entity that owns a project as defined in this section.~~

~~(19) "Public agency" means:~~

~~(a) a city, town, county, school district, local district, special service district, an interlocal entity, or other political subdivision of the state;~~

~~(b) the state or any department, division, or agency of the state;~~

~~(c) any agency of the United States;~~

~~(d) any political subdivision or agency of another state or the District of Columbia including any interlocal cooperation or joint powers agency formed under the authority of the law of the other state or the District of Columbia; or~~

~~(e) any Indian tribe, band, nation, or other organized group or community which~~

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

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

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

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

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

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

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

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

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

~~(23) "Utah interlocal entity":~~

~~(a) means an interlocal entity described in Subsection 11-13-203(2); and~~

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

~~(24) "Utah public agency" means a public agency under Subsection (19)(a) or (b).~~

~~Section 2. Section 11-42a-102 is amended to read:~~

~~11-42a-102. Definitions.~~

~~(1) (a) "Assessment" means the assessment that a local entity or the C-PACE district levies on private property under this chapter to cover the costs of an energy efficiency upgrade, a renewable energy system, or an electric vehicle charging infrastructure.~~

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

~~(2) "Assessment fund" means a special fund that a local entity establishes under Section 11-42a-206.~~

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

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

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

~~(i) commercial;~~

~~(ii) mining;~~

~~(iii) agricultural;~~

~~(iv) industrial;~~

~~(v) manufacturing;~~

~~(vi) trade;~~

~~(vii) professional;~~

~~(viii) a private or public club;~~

~~(ix) a lodge;~~

~~(x) a business; or~~

~~(xi) a similar purpose.~~

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

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

~~(A) more than four rental units; or~~

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

~~(ii) real property that the military installation development authority, created in Section 63H-1-201, owns.~~

~~(6) "Contract price" means:~~

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

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

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

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

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

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

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

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

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

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

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

~~(i) contiguous; or~~

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

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

~~(a) issued under Section 11-42a-401; and~~

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

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

~~(13) "Energy assessment ordinance" means an ordinance that a local entity adopts under Section 11-42a-201 that:~~

~~(a) designates an energy assessment area;~~

~~(b) levies an assessment on benefitted property within the energy assessment area; and~~

~~(c) if applicable, authorizes the issuance of energy assessment bonds.~~

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

~~(a) designates an energy assessment area;~~

~~(b) levies an assessment on benefitted property within the energy assessment area; and~~

~~(c) if applicable, authorizes the issuance of energy assessment bonds.~~

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

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

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

~~(i) insulation in:~~

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

~~(B) a heating and cooling distribution system;~~

~~(ii) a window or door, including:~~

~~(A) a storm window or door;~~

~~(B) a multiglazed window or door;~~

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

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

~~(E) additional window or door glazing;~~

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

~~(G) other window or door modifications;~~

~~(iii) an automatic energy control system;~~

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

~~(v) caulk or weatherstripping;~~

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

~~(vii) an energy recovery system;~~

~~(viii) a daylighting system;~~

~~(ix) measures to reduce the consumption of water, through conservation or more efficient use of water, including installation of:~~

~~(A) low-flow toilets and showerheads;~~

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

~~(C) rain catchment systems;~~

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

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

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

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

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

~~(xv) any other improvement that the governing body or executive of a local entity approves as an energy efficiency upgrade; or~~

~~(xvi) any improvement that relates physically or functionally to any of the improvements listed in Subsections (15)(b)(i) through (xv).~~

~~(16) "Governing body" means:~~

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

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

~~(c) for a special service district:~~

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

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

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

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

~~(a) a property owner has requested; or~~

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

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

~~(a) legal and accounting fees;~~

~~(b) charges of financial advisors, escrow agents, certified public accountant verification entities, and trustees;~~

~~(c) underwriting discount costs, printing costs, and the costs of giving notice;~~

~~(d) any premium necessary in the calling or retiring of prior bonds;~~

~~(e) fees to be paid to the local entity to issue the refunding assessment bond and to refund the outstanding prior bonds;~~

~~(f) any other costs that the governing body determines are necessary and proper to incur in connection with the issuance of a refunding assessment bond; and~~

~~(g) any interest on the prior bonds that is required to be paid in connection with the issuance of the refunding assessment bond.~~

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

~~(20) "Jurisdictional boundaries" means:~~

~~(a) for the C-PACE district or any state interlocal entity, the boundaries of the state; and~~

~~(b) for each local entity, the boundaries of the local entity.~~

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

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

~~(i) a county, city, town, or metro township;~~

~~(ii) a special service district, a local district, or an interlocal entity as that term is defined in Section 11-13-103;~~

~~(iii) a state interlocal entity;~~

~~(iv) the military installation development authority created in Section 63H-1-201; or~~

~~(v) any political subdivision of the state.~~

~~(b) "Local entity" includes the C-PACE district solely in connection with:~~

~~(i) the designation of an energy assessment area;~~

~~(ii) the levying of an assessment; and~~

~~(iii) the assignment of an energy assessment lien to a third-party lender under Section 11-42a-302.~~

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

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

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

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

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

~~(c) publishing and mailing costs;~~

~~(d) costs of levying an assessment;~~

~~(e) recording costs; and~~

~~(f) all other incidental costs.~~

~~(26) "Parameters resolution" means a resolution or ordinance that a local entity adopts in accordance with Section 11-42a-201.~~

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

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

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

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

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

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

~~(33) "Refunding assessment bond" means an assessment bond that a local entity issues under Section 11-42a-403 to refund, in part or in whole, energy assessment bonds.~~

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

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

~~(A) a photovoltaic system;~~

~~(B) a solar thermal system;~~

~~(C) a wind system;~~

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

~~(E) a microhydro system;~~

~~(F) a biofuel system; or~~

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

~~(ii) stores energy, including:~~

~~(A) a battery storage system; or~~

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

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

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

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

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

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

~~(35) "Special service district" means the same as that term is defined in Section 17D-1-102.~~

~~(36) "State interlocal entity" means:~~

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

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

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

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

~~11-45-102. Definitions.~~

~~As used in this section:~~

~~(1) "Energy code" means the energy efficiency code adopted under Section 15A-1-204.~~

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

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

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

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

~~(i) construction;~~

~~(ii) engineering;~~

~~(iii) energy audit; or~~

~~(iv) inspection.~~

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

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

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

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

~~11-58-302. Number of board members -- Appointment -- Vacancies.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(9) The board may appoint one or more advisory committees that may include~~

~~individuals from impacted public entities, community organizations, environmental organizations, business organizations, or other organizations or associations.~~

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

~~53C-3-203. Land Exchange Distribution Account.~~

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

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

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

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

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

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

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

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

~~(i) 55% of the deposits to counties in amounts proportionate to the amounts of mineral revenue generated from the acquired land, exchanged land, acquired mineral interests, or exchanged mineral interests located in each county, to be used to mitigate the impacts caused by mineral development;~~

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

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

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

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

~~(vi) 11% of the deposits to the Constitutional Defense Restricted Account created in Section 63C-4a-402;~~

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

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

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

~~Section 6. Section 53E-10-801;~~9-20-101, which is renumbered from Section ~~{63N-12-202}~~63N-12-201 is renumbered and amended to read:

CHAPTER 20. STEM ACTION CENTER

Part ~~{8}~~1. STEM Action Center

~~[63N-12-201].~~ 9-20-101. Title.

This [~~part~~] chapter is known as the "STEM Action Center."

Section 2. Section **9-20-102**, which is renumbered from Section 63N-12-202 is renumbered and amended to read:

~~[63N-12-202]~~. ~~{53E-10-801}~~**9-20-102. Definitions.**

As used in this [~~part~~] chapter:

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

[~~(2)~~] (1) "Computing partnerships" means a set of skills, knowledge, and aptitudes used in computer science, information technology, or computer engineering courses and career options.

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

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

[~~(5)~~] (4) "Foundation" means a foundation established as described in Subsections [~~63N-12-204(3) and (4)~~] ~~{~~53E-10-803~~}~~9-20-104(3) and (4).

[~~(6)~~] (5) "Fund" means the STEM Action Center Foundation Fund created in Section [~~63N-12-204.5~~] ~~{~~53E-10-804~~}~~9-20-105.

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

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

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

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

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

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

(a) through a request for proposals process; or

(b) through a direct award or sole source procurement process for a pilot described in Section [~~63N-12-206~~] ~~{~~53E-10-806~~}~~9-20-107.

[~~(13)~~] (11) "Review committee" means the committee established under Section [~~63N-12-214~~] ~~{~~53E-10-814~~}~~9-20-115.

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

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

(b) are part of a career pathway system;

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

(d) facilitate multiple exit and entry points; and

(e) recognize sub-goals or momentum points.

[~~(15)~~] (13) "STEM" means science, technology, engineering, and mathematics.

[~~(16)~~] (14) "STEM Action Center" means the center described in Section [~~63N-12-205~~] ~~{~~53E-10-805~~}~~9-20-106.

(15) "STEM board" means the STEM Action Center Board created in Section ~~{53E-10-802}~~9-20-103.

[~~(17)~~] (16) "Talent Ready Utah" means the Talent Ready Utah Center created in Section 63N-12-502.

Section ~~{7}~~3. Section ~~**{53E-10-802}**~~**9-20-103**, which is renumbered from Section 63N-12-203 is renumbered and amended to read:

[~~63N-12-203~~]. ~~{53E-10-802}~~9-20-103. STEM Action Center Board creation -- Membership.

(1) There is created the STEM Action Center Board [~~within the office~~], composed of the following members:

(a) six private sector members who represent business, appointed by the governor;

(b) the state superintendent of public instruction or the state [~~superintendent of public instruction's~~] superintendent's designee;

(c) the commissioner of higher education or the [~~commissioner of higher education's~~] commissioner's designee;

(d) one member appointed by the governor;

(e) a member of the ~~{[}~~State Board of Education~~{] state board}~~, chosen by the chair of the ~~{[}~~State Board of Education~~{] state board}~~;

(f) the executive director of [~~the office or the executive director's designee~~] the Governor's Office of Economic Development or the executive director's designee;

(g) the Utah System of Technical Colleges commissioner of technical education or the [~~Utah System of Technical Colleges commissioner of technical education's~~] commissioner's designee;

(h) the executive director of the Department of Workforce Services or the executive [~~director of the Department of Workforce Services'~~] director's designee; and

(i) one member who has a degree in engineering and experience working in a government military installation, appointed by the governor.

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

(b) Except as required by Subsection (2)(c), members appointed by the governor shall

be appointed to four-year terms.

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

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

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

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

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

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

(a) Section 63A-3-106;

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

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

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

(7) The [~~executive director of the office or the executive director's designee~~] member of the ~~{state board}~~State Board of Education chosen by the chair of the ~~{state board}~~State Board of Education shall serve as the vice chair of the STEM board.

Section ~~{8}~~4. Section ~~**{53E-10-803}**~~**9-20-104**, which is renumbered from Section 63N-12-204 is renumbered and amended to read:

[~~63N-12-204~~]. ~~{53E-10-803}~~9-20-104. STEM Action Center Board -- Duties.

(1) The STEM board shall:

(a) establish a STEM Action Center to:

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

(A) the [~~State Board of Education~~] state board;

(B) school districts and charter schools;

(C) the State Board of Regents;

(D) institutions of higher education;

(E) parents of home-schooled students;

(F) other state agencies; and

(G) business and industry representatives;

(ii) align public education STEM activities with higher education STEM activities; and

(iii) create and coordinate best practices among public education and higher education;

(b) with the consent of the Senate, appoint a director to oversee the administration of the STEM Action Center;

(c) select a physical location for the STEM Action Center;

(d) strategically engage industry and business entities to cooperate with the STEM board:

(i) to support high quality professional development and provide other assistance for educators and students; and

(ii) to provide private funding and support for the STEM Action Center;

(e) give direction to the STEM Action Center and the providers selected through a request for proposals process pursuant to this part; and

(f) work to meet the following expectations:

(i) that at least 50 educators are implementing best practice learning tools in classrooms;

(ii) performance change in student achievement in each classroom participating in a STEM Action Center project; and

(iii) that students from at least 50 schools in the state participate in the STEM competitions, fairs, and camps described in Subsection [~~63N-12-205(2)(d)~~] ~~{~~53E-10-805~~}~~9-20-106(2)(d).

(2) The STEM board may:

(a) enter into contracts for the purposes of this part;

(b) apply for, receive, and disburse funds, contributions, or grants from any source for the purposes set forth in this part;

(c) employ, compensate, and prescribe the duties and powers of individuals necessary to execute the duties and powers of the STEM board;

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

(e) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,

make rules to administer this part.

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

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

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

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

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

(b) shall comply with the requirements described in Section [~~63N-12-204.5~~] ~~{53E-10-804}~~9-20-105;

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

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

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

(f) may not:

(i) engage in lobbying activities;

(ii) attempt to influence legislation; or

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

(A) a political candidate; or

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

Section ~~{9}~~5. Section **~~{53E-10-804}~~9-20-105**, which is renumbered from Section 63N-12-204.5 is renumbered and amended to read:

[~~63N-12-204.5~~]. ~~{53E-10-804}~~9-20-105. STEM Action Center Foundation Fund.

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

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

(3) Money may be deposited into the fund from a variety of sources, including

transfers, grants, private foundations, individual donors, gifts, bequests, legislative appropriations, and money made available from any other source.

(4) Money collected by a foundation described in Subsections [~~63N-12-204(3)~~] ~~{53E-10-803}~~9-20-104(3) and (4) shall be deposited into the fund.

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

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

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

Section ~~{10}~~6. Section **~~{53E-10-805}~~9-20-106**, which is renumbered from Section 63N-12-205 is renumbered and amended to read:

[~~63N-12-205~~]. ~~{53E-10-805}~~9-20-106. STEM Action Center.

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

(a) establish a STEM Action Center;

(b) ensure that the STEM Action Center:

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

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

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

(i) further STEM education; and

(ii) ensure best practices are implemented as described in Sections [~~63N-12-206 and 63N-12-207~~] ~~{53E-10-806}~~9-20-107 and ~~{53E-10-807}~~9-20-108;

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

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

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

(a) support high quality professional development for educators regarding STEM education;

(b) ensure that the STEM Action Center acts as a research and development center for STEM education through a request for proposals process described in Section [~~63N-12-206~~] ~~{~~53E-10-806~~}~~9-20-107;

(c) review and acquire STEM education related materials and products for:

(i) high quality professional development;

(ii) assessment, data collection, analysis, and reporting; and

(iii) public school instruction;

(d) facilitate participation in interscholastic STEM related competitions, fairs, camps, and STEM education activities;

(e) engage private industry in the development and maintenance of the STEM Action Center and STEM Action Center projects;

(f) use resources to bring the latest STEM education learning tools into public education classrooms;

(g) identify at least 10 best practice innovations used in Utah that have resulted in a measurable improvement in student performance or outcomes in STEM areas;

(h) identify best practices being used outside the state and, as appropriate, develop and implement selected practices through a pilot program;

(i) identify:

(i) learning tools for kindergarten through grade 6 identified as best practices; and

(ii) learning tools for grades 7 through 12 identified as best practices;

(j) collect data on Utah best practices, including best practices from public education, higher education, the Utah Education and Telehealth Network, and other STEM related entities;

(k) keep track of the following items related to best practices described in Subsection (2)(j):

(i) how the best practices data are being used; and

(ii) how many individuals are using the data, including the demographics of the users, if available;

(l) as appropriate, join and participate in a national STEM network;

(m) work cooperatively with the ~~{[}~~State Board of Education~~{] state board}~~ to designate schools as STEM schools, where the schools have agreed to adopt a plan of STEM

implementation in alignment with criteria set by the ~~{[}~~State Board of Education~~{] state board}~~ and the ~~{~~STEM~~}~~ board;

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

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

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

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

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

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

(ii) use of applied instruction; and

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

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

(i) public education students; and

(ii) higher education students.

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

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

(i) public education high school graduation rates;

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

(iii) the number of students who graduate from a Utah public school and begin a postsecondary education program; and

(iv) the number of students, as compared to all similarly situated students, who are

performing at grade level in STEM classes.

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

Section ~~{11}~~7. Section ~~**{53E-10-806}**~~**9-20-107**, which is renumbered from Section 63N-12-206 is renumbered and amended to read:

~~[63N-12-206]~~. ~~{53E-10-806}~~9-20-107. Acquisition of STEM education related instructional technology program -- Research and development of education related instructional technology through a pilot program.

(1) For purposes of this section:

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

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

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

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

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

(3) The STEM education related instructional technology shall:

(a) support mathematics instruction for students in:

(i) kindergarten through grade 6; or

(ii) grades 7 and 8; or

(b) support mathematics instruction for secondary students to prepare the secondary students for college mathematics courses.

(4) In selecting a provider for STEM education related instructional technology to

support mathematics instruction for the students described in Subsection (3)(a), the STEM board shall consider the following criteria:

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

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

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

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

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

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

(c) select schools to participate in the pilot.

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

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

Section ~~{12}~~8. Section **~~{53E-10-807}~~9-20-108**, which is renumbered from Section 63N-12-207 is renumbered and amended to read:

~~[63N-12-207~~]. ~~{53E-10-807}~~9-20-108. Distribution of STEM education instructional technology to schools.

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

(a) distribute STEM education related instructional technology described in Section [~~63N-12-206~~] ~~{53E-10-806}~~9-20-107 to school districts and charter schools; and

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

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

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

Section ~~{13}~~9. Section ~~{53E-10-808}~~9-20-109, which is renumbered from Section 63N-12-208 is renumbered and amended to read:

[~~63N-12-208~~]. ~~{53E-10-808}~~9-20-109. Report to Legislature and the state board.

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

(a) the Education Interim Committee;

(b) the Public Education Appropriations Subcommittee;~~{ and}~~

(c) the ~~{[}~~State Board of Education; and~~{] state board.}~~

~~{[}~~(d) the [~~office~~] department for inclusion in the [~~office's~~] department's annual written report described in Section [~~63N-1-301 {.}~~] 9-1-209.

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

(a) the number of educators receiving high quality professional development;

(b) the number of students receiving services from the STEM Action Center;

(c) a list of the providers selected pursuant to this part;

(d) a report on the STEM Action Center's fulfilment of its duties described in Section [~~63N-12-205~~] ~~{53E-10-805}~~9-20-106; and

(e) student performance of students participating in a STEM Action Center program as collected in Subsection [~~63N-12-205~~] ~~{53E-10-805}~~9-20-106(4).

Section ~~{14}~~10. Section ~~{53E-10-809}~~9-20-110, which is renumbered from Section 63N-12-209 is renumbered and amended to read:

[~~63N-12-209~~]. ~~{53E-10-809}~~9-20-110. STEM education endorsements and

incentive program.

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

(a) develop STEM education endorsements; and

(b) create and implement financial incentives for:

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

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

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

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

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

Section ~~{15}~~11. Section ~~**{53E-10-810}**~~**9-20-111**, which is renumbered from Section 63N-12-210 is renumbered and amended to read:

[~~63N-12-210~~]. ~~{53E-10-810}~~9-20-111. Acquisition of STEM education high quality professional development.

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

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

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

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

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

(d) track and report data on the usage of the components of the application's system

and the relationship to improvement in classroom instruction;

(e) include video examples of highly effective STEM education teaching that:

(i) cover a cross section of grade levels and subjects;

(ii) under the direction of the ~~{[}~~State Board of Education~~{] state board}~~, include videos of highly effective Utah STEM educators; and

(iii) contain tools to help educators implement what they have learned; and

(f) allow for additional STEM education video content to be added.

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

Section ~~{16}~~12. Section ~~**{53E-10-811}**~~**9-20-112**, which is renumbered from Section 63N-12-211 is renumbered and amended to read:

[~~63N-12-211~~]. ~~{53E-10-811}~~9-20-112. STEM education middle school applied science initiative.

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

(a) a STEM applied science curriculum with instructional materials;

(b) STEM hybrid or blended high quality professional development that allows for face-to-face applied learning; and

(c) hands-on tools for STEM applied science learning.

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

Section ~~{17}~~13. Section ~~**{53E-10-812}**~~**9-20-113**, which is renumbered from Section 63N-12-212 is renumbered and amended to read:

[~~63N-12-212~~]. ~~{53E-10-812}~~9-20-113. High school STEM education initiative.

