

Michael K. McKell proposes the following substitute bill:

Department of Natural Resources Funding Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Casey Snider

Senate Sponsor: Michael K. McKell

LONG TITLE

General Description:

This bill addresses revenue and expenditures related to funding state accounts within the Department of Natural Resources.

Highlighted Provisions:

This bill:

- requires counties to remit to the state money calculated based on certain new transmission facilities for deposit into the Species Protection Account;
- expands resources to be deposited into the Species Protection Account;
- requires reporting by the Division of Wildlife Resources and a study by the Office of Energy Development;
- addresses the payment of a tax on gross receipts of a radioactive waste facility derived from the disposal of concentrated depleted uranium and containerized waste, including having certain revenue be deposited into the Species Protection Account;
- imposes a tax related to certain wind or solar electric generation facilities to be deposited into the Species Protection Account;
- imposes an assessment on renewable energy parent entities to be deposited into the Species Protection Account;
- modifies calculation of centrally assessed new growth;
- requires counties to remit to the state a portion of centrally assessed new growth for deposit into the Species Protection Account;
- authorizes rulemaking; and
- makes technical and conforming amendments.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

23A-3-214, as renumbered and amended by Laws of Utah 2024, Chapter 88

59-1-306, as last amended by Laws of Utah 2024, Chapter 35

59-1-401, as last amended by Laws of Utah 2024, Chapter 96

59-2-924, as last amended by Laws of Utah 2024, Chapter 258

59-24-105, as last amended by Laws of Utah 2003, Chapter 295

63I-2-279, as last amended by Laws of Utah 2024, Third Special Session, Chapter 5

79-6-405, as renumbered and amended by Laws of Utah 2024, Chapter 88

ENACTS:

17-56-101, Utah Code Annotated 1953

17-56-201, Utah Code Annotated 1953

17-56-202, Utah Code Annotated 1953

59-2-924.5, Utah Code Annotated 1953

59-32-101, Utah Code Annotated 1953

59-32-201, Utah Code Annotated 1953

59-32-301, Utah Code Annotated 1953

59-32-302, Utah Code Annotated 1953

79-6-1101, Utah Code Annotated 1953

79-6-1102, Utah Code Annotated 1953

79-6-1103, Utah Code Annotated 1953

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

Section 1. Section **17-56-101** is enacted to read:

CHAPTER 56. SPECIES PROTECTION FUNDING ACT

Part 1. General Provisions

17-56-101 . Definitions.

As used in this chapter:

(1) "Commission" means the State Tax Commission.

(2) "Contributing business" means a person who is centrally assessed and owns a qualifying transmission line.

(3) "Qualifying transmission line" means an electrical transmission line that first transmits

electrical current within the state on or after January 1, 2026, and operates at a nominal voltage of at least 340,000 volts, including structures, equipment, plant, or fixtures associated with the electrical transmission line.

Section 2. Section **17-56-201** is enacted to read:

Part 2. Payment Obligations

17-56-201 . Payments due -- Calculation of payment amount.

(1)(a) On or before March 1 of each year, and included with the statement of taxpayer required under Section 59-2-202, the owner of a contributing business shall electronically file with the commission a statement containing the following information, in a manner prescribed by the commission:

(i) the name, description, location, and number of miles of qualifying transmission line located within each county, by tax area, in which a qualifying transmission line is located as of January 1 of the year of the statement; and

(ii) any other reasonable and necessary information required by the commission.

(b) The owner of the contributing business or the owner's designee shall sign and swear to the statement described in Subsection (1)(a).

(2)(a) On or before November 30 of each year, the commission shall notify each county that contains a portion of the qualifying transmission line owned by a contributing business of the amount calculated in Subsection (2)(b).

(b) The commission shall calculate an amount for each county by multiplying \$6,400 by the number of miles of qualifying transmission line owned by a contributing business that is located within the county.

(3) On or before December 31 of each year, the county treasurer of a county notified under Subsection (2)(a) shall remit the amount calculated under Subsection (2)(b) to the Division of Finance from the revenue derived from the current year's property taxes.

Section 3. Section **17-56-202** is enacted to read:

17-56-202 . Deposit into Species Protection Account.

The Division of Finance shall deposit revenue remitted to the Division of Finance under this chapter into the Species Protection Account created in Section 23A-3-214.

Section 4. Section **23A-3-214** is amended to read:

23A-3-214 . Species Protection Account -- Reporting.

(1) There is created within the General Fund a restricted account known as the "Species Protection Account."

(2) The [account] Species Protection Account shall consist of:

- 96 (a) revenue remitted by a county to the Division of Finance in accordance with:
97 (i) Title 17, Chapter 56, Species Protection Funding Act; or
98 (ii) Section 59-2-924.5;
99 (b) revenue generated by the brine shrimp tax provided for in Title 59, Chapter 23, Brine
100 Shrimp Royalty Act; [and]
101 (c) tax revenue deposited into the Species Protection Account in accordance with
102 Section 59-24-105;
103 (d) tax revenue collected in accordance with Title 59, Chapter 32, Wind or Solar Electric
104 Generation Facility Capacity Tax;
105 (e) revenue collected in accordance with Title 79, Chapter 6, Part 11, Energy Project
106 Assessment; and
107 ~~[(b)]~~ (f) interest earned on money in the [account] Species Protection Account.
108 (3) Money in the ~~[account]~~ Species Protection Account may be appropriated by the
109 Legislature to:
110 (a) develop and implement species status assessments and species protection measures;
111 (b) obtain biological opinions of proposed species protection measures;
112 (c) conduct studies, investigations, and research into the effects of proposed species
113 protection measures;
114 (d) verify species protection proposals that are not based on valid biological data;
115 (e) implement Great Salt Lake wetlands mitigation projects in connection with the
116 western transportation corridor;
117 (f) pay for the state's voluntary contributions to the Utah Reclamation Mitigation and
118 Conservation Account under the Central Utah Project Completion Act, Pub. L. No.
119 102-575, Titles II-VI, 106 Stat. 4605-4655; and
120 (g) pay for expenses of the State Tax Commission under Title 59, Chapter 23, Brine
121 Shrimp Royalty Act.
122 (4) The purposes specified in Subsections (3)(a) through (3)(d) may be accomplished by the
123 state or, in an appropriation act, the Legislature may authorize the department to award
124 grants to political subdivisions of the state to accomplish those purposes.
125 (5) Money in the ~~[account]~~ Species Protection Account may not be used to develop or
126 implement a habitat conservation plan required under federal law unless the federal
127 government pays for at least 1/3 of the habitat conservation plan costs.
128 (6) The division shall report to the Natural Resources, Agriculture, and Environmental
129 Quality Appropriations Subcommittee by no later than November 30, 2026, concerning:

(a) the amount of revenue deposited into the Species Protection Account under each revenue source outlined in Subsection (2); and

(b) how the division spent the money deposited.

Section 5. Section **59-1-306** is amended to read:

59-1-306 . Definition -- State Tax Commission Administrative Charge Account -- Amount of administrative charge -- Deposit of revenue into the restricted account -- Interest deposited into General Fund -- Expenditure of money deposited into the restricted account.

(1) As used in this section, "qualifying tax, fee, or charge" means a tax, fee, or charge the commission administers under:

(a) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

(b) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;

(c) Section 19-6-714;

(d) Section 19-6-805;

(e) Chapter 12, Sales and Use Tax Act, other than a tax under Chapter 12, Part 1, Tax Collection, or Chapter 12, Part 18, Additional State Sales and Use Tax Act;

(f) Section 59-27-105;

(g) Chapter 31, Cannabinoid Licensing and Tax Act;

(h) Chapter 32, Wind or Solar Electric Generation Facility Capacity Tax;

~~[(h)]~~ (i) Section 63H-1-205; ~~[or]~~

~~[(i)]~~ (j) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service Charges~~[-]~~ ; or

(k) Title 79, Chapter 6, Part 11, Energy Project Assessment.

