

OIL AND GAS MODIFICATIONS

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ralph Okerlund

House Sponsor: _____

LONG TITLE

General Description:

This bill addresses the regulation of oil and gas activities.

Highlighted Provisions:

This bill:

- ▶ modifies definition provisions;
- ▶ requires review of rules made related to bonding requirements;
- ▶ modifies the process for imposing and collecting administrative penalties;
- ▶ creates the Oil and Gas Administrative Penalties Account; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

- 40-6-2**, as last amended by Laws of Utah 2017, Chapter 220
- 40-6-5**, as last amended by Laws of Utah 2012, Chapter 342
- 40-6-9.5**, as last amended by Laws of Utah 1989, Chapter 22
- 40-6-11**, as last amended by Laws of Utah 1987, Chapter 161
- 63I-1-263**, as last amended by Laws of Utah 2019, Chapters 89, 246, 311, 414, 468,



28 469, 482 and last amended by Coordination Clause, Laws of Utah 2019, Chapter 246
29 **63I-2-263**, as last amended by Laws of Utah 2019, Chapters 182, 240, 246, 325, 370,
30 and 483

31 **63J-1-602.1**, as last amended by Laws of Utah 2019, Chapters 89, 136, 213, 215, 244,
32 326, 342, and 482



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

35 Section 1. Section **40-6-2** is amended to read:

36 **40-6-2. Definitions.**

37 For the purpose of this chapter:

38 (1) "Board" means the Board of Oil, Gas, and Mining.

39 (2) "Correlative rights" means the opportunity of each owner in a pool to produce [his]
40 the owner's just and equitable share of the oil and gas in the pool without waste.

41 (3) "Condensate" means hydrocarbons, regardless of gravity, that:

42 (a) occur naturally in the gaseous phase in the reservoir; and

43 (b) are separated from the natural gas as liquids through the process of condensation
44 either in the reservoir, in the wellbore, or at the surface in field separators.

45 (4) "Consenting owner" means an owner who, in the manner and within the time frame
46 established by the board in rule, consents to the drilling and operation of a well and agrees to
47 bear the owner's proportionate share of the costs of the drilling and operation of the well.

48 (5) "Crude oil" means hydrocarbons, regardless of gravity, that:

49 (a) occur naturally in the liquid phase in the reservoir; and

50 (b) are produced and recovered at the wellhead in liquid form.

51 (6) "Division" means the Division of Oil, Gas, and Mining.

52 [~~(6)~~] (7) (a) "Gas" means natural gas, as defined in Subsection [~~(9)~~] (10), natural gas
53 liquids, as defined in Subsection [~~(10)~~] (11), other gas, as defined in Subsection [~~(16)~~] (17), or
54 any mixture of them.

55 (b) "Gas" does not include any gaseous or liquid substance processed from coal, oil
56 shale, or tar sands.

57 [~~(7)~~] (8) "Illegal oil" or "illegal gas" means oil or gas that has been produced from any
58 well within the state in violation of this chapter or any rule or order of the board.

59 ~~[(8)]~~ (9) "Illegal product" means any product derived in whole or in part from illegal
60 oil or illegal gas.

61 ~~[(9)]~~ (10) (a) "Natural gas" means hydrocarbons that occur naturally in the gaseous
62 phase in the reservoir and are produced and recovered at the wellhead in gaseous form, except
63 natural gas liquids as defined in Subsection ~~[(10)]~~ (11) and condensate as defined in Subsection
64 (3).

65 (b) "Natural gas" includes coalbed methane gas.

66 ~~[(10)]~~ (11) "Natural gas liquids" means hydrocarbons, regardless of gravity, that are
67 separated from natural gas as liquids in gas processing plants through the process of
68 condensation, absorption, adsorption, or other methods.

69 ~~[(11)]~~ (12) "Nonconsenting owner" means an owner who does not, after written notice
70 and in the manner and within the time frame established by the board in rule, consent to the
71 drilling and operation of a well or agree to bear the owner's proportionate share of the costs.

72 ~~[(12)]~~ (13) (a) "Oil" means crude oil, as defined in Subsection (5), condensate, as
73 defined in Subsection (3), or any mixture of them.