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

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

related certification training program.

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

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

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

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

(a) a technical college described in Section 53B-2a-105;

(b) Salt Lake Community College;

(c) Snow College;

(d) Utah State University Eastern; or

(e) a private sector employer.

Section ~~{18}~~14. Section ~~**{53E-10-813}**~~**9-20-114**, which is renumbered from Section 63N-12-213 is renumbered and amended to read:

[~~63N-12-213~~]. ~~{53E-10-813}~~9-20-114. Computer science initiative for public schools.

(1) As used in this section:

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

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

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

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

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

(ii) "Institution of higher education" includes a technical college described in Section

53B-2a-105.

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

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

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

(a) creating an online repository that:

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

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

(A) computational thinking skills; and

(B) computer coding skills;

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

(i) including resources for educators related to teaching computational thinking and computer coding in the STEM education high quality professional development application described in Section [~~63N-12-210~~] ~~{53E-10-810}~~9-20-111; and

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

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

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

(a) a school district;

(b) a charter school;

(c) an employer;

(d) an institution of higher education; or

(e) a non-profit organization.

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

(5) The [~~board and the~~] State Board of Education~~{~~] ~~{state board }~~and the STEM board shall encourage schools to independently pursue computer science and coding initiatives, subject to local school board or charter school governing board approval, based on the unique needs of the school's students.

(6) The STEM board shall include information on the status of the computer science initiative in the annual report described in Section [~~63N-12-208~~] ~~{53E-10-808}~~9-20-109.

Section ~~{19}~~15. Section ~~**{53E-10-814}**~~**9-20-115**, which is renumbered from Section 63N-12-214 is renumbered and amended to read:

[~~63N-12-214~~]. ~~{53E-10-814}~~9-20-115. Computing Partnerships Grants program.

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

(a) outreach and student engagement;

(b) courses and content;

(c) instruction and instructional support;

(d) work-based learning opportunities;

(e) student retention;

(f) industry engagement;

(g) stacked credentials that allow for multiple exit and entry points;

(h) competency-based learning strategies; and

(i) secondary and post-secondary collaborations.

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

(a) leveraging existing resources for content, professional learning, and instruction, including existing career and technical education funds, programs, and initiatives;

(b) allowing for the support of professional learning for pre- and in-service educators;

(c) supporting activities that promote and enhance access, diversity, and equity;

(d) supporting collaborations and partnerships between K-12, institutions of higher

education, cultural and community partners, and industry representatives;

(e) identifying the appropriate credentials that align with industry needs and providing the credentials in a stacked credentials pathway;

(f) implementing a collaborative network that enables sharing and identification of best practices; and

(g) providing infrastructure assistance that allows for the support of new courses and the expansion of capacity for existing courses.

(3) The grant program shall include the following:

(a) rigorous and relevant metrics that are shared by all grant participants; and

(b) an evaluation by the STEM Action Center of the grant program that identifies best practices.

(4) The STEM Action Center, in consultation with the ~~{[}~~State Board of Education~~{] state board}~~, shall:

(a) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, adopt rules:

(i) for the administration of the grant program and awarding of grants; and

(ii) that define outcome-based measures appropriate to the type of grant awarded under this part;

(b) establish a grant application process;

(c) in accordance with Subsection (5), establish a review committee to make recommendations for:

(i) metrics to analyze the quality of a grant application;

(ii) approval of a grant application; and

(iii) criteria to establish a requirement for an applicant to demonstrate financial need; and

(d) with input from the review committee, adopt metrics to analyze the quality of a grant application.

(5) (a) The review committee shall consist of K-16 educators, staff of the ~~{[}~~State Board of Education~~{] state board}~~, representatives of Talent Ready Utah, post-secondary partners, and industry representatives.

(b) The review committee shall:

(i) review a grant application submitted;

(ii) make recommendations to a grant applicant to modify the grant application, if necessary; and

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

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

Section ~~{20}~~16. Section ~~{**58-88-101**}~~**53-19-101**, which is renumbered from Section 63N-10-101 is renumbered and amended to read:

CHAPTER ~~{88}~~19. PETE SUAZO UTAH ATHLETIC COMMISSION ACT

~~[63N-10-101]~~. ~~{58-88-101}~~53-19-101. Title.

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

Section ~~{21}~~17. Section ~~{**58-88-102**}~~**53-19-102**, which is renumbered from Section 63N-10-102 is renumbered and amended to read:

~~[63N-10-102]~~. ~~{58-88-102}~~53-19-102. Definitions.

As used in this chapter:

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

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

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

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

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

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

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

(v) the contestants are not matched by the weight standards established in accordance with Section [~~63N-10-316~~] ~~{58-88-316}~~53-19-316.

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

(i) it is conducted for training purposes;

(ii) no tickets are sold to spectators;

(iii) no concessions are available for spectators;

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

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

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

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

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

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

(a) attend and supervise a particular contest; and

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

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

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

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

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

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

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

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

(a) rate the performance of contestants;

(b) score a contest; and

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

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

(a) contestant;

(b) judge;

(c) manager;

(d) promoter;

(e) referee;

(f) second; or

(g) other official established by the commission by rule.

(13) "Manager" means an individual who represents a contestant for the purpose of:

(a) obtaining a contest for a contestant;

(b) negotiating terms and conditions of the contract under which the contestant will engage in a contest; or

(c) arranging for a second for the contestant at a contest.

(14) "Promoter" means a person who engages in producing or staging contests and promotions.

(15) "Promotion" means a single contest or a combination of contests that:

(a) occur during the same time and at the same location; and

(b) is produced or staged by a promoter.

(16) "Purse" means any money, prize, remuneration, or any other valuable consideration a contestant receives or may receive for participation in a contest.

(17) "Referee" means an individual qualified by training or experience to act as the official attending a contest at the point of contact between contestants for the purpose of:

(a) enforcing the rules relating to the contest;

(b) stopping the contest in the event the health, safety, and welfare of a contestant or any other person in attendance at the contest is in jeopardy; and

(c) acting as a judge if so designated by the commission.

(18) "Round" means one of a number of individual time periods that, taken together, constitute a contest during which contestants are engaged in a form of unarmed combat.

(19) "Second" means an individual who attends a contestant at the site of the contest before, during, and after the contest in accordance with contest rules.

(20) "Serious bodily injury" has the same meaning as defined in Section 76-1-601.

(21) "Total gross receipts" means the amount of the face value of all tickets sold to a particular contest plus any sums received as consideration for holding the contest at a particular location.

(22) "Ultimate fighting" means a live contest, whether or not an admission fee is charged, in which:

(a) contest rules permit contestants to use a combination of boxing, kicking, wrestling, hitting, punching, or other combative contact techniques;

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

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

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

(e) contest rules prohibit contestants from:

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

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

(iii) biting; or

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

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

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

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

(25) "Unprofessional conduct" means:

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

(b) participating in any sham or fake contest;

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

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

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

(f) striking of a downed opponent by a contestant while the contestant remains on the contestant's feet, unless the designated commission member or director has exempted the contest and each contestant from the prohibition on striking a downed opponent before the start of the contest;

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

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

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

(a) for boxing:

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

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

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

(iv) 16 ounce boxing gloves are worn;

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

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

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

(b) for ultimate fighting:

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

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

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

(iv) downward elbow strikes are not allowed;

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

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

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

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

Section ~~{22}~~18. Section ~~{58-88-201}~~53-19-201, which is renumbered from Section 63N-10-201 is renumbered and amended to read:

[~~63N-10-201~~]. ~~{58-88-201}~~53-19-201. Commission -- Creation -- Appointments -- Terms -- Expenses -- Quorum.

(1) There is created within the [~~office~~] ~~{division}~~department the Pete Suazo Utah Athletic Commission consisting of five members.

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

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

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

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

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

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

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

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

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

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

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

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

(5) A member may not receive compensation or benefits for the member's service, but

may receive per diem and travel expenses in accordance with:

(a) Section 63A-3-106;

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

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

(6) The commission shall annually designate one of its members to serve as chair for a one-year period.

Section ~~{23}~~19. Section ~~{58-88-202}~~53-19-202, which is renumbered from Section 63N-10-202 is renumbered and amended to read:

[~~63N-10-202~~]. ~~{58-88-202}~~53-19-202. Commission powers and duties.

(1) The commission shall:

(a) purchase and use a seal;

(b) adopt rules for the administration of this chapter in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;

(c) prepare all forms of contracts between sponsors, licensees, promoters, and contestants; and

(d) hold hearings relating to matters under its jurisdiction, including violations of this chapter or rules made under this chapter.

(2) The commission may subpoena witnesses, take evidence, and require the production of books, papers, documents, records, contracts, recordings, tapes, correspondence, or other information relevant to an investigation if the commission or [~~its~~] the commission's designee considers it necessary.

Section ~~{24}~~20. Section ~~{58-88-203}~~53-19-203, which is renumbered from Section 63N-10-203 is renumbered and amended to read:

[~~63N-10-203~~]. ~~{58-88-203}~~53-19-203. Commission director.

(1) The commission shall employ a director, who may not be a member of the commission, to conduct the commission's business.

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

Section ~~{25}~~21. Section ~~{58-88-204}~~53-19-204, which is renumbered from Section 63N-10-204 is renumbered and amended to read:

[~~63N-10-204~~]. ~~{58-88-204}~~53-19-204. Inspectors.

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

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

(2) Each inspector must receive from the commission a card authorizing that inspector to act as an inspector for the commission.

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

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

Section ~~{26}~~22. Section ~~{58-88-205}~~53-19-205, which is renumbered from Section 63N-10-205 is renumbered and amended to read:

[~~63N-10-205~~]. ~~{58-88-205}~~53-19-205. Affiliation with other commissions.

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

Section ~~{27}~~23. Section ~~{58-88-301}~~53-19-301, which is renumbered from Section 63N-10-301 is renumbered and amended to read:

[~~63N-10-301~~]. ~~{58-88-301}~~53-19-301. Licensing.

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

(a) a promoter;

(b) a manager;

(c) a contestant;

(d) a second;

(e) a referee;

(f) a judge; or

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

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

(a) promoter;

(b) manager;

(c) contestant;

(d) second;

(e) referee;

(f) judge; or

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

(1)(g).

(3) All money collected under this section and Sections [~~63N-10-304, 63N-10-307, 63N-10-310, and 63N-10-313~~] ~~{58-88-304}~~53-19-304, ~~{58-88-307}~~53-19-307, ~~{58-88-310}~~53-19-310, and ~~{58-88-313}~~53-19-313 shall be retained as dedicated credits to pay for commission expenses.

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

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

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

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

(d) make assurances that the applicant:

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

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

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

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

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

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

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

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

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

(d) provide a certificate of physical examination, dated not more than 60 days [~~prior to~~]

before the date of application for licensure, in a form provided by the commission, completed by a licensed physician and surgeon certifying that the applicant is free from any physical or mental condition that indicates the applicant should not engage in activity as a contestant;

(e) make assurances that the applicant:

(i) is not engaging in illegal gambling with respect to sporting events or gambling with respect to a contest in which the applicant will participate;

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

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

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

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

(6) Each applicant for licensure as a manager or second shall:

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

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

(c) make assurances that the applicant:

(i) is not engaging in illegal gambling with respect to sporting events or gambling with respect to a contest in which the applicant is participating;

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

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

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

(e) if requested by the commission or director, meet with the commission or the

director to examine the applicant's qualifications for licensure.

(7) Each applicant for licensure as a referee or judge shall:

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

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

(c) make assurances that the applicant:

(i) is not engaging in illegal gambling with respect to sporting events or gambling with respect to a contest in which the applicant is participating;

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

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

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

(e) provide evidence satisfactory to the commission that the applicant is qualified by training and experience to competently act as a referee or judge in a contest; and

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

(8) The commission may make rules concerning the requirements for a license under this chapter, that deny a license to an applicant for the violation of a crime that, in the commission's determination, would have a material affect on the integrity of a contest held under this chapter.

(9) (a) A licensee serves at the pleasure, and under the direction, of the commission while participating in any way at a contest.

(b) A licensee's license may be suspended, or a fine imposed, if the licensee does not follow the commission's direction at an event or contest.

Section ~~{28}~~24. Section ~~{58-88-302}~~53-19-302, which is renumbered from Section 63N-10-302 is renumbered and amended to read:

~~[63N-10-302]~~. ~~{58-88-302}~~53-19-302. Term of license -- Expiration -- Renewal.

(1) The commission shall issue each license under this chapter in accordance with a renewal cycle established by rule.

(2) At the time of renewal, the licensee shall show satisfactory evidence of compliance with renewal requirements established by rule by the commission.

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

Section ~~{29}~~25. Section ~~{58-88-303}~~53-19-303, which is renumbered from Section 63N-10-303 is renumbered and amended to read:

[~~63N-10-303~~]. ~~{58-88-303}~~53-19-303. Grounds for denial of license -- Disciplinary proceedings -- Reinstatement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) the commission;

(ii) a designated commission member; or

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

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

Section ~~{30}~~26. Section ~~{58-88-304}~~53-19-304, which is renumbered from Section 63N-10-304 is renumbered and amended to read:

[~~63N-10-304~~]. {~~58-88-304~~}53-19-304. Additional fees for license of promoter -- Dedicated credits -- Promotion of contests -- Annual exemption of showcase event.

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

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

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

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

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

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

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

(i) attraction of the optimum number of spectators;

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

(iii) ticket pricing;

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

(v) rankings and quality of the contestants; and

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

Section ~~{31}~~27. Section ~~{58-88-305}~~53-19-305, which is renumbered from Section 63N-10-305 is renumbered and amended to read:

[~~63N-10-305~~]. {~~58-88-305~~}53-19-305. Jurisdiction of commission.

(1) (a) The commission has the sole authority concerning direction, management, control, and jurisdiction over all contests or exhibitions of unarmed combat to be conducted,

held, or given within this state.

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

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

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

(i) the designated commission member;

(ii) other commission members in attendance;

(iii) the director;

(iv) commission employees;

(v) officials;

(vi) licensees participating or assisting in the contest; and

(vii) others granted credentials by the commission.

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

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

(a) the designated commission member;

(b) other commission members in attendance;

(c) the director;

(d) commission employees;

(e) officials;

(f) licensees participating or assisting in the contest; and

(g) others granted credentials by the commission.

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

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

(i) are disruptive to the safe conduct of the contest; or

(ii) pose a danger to the safety and welfare of the licensees, the commission, or the public, as determined by the designated commission member.

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

Section ~~{32}~~28. Section ~~{58-88-306}~~53-19-306, which is renumbered from Section 63N-10-306 is renumbered and amended to read:

[~~63N-10-306~~]. ~~{58-88-306}~~53-19-306. Club fighting prohibited.

(1) Club fighting is prohibited.

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

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

(b) subject to license revocation under this chapter.

Section ~~{33}~~29. Section ~~{58-88-307}~~53-19-307, which is renumbered from Section 63N-10-307 is renumbered and amended to read:

[~~63N-10-307~~]. ~~{58-88-307}~~53-19-307. Approval to hold contest or promotion -- Bond required.

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

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

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

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

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

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

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

(4) (a) Final approval to hold a contest or promotion may not be granted unless the

commission receives, not less than seven days before the day of the contest with 10 or more rounds:

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

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

(iii) a copy of a signed contract between each contestant and the promoter for the contest;

(iv) a statement specifying the maximum number of rounds of the contest;

(v) a statement specifying the site, date, and time of weigh-in; and

(vi) the name of the physician selected from among a list of registered and commission-approved ringside physicians who shall act as ringside physician for the contest.

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

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

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

(a) the requirements of this chapter; or

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

Section ~~{34}~~30. Section ~~{58-88-308}~~53-19-308, which is renumbered from Section 63N-10-308 is renumbered and amended to read:

~~[63N-10-308]~~. ~~{58-88-308}~~53-19-308. Rules for the conduct of contests.

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

(2) The rules shall include:

(a) authority for:

(i) stopping contests; and

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

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

(3) (a) The commission may, in its discretion, exempt a contest and each contestant from the definition of unprofessional conduct found in Subsection [~~63N-10-102(25)(f)~~] ~~{58-88-102}~~53-19-102(25)(f) after:

(i) a promoter requests the exemption; and

(ii) the commission considers relevant factors, including:

(A) the experience of the contestants;

(B) the win and loss records of each contestant;

(C) each contestant's level of training; and

(D) any other evidence relevant to the contestants' professionalism and the ability to safely conduct the contest.

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

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

Section ~~{35}~~31. Section ~~**{58-88-309}**~~**53-19-309**, which is renumbered from Section 63N-10-309 is renumbered and amended to read:

~~[63N-10-309]~~. **~~{58-88-309}~~53-19-309. Medical examinations and drug tests.**

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

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

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

contestant in a contest;

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

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

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

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

Section ~~{36}~~32. Section ~~{**58-88-310**}~~**53-19-310**, which is renumbered from Section 63N-10-310 is renumbered and amended to read:

[~~63N-10-310~~]. ~~{58-88-310**}~~53-19-310. Contests.**

(1) Except as provided in Section [~~63N-10-317~~] ~~{58-88-317}~~53-19-317, a licensee may not participate in an unarmed combat contest within a predetermined time after another unarmed combat contest, as prescribed in rules made by the commission.

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

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

Section ~~{37}~~33. Section ~~{**58-88-311**}~~**53-19-311**, which is renumbered from Section 63N-10-311 is renumbered and amended to read:

[~~63N-10-311~~]. ~~{58-88-311**}~~53-19-311. Ringside physician.**

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

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

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

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

(a) submit an application for registration;

(b) provide the commission with evidence of the applicant's licensure to practice medicine in the state; and

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

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

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

(b) works under the direction of the commission.

Section ~~{38}~~34. Section ~~{58-88-312}~~53-19-312, which is renumbered from Section 63N-10-312 is renumbered and amended to read:

[~~63N-10-312~~]. ~~{58-88-312}~~53-19-312. Contracts.

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

Section ~~{39}~~35. Section ~~{58-88-313}~~53-19-313, which is renumbered from Section 63N-10-313 is renumbered and amended to read:

[~~63N-10-313~~]. ~~{58-88-313}~~53-19-313. Withholding of purse.

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

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

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

(2) This section does not apply to any contestant in a wrestling exhibition who appears

not to be competing honestly or to the best of the contestant's skill and ability.

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

(4) If it is determined that a contestant, manager, or second is not entitled to any part of that person's share of the purse or other money, the promoter shall pay the money over to the commission.

Section ~~{40}~~36. Section ~~{58-88-314}~~53-19-314, which is renumbered from Section 63N-10-314 is renumbered and amended to read:

[~~63N-10-314~~]. ~~{58-88-314}~~53-19-314. Penalty for unlawful conduct.

A person who engages in any act of unlawful conduct, as defined in Section [~~63N-10-102~~] ~~{58-88-102}~~53-19-102, is guilty of a class A misdemeanor.

Section ~~{41}~~37. Section ~~{58-88-315}~~53-19-315, which is renumbered from Section 63N-10-315 is renumbered and amended to read:

[~~63N-10-315~~]. ~~{58-88-315}~~53-19-315. Exemptions.

This chapter does not apply to:

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

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

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

(c) any association or organization of a school, college, or university described in Subsections (1)(a) and (b), when each participant in the contests or exhibitions is a bona fide student in the school, college, or university;

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

(3) a white-collar contest.

Section ~~{42}~~38. Section ~~{58-88-316}~~53-19-316, which is renumbered from Section 63N-10-316 is renumbered and amended to read:

[~~63N-10-316~~]. ~~{58-88-316}~~53-19-316. Contest weights and classes -- Matching contestants.

(1) The commission shall make rules in accordance with Title 63G, Chapter 3, Utah

Administrative Rulemaking Act, establishing boxing contest weights and classes consistent with those adopted by the Association of Boxing Commissions.

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

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

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

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

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

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

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

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

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

(ii) the weight differential between the contestants;

(iii) the caliber of opponents for each contestant;

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

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

Section ~~{43}~~39. Section ~~{58-88-317}~~53-19-317, which is renumbered from Section 63N-10-317 is renumbered and amended to read:

~~[63N-10-317]~~. ~~{58-88-317}~~53-19-317. Elimination contests -- Conduct of contests -- Applicability of provisions -- Limitations on license -- Duration of contests -- Equipment -- Limitations on contests.