(2) There is created a restricted account within the General Fund known as the "State Tax Commission Administrative Charge Account."

(3) Subject to the other provisions of this section, the restricted account shall consist of administrative charges the commission retains and deposits in accordance with this section.

(4) For purposes of this section, the administrative charge is a percentage of revenue the commission collects from each qualifying tax, fee, or charge of not to exceed the lesser of:

(a) 1.5%; or

(b) an equal percentage of revenue the commission collects from each qualifying tax, fee, or charge sufficient to cover the cost to the commission of administering the

164 qualifying taxes, fees, or charges.

165 (5) The commission shall deposit an administrative charge into the restricted account.

166 (6) Interest earned on the restricted account shall be deposited into the General Fund.

167 (7) The commission shall expend money appropriated by the Legislature to the commission
168 from the restricted account to administer qualifying taxes, fees, or charges.

169 Section 6. Section **59-1-401** is amended to read:

170 **59-1-401 . Definitions -- Offenses and penalties -- Rulemaking authority --**
171 **Statute of limitations -- Commission authority to waive, reduce, or compromise penalty**
172 **or interest.**

173 (1) As used in this section:

174 (a) "Tax, fee, or charge" means:

175 (i) a tax, fee, or charge the commission administers under:

176 (A) this title;

177 (B) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

178 (C) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;

179 (D) Section 19-6-410.5;

180 (E) Section 19-6-714;

181 (F) Section 19-6-805;

182 (G) Section 34A-2-202;

183 (H) Section 40-6-14; [or]

184 (I) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service
185 Charges; or

186 (J) Title 79, Chapter 6, Part 11, Energy Project Assessment; or

187 (ii) another amount that by statute is subject to a penalty imposed under this section.

188 (b) "Tax, fee, or charge" does not include a tax, fee, or charge imposed under:

189 (i) Title 41, Chapter 1a, Motor Vehicle Act, except for Section 41-1a-301;

190 (ii) Title 41, Chapter 3, Motor Vehicle Business Regulation Act;

191 (iii) Chapter 2, Property Tax Act, except for Section 59-2-1309;

192 (iv) Chapter 3, Tax Equivalent Property Act; or

193 (v) Chapter 4, Privilege Tax.

194 (2)(a) The due date for filing a return is:

195 (i) if the person filing the return is not allowed by law an extension of time for filing
196 the return, the day on which the return is due as provided by law; or

197 (ii) if the person filing the return is allowed by law an extension of time for filing the

- 198 return, the earlier of:
- 199 (A) the date the person files the return; or
- 200 (B) the last day of that extension of time as allowed by law.
- 201 (b) A penalty in the amount described in Subsection (2)(c) is imposed if a person files a
- 202 return after the due date described in Subsection (2)(a).
- 203 (c) For purposes of Subsection (2)(b), the penalty is an amount equal to the greater of:
- 204 (i) \$20; or
- 205 (ii)(A) 2% of the unpaid tax, fee, or charge due on the return if the return is filed
- 206 no later than five days after the due date described in Subsection (2)(a);
- 207 (B) 5% of the unpaid tax, fee, or charge due on the return if the return is filed
- 208 more than five days after the due date but no later than 15 days after the due
- 209 date described in Subsection (2)(a); or
- 210 (C) 10% of the unpaid tax, fee, or charge due on the return if the return is filed
- 211 more than 15 days after the due date described in Subsection (2)(a).
- 212 (d) This Subsection (2) does not apply to:
- 213 (i) an amended return; or
- 214 (ii) a return with no tax due.
- 215 (3)(a) Except as provided in Subsection (15), a person is subject to a penalty for failure
- 216 to pay a tax, fee, or charge if:
- 217 (i) the person files a return on or before the due date for filing a return described in
- 218 Subsection (2)(a), but fails to pay the tax, fee, or charge due on the return on or
- 219 before that due date;
- 220 (ii) the person:
- 221 (A) is subject to a penalty under Subsection (2)(b); and
- 222 (B) fails to pay the tax, fee, or charge due on a return within a 90-day period after
- 223 the due date for filing a return described in Subsection (2)(a);
- 224 (iii)(A) the person is subject to a penalty under Subsection (2)(b); and
- 225 (B) the commission estimates an amount of tax due for that person in accordance
- 226 with Subsection 59-1-1406(2);
- 227 (iv) the person:
- 228 (A) is mailed a notice of deficiency; and
- 229 (B) within a 30-day period after the day on which the notice of deficiency
- 230 described in Subsection (3)(a)(iv)(A) is mailed:
- 231 (I) does not file a petition for redetermination or a request for agency action;

- 232 and
- 233 (II) fails to pay the tax, fee, or charge due on a return;
- 234 (v)(A) the commission:
- 235 (I) issues an order constituting final agency action resulting from a timely filed
- 236 petition for redetermination or a timely filed request for agency action; or
- 237 (II) is considered to have denied a request for reconsideration under Subsection
- 238 63G-4-302(3)(b) resulting from a timely filed petition for redetermination
- 239 or a timely filed request for agency action; and
- 240 (B) the person fails to pay the tax, fee, or charge due on a return within a 30-day
- 241 period after the date the commission:
- 242 (I) issues the order constituting final agency action described in Subsection
- 243 (3)(a)(v)(A)(I); or
- 244 (II) is considered to have denied the request for reconsideration described in
- 245 Subsection (3)(a)(v)(A)(II); or
- 246 (vi) the person fails to pay the tax, fee, or charge within a 30-day period after the date
- 247 of a final judicial decision resulting from a timely filed petition for judicial review.
- 248 (b) For purposes of Subsection (3)(a), the penalty is an amount equal to the greater of:
- 249 (i) \$20; or
- 250 (ii)(A) 2% of the unpaid tax, fee, or charge due on the return if the activated tax,
- 251 fee, or charge due on the return is paid no later than five days after the due date
- 252 for filing a return described in Subsection (2)(a);
- 253 (B) 5% of the unpaid tax, fee, or charge due on the return if the activated tax, fee,
- 254 or charge due on the return is paid more than five days after the due date for
- 255 filing a return described in Subsection (2)(a) but no later than 15 days after that
- 256 due date; or
- 257 (C) 10% of the unpaid tax, fee, or charge due on the return if the activated tax, fee,
- 258 or charge due on the return is paid more than 15 days after the due date for
- 259 filing a return described in Subsection (2)(a).
- 260 (4)(a) In the case of any underpayment of estimated tax or quarterly installments
- 261 required by Sections 59-5-107, 59-5-207, 59-7-504, and 59-9-104, there shall be
- 262 added a penalty in an amount determined by applying the interest rate provided under
- 263 Section 59-1-402 plus four percentage points to the amount of the underpayment for
- 264 the period of the underpayment.
- 265 (b)(i) For purposes of Subsection (4)(a), the amount of the underpayment shall be the

excess of the required installment over the amount, if any, of the installment paid on or before the due date for the installment.

(ii) The period of the underpayment shall run from the due date for the installment to whichever of the following dates is the earlier:

(A) the original due date of the tax return, without extensions, for the taxable year;

or

(B) with respect to any portion of the underpayment, the date on which that portion is paid.

(iii) For purposes of this Subsection (4), a payment of estimated tax shall be credited against unpaid required installments in the order in which the installments are required to be paid.

