

Senator Kirk A. Cullimore proposes the following substitute bill:

CRITICAL INFRASTRUCTURE AND MINING

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Casey Snider

Senate Sponsor: Kirk A. Cullimore

LONG TITLE

General Description:

This bill addresses issues related to critical infrastructure materials and mining.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ requires a study by the Division of Oil, Gas, and Mining (division) of critical infrastructure materials operations and related mining;
- ▶ outlines who the division shall cooperate with in conducting the study;
- ▶ requires reporting;
- ▶ provides a sunset date; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

This bill appropriates in fiscal year 2024:

- ▶ to Department of Natural Resources - Oil, Gas, and Mining - Minerals Reclamation as a one-time appropriation:
 - from the General Fund Restricted - GFR - Division of Oil, Gas, and Mining,

One-time, \$500,000

Other Special Clauses:



26 This bill provides a special effective date.

27 **Utah Code Sections Affected:**

28 AMENDS:

29 **63I-1-217**, as last amended by Laws of Utah 2023, Chapter 96

30 ENACTS:

31 **17-41-102**, Utah Code Annotated 1953



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

34 Section 1. Section **17-41-102** is enacted to read:

35 **17-41-102. Study of critical infrastructure materials operations and related**
36 **mining.**

37 (1) As used in this section:

38 (a) "Association of governments" means an association of political subdivisions
39 established pursuant to an interlocal agreement under Title 11, Chapter 13, Interlocal
40 Cooperation Act.

41 (b) "Metropolitan planning organization" means an organization established under 23
42 U.S.C. Sec. 134.

43 (c) "Related mining" means a mining use related to the critical infrastructure materials
44 operations industry.

45 (d) "Relevant area" means the area included within the boundaries of:

46 (i) a county of the first, second, or third class;

47 (ii) a metropolitan planning organization; or

48 (iii) an association of governments that has as a member a county of the first, second,
49 or third class.

50 (2) The division shall conduct a study of critical infrastructure materials operations and
51 related mining that includes:

52 (a) an inventory of critical infrastructure materials operations and related mining within
53 the relevant area as of the effective date of this bill, to include:

54 (i) both the number and location of critical infrastructure materials operations;

55 (ii) levels of production; and

56 (iii) the extent to which the critical infrastructure materials meet standards used by the

57 Department of Transportation;

58 (b) an inventory of new critical infrastructure materials operations and related mining
59 that may be created by either the establishment of critical infrastructure materials operations or
60 related mining on or after the effective date of this bill, or the expansion of existing critical
61 infrastructure materials operations or related mining on or after the effective date of this bill
62 taking into consideration:

63 (i) zoning; and

64 (ii) supply in the market;

65 (c) an assessment of projected future demand for critical infrastructure materials within
66 the relevant area, including:

67 (i) the effects of residential and commercial development; and

68 (ii) known planned projects, such as transportation projects;

69 (d) an analysis of the financial costs related to transporting and distributing critical
70 infrastructure materials to and from the relevant area;

71 (e) an analysis of the impacts of critical infrastructure materials operations and related
72 mining on local infrastructure within the relevant area and possible mitigation of those impacts;

73 (f) an analysis of the regulatory requirements faced by critical infrastructure materials
74 operations;

75 (g) the study of whether critical infrastructure materials operations should be licensed,
76 permitted, or otherwise authorized or regulated by the division, another state agency, or local
77 government; and

78 (h) any other issue the division finds relevant to the study of critical infrastructure
79 materials operations and related mining.

80 (3) In conducting the study, the division shall work cooperatively with:

81 (a) the Utah League of Cities and Towns;

82 (b) the Utah Association of Counties;

83 (c) the Department of Transportation;

84 (d) the critical infrastructure materials industry;

85 (e) the related mining industry;

86 (f) the real estate development industry;

87 (g) the home builders industry;

- 88 (h) a local metropolitan planning organization;
- 89 (i) at least two representatives from counties of the first, second, or third class; and
- 90 (j) at least two representatives from municipalities located within a county of the first,
- 91 second, or third class.
- 92 (4) The division shall complete the initial findings of the study required by this section
- 93 by no later than November 1, 2024, and report the division's initial findings to the Natural
- 94 Resources, Agriculture, and Environment Interim Committee by no later than the November
- 95 2024 interim meeting of that committee.
- 96 (5) The division shall complete the study required by this section and report the
- 97 division's findings to the Legislature by no later than the first day of the 2025 legislative annual
- 98 general session.
- 99 (6) Notwithstanding other provisions of this section, the division may not include in
- 100 the division's study any critical infrastructure materials resources within the relevant area if
- 101 those critical infrastructure materials resources are only extracted for use within an existing
- 102 mining operation and not offered for sale to the public.

103 Section 2. Section **63I-1-217** is amended to read:

104 **63I-1-217. Repeal dates: Title 17.**

105 (1) Title 17, Chapter 21a, Part 3, Administration and Standards, which creates the Utah

106 Electronic Recording Commission, is repealed July 1, 2022.

107 (2) In relation to Section **17-31-2**, on July 1, 2023:

108 (a) Subsection **17-31-2(1)(g)**, which defines "economic diversification activity," is

109 repealed;

110 (b) Subsection **17-31-2(2)(a)(iii)**, relating to establishing and promoting an economic

111 diversification activity, is repealed;

112 (c) Subsection **17-31-2(7)(b)(i)** is amended to read:

113 "(i) for a purpose described in Subsection (2)(a) and subject to the limitation described

114 in Subsection (7)(d), the greater of:"; and

115 (d) Subsection **17-31-2(7)(d)(ii)**, relating to a limitation on the expenditure of revenue

116 for an economic diversification activity, is repealed.

117 (3) Subsection **17-31-5.5(2)(a)(i)(E)**, relating to economic diversification activity, is

118 repealed July 1, 2023.

119 (4) Section 17-41-102, requiring a study of critical infrastructure materials operations
120 and related mining, is repealed July 1, 2026.

121 Section 3. **FY 2024 Appropriation.**

122 The following sums of money are appropriated for the fiscal year beginning July 1,
123 2023, and ending June 30, 2024. These are additions to amounts previously appropriated for
124 fiscal year 2024.

125 Subsection 3(a). **Operating and Capital Budgets.**

126 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the
127 Legislature appropriates the following sums of money from the funds or accounts indicated for
128 the use and support of the government of the state of Utah.

129 ITEM 1 To Department of Natural Resources - Oil, Gas, and Mining

130 From General Fund Restricted - GFR - Division of Oil, Gas, and \$500,000
Mining, One-time

131 Schedule of Programs:

132 Minerals Reclamation \$500,000

133 Under the terms of Section 63J-1-603, the Legislature intends that the \$500,000 one-time
134 General Fund appropriation provided by this item for the study of critical infrastructure
135 materials does not lapse at the close of FY 2024.

136 Section 4. **Effective date.**

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

141 (2) If this bill is not approved by two-thirds of all the members elected to each house,
142 this bill takes effect on May 1, 2024.