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

(2) Except as otherwise provided in this section and except as otherwise provided by specific statute, the provisions of this chapter pertaining to boxing apply to an elimination

unarmed combat contest.

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

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

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

(ii) be up to three minutes in duration if there is only a single round.

(c) A period of rest following a round shall be no more than one minute in duration.

(4) A contestant:

(a) shall wear gloves approved by the commission; and

(b) shall wear headgear approved by the commission, the designated commission member, or the director if a designated commission member is not present.

(5) A contestant may participate in more than one contest, but may not participate in more than a total of seven rounds in the entire tournament.

Section ~~{44}~~40. Section ~~{58-88-318}~~53-19-318, which is renumbered from Section 63N-10-318 is renumbered and amended to read:

[~~63N-10-318~~]. ~~{58-88-318}~~53-19-318. Commission rulemaking.

The commission may make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, governing the conduct of a contest held under this chapter to protect the health and safety of licensees and members of the public.

Section ~~{45}~~41. Section ~~{59-7-614}~~63J-1-602.1 is amended to read:

~~{ 59-7-614. Renewable energy systems tax credits -- Definitions -- Certification -- Rulemaking authority.~~

~~(1) As used in this section:~~

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

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

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

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

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

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

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

(c) "Commercial energy system" means a system that is:

(i) (A) an active solar system;

(B) a biomass system;

(C) a direct use geothermal system;

(D) a geothermal electricity system;

(E) a geothermal heat pump system;

(F) a hydroenergy system;

(G) a passive solar system; or

(H) a wind system;

(ii) located in the state; and

(iii) used:

(A) to supply energy to a commercial unit; or

(B) as a commercial enterprise.

(d) "Commercial enterprise" means an entity, the purpose of which is to produce electrical, mechanical, or thermal energy for sale from a commercial energy system.

(e) (i) "Commercial unit" means a building or structure that an entity uses to transact business.

(ii) Notwithstanding Subsection (1)(e)(i):

(A) with respect to an active solar system used for agricultural water pumping or a wind system, each individual energy generating device is considered to be a commercial unit; or

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

(f) "Direct use geothermal system" means a system of apparatus and equipment that enables the direct use of geothermal energy to meet energy needs, including heating a building, an industrial process, and aquaculture.

(g) "Geothermal electricity" means energy that is:

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

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

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

~~(i) "Geothermal heat pump system" means a system of apparatus and equipment that:~~

~~(i) enables the use of thermal properties contained in the earth at temperatures well below 100 degrees Fahrenheit; and~~

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

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

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

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

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

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

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

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

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

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

~~(A) an interest charge; or~~

~~(B) a maintenance expense.~~

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

~~(i) an active solar system;~~

~~(ii) a biomass system;~~

~~(iii) a direct use geothermal system;~~

~~(iv) a geothermal heat pump system;~~

~~(v) a hydroenergy system;~~

~~(vi) a passive solar system; or~~

~~(vii) a wind system.~~

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

~~(A) is located in the state; and~~

~~(B) serves as a dwelling for a person, group of persons, or a family.~~

~~(ii) "Residential unit" does not include property subject to a fee under:~~

~~(A) Section 59-2-405;~~

~~(B) Section 59-2-405.1;~~

~~(C) Section 59-2-405.2;~~

~~(D) Section 59-2-405.3; or~~

~~(E) Section 72-10-110.5.~~

~~(q) "Wind system" means a system of apparatus and equipment that is capable of:~~

~~(i) intercepting and converting wind energy into mechanical or electrical energy; and~~

~~(ii) transferring these forms of energy by a separate apparatus to the point of use, sale, or storage.~~

~~(2) A taxpayer may claim an energy system tax credit as provided in this section against a tax due under this chapter for a taxable year.~~

~~(3) (a) Subject to the other provisions of this Subsection (3), a taxpayer may claim a nonrefundable tax credit under this Subsection (3) with respect to a residential unit the taxpayer owns or uses if:~~

~~(i) the taxpayer:~~

~~(A) purchases and completes a residential energy system to supply all or part of the energy required for the residential unit; or~~

~~(B) participates in the financing of a residential energy system to supply all or part of the energy required for the residential unit;~~

~~(ii) the residential energy system is completed and placed in service on or after January 1, 2007; and~~

~~(iii) the taxpayer obtains a written certification from the office in accordance with Subsection (7).~~

~~(b) (i) Subject to Subsections (3)(b)(ii) through (iv) and, as applicable, Subsection (3)(c) or (d), the tax credit is equal to 25% of the reasonable costs of each residential energy system installed with respect to each residential unit the taxpayer owns or uses.~~

~~(ii) A tax credit under this Subsection (3) may include installation costs.~~

~~(iii) A taxpayer may claim a tax credit under this Subsection (3) for the taxable year in which the residential energy system is completed and placed in service.~~

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

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

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

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

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

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

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

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

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

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

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

~~(B) if the other person files a return under Chapter 10, Individual Income Tax Act, the other person may claim the tax credit under Section 59-10-1014 as if the other person had met~~

~~the requirements of Section 59-10-1014 to claim the tax credit.~~

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

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

~~(A) wind, geothermal electricity, solar, or biomass equipment capable of producing a total of 660 or more kilowatts of electricity; or~~

~~(B) solar equipment capable of producing 2,000 or more kilowatts of electricity;~~

~~(ii) the taxpayer purchases or participates in the financing of the commercial energy system;~~

~~(iii) (A) the commercial energy system supplies all or part of the energy required by commercial units owned or used by the taxpayer; or~~

~~(B) the taxpayer sells all or part of the energy produced by the commercial energy system as a commercial enterprise;~~

~~(iv) the commercial energy system is completed and placed in service on or after January 1, 2007; and~~

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

~~(b) (i) Subject to Subsections (4)(b)(ii) through (v), the tax credit is equal to 10% of the reasonable costs of the commercial energy system.~~

~~(ii) A tax credit under this Subsection (4) may include installation costs.~~

~~(iii) A taxpayer may claim a tax credit under this Subsection (4) for the taxable year in which the commercial energy system is completed and placed in service.~~

~~(iv) A tax credit under this Subsection (4) may not be carried forward or carried back.~~

~~(v) The total amount of tax credit a taxpayer may claim under this Subsection (4) may not exceed $50,000 per commercial unit.~~

~~(c) (i) Subject to Subsections (4)(c)(ii) and (iii), a taxpayer that is a lessee of a commercial energy system installed on a commercial unit may claim a tax credit under this Subsection (4) if the taxpayer confirms that the lessor irrevocably elects not to claim the tax credit.~~

~~(ii) A taxpayer described in Subsection (4)(c)(i) may claim as a tax credit under this Subsection (4) only the principal recovery portion of the lease payments.~~

(iii) A taxpayer described in Subsection (4)(c)(i) may claim a tax credit under this Subsection (4) for a period that does not exceed seven taxable years after the date the lease begins, as stated in the lease agreement.

(5) (a) Subject to the other provisions of this Subsection (5), a taxpayer may claim a refundable tax credit under this Subsection (5) with respect to a commercial energy system if:

(i) the commercial energy system uses wind, geothermal electricity, or biomass equipment capable of producing a total of 660 or more kilowatts of electricity;

(ii) (A) the commercial energy system supplies all or part of the energy required by commercial units owned or used by the taxpayer; or

(B) the taxpayer sells all or part of the energy produced by the commercial energy system as a commercial enterprise;

(iii) the commercial energy system is completed and placed in service on or after January 1, 2007; and

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

(b) (i) Subject to Subsections (5)(b)(ii) and (iii), a tax credit under this Subsection (5) is equal to the product of:

(A) 0.35 cents; and

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

(ii) A tax credit under this Subsection (5) may be claimed for production occurring during a period of 48 months beginning with the month in which the commercial energy system is placed in commercial service.

(iii) A tax credit under this Subsection (5) may not be carried forward or carried back.

(c) A taxpayer that is a lessee of a commercial energy system installed on a commercial unit may claim a tax credit under this Subsection (5) if the taxpayer confirms that the lessor irrevocably elects not to claim the tax credit.

(6) (a) Subject to the other provisions of this Subsection (6), a taxpayer may claim a refundable tax credit as provided in this Subsection (6) if:

(i) the taxpayer owns a commercial energy system that uses solar equipment capable of producing a total of 660 or more kilowatts of electricity;

(ii) (A) the commercial energy system supplies all or part of the energy required by

~~commercial units owned or used by the taxpayer; or~~

~~(B) the taxpayer sells all or part of the energy produced by the commercial energy system as a commercial enterprise;~~

~~(iii) the taxpayer does not claim a tax credit under Subsection (4);~~

~~(iv) the commercial energy system is completed and placed in service on or after January 1, 2015; and~~

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

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

~~(A) 0.35 cents; and~~

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

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

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

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

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

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

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

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

~~(A) has been completely installed;~~

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

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

~~(c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the~~

~~office may make rules:~~

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

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

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

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

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

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

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

~~(1) As used in this section:~~

~~(a) "Alternative energy entity" means the same as that term is defined in Section 63M-4-502.~~

~~(b) "Alternative energy project" means the same as that term is defined in Section 63M-4-502.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(1) As used in this section:~~

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

~~(b) "Infrastructure cost-burdened entity" means the same as that term is defined in Section 63M-4-602.~~

~~(c) "Infrastructure-related revenue" means the same as that term is defined in Section 63M-4-602.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(1) As used in this section:~~

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

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

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

~~(ii) "Active solar system" includes water heating, space heating or cooling, and~~

~~electrical or mechanical energy generation.~~

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

~~(i) converting material into biomass energy, as defined in Section 59-12-102; and~~

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

~~(c) "Direct use geothermal system" means a system of apparatus and equipment that enables the direct use of geothermal energy to meet energy needs, including heating a building, an industrial process, and aquaculture.~~

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

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

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

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

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

~~(i) enables the use of thermal properties contained in the earth at temperatures well below 100 degrees Fahrenheit; and~~

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

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

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

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

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

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

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

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

~~(k) (i) "Principal recovery portion" means the portion of a lease payment that~~

~~constitutes the cost a person incurs in acquiring a residential energy system.~~

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

~~(A) an interest charge; or~~

~~(B) a maintenance expense.~~

~~(l) "Residential energy system" means the following used to supply energy to or for a residential unit:~~

~~(i) an active solar system;~~

~~(ii) a biomass system;~~

~~(iii) a direct use geothermal system;~~

~~(iv) a geothermal heat pump system;~~

~~(v) a hydroenergy system;~~

~~(vi) a passive solar system; or~~

~~(vii) a wind system.~~

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

~~(A) is located in the state; and~~

~~(B) serves as a dwelling for a person, group of persons, or a family.~~

~~(ii) "Residential unit" does not include property subject to a fee under:~~

~~(A) Section 59-2-405;~~

~~(B) Section 59-2-405.1;~~

~~(C) Section 59-2-405.2;~~

~~(D) Section 59-2-405.3; or~~

~~(E) Section 72-10-110.5.~~

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

~~(i) intercepting and converting wind energy into mechanical or electrical energy; and~~

~~(ii) transferring these forms of energy by a separate apparatus to the point of use or storage.~~

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

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

~~claimant, estate, or trust owns or uses if:~~

~~(a) the claimant, estate, or trust:~~

~~(i) purchases and completes a residential energy system to supply all or part of the energy required for the residential unit; or~~

~~(ii) participates in the financing of a residential energy system to supply all or part of the energy required for the residential unit;~~

~~(b) the residential energy system is installed on or after January 1, 2007; and~~

~~(c) the claimant, estate, or trust obtains a written certification from the office in accordance with Subsection (5).~~

~~(4) (a) For a residential energy system, other than a photovoltaic system, the tax credit described in this section is equal to the lesser of:~~

~~(i) 25% of the reasonable costs, including installation costs, of each residential energy system installed with respect to each residential unit the claimant, estate, or trust owns or uses; and~~

~~(ii) $2,000.~~

~~(b) Subject to Subsection (5)(d), for a residential energy system that is a photovoltaic system, the tax credit described in this section is equal to the lesser of:~~

~~(i) 25% of the reasonable costs, including installation costs, of each system installed with respect to each residential unit the claimant, estate, or trust owns or uses; or~~

~~(ii) (A) for a system installed on or after January 1, 2007, but on or before December 31, 2017, $2,000;~~

~~(B) for a system installed on or after January 1, 2018, but on or before December 31, 2020, $1,600;~~

~~(C) for a system installed on or after January 1, 2021, but on or before December 31, 2021, $1,200;~~

~~(D) for a system installed on or after January 1, 2022, but on or before December 31, 2022, $800;~~

~~(E) for a system installed on or after January 1, 2023, but on or before December 31, 2023, $400; and~~

~~(F) for a system installed on or after January 1, 2024, $0.~~

~~(c) (i) The office shall determine the amount of the tax credit that a claimant, estate, or~~

~~trust may claim and list that amount on the written certification that the office issues under Subsection (5).~~

~~(ii) The claimant, estate, or trust may claim the tax credit in the amount listed on the written certification that the office issues under Subsection (5).~~

~~(d) A claimant, estate, or trust may claim a tax credit under Subsection (3) for the taxable year in which the residential energy system is installed.~~

~~(e) If the amount of a tax credit listed on the written certification exceeds a claimant's, estate's, or trust's tax liability under this chapter for a taxable year, the claimant, estate, or trust may carry forward the amount of the tax credit exceeding the liability for a period that does not exceed the next four taxable years.~~

~~(f) A claimant, estate, or trust may claim a tax credit with respect to additional residential energy systems or parts of residential energy systems for a subsequent taxable year if the total amount of tax credit the claimant, estate, or trust claims does not exceed $2,000 per residential unit.~~

~~(g) (i) Subject to Subsections (4)(g)(ii) and (iii), a claimant, estate, or trust that leases a residential energy system installed on a residential unit may claim a tax credit under Subsection (3) if the claimant, estate, or trust confirms that the lessor irrevocably elects not to claim the tax credit.~~

~~(ii) A claimant, estate, or trust described in Subsection (4)(g)(i) that leases a residential energy system may claim as a tax credit under Subsection (3) only the principal recovery portion of the lease payments.~~

~~(iii) A claimant, estate, or trust described in Subsection (4)(g)(i) that leases a residential energy system may claim a tax credit under Subsection (3) for a period that does not exceed seven taxable years after the date the lease begins, as stated in the lease agreement.~~

~~(h) If a claimant, estate, or trust sells a residential unit to another person before the claimant, estate, or trust claims the tax credit under Subsection (3):~~

~~(i) the claimant, estate, or trust may assign the tax credit to the other person; and~~

~~(ii) (A) if the other person files a return under Chapter 7, Corporate Franchise and Income Taxes, the other person may claim the tax credit as if the other person had met the requirements of Section 59-7-614 to claim the tax credit; or~~

~~(B) if the other person files a return under this chapter, the other person may claim the~~

~~tax credit under this section as if the other person had met the requirements of this section to claim the tax credit.~~

~~(5) (a) Before a claimant, estate, or trust may claim a tax credit under this section, the claimant, estate, or trust shall obtain a written certification from the office.~~

~~(b) The office shall issue a claimant, estate, or trust a written certification if the office determines that:~~

~~(i) the claimant, estate, or trust meets the requirements of this section to receive a tax credit; and~~

~~(ii) the office determines that the residential energy system with respect to which the claimant, estate, or trust seeks to claim a tax credit:~~

~~(A) has been completely installed;~~

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

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

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

~~(i) for determining whether a residential energy system meets the requirements of Subsection (5)(b)(ii); and~~

~~(ii) for purposes of determining the amount of a tax credit that a claimant, estate, or trust may receive under Subsection (4), establishing the reasonable costs of a residential energy system, as an amount per unit of energy production.~~

~~(d) A claimant, estate, or trust that obtains a written certification from the office shall retain the certification for the same time period a person is required to keep books and records under Section 59-1-1406.~~

~~(6) A tax credit under this section is in addition to any tax credits provided under the laws or rules and regulations of the United States.~~

~~(7) A purchaser of one or more solar units that claims a tax credit under Section 59-10-1024 for the purchase of the one or more solar units may not claim a tax credit under this section for that purchase.~~

~~Section 49. Section **59-10-1029** is amended to read:~~

~~**59-10-1029. Nonrefundable alternative energy development tax credit.**~~

~~(1) As used in this section:~~

~~(a) "Alternative energy entity" means the same as that term is defined in Section 63M-4-502.~~

~~(b) "Alternative energy project" means the same as that term is defined in Section 63M-4-502.~~

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

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

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

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

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

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

~~(5) (a) In accordance with Section 59-10-137, the Revenue and Taxation Interim Committee shall study the tax credit allowed by this section and make recommendations concerning whether the tax credit should be continued, modified, or repealed.~~

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

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

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

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

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

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

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

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

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

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

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

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

~~Section 50. Section **59-10-1034** is amended to read:~~

~~**59-10-1034. Nonrefundable high cost infrastructure development tax credit.**~~

~~(1) As used in this section:~~

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

~~(b) "Infrastructure cost-burdened entity" means the same as that term is defined in Section 63M-4-602.~~

~~(c) "Infrastructure-related revenue" means the same as that term is defined in Section 63M-4-602.~~

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

~~(2) Subject to the other provisions of this section, a claimant, estate, or trust that is an infrastructure cost-burdened entity may claim a nonrefundable tax credit for development of a high cost infrastructure project as provided in this section.~~

~~(3) The tax credit under this section is the amount listed as the tax credit amount on a~~

~~tax credit certificate that the office issues under Title 63M, Chapter 4, Part 6, High Cost Infrastructure Development Tax Credit Act, to the infrastructure cost-burdened entity for the taxable year.~~

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

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

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

~~(5) (a) In accordance with Section 59-10-137, the Revenue and Taxation Interim Committee shall study the tax credit allowed by this section and make recommendations concerning whether the tax credit should be continued, modified, or repealed.~~

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

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

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

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

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

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

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

~~(c) As part of the study required by this Subsection (5), the Office of the Legislative Fiscal Analyst shall report to the Revenue and Taxation Interim Committee a summary and~~

~~analysis of the information provided to the Office of the Legislative Fiscal Analyst by the office under Subsection (5)(b).~~

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

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

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

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

~~Section 51. Section **59-10-1106** is amended to read:~~

~~**59-10-1106. Refundable renewable energy systems tax credits -- Definitions -- Certification -- Rulemaking authority.**~~

~~(1) As used in this section:~~

~~(a) "Active solar system" means the same as that term is defined in Section 59-10-1014.~~

~~(b) "Biomass system" means the same as that term is defined in Section 59-10-1014.~~

~~(c) "Commercial energy system" means the same as that term is defined in Section 59-7-614.~~

~~(d) "Commercial enterprise" means the same as that term is defined in Section 59-7-614.~~

~~(e) (i) "Commercial unit" means the same as that term is defined in Section 59-7-614.~~

~~(ii) Notwithstanding Subsection (1)(e)(i):~~

~~(A) with respect to an active solar system used for agricultural water pumping or a wind system, each individual energy generating device is considered to be a commercial unit; or~~

~~(B) if an energy system is the building or structure that a claimant, estate, or trust uses to transact business, a commercial unit is the complete energy system itself.~~

~~(f) "Direct use geothermal system" means the same as that term is defined in Section 59-10-1014.~~

~~(g) "Geothermal electricity" means the same as that term is defined in Section 59-10-1014.~~

~~(h) "Geothermal energy" means the same as that term is defined in Section 59-10-1014.~~

~~(i) "Geothermal heat pump system" means the same as that term is defined in Section~~

~~59-10-1014.~~

~~(j) "Hydroenergy system" means the same as that term is defined in Section 59-10-1014.~~

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

~~(l) "Passive solar system" means the same as that term is defined in Section 59-10-1014.~~

~~(m) "Principal recovery portion" means the same as that term is defined in Section 59-10-1014.~~

~~(n) "Wind system" means the same as that term is defined in Section 59-10-1014.~~

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

~~(3) (a) Subject to the other provisions of this Subsection (3), a claimant, estate, or trust may claim a refundable tax credit under this Subsection (3) with respect to a commercial energy system if:~~