(5)(a) Notwithstanding Subsection (2) and except as provided in Subsection (6), a person allowed by law an extension of time for filing a corporate franchise or income tax return under Chapter 7, Corporate Franchise and Income Taxes, or an individual income tax return under Chapter 10, Individual Income Tax Act, is subject to a penalty in the amount described in Subsection (5)(b) if, on or before the day on which the return is due as provided by law, not including the extension of time, the person fails to pay:

(i) for a person filing a corporate franchise or income tax return under Chapter 7, Corporate Franchise and Income Taxes, the payment required by Subsection 59-7-507(1)(b); or

(ii) for a person filing an individual income tax return under Chapter 10, Individual Income Tax Act, the payment required by Subsection 59-10-516(2).

(b) For purposes of Subsection (5)(a), the penalty per month during the period of the extension of time for filing the return is an amount equal to 2% of the tax due on the return, unpaid as of the day on which the return is due as provided by law.

(6) If a person does not file a return within an extension of time allowed by Section 59-7-505 or 59-10-516, the person:

(a) is not subject to a penalty in the amount described in Subsection (5)(b); and

(b) is subject to a penalty in an amount equal to the sum of:

(i) a late file penalty in an amount equal to the greater of:

(A) \$20; or

(B) 10% of the tax due on the return, unpaid as of the day on which the return is due as provided by law, not including the extension of time; and

(ii) a late pay penalty in an amount equal to the greater of:

(A) \$20; or

(B) 10% of the unpaid tax due on the return, unpaid as of the day on which the return is due as provided by law, not including the extension of time.

(7)(a) Additional penalties for an underpayment of a tax, fee, or charge are as provided in this Subsection (7)(a).

(i) Except as provided in Subsection (7)(c), if any portion of an underpayment of a tax, fee, or charge is due to negligence, the penalty is 10% of the portion of the underpayment that is due to negligence.

(ii) Except as provided in Subsection (7)(d), if any portion of an underpayment of a tax, fee, or charge is due to intentional disregard of law or rule, the penalty is 15% of the entire underpayment.

(iii) If any portion of an underpayment is due to an intent to evade a tax, fee, or charge, the penalty is the greater of \$500 per period or 50% of the entire underpayment.

(iv) If any portion of an underpayment is due to fraud with intent to evade a tax, fee, or charge, the penalty is the greater of \$500 per period or 100% of the entire underpayment.

(b) If the commission determines that a person is liable for a penalty imposed under Subsection (7)(a)(ii), (iii), or (iv), the commission shall notify the person of the proposed penalty.

(i) The notice of proposed penalty shall:

(A) set forth the basis of the assessment; and

(B) be mailed by certified mail, postage prepaid, to the person's last-known address.

(ii) Upon receipt of the notice of proposed penalty, the person against whom the penalty is proposed may:

(A) pay the amount of the proposed penalty at the place and time stated in the notice; or

(B) proceed in accordance with the review procedures of Subsection (7)(b)(iii).

(iii) A person against whom a penalty is proposed in accordance with this Subsection (7) may contest the proposed penalty by filing a petition for an adjudicative proceeding with the commission.

(iv)(A) If the commission determines that a person is liable for a penalty under

334 this Subsection (7), the commission shall assess the penalty and give notice and
335 demand for payment.

336 (B) The commission shall mail the notice and demand for payment described in
337 Subsection (7)(b)(iv)(A):

338 (I) to the person's last-known address; and

339 (II) in accordance with Section 59-1-1404.

340 (c) A seller that voluntarily collects a tax under Subsection 59-12-107(2)(d) is not
341 subject to the penalty under Subsection (7)(a)(i) if on or after July 1, 2001:

342 (i) a court of competent jurisdiction issues a final unappealable judgment or order
343 determining that:

344 (A) the seller meets one or more of the criteria described in Subsection 59-12-107
345 (2)(a) or is a seller required to pay or collect and remit sales and use taxes
346 under Subsection 59-12-107(2)(b) or (2)(c); and

347 (B) the commission or a county, city, or town may require the seller to collect a
348 tax under Subsections 59-12-103(2)(a) through (e); or

349 (ii) the commission issues a final unappealable administrative order determining that:

350 (A) the seller meets one or more of the criteria described in Subsection 59-12-107
351 (2)(a) or is a seller required to pay or collect and remit sales and use taxes
352 under Subsection 59-12-107(2)(b) or (2)(c); and

353 (B) the commission or a county, city, or town may require the seller to collect a
354 tax under Subsections 59-12-103(2)(a) through (e).

355 (d) A seller that voluntarily collects a tax under Subsection 59-12-107(2)(d) is not
356 subject to the penalty under Subsection (7)(a)(ii) if:

357 (i)(A) a court of competent jurisdiction issues a final unappealable judgment or
358 order determining that:

359 (I) the seller meets one or more of the criteria described in Subsection
360 59-12-107(2)(a) or is a seller required to pay or collect and remit sales and
361 use taxes under Subsection 59-12-107(2)(b) or (2)(c); and

362 (II) the commission or a county, city, or town may require the seller to collect a
363 tax under Subsections 59-12-103(2)(a) through (e); or

364 (B) the commission issues a final unappealable administrative order determining
365 that:

366 (I) the seller meets one or more of the criteria described in Subsection
367 59-12-107(2)(a) or is a seller required to pay or collect and remit sales and

- 368 use taxes under Subsection 59-12-107(2)(b) or (2)(c); and
- 369 (II) the commission or a county, city, or town may require the seller to collect a
- 370 tax under Subsections 59-12-103(2)(a) through (e); and
- 371 (ii) the seller's intentional disregard of law or rule is warranted by existing law or by
- 372 a nonfrivolous argument for the extension, modification, or reversal of existing
- 373 law or the establishment of new law.
- 374 (8)(a) Subject to Subsections (8)(b) and (c), the penalty for failure to file an information
- 375 return, information report, or a complete supporting schedule is \$50 for each
- 376 information return, information report, or supporting schedule up to a maximum of
- 377 \$1,000.
- 378 (b) If an employer is subject to a penalty under Subsection (13), the employer may not
- 379 be subject to a penalty under Subsection (8)(a).
- 380 (c) If an employer is subject to a penalty under this Subsection (8) for failure to file a
- 381 return in accordance with Subsection 59-10-406(3) on or before the due date
- 382 described in Subsection 59-10-406(3)(b)(ii), the commission may not impose a
- 383 penalty under this Subsection (8) unless the return is filed more than 14 days after the
- 384 due date described in Subsection 59-10-406(3)(b)(ii).
- 385 (9) If a person, in furtherance of a frivolous position, has a prima facie intent to delay or
- 386 impede administration of a law relating to a tax, fee, or charge and files a purported
- 387 return that fails to contain information from which the correctness of reported tax, fee, or
- 388 charge liability can be determined or that clearly indicates that the tax, fee, or charge
- 389 liability shown is substantially incorrect, the penalty is \$500.
- 390 (10)(a) A seller that fails to remit a tax, fee, or charge monthly as required by Subsection
- 391 59-12-108(1)(a):
- 392 (i) is subject to a penalty described in Subsection (2); and
- 393 (ii) may not retain the percentage of sales and use taxes that would otherwise be
- 394 allowable under Subsection 59-12-108(2).
- 395 (b) A seller that fails to remit a tax, fee, or charge by electronic funds transfer as
- 396 required by Subsection 59-12-108(1)(a)(ii)(B):
- 397 (i) is subject to a penalty described in Subsection (2); and
- 398 (ii) may not retain the percentage of sales and use taxes that would otherwise be
- 399 allowable under Subsection 59-12-108(2).
- 400 (11)(a) A person is subject to the penalty provided in Subsection (11)(c) if that person:
- 401 (i) commits an act described in Subsection (11)(b) with respect to one or more of the

- 402 following documents:
- 403 (A) a return;
- 404 (B) an affidavit;
- 405 (C) a claim; or
- 406 (D) a document similar to Subsections (11)(a)(i)(A) through (C);
- 407 (ii) knows or has reason to believe that the document described in Subsection
- 408 (11)(a)(i) will be used in connection with any material matter administered by the
- 409 commission; and
- 410 (iii) knows that the document described in Subsection (11)(a)(i), if used in connection
- 411 with any material matter administered by the commission, would result in an
- 412 understatement of another person's liability for a tax, fee, or charge.
- 413 (b) The following acts apply to Subsection (11)(a)(i):
- 414 (i) preparing any portion of a document described in Subsection (11)(a)(i);
- 415 (ii) presenting any portion of a document described in Subsection (11)(a)(i);
- 416 (iii) procuring any portion of a document described in Subsection (11)(a)(i);
- 417 (iv) advising in the preparation or presentation of any portion of a document
- 418 described in Subsection (11)(a)(i);
- 419 (v) aiding in the preparation or presentation of any portion of a document described
- 420 in Subsection (11)(a)(i);
- 421 (vi) assisting in the preparation or presentation of any portion of a document
- 422 described in Subsection (11)(a)(i); or
- 423 (vii) counseling in the preparation or presentation of any portion of a document
- 424 described in Subsection (11)(a)(i).
- 425 (c) For purposes of Subsection (11)(a), the penalty:
- 426 (i) shall be imposed by the commission;
- 427 (ii) is \$500 for each document described in Subsection (11)(a)(i) with respect to
- 428 which the person described in Subsection (11)(a) meets the requirements of
- 429 Subsection (11)(a); and
- 430 (iii) is in addition to any other penalty provided by law.
- 431 (d) The commission may seek a court order to enjoin a person from engaging in conduct
- 432 that is subject to a penalty under this Subsection (11).
- 433 (e) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 434 commission may make rules prescribing the documents that are similar to
- 435 Subsections (11)(a)(i)(A) through (C).

(12)(a) Criminal offenses and penalties are provided in Subsections (12)(b) through (e).

(b)(i) A person who is required by this title or any laws the commission administers or regulates to register with or obtain a license or permit from the commission, who operates without having registered or secured a license or permit, or who operates when the registration, license, or permit is expired or not current, is guilty of a class B misdemeanor.

(ii) Notwithstanding Section 76-3-301, for purposes of Subsection (12)(b)(i), the penalty may not:

(A) be less than \$500; or

(B) exceed \$1,000.

(c)(i) With respect to a tax, fee, or charge, a person who knowingly and intentionally, and without a reasonable good faith basis, fails to make, render, sign, or verify a return within the time required by law or to supply information within the time required by law, or who makes, renders, signs, or verifies a false or fraudulent return or statement, or who supplies false or fraudulent information, is guilty of a third degree felony.

(ii) Notwithstanding Section 76-3-301, for purposes of Subsection (12)(c)(i), the penalty may not:

(A) be less than \$1,000; or

(B) exceed \$5,000.

(d)(i) A person who intentionally or willfully attempts to evade or defeat a tax, fee, or charge or the payment of a tax, fee, or charge is, in addition to other penalties provided by law, guilty of a second degree felony.

(ii) Notwithstanding Section 76-3-301, for purposes of Subsection (12)(d)(i), the penalty may not:

(A) be less than \$1,500; or

(B) exceed \$25,000.

(e)(i) A person is guilty of a second degree felony if that person commits an act:

(A) described in Subsection (12)(e)(ii) with respect to one or more of the following documents:

(I) a return;

(II) an affidavit;

(III) a claim; or

(IV) a document similar to Subsections (12)(e)(i)(A)(I) through (III); and

- 470 (B) subject to Subsection (12)(e)(iii), with knowledge that the document described
471 in Subsection (12)(e)(i)(A):
472 (I) is false or fraudulent as to any material matter; and
473 (II) could be used in connection with any material matter administered by the
474 commission.
- 475 (ii) The following acts apply to Subsection (12)(e)(i):
476 (A) preparing any portion of a document described in Subsection (12)(e)(i)(A);
477 (B) presenting any portion of a document described in Subsection (12)(e)(i)(A);
478 (C) procuring any portion of a document described in Subsection (12)(e)(i)(A);
479 (D) advising in the preparation or presentation of any portion of a document
480 described in Subsection (12)(e)(i)(A);
481 (E) aiding in the preparation or presentation of any portion of a document
482 described in Subsection (12)(e)(i)(A);
483 (F) assisting in the preparation or presentation of any portion of a document
484 described in Subsection (12)(e)(i)(A); or
485 (G) counseling in the preparation or presentation of any portion of a document
486 described in Subsection (12)(e)(i)(A).
- 487 (iii) This Subsection (12)(e) applies:
488 (A) regardless of whether the person for which the document described in
489 Subsection (12)(e)(i)(A) is prepared or presented:
490 (I) knew of the falsity of the document described in Subsection (12)(e)(i)(A); or
491 (II) consented to the falsity of the document described in Subsection
492 (12)(e)(i)(A); and
493 (B) in addition to any other penalty provided by law.
- 494 (iv) Notwithstanding Section 76-3-301, for purposes of this Subsection (12)(e), the
495 penalty may not:
496 (A) be less than \$1,500; or
497 (B) exceed \$25,000.
- 498 (v) The commission may seek a court order to enjoin a person from engaging in
499 conduct that is subject to a penalty under this Subsection (12)(e).
- 500 (vi) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
501 the commission may make rules prescribing the documents that are similar to
502 Subsections (12)(e)(i)(A)(I) through (III).
- 503 (f) The statute of limitations for prosecution for a violation of this Subsection (12) is the

504 later of six years:

505 (i) from the date the tax should have been remitted; or

506 (ii) after the day on which the person commits the criminal offense.

507 (13)(a) Subject to Subsection (13)(b), an employer that is required to file a form with the
508 commission in accordance with Subsection 59-10-406(8) or (9) is subject to a penalty
509 described in Subsection (13)(b) if the employer:

510 (i) fails to file the form with the commission in an electronic format approved by the
511 commission as required by Subsection 59-10-406(8) or (9);

512 (ii) fails to file the form on or before the due date provided in Subsection 59-10-406
513 (8) or (9);

514 (iii) fails to provide accurate information on the form; or

515 (iv) fails to provide all of the information required by the Internal Revenue Service to
516 be contained on the form.

517 (b) For purposes of Subsection (13)(a), the penalty is:

518 (i) \$30 per form, not to exceed \$75,000 in a calendar year, if the employer files the
519 form in accordance with Subsection 59-10-406(8) or (9), more than 14 days after
520 the due date provided in Subsection 59-10-406(8) or (9) but no later than 30 days
521 after the due date provided in Subsection 59-10-406(8) or (9);

522 (ii) \$60 per form, not to exceed \$200,000 in a calendar year, if the employer files the
523 form in accordance with Subsection 59-10-406(8) or (9), more than 30 days after
524 the due date provided in Subsection 59-10-406(8) or (9) but on or before June 1; or

525 (iii) \$100 per form, not to exceed \$500,000 in a calendar year, if the employer:

526 (A) files the form in accordance with Subsection 59-10-406(8) or (9) after June 1;
527 or

528 (B) fails to file the form.

529 (14) Upon making a record of the commission's actions, and upon reasonable cause shown,
530 the commission may waive, reduce, or compromise any of the penalties or interest
531 imposed under this part.

532 (15) Failure to pay a tax described in Subsection 59-10-1403.2(2) shall be subject to a
533 penalty as described in Subsection (3) except that the penalty shall be:

534 (a) assessed only if the pass-through entity reports tax paid on a Utah Schedule K-1 but
535 does not pay some or all of the tax reported; and

536 (b) calculated based on the difference between the amount of tax reported and the
537 amount of tax paid.