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

~~(A) wind, geothermal electricity, solar, or biomass equipment capable of producing a total of 660 or more kilowatts of electricity; or~~

~~(B) solar equipment capable of producing 2,000 or more kilowatts of electricity;~~

~~(ii) the claimant, estate, or trust purchases or participates in the financing of the commercial energy system;~~

~~(iii) (A) the commercial energy system supplies all or part of the energy required by commercial units owned or used by the claimant, estate, or trust; or~~

~~(B) the claimant, estate, or trust sells all or part of the energy produced by the commercial energy system as a commercial enterprise;~~

~~(iv) the commercial energy system is completed and placed in service on or after January 1, 2007; and~~

~~(v) the claimant, estate, or trust obtains a written certification from the office in accordance with Subsection (6).~~

~~(b) (i) Subject to Subsections (3)(b)(ii) through (v), the tax credit is equal to 10% of the reasonable costs of the commercial energy system.~~

~~(ii) A tax credit under this Subsection (3) may include installation costs.~~

~~(iii) A claimant, estate, or trust may claim a tax credit under this Subsection (3) for the taxable year in which the commercial energy system is completed and placed in service.~~

~~(iv) A tax credit under this Subsection (3) may not be carried forward or carried back.~~

~~(v) The total amount of tax credit a claimant, estate, or trust may claim under this Subsection (3) may not exceed $50,000 per commercial unit.~~

~~(c) (i) Subject to Subsections (3)(c)(ii) and (iii), a claimant, estate, or trust that is a lessee of a commercial energy system installed on a commercial unit may claim a tax credit under this Subsection (3) if the claimant, estate, or trust confirms that the lessor irrevocably elects not to claim the tax credit.~~

~~(ii) A claimant, estate, or trust described in Subsection (3)(c)(i) may claim as a tax credit under this Subsection (3) only the principal recovery portion of the lease payments.~~

~~(iii) A claimant, estate, or trust described in Subsection (3)(c)(i) may claim a tax credit under this Subsection (3) for a period that does not exceed seven taxable years after the date the lease begins, as stated in the lease agreement.~~

~~(4) (a) Subject to the other provisions of this Subsection (4), a claimant, estate, or trust may claim a refundable tax credit under this Subsection (4) with respect to a commercial energy system if:~~

~~(i) the commercial energy system uses wind, geothermal electricity, or biomass equipment capable of producing a total of 660 or more kilowatts of electricity;~~

~~(ii) (A) the commercial energy system supplies all or part of the energy required by commercial units owned or used by the claimant, estate, or trust; or~~

~~(B) the claimant, estate, or trust sells all or part of the energy produced by the commercial energy system as a commercial enterprise;~~

~~(iii) the commercial energy system is completed and placed in service on or after January 1, 2007; and~~

~~(iv) the claimant, estate, or trust obtains a written certification from the office in accordance with Subsection (6).~~

~~(b) (i) Subject to Subsections (4)(b)(ii) and (iii), a tax credit under this Subsection (4) is equal to the product of:~~

~~(A) 0.35 cents; and~~

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

~~(ii) A tax credit under this Subsection (4) may be claimed for production occurring during a period of 48 months beginning with the month in which the commercial energy system is placed in commercial service.~~

~~(iii) A tax credit under this Subsection (4) may not be carried forward or back.~~

~~(c) A claimant, estate, or trust that is a lessee of a commercial energy system installed on a commercial unit may claim a tax credit under this Subsection (4) if the claimant, estate, or trust confirms that the lessor irrevocably elects not to claim the tax credit.~~

~~(5) (a) Subject to the other provisions of this Subsection (5), a claimant, estate, or trust may claim a refundable tax credit as provided in this Subsection (5) if:~~

~~(i) the claimant, estate, or trust owns a commercial energy system that uses solar equipment capable of producing a total of 660 or more kilowatts of electricity;~~

~~(ii) (A) the commercial energy system supplies all or part of the energy required by commercial units owned or used by the claimant, estate, or trust; or~~

~~(B) the claimant, estate, or trust sells all or part of the energy produced by the commercial energy system as a commercial enterprise;~~

~~(iii) the claimant, estate, or trust does not claim a tax credit under Subsection (3);~~

~~(iv) the commercial energy system is completed and placed in service on or after January 1, 2015; and~~

~~(v) the claimant, estate, or trust obtains a written certification from the office in accordance with Subsection (6).~~

~~(b) (i) Subject to Subsections (5)(b)(ii) and (iii), a tax credit under this Subsection (5) is equal to the product of:~~

~~(A) 0.35 cents; and~~

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

~~(ii) A tax credit under this Subsection (5) may be claimed for production occurring during a period of 48 months beginning with the month in which the commercial energy system is placed in commercial service.~~

~~(iii) A tax credit under this Subsection (5) may not be carried forward or carried back.~~

~~(c) A claimant, estate, or trust that is a lessee of a commercial energy system installed on a commercial unit may claim a tax credit under this Subsection (5) if the claimant, estate, or~~

~~trust confirms that the lessor irrevocably elects not to claim the tax credit.~~

~~(6) (a) Before a claimant, estate, or trust may claim a tax credit under this section, the claimant, estate, or trust shall obtain a written certification from the office.~~

~~(b) The office shall issue a claimant, estate, or trust a written certification if the office determines that:~~

~~(i) the claimant, estate, or trust meets the requirements of this section to receive a tax credit; and~~

~~(ii) the office determines that the commercial energy system with respect to which the claimant, estate, or trust seeks to claim a tax credit:~~

~~(A) has been completely installed;~~

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

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

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

~~(i) for determining whether a commercial energy system meets the requirements of Subsection (6)(b)(ii); and~~

~~(ii) for purposes of a tax credit under Subsection (3), establishing the reasonable costs of a commercial energy system, as an amount per unit of energy production.~~

~~(d) A claimant, estate, or trust that obtains a written certification from the office shall retain the certification for the same time period a person is required to keep books and records under Section 59-1-1406.~~

~~(7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules to address the certification of a tax credit under this section.~~

~~(8) A tax credit under this section is in addition to any tax credits provided under the laws or rules and regulations of the United States.~~

~~(9) A purchaser of one or more solar units that claims a tax credit under Section 59-10-1024 for the purchase of the one or more solar units may not claim a tax credit under this section for that purchase.~~

~~Section 52. Section **59-12-103** is amended to read:~~

~~**59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use tax revenues.**~~

~~(1) A tax is imposed on the purchaser as provided in this part on the purchase price or sales price for amounts paid or charged for the following transactions:~~

~~(a) retail sales of tangible personal property made within the state;~~

~~(b) amounts paid for:~~

~~(i) telecommunications service, other than mobile telecommunications service, that originates and terminates within the boundaries of this state;~~

~~(ii) mobile telecommunications service that originates and terminates within the boundaries of one state only to the extent permitted by the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or~~

~~(iii) an ancillary service associated with a:~~

~~(A) telecommunications service described in Subsection (1)(b)(i); or~~

~~(B) mobile telecommunications service described in Subsection (1)(b)(ii);~~

~~(c) sales of the following for commercial use:~~

~~(i) gas;~~

~~(ii) electricity;~~

~~(iii) heat;~~

~~(iv) coal;~~

~~(v) fuel oil; or~~

~~(vi) other fuels;~~

~~(d) sales of the following for residential use:~~

~~(i) gas;~~

~~(ii) electricity;~~

~~(iii) heat;~~

~~(iv) coal;~~

~~(v) fuel oil; or~~

~~(vi) other fuels;~~

~~(e) sales of prepared food;~~

~~(f) except as provided in Section 59-12-104, amounts paid or charged as admission or user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,~~

~~exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries, fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails, tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises, horseback rides, sports activities, or any other amusement, entertainment, recreation, exhibition, cultural, or athletic activity;~~

~~(g) amounts paid or charged for services for repairs or renovations of tangible personal property, unless Section 59-12-104 provides for an exemption from sales and use tax for:~~

~~(i) the tangible personal property; and~~

~~(ii) parts used in the repairs or renovations of the tangible personal property described in Subsection (1)(g)(i), regardless of whether:~~

~~(A) any parts are actually used in the repairs or renovations of that tangible personal property; or~~

~~(B) the particular parts used in the repairs or renovations of that tangible personal property are exempt from a tax under this chapter;~~

~~(h) except as provided in Subsection 59-12-104(7), amounts paid or charged for assisted cleaning or washing of tangible personal property;~~

~~(i) amounts paid or charged for tourist home, hotel, motel, or trailer court accommodations and services that are regularly rented for less than 30 consecutive days;~~

~~(j) amounts paid or charged for laundry or dry cleaning services;~~

~~(k) amounts paid or charged for leases or rentals of tangible personal property if within this state the tangible personal property is:~~

~~(i) stored;~~

~~(ii) used; or~~

~~(iii) otherwise consumed;~~

~~(l) amounts paid or charged for tangible personal property if within this state the tangible personal property is:~~

~~(i) stored;~~

~~(ii) used; or~~

~~(iii) consumed; and~~

~~(m) amounts paid or charged for a sale:~~

~~(i) (A) of a product transferred electronically; or~~

~~(B) of a repair or renovation of a product transferred electronically; and~~

~~(ii) regardless of whether the sale provides:~~

~~(A) a right of permanent use of the product; or~~

~~(B) a right to use the product that is less than a permanent use, including a right:~~

~~(I) for a definite or specified length of time; and~~

~~(II) that terminates upon the occurrence of a condition.~~

~~(2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax is imposed on a transaction described in Subsection (1) equal to the sum of:~~

~~(i) a state tax imposed on the transaction at a tax rate equal to the sum of:~~

~~(A) (I) through March 31, 2019, 4.70%; and~~

~~(II) beginning on April 1, 2019, 4.70% plus the rate specified in Subsection (14)(a); and~~

~~(B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional State Sales and Use Tax Act; and~~

~~(II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and~~

~~(ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction under this chapter other than this part.~~

~~(b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed on a transaction described in Subsection (1)(d) equal to the sum of:~~

~~(i) a state tax imposed on the transaction at a tax rate of 2%; and~~

~~(ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction under this chapter other than this part.~~

~~(c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed on amounts paid or charged for food and food ingredients equal to the sum of:~~

~~(i) a state tax imposed on the amounts paid or charged for food and food ingredients at~~

~~a tax rate of 1.75%; and~~

~~(ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the amounts paid or charged for food and food ingredients under this chapter other than this part.~~

~~(d) (i) For a bundled transaction that is attributable to food and food ingredients and tangible personal property other than food and food ingredients, a state tax and a local tax is imposed on the entire bundled transaction equal to the sum of:~~

~~(A) a state tax imposed on the entire bundled transaction equal to the sum of:~~

~~(I) the tax rate described in Subsection (2)(a)(i)(A); and~~

~~(II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional State Sales and Use Tax Act; and~~

~~(Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and~~

~~(B) a local tax imposed on the entire bundled transaction at the sum of the tax rates described in Subsection (2)(a)(ii).~~

~~(ii) If an optional computer software maintenance contract is a bundled transaction that consists of taxable and nontaxable products that are not separately itemized on an invoice or similar billing document, the purchase of the optional computer software maintenance contract is 40% taxable under this chapter and 60% nontaxable under this chapter.~~

~~(iii) Subject to Subsection (2)(d)(iv), for a bundled transaction other than a bundled transaction described in Subsection (2)(d)(i) or (ii):~~

~~(A) if the sales price of the bundled transaction is attributable to tangible personal property, a product, or a service that is subject to taxation under this chapter and tangible personal property, a product, or service that is not subject to taxation under this chapter, the entire bundled transaction is subject to taxation under this chapter unless:~~

~~(I) the seller is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is not subject to taxation under this chapter from the books and records the seller keeps in the seller's regular course of business; or~~

~~(II) state or federal law provides otherwise; or~~

~~(B) if the sales price of a bundled transaction is attributable to two or more items of tangible personal property, products, or services that are subject to taxation under this chapter at different rates, the entire bundled transaction is subject to taxation under this chapter at the higher tax rate unless:~~

~~(I) the seller is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is subject to taxation under this chapter at the lower tax rate from the books and records the seller keeps in the seller's regular course of business; or~~

~~(II) state or federal law provides otherwise.~~

~~(iv) For purposes of Subsection (2)(d)(iii), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.~~

~~(e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii) and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental of tangible personal property, other property, a product, or a service that is not subject to taxation under this chapter, the entire transaction is subject to taxation under this chapter unless the seller, at the time of the transaction:~~

~~(A) separately states the portion of the transaction that is not subject to taxation under this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or~~

~~(B) is able to identify by reasonable and verifiable standards, from the books and records the seller keeps in the seller's regular course of business, the portion of the transaction that is not subject to taxation under this chapter.~~

~~(ii) A purchaser and a seller may correct the taxability of a transaction if:~~

~~(A) after the transaction occurs, the purchaser and the seller discover that the portion of the transaction that is not subject to taxation under this chapter was not separately stated on an invoice, bill of sale, or similar document provided to the purchaser because of an error or ignorance of the law; and~~

~~(B) the seller is able to identify by reasonable and verifiable standards, from the books and records the seller keeps in the seller's regular course of business, the portion of the transaction that is not subject to taxation under this chapter.~~

~~(iii) For purposes of Subsections (2)(e)(i) and (ii), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.~~

~~(f) (i) If the sales price of a transaction is attributable to two or more items of tangible personal property, products, or services that are subject to taxation under this chapter at different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate unless the seller, at the time of the transaction:~~

~~(A) separately states the items subject to taxation under this chapter at each of the different rates on an invoice, bill of sale, or similar document provided to the purchaser; or~~

~~(B) is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is subject to taxation under this chapter at the lower tax rate from the books and records the seller keeps in the seller's regular course of business.~~

~~(ii) For purposes of Subsection (2)(f)(i), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.~~

~~(g) Subject to Subsections (2)(h) and (i), a tax rate repeal or tax rate change for a tax rate imposed under the following shall take effect on the first day of a calendar quarter:~~

~~(i) Subsection (2)(a)(i)(A);~~

~~(ii) Subsection (2)(b)(i);~~

~~(iii) Subsection (2)(c)(i); or~~

~~(iv) Subsection (2)(d)(i)(A)(I).~~

~~(h) (i) A tax rate increase takes effect on the first day of the first billing period that begins on or after the effective date of the tax rate increase if the billing period for the transaction begins before the effective date of a tax rate increase imposed under:~~

~~(A) Subsection (2)(a)(i)(A);~~

~~(B) Subsection (2)(b)(i);~~

~~(C) Subsection (2)(c)(i); or~~

~~(D) Subsection (2)(d)(i)(A)(I).~~

~~(ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing statement for the billing period is rendered on or after the effective date of the repeal of the tax or the tax rate decrease imposed under:~~

(A) Subsection (2)(a)(i)(A);

(B) Subsection (2)(b)(i);

(C) Subsection (2)(c)(i); or

(D) Subsection (2)(d)(i)(A)(I).

(i) (i) For a tax rate described in Subsection (2)(i)(ii), if a tax due on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or change in a tax rate takes effect:

(A) on the first day of a calendar quarter; and

(B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

(ii) Subsection (2)(i)(i) applies to the tax rates described in the following:

(A) Subsection (2)(a)(i)(A);

(B) Subsection (2)(b)(i);

(C) Subsection (2)(c)(i); or

(D) Subsection (2)(d)(i)(A)(I).

(iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "catalogue sale."

(3) (a) The following state taxes shall be deposited into the General Fund:

(i) the tax imposed by Subsection (2)(a)(i)(A);

(ii) the tax imposed by Subsection (2)(b)(i);

(iii) the tax imposed by Subsection (2)(c)(i); or

(iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

(b) The following local taxes shall be distributed to a county, city, or town as provided in this chapter:

(i) the tax imposed by Subsection (2)(a)(ii);

(ii) the tax imposed by Subsection (2)(b)(ii);

(iii) the tax imposed by Subsection (2)(c)(ii); and

(iv) the tax imposed by Subsection (2)(d)(i)(B).

(4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b) through (g):

(i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

~~(A) by a 1/16% tax rate on the transactions described in Subsection (1); and~~

~~(B) for the fiscal year; or~~

~~(ii) $17,500,000.~~

~~(b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount described in Subsection (4)(a) shall be transferred each year as dedicated credits to the Department of Natural Resources to:~~

~~(A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to protect sensitive plant and animal species; or~~

~~(B) award grants, up to the amount authorized by the Legislature in an appropriations act, to political subdivisions of the state to implement the measures described in Subsections 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.~~

~~(ii) Money transferred to the Department of Natural Resources under Subsection (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other person to list or attempt to have listed a species as threatened or endangered under the Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.~~

~~(iii) At the end of each fiscal year:~~

~~(A) 50% of any unexpended dedicated credits shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24;~~

~~(B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and~~

~~(C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan Program Subaccount created in Section 73-10c-5.~~

~~(c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund created in Section 4-18-106.~~

~~(d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of water rights.~~

~~(ii) At the end of each fiscal year:~~

~~(A) 50% of any unexpended dedicated credits shall lapse to the Water Resources~~

~~Conservation and Development Fund created in Section 73-10-24;~~

~~(B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and~~

~~(C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan Program Subaccount created in Section 73-10c-5.~~

~~(e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described in Subsection (4)(a) shall be deposited into the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources.~~

~~(ii) In addition to the uses allowed of the Water Resources Conservation and Development Fund under Section 73-10-24, the Water Resources Conservation and Development Fund may also be used to:~~

~~(A) conduct hydrologic and geotechnical investigations by the Division of Water Resources in a cooperative effort with other state, federal, or local entities, for the purpose of quantifying surface and ground water resources and describing the hydrologic systems of an area in sufficient detail so as to enable local and state resource managers to plan for and accommodate growth in water use without jeopardizing the resource;~~

~~(B) fund state required dam safety improvements; and~~

~~(C) protect the state's interest in interstate water compact allocations, including the hiring of technical and legal staff.~~

~~(f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.~~

~~(g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount created in Section 73-10c-5 for use by the Division of Drinking Water to:~~

~~(i) provide for the installation and repair of collection, treatment, storage, and distribution facilities for any public water system, as defined in Section 19-4-102;~~

~~(ii) develop underground sources of water, including springs and wells; and~~

~~(iii) develop surface water sources.~~

~~(5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2006, the difference between the following amounts shall be expended as provided in this~~

~~Subsection (5), if that difference is greater than $1:~~

~~(i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and~~

~~(ii) $17,500,000.~~

~~(b) (i) The first $500,000 of the difference described in Subsection (5)(a) shall be:~~

~~(A) transferred each fiscal year to the Department of Natural Resources as dedicated credits; and~~

~~(B) expended by the Department of Natural Resources for watershed rehabilitation or restoration.~~

~~(ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24.~~

~~(c) (i) After making the transfer required by Subsection (5)(b)(i), $150,000 of the remaining difference described in Subsection (5)(a) shall be:~~

~~(A) transferred each fiscal year to the Division of Water Resources as dedicated credits; and~~

~~(B) expended by the Division of Water Resources for cloud-seeding projects authorized by Title 73, Chapter 15, Modification of Weather.~~

~~(ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24.~~

~~(d) After making the transfers required by Subsections (5)(b) and (c), 85% of the remaining difference described in Subsection (5)(a) shall be deposited into the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources for:~~

~~(i) preconstruction costs:~~

~~(A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter 26, Bear River Development Act; and~~

~~(B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;~~

~~(ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,~~

~~Chapter 26, Bear River Development Act;~~

~~(iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and~~

~~(iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).~~

~~(e) After making the transfers required by Subsections (5)(b) and (c) and subject to Subsection (5)(f), 15% of the remaining difference described in Subsection (5)(a) shall be transferred each year as dedicated credits to the Division of Water Rights to cover the costs incurred for employing additional technical staff for the administration of water rights.~~

~~(f) At the end of each fiscal year, any unexpended dedicated credits described in Subsection (5)(e) over $150,000 lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24.~~

~~(6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited as follows:~~

~~(a) for fiscal year 2016-17 only, 100% of the revenue described in this Subsection (6) shall be deposited into the Transportation Investment Fund of 2005 created by Section 72-2-124;~~

~~(b) for fiscal year 2017-18 only:~~

~~(i) 80% of the revenue described in this Subsection (6) shall be deposited into the Transportation Investment Fund of 2005 created by Section 72-2-124; and~~