Section 7. Section **59-2-924** is amended to read:

59-2-924 . Definitions -- Report of valuation of property to county auditor and commission -- Transmittal by auditor to governing bodies -- Calculation of certified tax rate -- Rulemaking authority -- Adoption of tentative budget -- Notice provided by the commission.

(1) As used in this section:

(a)(i) "Ad valorem property tax revenue" means revenue collected in accordance with this chapter.

(ii) "Ad valorem property tax revenue" does not include:

(A) interest;

(B) penalties;

(C) collections from redemptions; or

(D) revenue received by a taxing entity from personal property that is semiconductor manufacturing equipment assessed by a county assessor in accordance with Part 3, County Assessment.

(b) "Adjusted tax increment" means the same as that term is defined in Section 17C-1-102.

(c)(i) "Aggregate taxable value of all property taxed" means:

(A) the aggregate taxable value of all real property a county assessor assesses in accordance with Part 3, County Assessment, for the current year;

(B) the aggregate taxable value of all real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the current year; and

(C) the aggregate year end taxable value of all personal property a county assessor assesses in accordance with Part 3, County Assessment, contained on the prior year's tax rolls of the taxing entity.

(ii) "Aggregate taxable value of all property taxed" does not include the aggregate year end taxable value of personal property that is:

(A) semiconductor manufacturing equipment assessed by a county assessor in accordance with Part 3, County Assessment; and

(B) contained on the prior year's tax rolls of the taxing entity.

(d) "Base taxable value" means:

(i) for an authority created under Section 11-58-201, the same as that term is defined in Section 11-58-102;

- (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201, the same as that term is defined in Section 11-59-207;
- (iii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the same as that term is defined in Section 11-70-101;
- (iv) for an agency created under Section 17C-1-201.5, the same as that term is defined in Section 17C-1-102;
- (v) for an authority created under Section 63H-1-201, the same as that term is defined in Section 63H-1-102;
- (vi) for a host local government, the same as that term is defined in Section 63N-2-502;
- (vii) for a housing and transit reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, a property's taxable value as shown upon the assessment roll last equalized during the base year, as that term is defined in Section 63N-3-602;
- (viii) for a home ownership promotion zone created under Title 10, Chapter 9a, Part 10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 27a, Part 12, Home Ownership Promotion Zone for Counties, a property's taxable value as shown upon the assessment roll last equalized during the base year, as that term is defined in Section 10-9a-1001 or Section 17-27a-1201; or
- (ix) for a first home investment zone created under Title 63N, Chapter 3, Part 16, First Home Investment Zone Act, a property's taxable value as shown upon the assessment roll last equalized during the base year, as that term is defined in Section 63N-3-1601.
- (e) "Centrally assessed benchmark value" means an amount equal to the average year end taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the previous three calendar years, adjusted for taxable value attributable to:
- (i) an annexation to a taxing entity;
- (ii) an incorrect allocation of taxable value of real or personal property the commission assesses in accordance with Part 2, Assessment of Property; or
- (iii) a change in value as a result of a change in the method of apportioning the value prescribed by the Legislature, a court, or the commission in an administrative rule or administrative order.
- (f) "Centrally assessed industry" means the following industry classes the commission

assesses in accordance with Part 2, Assessment of Property:

(i) air carrier;

(ii) coal;

(iii) coal load out property;

(iv) electric generation;

(v) electric rural;

(vi) electric utility;

(vii) gas utility;

(viii) ground access property;

(ix) land only property;

(x) liquid pipeline;

(xi) metalliferous mining;

(xii) nonmetalliferous mining;

(xiii) oil and gas gathering;

(xiv) oil and gas production;

(xv) oil and gas water disposal;

(xvi) railroad;

(xvii) sand and gravel; and

(xviii) uranium.

[(f)] (g)(i) "Centrally assessed new growth" means the greater of:

(A) for each centrally assessed industry, zero; or

(B) the amount calculated by subtracting the centrally assessed benchmark value for each centrally assessed industry, adjusted for prior year end incremental value, from the taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for each centrally assessed industry for the current year, adjusted for current year incremental value.

(ii) "Centrally assessed new growth" does not include a change in value for a centrally assessed industry as a result of a change in the method of apportioning the value prescribed by the Legislature, a court, or the commission in an administrative rule or administrative order.

[(g)] (h) "Certified tax rate" means a tax rate that will provide the same ad valorem property tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.

640 ~~[(h)]~~ (i) "Community reinvestment agency" means the same as that term is defined in
641 Section 17C-1-102.

642 ~~[(i)]~~ (j) "Eligible new growth" means the greater of:

643 (i) zero; or

644 (ii) the sum of:

645 (A) locally assessed new growth;

646 (B) centrally assessed new growth; and

647 (C) project area new growth or hotel property new growth.

648 ~~[(j)]~~ (k) "Host local government" means the same as that term is defined in Section
649 63N-2-502.

650 ~~[(k)]~~ (l) "Hotel property" means the same as that term is defined in Section 63N-2-502.

651 ~~[(l)]~~ (m) "Hotel property new growth" means an amount equal to the incremental value
652 that is no longer provided to a host local government as incremental property tax
653 revenue.

654 ~~[(m)]~~ (n) "Incremental property tax revenue" means the same as that term is defined in
655 Section 63N-2-502.

656 ~~[(n)]~~ (o) "Incremental value" means:

657 (i) for an authority created under Section 11-58-201, the amount calculated by
658 multiplying:

659 (A) the difference between the taxable value and the base taxable value of the
660 property that is located within a project area and on which property tax
661 differential is collected; and

662 (B) the number that represents the percentage of the property tax differential that
663 is paid to the authority;

664 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
665 an amount calculated by multiplying:

666 (A) the difference between the current assessed value of the property and the base
667 taxable value; and

668 (B) the number that represents the percentage of the property tax augmentation, as
669 defined in Section 11-59-207, that is paid to the Point of the Mountain State
670 Land Authority;

671 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
672 11-70-201, the amount calculated by multiplying:

673 (A) the difference between the taxable value for the current year and the base

- 674 taxable value of the property that is located within a project area; and
- 675 (B) the number that represents the percentage of enhanced property tax revenue,
- 676 as defined in Section 11-70-101;
- 677 (iv) for an agency created under Section 17C-1-201.5, the amount calculated by
- 678 multiplying:
- 679 (A) the difference between the taxable value and the base taxable value of the
- 680 property located within a project area and on which tax increment is collected;
- 681 and
- 682 (B) the number that represents the adjusted tax increment from that project area
- 683 that is paid to the agency;
- 684 (v) for an authority created under Section 63H-1-201, the amount calculated by
- 685 multiplying:
- 686 (A) the difference between the taxable value and the base taxable value of the
- 687 property located within a project area and on which property tax allocation is
- 688 collected; and
- 689 (B) the number that represents the percentage of the property tax allocation from
- 690 that project area that is paid to the authority;
- 691 (vi) for a housing and transit reinvestment zone created pursuant to Title 63N,
- 692 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, an amount
- 693 calculated by multiplying:
- 694 (A) the difference between the taxable value and the base taxable value of the
- 695 property that is located within a housing and transit reinvestment zone and on
- 696 which tax increment is collected; and
- 697 (B) the number that represents the percentage of the tax increment that is paid to
- 698 the housing and transit reinvestment zone;
- 699 (vii) for a host local government, an amount calculated by multiplying:
- 700 (A) the difference between the taxable value and the base taxable value of the
- 701 hotel property on which incremental property tax revenue is collected; and
- 702 (B) the number that represents the percentage of the incremental property tax
- 703 revenue from that hotel property that is paid to the host local government;
- 704 (viii) for a home ownership promotion zone created under Title 10, Chapter 9a, Part
- 705 10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter
- 706 27a, Part 12, Home Ownership Promotion Zone for Counties, an amount
- 707 calculated by multiplying:

- 708 (A) the difference between the taxable value and the base taxable value of the
709 property that is located within a home ownership promotion zone and on which
710 tax increment is collected; and
- 711 (B) the number that represents the percentage of the tax increment that is paid to
712 the home ownership promotion zone; or
- 713 (ix) for a first home investment zone created pursuant to Title 63N, Chapter 3, Part
714 16, First Home Investment Zone Act, an amount calculated by multiplying:
- 715 (A) the difference between the taxable value and the base taxable value of the
716 property that is located within a first home investment zone and on which tax
717 increment is collected; and
- 718 (B) the number that represents the percentage of the tax increment that is paid to
719 the first home investment zone.
- 720 ~~[(t)]~~ (p)(i) "Locally assessed new growth" means the greater of:
- 721 (A) zero; or
- 722 (B) the amount calculated by subtracting the year end taxable value of real
723 property the county assessor assesses in accordance with Part 3, County
724 Assessment, for the previous year, adjusted for prior year end incremental
725 value from the taxable value of real property the county assessor assesses in
726 accordance with Part 3, County Assessment, for the current year, adjusted for
727 current year incremental value.
- 728 (ii) "Locally assessed new growth" does not include a change in:
- 729 (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal,
730 or another adjustment;
- 731 (B) assessed value based on whether a property is allowed a residential exemption
732 for a primary residence under Section 59-2-103;
- 733 (C) assessed value based on whether a property is assessed under Part 5, Farmland
734 Assessment Act; or
- 735 (D) assessed value based on whether a property is assessed under Part 17, Urban
736 Farming Assessment Act.
- 737 ~~[(p)]~~ (q) "Project area" means:
- 738 (i) for an authority created under Section 11-58-201, the same as that term is defined
739 in Section 11-58-102;
- 740 (ii) for the Utah Fairpark Area Investment and Restoration District created in Section
741 11-70-201, the same as that term is defined in Section 11-70-101;

(iii) for an agency created under Section 17C-1-201.5, the same as that term is defined in Section 17C-1-102; or

(iv) for an authority created under Section 63H-1-201, the same as that term is defined in Section 63H-1-102.

~~[(q)]~~ (r) "Project area new growth" means:

(i) for an authority created under Section 11-58-201, an amount equal to the incremental value that is no longer provided to an authority as property tax differential;

(ii) for the Point of the Mountain State Land Authority created in Section 11-59-201, an amount equal to the incremental value that is no longer provided to the Point of the Mountain State Land Authority as property tax augmentation, as defined in Section 11-59-207;

(iii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, an amount equal to the incremental value that is no longer provided to the Utah Fairpark Area Investment and Restoration District;

(iv) for an agency created under Section 17C-1-201.5, an amount equal to the incremental value that is no longer provided to an agency as tax increment;

(v) for an authority created under Section 63H-1-201, an amount equal to the incremental value that is no longer provided to an authority as property tax allocation;

(vi) for a housing and transit reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, an amount equal to the incremental value that is no longer provided to a housing and transit reinvestment zone as tax increment;

(vii) for a home ownership promotion zone created under Title 10, Chapter 9a, Part 10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 27a, Part 12, Home Ownership Promotion Zone for Counties, an amount equal to the incremental value that is no longer provided to a home ownership promotion zone as tax increment; or

(viii) for a first home investment zone created under Title 63N, Chapter 3, Part 16, First Home Investment Zone Act, an amount equal to the incremental value that is no longer provided to a first home investment zone as tax increment.

~~[(r)]~~ (s) "Project area incremental revenue" means the same as that term is defined in Section 17C-1-1001.

776 ~~[(s)]~~ (t) "Property tax allocation" means the same as that term is defined in Section
777 63H-1-102.

778 ~~[(t)]~~ (u) "Property tax differential" means the same as that term is defined in Section
779 11-58-102.

780 ~~[(u)]~~ (v) "Qualifying exempt revenue" means revenue received:

781 (i) for the previous calendar year;

782 (ii) by a taxing entity;

783 (iii) from tangible personal property contained on the prior year's tax rolls that is
784 exempt from property tax under Subsection 59-2-1115(2)(b) for a calendar year
785 beginning on January 1, 2022; and

786 (iv) on the aggregate 2021 year end taxable value of the tangible personal property
787 that exceeds \$15,300.

788 ~~[(v)]~~ (w) "Tax increment" means:

789 (i) for a project created under Section 17C-1-201.5, the same as that term is defined
790 in Section 17C-1-102;

791 (ii) for a housing and transit reinvestment zone created under Title 63N, Chapter 3,
792 Part 6, Housing and Transit Reinvestment Zone Act, the same as that term is
793 defined in Section 63N-3-602;

794 (iii) for a home ownership promotion zone created under Title 10, Chapter 9a, Part
795 10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter
796 27a, Part 12, Home Ownership Promotion Zone for Counties, the same as that
797 term is defined in Section 10-9a-1001 or Section 17-27a-1201; or

798 (iv) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
799 First Home Investment Zone Act, the same as that term is defined in Section
800 63N-3-1601.

801 (2) Before June 1 of each year, the county assessor of each county shall deliver to the
802 county auditor and the commission the following statements:

803 (a) a statement containing the aggregate valuation of all taxable real property a county
804 assessor assesses in accordance with Part 3, County Assessment, for each taxing
805 entity; and

806 (b) a statement containing the taxable value of all personal property a county assessor
807 assesses in accordance with Part 3, County Assessment, from the prior year end
808 values.

809 (3) The county auditor shall, on or before June 8, transmit to the governing body of each

810 taxing entity:

811 (a) the statements described in Subsections (2)(a) and (b);

812 (b) an estimate of the revenue from personal property;

813 (c) the certified tax rate; and

814 (d) all forms necessary to submit a tax levy request.

815 (4)(a) Except as otherwise provided in this section, the certified tax rate shall be

816 calculated by dividing the ad valorem property tax revenue that a taxing entity

817 budgeted for the prior year minus the qualifying exempt revenue by the amount

818 calculated under Subsection (4)(b).

819 (b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall

820 calculate an amount as follows:

821 (i) calculate for the taxing entity the difference between:

822 (A) the aggregate taxable value of all property taxed; and

823 (B) any adjustments for current year incremental value;

824 (ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount

825 determined by increasing or decreasing the amount calculated under Subsection

826 (4)(b)(i) by the average of the percentage net change in the value of taxable

827 property for the equalization period for the three calendar years immediately

828 preceding the current calendar year;

829 (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the

830 product of:

831 (A) the amount calculated under Subsection (4)(b)(ii); and

832 (B) the percentage of property taxes collected for the five calendar years

833 immediately preceding the current calendar year; and

834 (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an

835 amount determined by:

836 (A) multiplying the percentage of property taxes collected for the five calendar

837 years immediately preceding the current calendar year by eligible new growth;

838 and

839 (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the

840 amount calculated under Subsection (4)(b)(iii).