~~(ii) 20% of the revenue described in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account created by Section 73-10g-103;~~

~~(c) for fiscal year 2018-19 only:~~

~~(i) 60% of the revenue described in this Subsection (6) shall be deposited into the Transportation Investment Fund of 2005 created by Section 72-2-124; and~~

~~(ii) 40% of the revenue described in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account created by Section 73-10g-103;~~

~~(d) for fiscal year 2019-20 only:~~

~~(i) 40% of the revenue described in this Subsection (6) shall be deposited into the Transportation Investment Fund of 2005 created by Section 72-2-124; and~~

~~(ii) 60% of the revenue described in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account created by Section 73-10g-103;~~

~~(e) for fiscal year 2020-21 only:~~

~~(i) 20% of the revenue described in this Subsection (6) shall be deposited into the Transportation Investment Fund of 2005 created by Section 72-2-124; and~~

~~(ii) 80% of the revenue described in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account created by Section 73-10g-103; and~~

~~(f) for a fiscal year beginning on or after July 1, 2021, 100% of the revenue described in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account created by Section 73-10g-103.~~

~~(7) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in Subsection (6), and subject to Subsection (7)(b), for a fiscal year beginning on or after July 1, 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124:~~

~~(i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of the revenues collected from the following taxes, which represents a portion of the approximately 17% of sales and use tax revenues generated annually by the sales and use tax on vehicles and vehicle-related products:~~

~~(A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;~~

~~(B) the tax imposed by Subsection (2)(b)(i);~~

~~(C) the tax imposed by Subsection (2)(c)(i); and~~

~~(D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus~~

~~(ii) an amount equal to 30% of the growth in the amount of revenues collected in the current fiscal year from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) that exceeds the amount collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) in the 2010-11 fiscal year.~~

~~(b) (i) Subject to Subsections (7)(b)(ii) and (iii), in any fiscal year that the portion of the sales and use taxes deposited under Subsection (7)(a) represents an amount that is a total lower percentage of the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) generated in the current fiscal year than the total percentage of sales and use taxes deposited in the previous fiscal year, the Division of Finance shall deposit an amount under Subsection~~

~~(7)(a) equal to the product of:~~

~~(A) the total percentage of sales and use taxes deposited under Subsection (7)(a) in the previous fiscal year; and~~

~~(B) the total sales and use tax revenue generated by the taxes described in Subsections (7)(a)(i)(A) through (D) in the current fiscal year.~~

~~(ii) In any fiscal year in which the portion of the sales and use taxes deposited under Subsection (7)(a) would exceed 17% of the revenues collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) in the current fiscal year, the Division of Finance shall deposit 17% of the revenues collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) for the current fiscal year under Subsection (7)(a).~~

~~(iii) In all subsequent fiscal years after a year in which 17% of the revenues collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) was deposited under Subsection (7)(a), the Division of Finance shall annually deposit 17% of the revenues collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) in the current fiscal year under Subsection (7)(a).~~

~~(8) (a) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under Subsections (6) and (7), for the 2016-17 fiscal year only, the Division of Finance shall deposit $64,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the Transportation Investment Fund of 2005 created by Section 72-2-124.~~

~~(b) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under Subsections (6) and (7), for the 2017-18 fiscal year only, the Division of Finance shall deposit $63,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the Transportation Investment Fund of 2005 created by Section 72-2-124.~~

~~(c) (i) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under Subsections (6) and (7), and subject to Subsection (8)(c)(ii), for a fiscal year beginning on or after July 1, 2018, the commission shall annually deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) in an amount equal to 3.68% of the revenues collected from the following taxes:~~

~~(A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;~~

~~(B) the tax imposed by Subsection (2)(b)(i);~~

~~(C) the tax imposed by Subsection (2)(c)(i); and~~

(D) the tax imposed by Subsection (2)(d)(i)(A)(I).

(ii) For a fiscal year beginning on or after July 1, 2019, the commission shall annually reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(c)(i) by an amount that is equal to 35% of the amount of revenue generated in the current fiscal year by the portion of the tax imposed on motor and special fuel that is sold, used, or received for sale or use in this state that exceeds 29.4 cents per gallon.

(iii) The commission shall annually deposit the amount described in Subsection (8)(c)(ii) into the Transit and Transportation Investment Fund created in Section 72-2-124.

(9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year 2009-10, $533,750 shall be deposited into the Qualified Emergency Food Agencies Fund created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

(10) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c), in addition to any amounts deposited under Subsections (6), (7), and (8), and for the 2016-17 fiscal year only, the Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the amount of tax revenue generated by a .05% tax rate on the transactions described in Subsection (1).

(b) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c), and in addition to any amounts deposited under Subsections (6), (7), and (8), the Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the amount of revenue described as follows:

(i) for fiscal year 2017-18 only, 83.33% of the amount of revenue generated by a .05% tax rate on the transactions described in Subsection (1);

(ii) for fiscal year 2018-19 only, 66.67% of the amount of revenue generated by a .05% tax rate on the transactions described in Subsection (1);

(iii) for fiscal year 2019-20 only, 50% of the amount of revenue generated by a .05% tax rate on the transactions described in Subsection (1);

(iv) for fiscal year 2020-21 only, 33.33% of the amount of revenue generated by a .05% tax rate on the transactions described in Subsection (1); and

(v) for fiscal year 2021-22 only, 16.67% of the amount of revenue generated by a .05% tax rate on the transactions described in Subsection (1).

(c) For purposes of Subsections (10)(a) and (b), the Division of Finance may not

~~deposit into the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or charged for food and food ingredients, except for tax revenue generated by a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients described in Subsection (2)(d).~~

~~(11) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the fiscal year during which the Division of Finance receives notice under Section 63N-2-510 that construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the Division of Finance shall, for two consecutive fiscal years, annually deposit $1,900,000 of the revenue generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund, created in Section 63N-2-512.~~

~~(12) (a) Notwithstanding Subsection (3)(a), for the 2016-17 fiscal year only, the Division of Finance shall deposit $26,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the Throughput Infrastructure Fund created by Section [35A-8-308] 63N-4-508.~~

~~(b) Notwithstanding Subsection (3)(a), for the 2017-18 fiscal year only, the Division of Finance shall deposit $27,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the Throughput Infrastructure Fund created by Section [35A-8-308] 63N-4-508.~~

~~(13) Notwithstanding Subsections (4) through (12) and (14), an amount required to be expended or deposited in accordance with Subsections (4) through (12) and (14) may not include an amount the Division of Finance deposits in accordance with Section 59-12-103.2.~~

~~(14) (a) The rate specified in this subsection is 0.15%.~~

~~(b) Notwithstanding Subsection (3)(a), the Division of Finance shall:~~

~~(i) on or before September 30, 2019, transfer the amount of revenue generated by a 0.15% tax rate imposed beginning on April 1, 2019, and ending on June 30, 2019, on the transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(A) as dedicated credits to the Division of Health Care Financing; and~~

~~(ii) for a fiscal year beginning on or after fiscal year 2019-20, annually transfer the amount of revenue generated by a 0.15% tax rate on the transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(A) as dedicated credits to the Division of Health Care Financing.~~

~~(c) The revenue described in Subsection (14)(b) that the Division of Finance transfers to the Division of Health Care Financing as dedicated credits shall be expended for the following uses:~~

~~(i) implementation of the Medicaid expansion described in Sections 26-18-3.1(4) and 26-18-3.9(2)(b);~~

~~(ii) if revenue remains after the use specified in Subsection (14)(c)(i), other measures required by Section 26-18-3.9; and~~

~~(iii) if revenue remains after the uses specified in Subsections (14)(c)(i) and (ii), other measures described in Title 26, Chapter 18, Medical Assistance Act.~~

~~Section 53. Section **59-21-2** is amended to read:~~

~~**59-21-2. Mineral Bonus Account created -- Contents -- Use of Mineral Bonus Account money -- Mineral Lease Account created -- Contents -- Appropriation of money from Mineral Lease Account.**~~

~~(1) (a) There is created a restricted account within the General Fund known as the "Mineral Bonus Account."~~

~~(b) The Mineral Bonus Account consists of federal mineral lease bonus payments deposited pursuant to Subsection 59-21-1(3).~~

~~(c) The Legislature shall make appropriations from the Mineral Bonus Account in accordance with Section 35 of the Mineral Lands Leasing Act of 1920, 30 U.S.C. Sec. 191.~~

~~(d) The state treasurer shall:~~

~~(i) invest the money in the Mineral Bonus Account by following the procedures and requirements of Title 51, Chapter 7, State Money Management Act; and~~

~~(ii) deposit all interest or other earnings derived from the account into the Mineral Bonus Account.~~

~~(e) The Division of Finance shall, beginning on July 1, 2017, annually deposit 30% of mineral lease bonus payments deposited under Subsection (1)(b) from the previous fiscal year into the Wildland Fire Suppression Fund created in Section 65A-8-204, up to $2,000,000 but not to exceed 20% of the amount expended in the previous fiscal year from the Wildland Fire Suppression Fund.~~

~~(2) (a) There is created a restricted account within the General Fund known as the "Mineral Lease Account."~~

~~(b) The Mineral Lease Account consists of federal mineral lease money deposited pursuant to Subsection 59-21-1(1).~~

~~(c) The Legislature shall make appropriations from the Mineral Lease Account as provided in Subsection 59-21-1(1) and this Subsection (2).~~

~~(d) (i) Except as provided in Subsections (2)(d)(ii) and (iii), the Legislature shall annually appropriate 32.5% of all deposits made to the Mineral Lease Account to the Permanent Community Impact Fund established by Section [35A-8-303] 63N-4-503.~~

~~(ii) For fiscal year 2016-17 only and from the amount required to be deposited under Subsection (2)(d)(i), the Legislature shall appropriate $26,000,000 of the deposits made to the Mineral Lease Account to the Impacted Communities Transportation Development Restricted Account established by Section 72-2-128.~~

~~(iii) For fiscal year 2017-18 only and from the amount required to be deposited under Subsection (2)(d)(i), the Legislature shall appropriate $27,000,000 of the deposits made to the Mineral Lease Account to the Impacted Communities Transportation Development Restricted Account established by Section 72-2-128.~~

~~(e) The Legislature shall annually appropriate 2.25% of all deposits made to the Mineral Lease Account to the State Board of Education, to be used for education research and experimentation in the use of staff and facilities designed to improve the quality of education in Utah.~~

~~(f) The Legislature shall annually appropriate 2.25% of all deposits made to the Mineral Lease Account to the Utah Geological Survey, to be used for activities carried on by the survey having as a purpose the development and exploitation of natural resources in the state.~~

~~(g) The Legislature shall annually appropriate 2.25% of all deposits made to the Mineral Lease Account to the Water Research Laboratory at Utah State University, to be used for activities carried on by the laboratory having as a purpose the development and exploitation of water resources in the state.~~

~~(h) (i) The Legislature shall annually appropriate to the Division of Finance 40% of all deposits made to the Mineral Lease Account to be distributed as provided in Subsection (2)(h)(ii) to:~~

~~(A) counties;~~

~~(B) special service districts established:~~

~~(I) by counties;~~

~~(II) under Title 17D, Chapter 1, Special Service District Act; and~~

~~(III) for the purpose of constructing, repairing, or maintaining roads; or~~

~~(C) special service districts established:~~

~~(I) by counties;~~

~~(II) under Title 17D, Chapter 1, Special Service District Act; and~~

~~(III) for other purposes authorized by statute.~~

~~(ii) The Division of Finance shall allocate the funds specified in Subsection (2)(h)(i):~~

~~(A) in amounts proportionate to the amount of mineral lease money generated by each county; and~~

~~(B) to a county or special service district established by a county under Title 17D, Chapter 1, Special Service District Act, as determined by the county legislative body.~~

~~(i) (i) The Legislature shall annually appropriate 5% of all deposits made to the Mineral Lease Account to the Department of Workforce Services to be distributed to:~~

~~(A) special service districts established:~~

~~(I) by counties;~~

~~(II) under Title 17D, Chapter 1, Special Service District Act; and~~

~~(III) for the purpose of constructing, repairing, or maintaining roads; or~~

~~(B) special service districts established:~~

~~(I) by counties;~~

~~(II) under Title 17D, Chapter 1, Special Service District Act; and~~

~~(III) for other purposes authorized by statute.~~

~~(ii) The Department of Workforce Services may distribute the amounts described in Subsection (2)(i)(i) only to special service districts established under Title 17D, Chapter 1, Special Service District Act, by counties:~~

~~(A) of the third, fourth, fifth, or sixth class;~~

~~(B) in which 4.5% or less of the mineral lease money within the state is generated; and~~

~~(C) that are significantly socially or economically impacted as provided in Subsection (2)(i)(iii) by the development of minerals under the Mineral Lands Leasing Act, 30 U.S.C. Sec. 181 et seq.~~

~~(iii) The significant social or economic impact required under Subsection (2)(i)(ii)(C) shall be as a result of:~~

~~(A) the transportation within the county of hydrocarbons, including solid hydrocarbons as defined in Section 59-5-101;~~

~~(B) the employment of persons residing within the county in hydrocarbon extraction, including the extraction of solid hydrocarbons as defined in Section 59-5-101; or~~

~~(C) a combination of Subsections (2)(i)(iii)(A) and (B).~~

~~(iv) For purposes of distributing the appropriations under this Subsection (2)(i) to special service districts established by counties under Title 17D, Chapter 1, Special Service District Act, the Department of Workforce Services shall:~~

~~(A) (I) allocate 50% of the appropriations equally among the counties meeting the requirements of Subsections (2)(i)(ii) and (iii); and~~

~~(II) allocate 50% of the appropriations based on the ratio that the population of each county meeting the requirements of Subsections (2)(i)(ii) and (iii) bears to the total population of all of the counties meeting the requirements of Subsections (2)(i)(ii) and (iii); and~~

~~(B) after making the allocations described in Subsection (2)(i)(iv)(A), distribute the allocated revenues to special service districts established by the counties under Title 17D, Chapter 1, Special Service District Act, as determined by the executive director of the Department of Workforce Services after consulting with the county legislative bodies of the counties meeting the requirements of Subsections (2)(i)(ii) and (iii).~~

~~(v) The executive director of the Department of Workforce Services:~~

~~(A) shall determine whether a county meets the requirements of Subsections (2)(i)(ii) and (iii);~~

~~(B) shall distribute the appropriations under Subsection (2)(i)(i) to special service districts established by counties under Title 17D, Chapter 1, Special Service District Act, that meet the requirements of Subsections (2)(i)(ii) and (iii); and~~

~~(C) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, may make rules:~~

~~(I) providing a procedure for making the distributions under this Subsection (2)(i) to special service districts; and~~

~~(II) defining the term "population" for purposes of Subsection (2)(i)(iv).~~

~~(j) (i) The Legislature shall annually make the following appropriations from the Mineral Lease Account:~~

~~(A) an amount equal to 52 cents multiplied by the number of acres of school or institutional trust lands, lands owned by the Division of Parks and Recreation, and lands owned by the Division of Wildlife Resources that are not under an in lieu of taxes contract, to each county in which those lands are located;~~

~~(B) to each county in which school or institutional trust lands are transferred to the federal government after December 31, 1992, an amount equal to the number of transferred acres in the county multiplied by a payment per acre equal to the difference between 52 cents per acre and the per acre payment made to that county in the most recent payment under the federal payment in lieu of taxes program, 31 U.S.C. Sec. 6901 et seq., unless the federal payment was equal to or exceeded the 52 cents per acre, in which case a payment under this Subsection (2)(j)(i)(B) may not be made for the transferred lands;~~

~~(C) to each county in which federal lands, which are entitlement lands under the federal in lieu of taxes program, are transferred to the school or institutional trust, an amount equal to the number of transferred acres in the county multiplied by a payment per acre equal to the difference between the most recent per acre payment made under the federal payment in lieu of taxes program and 52 cents per acre, unless the federal payment was equal to or less than 52 cents per acre, in which case a payment under this Subsection (2)(j)(i)(C) may not be made for the transferred land; and~~

~~(D) to a county of the fifth or sixth class, an amount equal to the product of:~~

~~(I) $1,000; and~~

~~(II) the number of residences described in Subsection (2)(j)(iv) that are located within the county.~~

~~(ii) A county receiving money under Subsection (2)(j)(i) may, as determined by the county legislative body, distribute the money or a portion of the money to:~~

~~(A) special service districts established by the county under Title 17D, Chapter 1, Special Service District Act;~~

~~(B) school districts; or~~

~~(C) public institutions of higher education.~~

~~(iii) (A) Beginning in fiscal year 1994-95 and in each year after fiscal year 1994-95, the~~

~~Division of Finance shall increase or decrease the amounts per acre provided for in Subsections (2)(j)(i)(A) through (C) by the average annual change in the Consumer Price Index for all urban consumers published by the Department of Labor.~~

~~(B) For fiscal years beginning on or after fiscal year 2001-02, the Division of Finance shall increase or decrease the amount described in Subsection (2)(j)(i)(D)(I) by the average annual change in the Consumer Price Index for all urban consumers published by the Department of Labor.~~

~~(iv) Residences for purposes of Subsection (2)(j)(i)(D)(II) are residences that are:~~

~~(A) owned by:~~

~~(I) the Division of Parks and Recreation; or~~

~~(II) the Division of Wildlife Resources;~~

~~(B) located on lands that are owned by:~~

~~(I) the Division of Parks and Recreation; or~~

~~(II) the Division of Wildlife Resources; and~~

~~(C) are not subject to taxation under:~~

~~(I) Chapter 2, Property Tax Act; or~~

~~(II) Chapter 4, Privilege Tax.~~

~~(k) The Legislature shall annually appropriate to the Permanent Community Impact Fund all deposits remaining in the Mineral Lease Account after making the appropriations provided for in Subsections (2)(d) through (j).~~

~~(3) (a) Each agency, board, institution of higher education, and political subdivision receiving money under this chapter shall provide the Legislature, through the Office of the Legislative Fiscal Analyst, with a complete accounting of the use of that money on an annual basis.~~

~~(b) The accounting required under Subsection (3)(a) shall:~~

~~(i) include actual expenditures for the prior fiscal year, budgeted expenditures for the current fiscal year, and planned expenditures for the following fiscal year; and~~

~~(ii) be reviewed by the Business, Economic Development, and Labor Appropriations Subcommittee as part of its normal budgetary process under Title 63J, Chapter 1, Budgetary Procedures Act.~~

~~Section 54. Section **63A-3-205** is amended to read:~~

~~**63A-3-205. Revolving loan funds -- Standards and procedures.**~~

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

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

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

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

~~(d) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean Fuels and Vehicle Technology Program Act;~~

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

~~(f) the Agriculture Resource Development Fund, created in Section 4-18-106;~~

~~(g) the Utah Rural Rehabilitation Fund, created in Section 4-19-105;~~

~~(h) the Permanent Community Impact Fund, created in Section [35A-8-303] 63N-4-503;~~

~~(i) the Petroleum Storage Tank Trust Fund, created in Section 19-6-409;~~

~~(j) the Uintah Basin Revitalization Fund, created in Section 35A-8-1602;~~

~~(k) the Navajo Revitalization Fund, created in Section 35A-8-1704; and~~

~~(l) the Energy Efficiency Fund, created in Section 11-45-201.~~

~~(2) The division shall for each revolving loan fund make rules establishing standards and procedures governing:~~

~~(a) payment schedules and due dates;~~

~~(b) interest rate effective dates;~~

~~(c) loan documentation requirements; and~~

~~(d) interest rate calculation requirements.~~

~~Section 55. Section **63B-1b-102** is amended to read:~~

~~**63B-1b-102. Definitions.**~~

~~As used in this chapter:~~

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

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

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

~~(4) "Bond document" means:~~

~~(a) a resolution of the commission; or~~

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

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

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

~~(7) "Revolving Loan Funds" means:~~

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

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

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

~~(d) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean Fuels and Vehicle Technology Program Act;~~

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

~~(f) the Agriculture Resource Development Fund, created in Section 4-18-106;~~

~~(g) the Utah Rural Rehabilitation Fund, created in Section 4-19-105;~~

~~(h) the Permanent Community Impact Fund, created in Section [35A-8-303] 63N-4-503;~~

~~(i) the Petroleum Storage Tank Trust Fund, created in Section 19-6-409; and~~

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

~~Section 56. Section **63J-1-602.1** is amended to read:~~

~~}~~ **63J-1-602.1. List of nonlapsing appropriations from accounts and funds.**

Appropriations made from the following accounts or funds are nonlapsing:

(1) The Utah Intracurricular Student Organization Support for Agricultural Education and Leadership Restricted Account created in Section 4-42-102.

(2) The Native American Repatriation Restricted Account created in Section 9-9-407.

(3) The Martin Luther King, Jr. Civil Rights Support Restricted Account created in

Section 9-18-102.

(4) The National Professional Men's Soccer Team Support of Building Communities Restricted Account created in Section 9-19-102.

(5) Funds collected for directing and administering the C-PACE district created in Section 11-42a-302.

(6) Award money under the State Asset Forfeiture Grant Program, as provided under Section 24-4-117.

(7) Funds collected from the program fund for local health department expenses incurred in responding to a local health emergency under Section 26-1-38.

(8) Funds collected from the emergency medical services grant program, as provided in Section 26-8a-207.

(9) The Prostate Cancer Support Restricted Account created in Section 26-21a-303.

(10) The Children with Cancer Support Restricted Account created in Section 26-21a-304.

(11) State funds for matching federal funds in the Children's Health Insurance Program as provided in Section 26-40-108.

(12) The Children with Heart Disease Support Restricted Account created in Section 26-58-102.

(13) The Nurse Home Visiting Restricted Account created in Section 26-62-601.

(14) The Technology Development Restricted Account created in Section 31A-3-104.

(15) The Criminal Background Check Restricted Account created in Section 31A-3-105.

(16) The Captive Insurance Restricted Account created in Section 31A-3-304, except to the extent that Section 31A-3-304 makes the money received under that section free revenue.

(17) The Title Licensee Enforcement Restricted Account created in Section 31A-23a-415.

(18) The Health Insurance Actuarial Review Restricted Account created in Section 31A-30-115.

(19) The Insurance Fraud Investigation Restricted Account created in Section 31A-31-108.

(20) The Underage Drinking Prevention Media and Education Campaign Restricted

Account created in Section 32B-2-306.

(21) The School Readiness Restricted Account created in Section 35A-3-210.

(22) The Youth Development Organization Restricted Account created in Section 35A-8-1903.

(23) The Youth Character Organization Restricted Account created in Section 35A-8-2003.

(24) Money received by the Utah State Office of Rehabilitation for the sale of certain products or services, as provided in Section 35A-13-202.

(25) The Oil and Gas Conservation Account created in Section 40-6-14.5.

(26) The Electronic Payment Fee Restricted Account created by Section 41-1a-121 to the Motor Vehicle Division.

(27) The Motor Vehicle Enforcement Division Temporary Permit Restricted Account created by Section 41-3-110 to the State Tax Commission.

(28) The Utah Law Enforcement Memorial Support Restricted Account created in Section 53-1-120.

(29) The State Disaster Recovery Restricted Account to the Division of Emergency Management, as provided in Section 53-2a-603.

(30) The Department of Public Safety Restricted Account to the Department of Public Safety, as provided in Section 53-3-106.

(31) The Utah Highway Patrol Aero Bureau Restricted Account created in Section 53-8-303.

(32) The DNA Specimen Restricted Account created in Section 53-10-407.

(33) The Canine Body Armor Restricted Account created in Section 53-16-201.

(34) A certain portion of money collected for administrative costs under the School Institutional Trust Lands Management Act, as provided under Section 53C-3-202.

(35) The Public Utility Regulatory Restricted Account created in Section 54-5-1.5, subject to Subsection 54-5-1.5(4)(d).

(36) Certain fines collected by the Division of Occupational and Professional Licensing for violation of unlawful or unprofessional conduct that are used for education and enforcement purposes, as provided in Section 58-17b-505.

(37) Certain fines collected by the Division of Occupational and Professional Licensing

for use in education and enforcement of the Security Personnel Licensing Act, as provided in Section 58-63-103.

(38) The Relative Value Study Restricted Account created in Section 59-9-105.

(39) The Cigarette Tax Restricted Account created in Section 59-14-204.

(40) Funds paid to the Division of Real Estate for the cost of a criminal background check for a mortgage loan license, as provided in Section 61-2c-202.

(41) Funds paid to the Division of Real Estate for the cost of a criminal background check for principal broker, associate broker, and sales agent licenses, as provided in Section 61-2f-204.

(42) Certain funds donated to the Department of Human Services, as provided in Section 62A-1-111.

(43) The National Professional Men's Basketball Team Support of Women and Children Issues Restricted Account created in Section 62A-1-202.

(44) Certain funds donated to the Division of Child and Family Services, as provided in Section 62A-4a-110.

(45) The Choose Life Adoption Support Restricted Account created in Section 62A-4a-608.

(46) Funds collected by the Office of Administrative Rules for publishing, as provided in Section 63G-3-402.

(47) The Immigration Act Restricted Account created in Section 63G-12-103.

(48) Money received by the military installation development authority, as provided in Section 63H-1-504.

(49) The Computer Aided Dispatch Restricted Account created in Section 63H-7a-303.

(50) The Unified Statewide 911 Emergency Service Account created in Section 63H-7a-304.

(51) The Utah Statewide Radio System Restricted Account created in Section 63H-7a-403.

(52) The Employability to Careers Program Restricted Account created in Section 63J-4-703.

(53) The Motion Picture Incentive Account created in Section 63N-8-103.

(54) Certain money payable for expenses of the Pete Suazo Utah Athletic Commission,

as provided under Section [~~63N-10-301~~] ~~{~~58-88-301~~}~~53-19-301.

(55) Funds collected by the housing of state probationary inmates or state parole inmates, as provided in Subsection 64-13e-104(2).

(56) Certain forestry and fire control funds utilized by the Division of Forestry, Fire, and State Lands, as provided in Section 65A-8-103.

(57) Certain funds received by the Office of the State Engineer for well drilling fines or bonds, as provided in Section 73-3-25.

(58) The Water Resources Conservation and Development Fund, as provided in Section 73-23-2.

(59) Funds donated or paid to a juvenile court by private sources, as provided in Subsection 78A-6-203(1)(c).

(60) Fees for certificate of admission created under Section 78A-9-102.

(61) Funds collected for adoption document access as provided in Sections 78B-6-141, 78B-6-144, and 78B-6-144.5.

(62) Revenue for golf user fees at the Wasatch Mountain State Park, Palisades State Park, Jordan River State Park, and Green River State Park, as provided under Section 79-4-403.

(63) Certain funds received by the Division of Parks and Recreation from the sale or disposal of buffalo, as provided under Section 79-4-1001.

(64) Funds collected for indigent defense as provided in Title 77, Chapter 32, Part 8, Utah Indigent Defense Commission.

Section ~~{57}~~42. Section ~~{**63M-4-102**}~~**63N-1-301** is amended to read:

~~{ **63M-4-102. Definitions.**~~

~~As used in this chapter:~~

~~(1) "Energy advisor" means the governor's energy advisor appointed under Section [63M-4-401] 63N-15-201.~~

~~(2) "Office" means the Office of Energy Development created in Section [63M-4-401] 63N-15-201.~~

~~(3) "State agency" means an executive branch:~~

~~(a) department;~~

~~(b) agency;~~

~~(c) board;~~

~~(d) commission;~~

~~(e) division; or~~

~~(f) state educational institution.~~

~~Section 58. Section **63M-4-502** is amended to read:~~

~~**63M-4-502. Definitions.**~~

~~As used in this part:~~

~~(1) "Alternative energy" is as defined in Section 59-12-102.~~

~~(2) (a) "Alternative energy entity" means a person that:~~

~~(i) conducts business within the state; and~~

~~(ii) enters into an agreement with the office that qualifies the person to receive a tax credit.~~

~~(b) "Alternative energy entity" includes a pass-through entity taxpayer, as defined in Section 59-10-1402, of a person described in Subsection (2)(a).~~

~~(3) "Alternative energy project" means a project produced by an alternative energy entity if that project involves:~~

~~(a) a new or expanding operation in the state; and~~

~~(b) (i) utility-scale alternative energy generation; or~~

~~(ii) the extraction of alternative fuels.~~

~~(4) "New incremental job within the state" means, with respect to an alternative energy entity, an employment position that:~~

~~(a) did not exist within the state before:~~

~~(i) the alternative energy entity entered into an agreement with the office in accordance with Section 63M-4-503; and~~

~~(ii) the alternative energy project began;~~

~~(b) is not shifted from one location in the state to another location in the state; and~~

~~(c) is established to the satisfaction of the office, including by amounts paid or withheld by the alternative energy entity under Title 59, Chapter 10, Individual Income Tax Act.~~

~~(5) "New state revenues" means an increased amount of tax revenues generated as a result of an alternative energy project by an alternative energy entity or a new incremental job~~

~~within the state under the following:~~

~~(a) Title 59, Chapter 7, Corporate Franchise and Income Taxes;~~

~~(b) Title 59, Chapter 10, Individual Income Tax Act; and~~

~~(c) Title 59, Chapter 12, Sales and Use Tax Act.~~

~~(6) "Office" is as defined in Section [63M-4-401] 63N-15-201.~~

~~(7) "Tax credit" means a tax credit under Section 59-7-614.7 or 59-10-1029.~~

~~(8) "Tax credit applicant" means an alternative energy entity that applies to the office to receive a tax credit certificate under this part.~~

~~(9) "Tax credit certificate" means a certificate issued by the office that:~~

~~(a) lists the name of the tax credit certificate recipient;~~

~~(b) lists the tax credit certificate recipient's taxpayer identification number;~~

~~(c) lists the amount of the tax credit certificate recipient's tax credits authorized under this part for a taxable year; and~~

~~(d) includes other information as determined by the office.~~

~~(10) "Tax credit certificate recipient" means an alternative energy entity that receives a tax credit certificate for a tax credit in accordance with this part.~~

~~Section 59. Section **63M-4-602** is amended to read:~~

~~**63M-4-602. Definitions.**~~

~~As used in this part:~~

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

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

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

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

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

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

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

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

~~(ii) $10,000,000.~~

~~(4) "Infrastructure" means:~~

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

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

~~(c) a fuel standard compliance project;~~

~~(d) a road improvement project;~~

~~(e) a water self-supply project;~~

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

~~(g) a project that is designed to:~~

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

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

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

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

~~(6) "Infrastructure-related revenue" means an amount of tax revenue, for an entity creating a high cost infrastructure project, in a taxable year, that is directly attributable to a high cost infrastructure project, under:~~

~~(a) Title 59, Chapter 7, Corporate Franchise and Income Taxes;~~

~~(b) Title 59, Chapter 10, Individual Income Tax Act; and~~

~~(c) Title 59, Chapter 12, Sales and Use Tax Act.~~

~~(7) "Office" means the Office of Energy Development created in Section [63M-4-401] 63N-15-201.~~

~~(8) "Tax credit" means a tax credit under Section 59-7-619 or 59-10-1034.~~

~~(9) "Tax credit certificate" means a certificate issued by the office to an infrastructure cost-burdened entity that:~~

~~(a) lists the name of the infrastructure cost-burdened entity;~~

~~(b) lists the infrastructure cost-burdened entity's taxpayer identification number;~~

~~(c) lists, for a taxable year, the amount of the tax credit authorized for the infrastructure cost-burdened entity under this part; and~~

~~(d) includes other information as determined by the office.~~

~~)~~ **63N-1-301. Annual report -- Content -- Format.**

(1) The office shall prepare and submit to the governor and the Legislature, by October 1 of each year, an annual written report of the operations, activities, programs, and services of the office, including the divisions, sections, boards, commissions, councils, and committees established under this title, for the preceding fiscal year.

(2) For each operation, activity, program, or service provided by the office, the annual report shall include:

(a) a description of the operation, activity, program, or service;

(b) data and metrics:

(i) selected and used by the office to measure progress, performance, effectiveness, and scope of the operation, activity, program, or service, including summary data; and

(ii) that are consistent and comparable for each state operation, activity, program, or service that primarily involves employment training or placement as determined by the executive directors of the office, the Department of Workforce Services, and the Governor's Office of Management and Budget;

(c) budget data, including the amount and source of funding, expenses, and allocation of full-time employees for the operation, activity, program, or service;

(d) historical data from previous years for comparison with data reported under Subsections (2)(b) and (c);

(e) goals, challenges, and achievements related to the operation, activity, program, or service;

(f) relevant federal and state statutory references and requirements;

(g) contact information of officials knowledgeable and responsible for each operation, activity, program, or service; and

(h) other information determined by the office that:

(i) may be needed, useful, or of historical significance; or

(ii) promotes accountability and transparency for each operation, activity, program, or service with the public and elected officials.

(3) The annual report shall be designed to provide clear, accurate, and accessible information to the public, the governor, and the Legislature.

(4) The office shall:

(a) submit the annual report in accordance with Section 68-3-14;

(b) make the annual report, and previous annual reports, accessible to the public by placing a link to the reports on the office's website; and

(c) provide the data and metrics described in Subsection (2)(b) to the Talent Ready Utah Board created in Section 63N-12-503.

(5) (a) On or before September 1, 2019, the office shall develop a written strategic plan that contains a coordinated economic development strategy for the state and shall provide the plan to the president of the Senate, the speaker of the House of Representatives, and the Economic Development and Workforce Services Interim Committee.

(b) The strategic plan shall include:

(i) recommendations regarding the effectiveness of the state's economic development incentives and how the incentives could be improved by and coordinated with the participation of other state agencies;

(ii) recommendations regarding how to align and coordinate economic development incentives with the state's current and projected workforce, including addressing the workforce needs for both rural and urban workers;

(iii) recommendations regarding how to monitor the ongoing effectiveness of the state's economic development incentives.

(c) The office shall obtain information from and cooperate with other state agencies to complete the strategic plan, including:

(i) the Department of Workforce Services;

(ii) the Office of Energy Development;

(iii) the State Board of Education;

(iv) the State Board of Regents; and

(v) the Utah System of Technical Colleges Board of Trustees.

(d) If contacted by the office, other state agencies, including those described in

Subsection (5)(c), shall share information and cooperate with the office in completing the strategic plan.

Section ~~{60}~~43. Section ~~{63N-2-105}~~63N-12-505 is ~~{amended}~~enacted to read:

~~{63N-2-105}~~63N-12-505.~~{ Qualifications for tax credit -- Procedure.~~

~~(1) The office shall certify a business entity's or local government entity's eligibility for a tax credit as provided in this part.~~

~~(2) A business entity or local government entity seeking to receive a tax credit as provided in this part shall provide the office with:~~

~~(a) an application for a tax credit certificate, including a certification, by an officer of the business entity, of any signature on the application;~~

~~(b) (i) for a business entity, documentation of the new state revenues from the business entity's new commercial project that were paid during the preceding calendar year; or~~

~~(ii) for a local government entity, documentation of the new state revenues from the new commercial project within the area of the local government entity that were paid during the preceding calendar year;~~

~~(c) known or expected detriments to the state or existing businesses in the state;~~

~~(d) if a local government entity seeks to assign the tax credit to a community reinvestment agency as}~~ **Utah Works.**

(1) There is created within the center the Utah Works Program.

(2) The program, under the direction of the center and the talent ready board, shall develop workforce solutions that meet the needs of businesses that are creating jobs and economic growth in the state by:

(a) partnering with the office, the Department of Workforce Services, the Utah System of Higher Education, and the Utah System of Technical Colleges;

(b) identifying businesses that have significant hiring demands in the state;

(c) coordinating with the Department of Workforce Services to create effective recruitment initiatives to attract student participants and business participants to the program;

(d) coordinating with the Utah System of Higher Education and the Utah System of Technical Colleges to develop educational and training resources to provide student participants in the program qualifications to be hired by business participants in the program;

and

(e) coordinating with the Board of Education and local education agencies when appropriate to develop educational and training resources to provide student participants in the program qualifications to be hired by business participants in the program.

(3) The center shall report the following metrics to the office for inclusion in the office's annual report described in Section ~~{63N-2-104, a statement providing the name and taxpayer identification number of the community reinvestment agency to which the local government entity seeks to assign the tax credit;~~

~~(c) (i) with respect to a business entity, a document that expressly directs and authorizes the State Tax Commission to disclose to the office and the Office of the Legislative Fiscal Analyst the business entity's returns and other information that would otherwise be subject to confidentiality under Section 59-1-403 or Section 6103, Internal Revenue Code;~~

~~(ii) with respect to a local government entity that seeks to claim the tax credit:~~

~~(A) a document that expressly directs and authorizes the State Tax Commission to disclose to the office the local government entity's returns and other information that would otherwise be subject to confidentiality under Section 59-1-403 or Section 6103, Internal Revenue Code; and~~

~~(B) if the new state revenues collected as a result of a new commercial project are attributable in whole or in part to a new or expanded industrial, manufacturing, distribution, or business service within a new commercial project within the area of the local government entity, a document signed by an authorized representative of the new or expanded industrial, manufacturing, distribution, or business service that:~~

~~(I) expressly directs and authorizes the State Tax Commission to disclose to the office and the Office of the Legislative Fiscal Analyst the returns of the new or expanded industrial, manufacturing, distribution, or business service and other information that would otherwise be subject to confidentiality under Section 59-1-403 or Section 6103, Internal Revenue Code; and~~

~~(II) lists the taxpayer identification number of the new or expanded industrial, manufacturing, distribution, or business service; or~~

~~(iii) with respect to a local government entity that seeks to assign the tax credit to a community reinvestment agency:~~

~~(A) a document signed by the members of the governing body of the community~~

reinvestment agency that expressly directs and authorizes the State Tax Commission to disclose to the office and the Office of the Legislative Fiscal Analyst the returns of the community reinvestment agency and other information that would otherwise be subject to confidentiality under Section 59-1-403 or Section 6103, Internal Revenue Code; and

(B) if the new state revenues collected as a result of a new commercial project are attributable in whole or in part to a new or expanded industrial, manufacturing, distribution, or business service within a new commercial project within the community reinvestment agency, a document signed by an authorized representative of the new or expanded industrial, manufacturing, distribution, or business service that:

(I) expressly directs and authorizes the State Tax Commission to disclose to the office and the Office of the Legislative Fiscal Analyst the returns of the new or expanded industrial, manufacturing, distribution, or business service and other information that would otherwise be subject to confidentiality under Section 59-1-403 or Section 6103, Internal Revenue Code; and

(II) lists the taxpayer identification number of the new or expanded industrial, manufacturing, distribution, or business service; and

(f) for a business entity only, documentation that the business entity has satisfied the performance benchmarks outlined in the written agreement described in Subsection 63N-2-104(3)(a), including:

(i) the creation of new incremental jobs that are also high paying jobs;

(ii) significant capital investment;

(iii) significant purchases from Utah vendors and providers; or

(iv) a combination of these benchmarks.

(3) (a) The office shall submit the documents described in Subsection (2)(e) to the State Tax Commission.

(b) Upon receipt of a document described in Subsection (2)(e), the State Tax Commission shall provide the office and the Office of the Legislative Fiscal Analyst with the returns and other information requested by the office that the State Tax Commission is directed or authorized to provide to the office and the Office of the Legislative Fiscal Analyst in accordance with Subsection (2)(e).