841 (5) A certified tax rate for a taxing entity described in this Subsection (5) shall be calculated

842 as follows:

843 (a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified

- 844 tax rate is zero;
- 845 (b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:
- 846 (i) in a county of the first, second, or third class, the levy imposed for municipal-type
- 847 services under Sections 17-34-1 and 17-36-9; and
- 848 (ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
- 849 purposes and such other levies imposed solely for the municipal-type services
- 850 identified in Section 17-34-1 and Subsection 17-36-3(23);
- 851 (c) for a community reinvestment agency that received all or a portion of a taxing
- 852 entity's project area incremental revenue in the prior year under Title 17C, Chapter 1,
- 853 Part 10, Agency Taxing Authority, the certified tax rate is calculated as described in
- 854 Subsection (4) except that the commission shall treat the total revenue transferred to
- 855 the community reinvestment agency as ad valorem property tax revenue that the
- 856 taxing entity budgeted for the prior year; and
- 857 (d) for debt service voted on by the public, the certified tax rate is the actual levy
- 858 imposed by that section, except that a certified tax rate for the following levies shall
- 859 be calculated in accordance with Section 59-2-913 and this section:
- 860 (i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and
- 861 (ii) a levy to pay for the costs of state legislative mandates or judicial or
- 862 administrative orders under Section 59-2-1602.
- 863 (6)(a) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 may be imposed
- 864 at a rate that is sufficient to generate only the revenue required to satisfy one or more
- 865 eligible judgments.
- 866 (b) The ad valorem property tax revenue generated by a judgment levy described in
- 867 Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate
- 868 certified tax rate.
- 869 (7)(a) For the purpose of calculating the certified tax rate, the county auditor shall use:
- 870 (i) the taxable value of real property:
- 871 (A) the county assessor assesses in accordance with Part 3, County Assessment;
- 872 and
- 873 (B) contained on the assessment roll;
- 874 (ii) the year end taxable value of personal property:
- 875 (A) a county assessor assesses in accordance with Part 3, County Assessment; and
- 876 (B) contained on the prior year's assessment roll; and
- 877 (iii) the taxable value of real and personal property the commission assesses in

- 878 accordance with Part 2, Assessment of Property.
- 879 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new
- 880 growth.
- 881 (8)(a) On or before June 30, a taxing entity shall annually adopt a tentative budget.
- 882 (b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall notify
- 883 the county auditor of:
- 884 (i) the taxing entity's intent to exceed the certified tax rate; and
- 885 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.
- 886 (c) The county auditor shall notify property owners of any intent to levy a tax rate that
- 887 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.
- 888 (9)(a) Subject to Subsection (9)(d), the commission shall provide notice, through
- 889 electronic means on or before July 31, to a taxing entity and the Revenue and
- 890 Taxation Interim Committee if:
- 891 (i) the amount calculated under Subsection (9)(b) is 10% or more of the year end
- 892 taxable value of the real and personal property the commission assesses in
- 893 accordance with Part 2, Assessment of Property, for the previous year, adjusted
- 894 for prior year end incremental value; and
- 895 (ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year
- 896 end taxable value of the real and personal property of a taxpayer the commission
- 897 assesses in accordance with Part 2, Assessment of Property, for the previous year.
- 898 (b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by
- 899 subtracting the taxable value of real and personal property the commission assesses
- 900 in accordance with Part 2, Assessment of Property, for the current year, adjusted for
- 901 current year incremental value, from the year end taxable value of the real and
- 902 personal property the commission assesses in accordance with Part 2, Assessment of
- 903 Property, for the previous year, adjusted for prior year end incremental value.
- 904 (c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by
- 905 subtracting the total taxable value of real and personal property of a taxpayer the
- 906 commission assesses in accordance with Part 2, Assessment of Property, for the
- 907 current year, from the total year end taxable value of the real and personal property of
- 908 a taxpayer the commission assesses in accordance with Part 2, Assessment of
- 909 Property, for the previous year.
- 910 (d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet the
- 911 requirement under Subsection (9)(a)(ii).

Section 8. Section **59-2-924.5** is enacted to read:

59-2-924.5 . Diversion of centrally assessed new growth.

(1) As used in this section:

(a) "Centrally assessed new growth" means the same as that term is defined in Section 59-2-924.

(b) "Centrally assessed new growth revenue" means an amount calculated by multiplying a taxing entity's centrally assessed new growth for a calendar year by the taxing entity's final tax rate adopted under this part for that year.

(2)(a) On or before December 31 of each year, the county treasurer shall remit the amount calculated under Subsection (2)(b) to the Division of Finance.

(b) The amount to be remitted to the Division of Finance under this Subsection (2) shall be the sum of centrally assessed new growth revenue for each taxing entity in the county for that year multiplied by 7%.

(c) Notwithstanding the remittance of money under this Subsection (2), for purposes of calculating a tax rate, a taxing entity shall recognize total centrally assessed new growth in the following year's budgeted revenue.

(3) Beginning in 2027, by no later than June 30 of each year, the Division of Finance shall deposit into the Species Protection Account created in Section 23A-3-214 the amounts remitted to the Division of Finance under Subsection (2) after subtracting the administrative charge described in Subsection (4).

(4) Notwithstanding the other provisions of this section, the Division of Finance may retain an administrative charge for the costs associated with implementing this section from the amounts remitted to the Division of Finance under Subsection (2).

Section 9. Section **59-24-105** is amended to read:

59-24-105 . Deposit of tax revenue.

(1) [~~The~~] Except as provided in Subsection (2), the commission shall deposit the tax revenue collected under this chapter into the Uniform School Fund.

(2) The commission shall deposit the tax revenue collected in accordance with Subsection 59-24-103.7(2)(a) into the Species Protection Account created in Section 23A-3-214.

Section 10. Section **59-32-101** is enacted to read:

CHAPTER 32. WIND OR SOLAR ELECTRIC GENERATION FACILITY

CAPACITY TAX

Part 1. General Provisions

59-32-101 . Definitions.

As used in this chapter:

- (1) "Commercially operational" means that a wind or solar electric generation facility generates commercial amounts of electricity.
- (2) "Nameplate capacity" means the sum of the maximum rated outputs of all electrical generating equipment within a facility under specific conditions designated by the manufacturer, as indicated on individual nameplates physically attached to the equipment.
- (3) "Pass-through entity" means the same as that term is defined in Section 59-10-1402.
- (4) "Renewable energy project entity" means a corporation or pass-through entity that directly owns a wind or solar electric generation facility in the state that has executed a power purchase agreement or other binding agreement to purchase the output of a wind or solar electric generation facility owned by the renewable energy project entity after January 1, 2026.
- (5)(a) "Wind or solar electric generation facility" means a commercially operational facility with the capacity to generate electricity from wind or solar that has not reached the end of the facility's operational life that uses:
- (i) wind equipment with a nameplate capacity of at least 20 megawatts; or
- (ii) solar equipment with a nameplate capacity of at least 20 megawatts.
- (b) "Wind or solar electric generation facility" does not include a facility that generates wind or solar electricity primarily for onsite consumption by the owner or tenant of the property on which the facility is located.

Section 11. Section **59-32-201** is enacted to read:

Part 2. Imposition of Tax

59-32-201 . Imposition of tax on renewable energy project entities -- Deposit of revenue.

- (1)(a) Beginning January 1, 2026, there is annually levied a tax on a renewable energy project entity in the state for each calendar year following the calendar year in which a wind or solar electric generation facility owned by the renewable energy project entity becomes commercially operational.
- (b) Notwithstanding the other provisions of this chapter, a renewable energy project entity does not owe a tax under this chapter for a wind or solar electric generation

978 facility project that before December 31, 2025, was:

979 (i) operating;

980 (ii) under construction; or

981 (iii) subject to a power purchase agreement or other binding agreement to purchase
982 output of the wind or solar electric generation facility.

983 (2) The tax levied under Subsection (1) is calculated by multiplying the megawatts, or
984 portion of megawatts, of operational nameplate capacity of a wind or solar electric
985 generation facility owned by the renewable energy project entity by \$1,050.

986 (3)(a) A renewable energy project entity in the state shall electronically file with the
987 commission, on or before March 1 of each year, a statement containing the
988 information required by Subsection (3)(b) in a manner prescribed by the commission.