(4) If, after review of the returns and other information provided by the State Tax Commission, or after review of the ongoing performance of the business entity or local

~~government entity, the office determines that the returns and other information are inadequate to provide a reasonable justification for authorizing or continuing a tax credit, the office shall:~~

~~(a) (i) deny the tax credit; or~~

~~(ii) terminate the agreement described in Subsection 63N-2-104(3)(a) for failure to meet the performance standards established in the agreement; or~~

~~(b) inform the business entity or local government entity that the returns or other information were inadequate and ask the business entity or local government entity to submit new documentation.~~

~~(5) If after review of the returns and other information provided by the State Tax Commission, the office determines that the returns and other information provided by the business entity or local government entity provide reasonable justification for authorizing a tax credit, the office shall, based upon the returns and other information:~~

~~(a) determine the amount of the tax credit to be granted to the business entity, local government entity, or if the local government entity assigns the tax credit as described in Section 63N-2-104, to the community reinvestment agency to which the local government entity assigns the tax credit;~~

~~(b) issue a tax credit certificate to the business entity, local government entity, or if the local government entity assigns the tax credit as described in Section 63N-2-104, to the community reinvestment agency to which the local government entity assigns the tax credit; and~~

~~(c) provide a duplicate copy of the tax credit certificate to the State Tax Commission.~~

~~(6) A business entity, local government entity, or community reinvestment agency may not claim a tax credit unless the business entity, local government entity, or community reinvestment agency has a tax credit certificate issued by the office.~~

~~(7) (a) A business entity, local government entity, or community reinvestment agency may claim a tax credit in the amount listed on the tax credit certificate on its tax return.~~

~~(b) A business entity, local government entity, or community reinvestment agency that claims a tax credit under this section shall retain the tax credit certificate in accordance with Section 59-7-614.2 or 59-10-1107.~~

~~Section 61. Section **63N-4-501**, which is renumbered from Section 35A-8-301 is renumbered and amended to read:~~

Part 5. Community Impact Alleviation

[35A-8-301]. 63N-4-501. Legislative intent -- Purpose and policy.

(1) It is the intent of the Legislature to make available funds received by the state from federal mineral lease revenues under Section 59-21-2, bonus payments on federal oil shale lease tracts U-A and U-B, and all other bonus payments on federal mineral leases to be used for the alleviation of social, economic, and public finance impacts resulting from the development of natural resources in this state, subject to the limitations provided for in Section 35 of the Mineral Leasing Act of 1920 (41 Stat. 450, 30 U.S.C. Sec. 191).

(2) The purpose of this part is to maximize the long term benefit of funds derived from these lease revenues and bonus payments by fostering funding mechanisms which will, consistent with sound financial practices, result in the greatest use of financial resources for the greatest number of citizens of this state, with priority given to those communities designated as impacted by the development of natural resources covered by the Mineral Leasing Act.

(3) The policy of this state is to promote cooperation and coordination between the state and its agencies and political subdivisions with individuals, firms, and business organizations engaged in the development of the natural resources of this state. The purpose of such efforts include private sector participation, financial and otherwise, in the alleviation of impacts associated with resources development activities.

Section 62. Section **63N-4-502**, which is renumbered from Section 35A-8-302 is renumbered and amended to read:

[35A-8-302]. 63N-4-502. Definitions.

As used in this part:

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

(2) "Impact board" means the Permanent Community Impact Fund Board created under Section [35A-8-304] 63N-4-504.

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

(4) "Interlocal agency" means a legal or administrative entity created by a subdivision

~~or combination of subdivisions under the authority of Title 11, Chapter 13, Interlocal Cooperation Act.~~

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

~~(6) "Qualifying sales and use tax distribution reduction" means that, for the calendar}~~63N-1-301:

(a) the number of students participating in the program;

(b) the number of students who have completed training offered by the program; and

(c) the number of students who have been hired by a business participating in the program.

Section 44. **Appropriation.**

The following sums of money are appropriated for the fiscal year beginning ~~{on January 1, 2008, the total sales and use tax distributions a city received under Section 59-12-205 were reduced by at least 15% from the total sales and use tax distributions the city received under Section 59-12-205 for the calendar year beginning on January 1, 2007.~~

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

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

~~(i) a bulk commodities ocean terminal;~~

~~(ii) a pipeline for the transportation of liquid or gaseous hydrocarbons;~~

~~(iii) electric transmission lines and ancillary facilities;~~

~~(iv) a shortline freight railroad and ancillary facilities;~~

~~(v) a plant for producing hydrogen, including the liquification of hydrogen, for use as a fuel in zero emission motor vehicles; or~~

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

~~(b) "Throughput infrastructure project" includes:~~

~~(i) an ownership interest or a joint or undivided ownership interest in a facility;~~

~~(ii) a membership interest in the owner of a facility; or~~

~~(iii) a contractual right, whether secured or unsecured, to use all or a portion of the throughput, transportation, or transmission capacity of a facility.~~

~~Section 63. Section **63N-4-503**, which is renumbered from Section 35A-8-303 is renumbered and amended to read:~~

~~**[35A-8-303]. 63N-4-503. Impact fund -- Deposits and contents -- Use of fund money.**~~

~~(1) There is created an enterprise fund entitled the "Permanent Community Impact Fund."~~

~~(2) The fund consists of:~~

~~(a) all amounts appropriated to the impact fund under Section 59-21-2;~~

~~(b) bonus payments deposited to the impact fund under Subsection 59-21-1(2);~~

~~(c) all amounts appropriated to the impact fund under Section 53C-3-203;~~

~~(d) all amounts received for the repayment of loans made by the impact board under this chapter; and~~

~~(e) all other money appropriated or otherwise made available to the impact fund by the Legislature.~~

~~(3) The state treasurer shall:~~

~~(a) invest the money in the impact fund by following the procedures and requirements of Title 51, Chapter 7, State Money Management Act; and~~

~~(b) deposit all interest or other earnings derived from those investments into the impact fund.~~

~~(4) The amounts in the impact fund available for loans, grants, administrative costs, or other purposes of this part shall be limited to that which;~~July 1, 2019, and ending June 30, 2020. These are additions to amounts previously appropriated for fiscal year 2020. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the Legislature appropriates ~~{for these purposes.~~

~~(5) Federal mineral lease revenue received by the state under the Leasing Act that is deposited into the impact fund shall be used:~~

~~(a) in a manner consistent with the provisions of:~~

~~(i) the Leasing Act; and~~

~~(ii) this part; and~~

~~(b) for loans, grants, or both to state agencies or subdivisions that are socially or economically impacted by the leasing of minerals under the Leasing Act.~~

~~(6) The money described in Subsection (2)(c) shall be used for grants to political subdivisions of the state to mitigate the impacts resulting from the development or use of school and institutional trust lands.~~

~~Section 64. Section **63N-4-504**, which is renumbered from Section 35A-8-304 is renumbered and amended to read:~~

~~**[35A-8-304]. 63N-4-504. Permanent Community Impact Fund Board created -- Members -- Terms -- Chair -- Expenses.**~~

~~(1) There is created within the department the Permanent Community Impact Fund Board composed of 11 members as follows:~~

~~(a) the chair of the Board of Water Resources or the chair's designee;~~

~~(b) the chair of the Water Quality Board or the chair's designee;~~

~~(c) the [director of the department or the director's designee] executive director or the executive director's designee;~~

~~(d) the state treasurer;~~

~~(e) the chair of the Transportation Commission or the chair's designee;~~

~~(f) a locally elected official who resides in Carbon, Emery, Grand, or San Juan County;~~

~~(g) a locally elected official who resides in Juab, Millard, Sanpete, Sevier, Piute, or Wayne County;~~

~~(h) a locally elected official who resides in Duchesne, Daggett, or Uintah County;~~

~~(i) a locally elected official who resides in Beaver, Iron, Washington, Garfield, or Kane County; and~~

~~(j) a locally elected official from each of the two counties that produced the most mineral lease money during the previous four-year period, prior to the term of appointment, as determined by [the department] GOED.~~

~~(2) (a) The members specified under Subsections (1)(f) through (j) may not reside in the same county and shall be:~~

~~(i) nominated by the Board of Directors of the Southeastern Association of Governments, Central Utah Association of Governments, Uintah Basin Association of Governments, and Southwestern Association of Governments, respectively, except that a~~

member under Subsection (1)(j) shall be nominated by the Board of Directors of the Association of Governments from the region of the state in which the county is located; and

(ii) appointed by the governor with the consent of the Senate.

(b) Except as required by Subsection (2)(c), as terms of current board members expire, the governor shall appoint each new member or reappointed member to a four-year term.

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

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

(3) The terms of office for the members of the impact board specified under Subsections (1)(a) through (1)(c) shall run concurrently with the terms of office for the councils, boards, committees, commission, departments, or offices from which the members come.

(4) The executive director [of the department], or the executive director's designee, is the chair of the impact board.

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

(a) Section 63A-3-106;

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

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

Section 65. Section **63N-4-505**, which is renumbered from Section 35A-8-305 is renumbered and amended to read:

[35A-8-305]. 63N-4-505. Duties -- Loans -- Interest.

(1) The impact board shall:

(a) make grants and loans from the amounts appropriated by the Legislature out of the impact fund to state agencies, subdivisions, and interlocal agencies that are or may be socially or economically impacted, directly or indirectly, by mineral resource development for:

(i) planning;

(ii) construction and maintenance of public facilities; and

(iii) provision of public services;

(b) establish the criteria by which the loans and grants will be made;

(c) determine the order in which projects will be funded;

(d) in conjunction with other agencies of the state, subdivisions, or interlocal agencies, conduct studies, investigations, and research into the effects of proposed mineral resource development projects upon local communities;

(e) sue and be sued in accordance with applicable law;

(f) qualify for, accept, and administer grants, gifts, loans, or other funds from:

(i) the federal government; and

(ii) other sources, public or private; and

(g) perform other duties assigned to it under Sections 11-13-306 and 11-13-307.

(2) Money, including all loan repayments and interest, in the impact fund derived from bonus payments may be used for any of the purposes set forth in Subsection (1)(a) but may only be given in the form of loans to be paid back into the impact fund by the agency, subdivision, or interlocal agency.

(3) The average annual return to the impact fund on all bonus money may not be less than 1/2 of the average interest rate paid by the state on general obligation bonds issued during the most recent fiscal year in which bonds were sold.

(4) (a) "Provision of public services" under Subsection (1)(a) includes contracts with public postsecondary institutions to fund research, education, or public service programs that benefit impacted counties or political subdivisions of the counties.

(b) Each contract under Subsection (4)(a) shall be:

(i) based on an application to the impact board from the impacted county; and

(ii) approved by the county legislative body.

(c) For purposes of this section, a land use plan is a public service program.

Section 66. Section **63N-4-506**, which is renumbered from Section 35A-8-306 is renumbered and amended to read:

[35A-8-306]. 63N-4-506. Powers.

The impact board may:

(1) appoint[, where it considers this appropriate,] a hearing examiner or administrative

~~law judge with authority to conduct hearings, make determinations, and enter appropriate findings of facts, conclusions of law, and orders under authority of the impact board under Sections 11-13-306 and 11-13-307;~~

~~(2) appoint additional professional and administrative staff necessary to effectuate Sections 11-13-306 and 11-13-307;~~

~~(3) make independent studies regarding matters submitted to [it] the impact board under Sections 11-13-306 and 11-13-307 [that], which the impact board, in [its] the discretion of the impact board, considers necessary, and which studies shall be made a part of the record and may be considered in the impact board's determination; and~~

~~(4) make rules under Title 63G, Chapter 3, Utah Administrative Rulemaking Act [it], that the impact board considers necessary to perform [its] the impact board's responsibilities under Sections 11-13-306 and 11-13-307.~~

~~Section 67. Section **63N-4-507**, which is renumbered from Section 35A-8-307 is renumbered and amended to read:~~

~~**[35A-8-307]. 63N-4-507. Impact fund administered by impact board -- Eligibility for assistance -- Review by board -- Administration costs -- Annual report.**~~

~~(1) (a) The impact board shall:~~

~~(i) administer the impact fund in a manner that will keep a portion of the impact fund revolving;~~

~~(ii) determine provisions for repayment of loans;~~

~~(iii) establish criteria for determining eligibility for assistance under this part; and~~

~~(iv) consider recommendations from the School and Institutional Trust Lands Administration when awarding a grant described in Subsection [35A-8-303(6)] 63N-4-503(6).~~

~~(b) (i) The criteria for awarding loans or grants made from funds described in Subsection [35A-8-303(5)] 63N-4-503(5) shall be consistent with the requirements of Subsection [35A-8-303(5)] 63N-4-503(5).~~

~~(ii) The criteria for awarding grants made from funds described in Subsection [35A-8-303(2)(c)] 63N-4-503(2)(c) shall be consistent with the requirements of Subsection [35A-8-303(6)] 63N-4-503(6).~~

~~(c) In order to receive assistance under this part, subdivisions and interlocal agencies shall submit formal applications containing the information that the impact board requires.~~

~~(2) In determining eligibility for loans and grants under this part, the impact board shall consider the following:~~

~~(a) the subdivision's or interlocal agency's current mineral lease production;~~

~~(b) the feasibility of the actual development of a resource that may impact the subdivision or interlocal agency directly or indirectly;~~

~~(c) current taxes being paid by the subdivision's or interlocal agency's residents;~~

~~(d) the borrowing capacity of the subdivision or interlocal agency, including:~~

~~(i) its ability and willingness to sell bonds or other securities in the open market; and~~

~~(ii) its current and authorized indebtedness;~~

~~(e) all possible additional sources of state and local revenue, including utility user charges;~~

~~(f) the availability of federal assistance funds;~~

~~(g) probable growth of population due to actual or prospective natural resource development in an area;~~

~~(h) existing public facilities and services;~~

~~(i) the extent of the expected direct or indirect impact upon public facilities and services of the actual or prospective natural resource development in an area; and~~

~~(j) the extent of industry participation in an impact alleviation plan, either as specified in Title 63M, Chapter 5, Resource Development Act, or otherwise.~~

~~(3) The impact board may not fund an education project that could otherwise have reasonably been funded by a school district through a program of annual budgeting, capital budgeting, bonded indebtedness, or special assessments.~~

~~(4) The impact board may restructure all or part of the agency's or subdivision's liability to repay loans for extenuating circumstances.~~

~~(5) The impact board shall:~~

~~(a) review the proposed uses of the impact fund for loans or grants before approving them and may condition [its] approval on whatever assurances the impact board considers necessary to ensure that proceeds of the loan or grant will be used in accordance with the Leasing Act and this part; and~~

~~(b) ensure that each loan specifies the terms for repayment and is evidenced by general obligation, special assessment, or revenue bonds, notes, or other obligations of the appropriate~~

~~subdivision or interlocal agency issued to the impact board under whatever authority for the issuance of those bonds, notes, or obligations exists at the time of the loan.~~

~~(6) The impact board shall allocate from the impact fund to the department those funds that are appropriated by the Legislature for the administration of the impact fund, but this amount may not exceed 2% of the annual receipts to the impact fund.~~

~~(7) [The department] GOED shall include in the annual written report described in Section [35A-1-109] 63N-1-301, the number and type of loans and grants made as well as a list of subdivisions and interlocal agencies that received this assistance.~~

Section 68. Section **63N-4-508**, which is renumbered from Section 35A-8-308 is renumbered and amended to read:

~~**[35A-8-308].**~~ **63N-4-508. Throughput Infrastructure Fund.**

~~(1) There is created an enterprise fund known as the Throughput Infrastructure Fund.~~

~~(2) The fund consists of money generated from }~~the following ~~{revenue sources:~~

~~(a) all amounts transferred to the fund under Subsection 59-12-103(12);~~

~~(b) any voluntary contributions received;~~

~~(c) appropriations made to the fund by the Legislature; and~~

~~(d) all amounts received from the repayment of loans made by the impact board under Section [35A-8-309] 63N-4-509.~~

~~(3) The state treasurer shall:~~

~~(a) invest the money in the fund by following the procedures and requirements of Title 51, Chapter 7, State Money Management Act; and~~

~~(b) deposit all interest or other earnings derived from those investments into the fund.~~

Section 69. Section **63N-4-509**, which is renumbered from Section 35A-8-309 is renumbered and amended to read:

~~**[35A-8-309].**~~ **63N-4-509. Throughput Infrastructure Fund administered by impact board -- Uses -- Review by board -- Annual report.**

~~(1) The impact board shall:~~

~~(a) make grants and loans from the Throughput Infrastructure Fund created in Section [35A-8-308] 63N-4-508 for a throughput infrastructure project;~~

~~(b) use money transferred to the Throughput Infrastructure Fund in accordance with Subsection 59-12-103(12) to provide a loan or grant to finance the cost of acquisition or~~

~~construction of a throughput infrastructure project to one or more local political subdivisions, including a Utah interlocal entity created under Title 11, Chapter 13, Interlocal Cooperation Act;~~

~~(c) administer the Throughput Infrastructure Fund in a manner that will keep a portion of the fund revolving;~~

~~(d) determine provisions for repayment of loans;~~

~~(e) establish criteria for awarding loans and grants; and~~

~~(f) establish criteria for determining eligibility for assistance under this section.~~

~~(2) The cost of acquisition or construction of a throughput infrastructure project includes amounts for working capital, reserves, transaction costs, and other amounts determined by the impact board to be allocable to a throughput infrastructure project.~~

~~(3) The impact board may restructure or forgive all or part of a local political subdivision's or interlocal entity's obligation to repay loans for extenuating circumstances.~~

~~(4) In order to receive assistance under this section, a local political subdivision or an interlocal entity shall submit a formal application containing the information that the impact board requires.~~

~~(5) (a) The impact board shall:~~

~~(i) review the proposed uses of the Throughput Infrastructure Fund for a loan or grant before approving the loan or grant and may condition its approval on whatever assurances the impact board considers necessary to ensure that proceeds of the loan or grant will be used in accordance with this section;~~

~~(ii) ensure that each loan specifies terms for interest deferments, accruals, and scheduled principal repayment; and~~

~~(iii) ensure that repayment terms are evidenced by bonds, notes, or other obligations of the appropriate local political subdivision or interlocal entity issued to the impact board and payable from the net revenues of a throughput infrastructure project.~~

~~(b) An instrument described in Subsection (5)(a)(iii) may be:~~

~~(i) non-recourse to the local political subdivision or interlocal entity; and~~

~~(ii) limited to a pledge of the net revenues from a throughput infrastructure project.~~

~~(6) (a) Subject to the restriction in Subsection (6)(b), the impact board shall allocate from the Throughput Infrastructure Fund to the impact board those amounts that are~~

~~appropriated by the Legislature for the administration of the Throughput Infrastructure Fund.~~

~~(b) The amount described in Subsection (6)(a) may not exceed 2% of the annual receipts to the fund.~~

~~(7) [The board] GOED shall include in the annual written report described in Section [35A-1-109] 63N-1-301:~~

~~(a) the number and type of loans and grants made under this section; and~~

~~(b) a list of local political subdivisions or interlocal entities that received assistance under this section.~~

~~Section 70. Section **63N-14-101**, which is renumbered from Section 35A-8-2101 is renumbered and amended to read:~~

~~**CHAPTER 14. PRIVATE ACTIVITY BONDS**~~

~~**[35A-8-2101]. 63N-14-101. Title -- Purpose.**~~

~~(1) This [part] chapter is known as "Private Activity Bonds."~~

~~(2) This [part] chapter establishes procedures to effectively and equitably allocate this state's private activity bond volume cap authorized by the Internal Revenue Code of 1986 in order to maximize the social and economic benefits to this state.~~

~~Section 71. Section **63N-14-102**, which is renumbered from Section 35A-8-2102 is renumbered and amended to read:~~

~~**[35A-8-2102]. 63N-14-102. Definitions.**~~

~~As used in this part:~~

~~(1) "Allocated volume cap" means a volume cap for which:~~

~~(a) a certificate of allocation is in effect; or~~

~~(b) bonds have been issued.~~

~~(2) "Allotment accounts" means the various accounts created in Section [35A-8-2106] 63N-14-106.~~

~~(3) "Board of review" means the Private Activity Bond Review Board created in Section [35A-8-2103] 63N-14-103.~~

~~(4) "Bond" means any obligation for which an allocation of volume cap is required by the code.~~

~~(5) "Code" means the Internal Revenue Code of 1986, as amended, and any related Internal Revenue Service regulations.~~

~~(6) "Form 8038" means the Department of the Treasury tax form 8038 (OMB No. 1545-0720) or any other federal tax form or other method of reporting required by the Department of the Treasury under Section 149(e) of the code.~~

~~(7) "Issuing authority" means:~~

~~(a) any county, city, or town in the state;~~

~~(b) any not-for-profit corporation or joint agency, or other entity acting on behalf of one or more counties, cities, towns, or any combination of these;~~

~~(c) the state; or~~

~~(d) any other entity authorized to issue bonds under state law.~~

~~(8) "State" means}~~sums of money from the funds or accounts indicated for the use and support of the government of the state of Utah~~{ and any of its agencies, institutions, and divisions authorized to issue bonds or certificates under state law.~~

~~(9) "Volume cap" means the private activity bond volume cap for the state as computed under Section 146 of the code.~~

~~(10) "Year" means each calendar year.~~

~~Section 72. Section **63N-14-103**, which is renumbered from Section 35A-8-2103 is renumbered and amended to read:~~

~~**[35A-8-2103]. 63N-14-103. Private Activity Bond Review Board.**~~

~~(1) There is created within the [department] office the Private Activity Bond Review Board, composed of the following 11 members:~~

~~(a) (i) the executive director [of the department] of the office or the executive director's designee;~~

~~(ii) the executive director of the [}~~.

ITEM 1

To Governor's Office of Economic Development~~{] Department of Workforce Services or the executive director's designee;~~

~~(iii) the state treasurer or the state treasurer's designee;~~

~~(iv) the chair of the Board of Regents or the chair's designee; and~~

~~(v) the chair of the Utah Housing Corporation or the chair's designee; and~~

~~(b) six local government members who are:~~

~~(i) three elected or appointed county officials, nominated by the Utah Association of~~

~~Counties and appointed by the governor with the consent of the Senate; and~~

~~(ii) three elected or appointed municipal officials, nominated by the Utah League of Cities and Towns and appointed by the governor with the consent of the Senate.~~

~~(2) (a) Except as required by Subsection (2)(b), the terms of office for the local government members of the board of review shall be four-year terms.~~

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

~~(c) Members may be reappointed only once.~~

~~(3) (a) If a local government member ceases to be an elected or appointed official of the city or county the member is appointed to represent, that membership on the board of review terminates immediately and there shall be a vacancy in the membership.~~

~~(b) When a vacancy occurs in the membership for any reason, the replacement shall be appointed within 30 days in the manner of the regular appointment for the unexpired term.~~

~~(4) (a) The chair of the board of review is the executive director of the [department] office or the executive director's designee.~~

~~(b) The chair is nonvoting except in the case of a tie vote.~~

~~(5) Six members of the board of review constitute a quorum.~~

~~(6) Formal action by the board of review requires a majority vote of a quorum.~~

~~(7) A member may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses in accordance with:~~

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

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

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

~~(8) The chair of the board of review serves as the state official designated under state law to make certifications required to be made under Section 146 of the code including the certification required by Section 149(c)(2)(F) of the code.~~

~~Section 73. Section **63N-14-104**, which is renumbered from Section 35A-8-2104 is renumbered and amended to read:~~

~~**[35A-8-2104]. 63N-14-104. Powers, functions, and duties of the board of**~~

review.

The board of review shall:

(1) make, subject to the limitations of the code, allocations of volume cap to issuing authorities;

(2) determine the amount of volume cap to be allocated with respect to approved applications;

(3) maintain a record of all applications filed by issuing authorities under Section [35A-8-2105] 63N-14-105 and all certificates of allocation issued under Section [35A-8-2107] 63N-14-107;

(4) maintain a record of all bonds issued by issuing authorities during each year;

(5) determine the amount of volume cap to be treated as a carryforward under Section 146(f) of the code and allocate this carryforward to one or more qualified carryforward purposes;

(6) make available upon reasonable request a certified copy of all or any part of the records maintained by the board of review under this part or a summary of them, including information relating to the volume cap for each year and any amounts available for allocation under this part;

(7) make rules for the allocation of volume cap under this part; and

(8) charge reasonable fees for the performance of duties prescribed by this part, including application, filing, and processing fees.

Section 74. Section **63N-14-105**, which is renumbered from Section 35A-8-2105 is renumbered and amended to read:

[35A-8-2105]. 63N-14-105. Allocation of volume cap.

(1) (a) Subject to Subsection (1)(b), the volume cap for each year shall be distributed by the board of review to the allotment accounts as described in Section [35A-8-2106] 63N-14-106.

(b) The board of review may distribute up to 50% of each increase in the volume cap for use in development that occurs in quality growth areas, depending upon the board's analysis of the relative need for additional volume cap between development in quality growth areas and the allotment accounts under Section [35A-8-2106] 63N-14-106.

(2) To obtain an allocation of the volume cap, issuing authorities shall submit to the

board of review an application containing information required by the procedures and processes of the board of review.

(3) (a) The board of review shall establish criteria for making allocations of volume cap that are consistent with the purposes of the code and this part.

(b) In making an allocation of volume cap the board of review shall consider the following:

(i) the principal amount of the bonds proposed to be issued;

(ii) the nature and the location of the project or the type of program;

(iii) the likelihood that the bonds will be sold and the timeframe of bond issuance;

(iv) whether the project or program could obtain adequate financing without an allocation of volume cap;

(v) the degree to which an allocation of volume cap is required for the project or program to proceed or continue;

(vi) the social, health, economic, and educational effects of the project or program on the local community and state as a whole;

(vii) the anticipated economic development created or retained within the local community and the state as a whole;

(viii) the anticipated number of jobs, both temporary and permanent, created or retained within the local community and the state as a whole;

(ix) if the project is a residential rental project, the degree to which the residential rental project:

(A) targets lower income populations; and

(B) is accessible housing; and

(x) whether the project meets the principles of quality growth recommended by the Quality Growth Commission created in Section 11-38-201.

(4) The board of review shall provide evidence of an allocation of volume cap by issuing a certificate in accordance with Section [35A-8-2107] 63N-14-107.

(5) (a) From January 1 to June 30 of each year, the board of review shall set aside at least 50% of the Small Issue Bond Account that may only be allocated to manufacturing projects.

(b) From July 1 to August 15 of each year, the board of review shall set aside at least

~~50% of the Pool Account that may only be allocated to manufacturing projects.~~

~~Section 75. Section **63N-14-106**, which is renumbered from Section 35A-8-2106 is renumbered and amended to read:~~

~~**[35A-8-2106]. 63N-14-106. Allotment accounts.**~~

~~(1) There are created the following allotment accounts:~~

~~(a) the Single Family Housing Account, for which eligible issuing authorities are those authorized under the code and state statute to issue qualified mortgage bonds under Section 143 of the code;~~

~~(b) the Student Loan Account, for which eligible issuing authorities are those authorized under the code and state statute to issue qualified student loan bonds under Section 144(b) of the code;~~

~~(c) the Small Issue Bond Account, for which eligible issuing authorities are those authorized under the code and state statute to issue:~~

~~(i) qualified small issue bonds under Section 144(a) of the code;~~

~~(ii) qualified exempt facility bonds for qualified residential rental projects under Section 142(d) of the code; or~~

~~(iii) qualified redevelopment bonds under Section 144(c) of the code;~~

~~(d) the Exempt Facilities Account, for which eligible issuing authorities are those authorized under the code and state statute to issue any bonds requiring an allocation of volume cap other than for purposes described in [Subsections] Subsection (1)(a), (b), or (c);~~

~~(e) the Pool Account, for which eligible issuing authorities are those authorized under the code and state statute to issue any bonds requiring an allocation of volume cap; and~~

~~(f) the Carryforward Account, for which eligible issuing authorities are those with projects or programs qualifying under Section 146(f) of the code.~~

~~(2) (a) The volume cap shall be distributed to the allotment accounts on January 1 of each year on the following basis:~~

~~(i) 42% to the Single Family Housing Account;~~

~~(ii) 33% to the Student Loan Account;~~

~~(iii) 1% to the Exempt Facilities Account; and~~

~~(iv) 24% to the Small Issue Bond Account.~~

~~(b) From July 1 to September 30 of each year, the board of review may transfer any~~

unallocated volume cap from the Exempt Facilities Account or the Small Issue Bond Account to the Pool Account.

(c) Upon written notification by the issuing authorities eligible for volume cap allocation from the Single Family Housing Account or the Student Loan Account that all or a portion of volume cap distributed into that allotment account will not be used, the board of review may transfer the unused volume cap between the Single Family Housing Account and the Student Loan Account.

(d) From October 1 to the third Friday of December of each year, the board of review shall transfer all unallocated volume cap into the Pool Account.

(e) On the third Saturday of December of each year, the board of review shall transfer uncollected volume cap, or allocated volume cap for which bonds have not been issued prior to the third Saturday of December, into the Carryforward Account.

(f) If the authority to issue bonds designated in any allotment account is rescinded by amendment to the code, the board of review may transfer any unallocated volume cap from that allotment account to any other allotment account.

Section 76. Section **63N-14-107**, which is renumbered from Section 35A-8-2107 is renumbered and amended to read:

[35A-8-2107]. 63N-14-107. Certificates of allocation.

(1) (a) After an allocation of volume cap for a project or program is approved by the board of review, the board of review shall issue a numbered certificate of allocation stating the amount of the allocation, the allotment account for which the allocation is being made, and the expiration date of the allocation.

(b) The certificates of allocation shall be mailed to the issuing authority within 10 working days of the date of approval.

(c) Bonds are not entitled to any allocation of the volume cap unless the issuing authority received a certificate of allocation with respect to the bonds.

(d) (i) Certificates of allocation shall remain in effect for a period of 90 days from the date of approval.

(ii) If bonds for which a certificate has been approved are not issued within the 90-day period, the certificate of allocation is void and volume cap shall be returned to the applicable allotment account for reallocation by the board of review.

~~(2) (a) An issuing authority receiving an allocation of volume cap from the Carryforward Account shall receive a certificate of allocation similar to the certificates of allocation described in Subsection (1) from the board of review stating the amount of allocation from the Carryforward Account that has been allocated to the issuing authority and the expiration of the allocation.~~

~~(b) (i) If in the judgment of the board of review an issuing authority or a person or entity responsible for a project or program receiving an allocation from the Carryforward Account does not proceed with diligence in providing for the issuance of the bonds with respect to the project or program, and because of the lack of diligence the volume cap cannot be used, the board of review may exclude from the board of review's consideration for a given period of time, determined by the board of review, an application of the issuing authority, person, or entity.~~

~~(ii) The board of review may, at any time, review and modify the board of review's decisions relating to the exclusion described in this Subsection (2)(b).~~

~~Section 77. Section **63N-14-108**, which is renumbered from Section 35A-8-2108 is renumbered and amended to read:~~

~~**[35A-8-2108]. 63N-14-108. Issuing authorities -- Limitations -- Duties.**~~

~~(1) (a) Notwithstanding any law to the contrary, an issuing authority issuing bonds without a certificate of allocation issued under Section [35A-8-2107] 63N-14-107, or an issuing authority issuing bonds after the expiration of a certificate of allocation, is not entitled to an allocation of the volume cap for those bonds.~~

~~(b) An issuing authority issuing bonds in excess of the amount set forth in the related certificate of allocation is not entitled to an allocation of the volume cap for the excess.~~

~~(2) Each issuing authority shall:~~

~~(a) advise the board of review, within 15 days after the issuance of bonds, of the principal amount of bonds issued under each certificate of allocation by delivering to the board of review a copy of the Form 8038 that was delivered or shall be delivered to the Internal Revenue Service in connection with the bonds, or, if no Form 8038 is required to be delivered to the Internal Revenue Service, a completed copy of a Form 8038 prepared for the board of review with respect to the bonds; and~~

~~(b) if all or a stated portion of the bonds for which a certificate of allocation was~~

~~received will not be issued, advise the board of review in writing, within 15 days of the earlier of:~~

~~(i) the final decision not to issue all or a stated portion of the bonds; or~~

~~(ii) the expiration of the certificate of allocation.~~

~~(3) Failure by an issuing authority to notify the board of review under Subsection (2), including failure to timely deliver a Form 8038, may, in the sole discretion of the board of review, result in the board of review denying further consideration of applications from the issuing authority.~~

~~Section 78. Section **63N-14-109**, which is renumbered from Section 35A-8-2109 is renumbered and amended to read:~~

~~**[35A-8-2109]. 63N-14-109. Procedures -- Adjudicative proceedings.**~~

~~The board of review shall comply with the procedures and requirements of Title 63G, Chapter 4, Administrative Procedures Act, in the board of review's adjudicative proceedings.~~

~~Section 79. Section **63N-14-110**, which is renumbered from Section 35A-8-2110 is renumbered and amended to read:~~

~~**[35A-8-2110]. 63N-14-110. Duties of the office.**~~

~~(1) The [department] office is recognized as an issuing authority as defined in Section [35A-8-2102] 63N-14-102, entitled to issue bonds from the Small Issue Bond Account created in Subsection [35A-8-2106] 63N-14-106(1)(c) as a part of the state's private activity bond volume cap authorized by the Internal Revenue Code and computed under Section 146, Internal Revenue Code.~~

~~(2) To promote and encourage the issuance of bonds from the Small Issue Bond Account for manufacturing projects, the [department] office may:~~

~~(a) develop campaigns and materials that inform qualified small manufacturing businesses about the existence of the program and the application process;~~

~~(b) assist small businesses in applying for and qualifying for these bonds; and~~

~~(c) develop strategies to lower the cost to small businesses of applying for and qualifying for these bonds, including making arrangements with financial advisors, underwriters, bond counsel, and other professionals involved in the issuance process to provide services at a reduced rate when the [department] office can provide such service providers with a high volume of applicants or issues.~~

Section 80. Section **63N-15-101** is enacted to read:

CHAPTER 15. UTAH OFFICE OF ENERGY DEVELOPMENT

Part 1. General Provisions

63N-15-101. Title.

This chapter is known as the "Utah Office of Energy Development."

Section 81. Section **63N-15-102** is enacted to read:

63N-15-102. Definitions.

As used in this chapter:

(1) "Director" means the director of the energy development office.

(2) "Energy development office" means the Utah Office of Energy Development created in Section 63N-15-201.

(3) "Executive director" means the executive director of GOED.

Section 82. Section **63N-15-201**, which is renumbered from Section 63M-4-401 is renumbered and amended to read:

Part 2. Office of Energy Development

[63M-4-401]. 63N-15-201. Office of Energy Development -- Creation -- Director -- Purpose -- Rulemaking regarding confidential information -- Fees.

(1) There is created [an] within GOED the Utah Office of Energy Development.

(2) (a) The governor's energy advisor shall serve as the director of the energy development office or appoint a director of the energy development office.

(b) The director:

(i) shall, if the governor's energy advisor appoints a director under Subsection (2)(a), report to the governor's energy advisor; and

(ii) may appoint staff as funding within existing budgets allows.

(c) The energy development office may consolidate energy staff and functions existing in the state energy program.

(3) The [purposes of the] energy development office [are to] shall:

(a) serve as the primary resource for advancing energy and mineral development in the state;

(b) implement:

(i) the state energy policy under Section 63M-4-301; and

~~(ii) the governor's energy and mineral development goals and objectives;~~

~~(c) advance energy education, outreach, and research, including the creation of elementary, higher education, and technical college energy education programs;~~

~~(d) promote energy and mineral development workforce initiatives; and~~

~~(e) support collaborative research initiatives targeted at Utah-specific energy and mineral development.~~

~~(4) By following the procedures and requirements of Title 63J, Chapter 5, Federal Funds Procedures Act, the energy development office may:~~

~~(a) seek federal grants or loans;~~

~~(b) seek to participate in federal programs; and~~

~~(c) in accordance with applicable federal program guidelines, administer federally funded state energy programs.~~

~~(5) The energy development office shall perform the duties required by [Sections] Section 11-42a-106, Section 59-7-614.7, Section 59-10-1029, Title 63M, Chapter 4, Part 5, Alternative Energy Development Tax Credit Act, and Title 63M, Chapter 5, Part 6, High Cost Infrastructure Development Tax Credit Act.~~

~~(6) (a) For purposes of administering this section, [the office] GOED may make rules, by following the procedures and requirements of Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to maintain as confidential, and not as a public record, information that the energy development office receives from any source.~~

~~(b) The energy development office shall maintain information the energy development office receives from any source at the level of confidentiality assigned by the source.~~

~~(7) The energy development office may charge application, filing, and processing fees in amounts determined by the energy development office in accordance with Section 63J-1-504 as dedicated credits for performing energy development office duties described in this part.~~

~~Section 83. Section~~ **63N-15-202**~~, which is renumbered from Section 63M-4-402 is renumbered and amended to read:~~

~~**[63M-4-402].**~~ **63N-15-202. In-state generator need -- Merchant electric transmission line.**

~~(1) As used in this section:~~

~~(a) "Capacity allocation process" means the process outlined by the Federal Energy~~

Regulatory Commission in its final policy statement dated January 17, 2013, "Allocation of Capacity on New Merchant Transmission Projects and New Cost-Based, Participant-Funded Transmission Projects, Priority Rights to New Participant-Funded Transmission," 142 F.E.R.C. P61,038 (2013).

(b) "Certificate of in-state need" means a certificate issued by the energy development office in accordance with this section identifying an in-state generator that meets the requirements and qualifications of this section.

(c) "Expression of need" means a document prepared and submitted to the energy development office by an in-state merchant generator that describes or otherwise documents the transmission needs of the in-state merchant generator in conformance with the requirements of this section.

(d) "In-state merchant generator" means an electric power provider that generates power in Utah and does not provide service to retail customers within the boundaries of Utah.

(e) "Merchant electric transmission line" means a transmission line that does not provide electricity to retail customers within the boundaries of Utah.

[(f) "Office" means the Office of Energy Development established in Section 63M-4-401.]

[(g)] (f) "Open solicitation notice" means a document prepared and submitted to the energy development office by a merchant electric transmission line regarding the commencement of the line's open solicitation in compliance with 142 F.E.R.C. P61,038 (2013).

(2) As part of the capacity allocation process, a merchant electric transmission line shall file an open solicitation notice with the energy development office containing a description of the merchant electric transmission line, including:

(a) the proposed capacity;

(b) the location of potential interconnection for in-state merchant generators;

(c) the planned date for commencement of construction; and

(d) the planned commercial operations date.

(3) Upon receipt of the open solicitation notice, the energy development office shall:

(a) publish the notice on the Utah Public Notice Website created under Section 63F-1-701;

(b) include in the notice contact information; and

~~(c) provide the deadline date for submission of an expression of need.~~

~~(4) (a) In response to the open solicitation notice published by the energy development office, and no later than 30 days after publication of the notice, an in-state merchant generator may submit an expression of need to the energy development office.~~

~~(b) An expression of need submitted under Subsection (4)(a) shall include:~~

~~(i) a description of the in-state merchant generator; and~~

~~(ii) a schedule of transmission capacity requirement provided in megawatts, by point of receipt and point of delivery and by operating year.~~

~~(5) No later than 60 days after notice is published under Subsection (3), the energy development office shall prepare a certificate of in-state need identifying the in-state merchant generators.~~

~~(6) Within five days of preparing the certificate of in-state need, the energy development office shall:~~

~~(a) publish the certificate on the Utah Public Notice Website created under Section 63F-1-701; and~~

~~(b) provide the certificate to the merchant electric transmission line for consideration in the capacity allocation process.~~

~~(7) The merchant electric transmission line shall:~~

~~(a) provide the Federal Energy Regulatory Commission with a copy of the certificate of in-state need; and~~

~~(b) certify that the certificate is being provided to the Federal Energy Regulatory Commission in accordance with the requirements of this section, including a citation to this section.~~

~~(8) At the conclusion of the capacity allocation process, and unless prohibited by a contractual obligation of confidentiality, the merchant electric transmission line shall report to the energy development office whether a merchant in-state generator reflected on the certificate of in-state need has entered into a transmission service agreement with the merchant electric transmission line.~~

~~(9) This section may not be interpreted to:~~

~~(a) create an obligation of a merchant electric transmission line to pay for, or construct any portion of, the transmission line on behalf of an in-state merchant generator; or~~

~~(b) preempt, supersede, or otherwise conflict with Federal Energy Regulatory Commission rules and regulations applicable to a commercial transmission agreement, including agreements, or terms of agreements, as to cost, terms, transmission capacity, or key rates.~~

~~(10) Subsections (2) through (9) do not apply to a project entity as defined in Section 11-13-103.~~

~~Section 84. **Repealer.**~~

~~This bill repeals:~~

~~Section **63N-12-201, Title.**~~

~~Section 85)~~ -- Talent Ready Utah Center

From General Fund, One-time $4,000,000

From General Fund $1,000,000

Schedule of Programs:

Utah Works Program $5,000,000

Section 45. **Effective date.**

This bill takes effect on July 1, 2019.