989 (b) The statement required in Subsection (3)(a) shall include:

990 (i) the name, description, and location of a wind or solar electric generation facility
991 owned by the renewable energy project entity in the state;

992 (ii) the nameplate capacity described in Subsection (2); and

993 (iii) any other reasonable and necessary information required by the commission.

994 (c) A statement or report required to be filed with the commission shall be signed and
995 sworn to by the chief executive officer of the renewable energy project entity or the
996 chief executive officer's designee.

997 (d) A willful false swearing as to a material fact set out in the statement or report
998 required under this Subsection (3) is a violation of Section 76-8-504 and may result
999 in prosecution.

1000 (4) The tax imposed by this chapter does not apply to a wind or solar electric generation
1001 facility that is owned or operated by:

1002 (a) the United States;

1003 (b) the state or a political subdivision of the state;

1004 (c) an Indian or Indian tribe, as defined in Section 9-9-101; or

1005 (d) a distribution electric cooperative or a wholesale electric cooperative, as defined in
1006 Section 54-2-1.

1007 (5) The commission shall deposit revenue from the tax imposed in this section into the
1008 Species Protection Account created by Section 23A-3-214.

1009 Section 12. Section **59-32-301** is enacted to read:

1010 **Part 3. Administration, Collection, and Enforcement of Tax**

1011 **59-32-301 . Administration, collection, and enforcement of tax -- Rulemaking.**

The commission shall administer, collect, and enforce a tax under this chapter in accordance with Chapter 1, General Taxation Policies.

Section 13. Section **59-32-302** is enacted to read:

59-32-302 . When taxes due -- Payment of tax -- Audit.

The tax imposed by this chapter is due and payable on or before March 1 of the year next succeeding the calendar year when the renewable energy project entity is subject to the tax imposed under Section 59-32-201.

Section 14. Section **63I-2-279** is amended to read:

63I-2-279 . Repeal dates: Title 79.

- (1) Section 79-2-206, Transition, is repealed July 1, 2024.
- (2) Section 79-2-407, Study of funding for water infrastructure costs, is repealed July 1, 2025.
- (3) Subsection 79-4-1002(2), regarding a pilot program for veteran free admission to state parks, is repealed July 1, 2025.
- (4) Section 79-7-303, Zion National Park Support Programs Restricted Account, is repealed July 1, 2024.
- (5) Title 79, Chapter 6, Part 11, Energy Project Assessment, is repealed January 1, 2028.

Section 15. Section **79-6-405** is amended to read:

79-6-405 . Reports -- Study.

- (1) The director shall report annually to the Public Utilities, Energy, and Technology Interim Committee.
- (2) The report required in Subsection (1) shall:
 - (a) summarize the status and development of the state's energy resources;
 - (b) summarize the activities and accomplishments of the office;
 - (c) address the director's activities under this part;
 - (d) recommend any energy-related executive or legislative action the director or office considers beneficial to the state, including updates to the state energy policy under Section 79-6-301; and
 - (e) address long-term energy planning required under Subsection 79-6-401(10).
- (3)(a) The office shall study the impacts of the following on energy costs in the state:
 - (i) Title 59, Chapter 32, Wind or Solar Electric Generation Facility Capacity Tax; and
 - (ii) Part 11, Energy Project Assessment.
- (b) The director shall report the office's findings regarding the study required under this Subsection (3) to the Public Utilities, Energy, and Technology Interim Committee by

no later than the 2026 November interim meeting of the Public Utilities, Energy, and Technology Interim Committee.

Section 16. Section **79-6-1101** is enacted to read:

Part 11. Energy Project Assessment

79-6-1101 . Definitions.

As used in this part:

- (1) "Affiliated group" means one or more chains of corporations or pass-through entities that are connected through ownership by a common parent entity that directly or indirectly controls or owns more than 50% of the outstanding voting stock or ownership interests of each corporation or pass-through entity.
- (2) "Commercially operational" means that a wind or solar electric generation facility generates commercial amounts of electricity.
- (3) "Eligible facility" means a wind or solar electric generation facility that is:
 - (a) commercially operational on January 1, 2026;
 - (b) under construction on January 1, 2026; or
 - (c) subject to a power purchase agreement or other binding agreement to purchase the output of the wind or solar electric generation facility as of January 1, 2026.
- (4) "Energy project assessment" means the assessment imposed in Section 79-6-1102.
- (5) "Nameplate capacity" means the sum of the maximum rated outputs of all electrical generating equipment within a facility under specific conditions designated by the manufacturer, as indicated on individual nameplates physically attached to the equipment.
- (6) "Pass-through entity" means the same as that term is defined in Section 59-10-1402.
- (7) "Renewable energy parent entity" means the parent entity of an affiliated group when an entity in the affiliated group controls, directly or indirectly, a wind or solar electric generation facility in the state.
- (8) "Species Protection Account" means the account created in Section 23A-3-214.
- (9) "Tax commission" means the State Tax Commission.
- (10) "Wind or solar electric generation facility" means a commercially operational facility with the capacity to generate electricity from wind or solar that has not reached the end of the facility's operational life that uses:
 - (a) wind equipment with a nameplate capacity of at least 20 megawatts; or
 - (b) solar equipment with a nameplate capacity of at least 20 megawatts.

Section 17. Section **79-6-1102** is enacted to read:

79-6-1102 . Energy project assessment.

- (1) Beginning January 1, 2026, each renewable energy parent entity with an eligible facility that is commercially operational in the state shall pay an annual energy project assessment to the tax commission before March 1 of each year.
- (2) The amount of the energy project assessment is based on the total number of nameplate capacity megawatts of wind or solar electric generation facilities that are commercially operational in the state at the beginning of the calendar year, and controlled by the renewable energy parent entity, as follows:
- (a) for 500 or greater megawatts of operational nameplate capacity, the assessment is \$200,000;
- (b) for megawatts of operational nameplate capacity equal to or greater than 200 megawatts, but less than 500 megawatts, the assessment is \$175,000;
- (c) for megawatts of operational nameplate capacity equal to or greater than 100 megawatts, but less than 200 megawatts, the assessment is \$125,000;
- (d) for megawatts of operational nameplate capacity equal to or greater than 50 megawatts, but less than 100 megawatts, the assessment is \$50,000; and
- (e) for megawatts of operational nameplate capacity equal to or greater than 20 megawatts, but less than 50 megawatts, the assessment is \$25,000.
- (3) The office shall annually determine the amount of energy project assessment each renewable energy parent entity owes under this section and report that amount to the tax commission to be collected in accordance with Section 79-6-1103.
- (4) The office may make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to create procedures for assessing and reporting the amounts to be collected under this section.

Section 18. Section **79-6-1103** is enacted to read:

79-6-1103 . Administration of the assessment -- Species Protection Account.

- (1) The tax commission shall administer, collect, and enforce the energy project assessment collected under this part in accordance with Title 59, Chapter 1, General Taxation Policies.
- (2)(a) A renewable energy parent entity shall electronically file with the tax commission, on or before March 1 of each year, a statement containing the information required by Subsection (2)(b) in a manner prescribed by the tax commission.
- (b) The statement required in Subsection (2)(a) shall include:
- (i) the name of the renewable energy parent entity;

- 1114 (ii) the nameplate capacity in megawatts of wind or solar electric generation facilities
1115 that are commercially operational in the state at the beginning of the calendar
1116 year, and controlled by the renewable energy parent entity; and
1117 (iii) any other reasonable and necessary information required by the tax commission.
1118 (c) A statement required to be filed with the tax commission shall be signed and sworn
1119 to by the chief executive officer of the renewable energy parent entity or the chief
1120 executive officer's designee.
1121 (3) The tax commission shall deposit revenue collected from the energy project assessment
1122 into the Species Protection Account.
1123 Section 19. **Effective Date.**
1124 This bill takes effect on January 1, 2026.