74 (b) "Oil" does not include any gaseous or liquid substance processed from coal, oil
75 shale, or tar sands.

76 ~~[(13)]~~ (14) "Oil and gas operations" means to explore for, develop, or produce oil and
77 gas.

78 ~~[(14)]~~ (15) (a) "Oil and gas proceeds" means any payment that:

79 (i) derives from oil and gas production from any well located in the state;

80 (ii) is expressed as a right to a specified interest in the:

81 (A) cash proceeds received from the sale of the oil and gas; or

82 (B) the cash value of the oil and gas; and

83 (iii) is subject to any tax withheld from the payment pursuant to law.

84 (b) "Oil and gas proceeds" includes a royalty interest, overriding royalty interest,
85 production payment interest, or working interest.

86 (c) "Oil and gas proceeds" does not include a net profits interest or other interest the
87 extent of which cannot be determined with reference to a specified share of:

88 (i) the cash proceeds received from the sale of the oil and gas; or

89 (ii) the cash value of the oil and gas.

90 ~~[(15)]~~ (16) "Operator" means a person who has been designated by the owners or the
91 board to operate a well or unit.

92 ~~[(16)]~~ (17) (a) "Other gas" means nonhydrocarbon gases that:

93 (i) occur naturally in the gaseous phase in the reservoir; or

94 (ii) are injected into the reservoir in connection with pressure maintenance, gas cycling,
95 or other secondary or enhanced recovery projects.

96 (b) "Other gas" includes hydrogen sulfide, carbon dioxide, helium, and nitrogen.

97 ~~[(17)]~~ (18) "Owner" means a person who has the right:

98 (a) to drill into and produce from a reservoir; and

99 (b) to appropriate the oil and gas produced for ~~[himself]~~ that person or for ~~[himself]~~
100 that person and others.

101 ~~[(18)]~~ (19) "Payor" means the person who undertakes to distribute oil and gas proceeds
102 to the persons entitled to them, whether as the first purchaser of that production, as operator of
103 the well from which the production was obtained, or as lessee under the lease on which royalty
104 is due.

105 (20) "Person" means the same as that term is defined in Section [68-3-12.5](#) and includes
106 an operator or owner as used in this chapter.

107 ~~[(19)]~~ (21) "Pool" means an underground reservoir containing a common accumulation
108 of oil or gas or both. Each zone of a general structure that is completely separated from any
109 other zone in the structure is a separate pool. "Common source of supply" and "reservoir" are
110 synonymous with "pool."

111 ~~[(20)]~~ (22) "Pooling" means the bringing together of separately owned interests for the
112 common development and operation of a drilling unit.

113 ~~[(21)]~~ (23) "Producer" means the owner or operator of a well capable of producing oil
114 and gas.

115 ~~[(22)]~~ (24) "Product" means any commodity made from oil and gas.

116 ~~[(23)]~~ (25) "Surface land" means privately owned land:

117 (a) overlying privately owned oil and gas resources;

118 (b) upon which oil and gas operations are conducted; and

119 (c) owned by a surface land owner.

120 ~~[(24)]~~ (26) (a) "Surface land owner" means a person who owns, in fee simple absolute,

121 all or part of the surface land as shown by the records of the county where the surface land is
122 located.

123 (b) "Surface land owner" does not include the surface land owner's lessee, renter,
124 tenant, or other contractually related person.

125 [~~(25)~~] (27) "Surface land owner's property" means a surface land owner's:

126 (a) surface land;

127 (b) crops on the surface land; and

128 (c) existing improvements on the surface land.

129 [~~(26)~~] (28) "Surface use agreement" means an agreement between an owner or operator
130 and a surface land owner addressing:

131 (a) the use and reclamation of surface land owned by the surface land owner; and

132 (b) compensation for damage to the surface land caused by oil and gas operations that
133 result in:

134 (i) loss of the surface land owner's crops on the surface land;

135 (ii) loss of value of existing improvements owned by the surface land owner on the
136 surface land; and

137 (iii) permanent damage to the surface land.

138 [~~(27)~~] (29) "Waste" means:

139 (a) the inefficient, excessive, or improper use or the unnecessary dissipation of oil or
140 gas or reservoir energy;

141 (b) the inefficient storing of oil or gas;

142 (c) the locating, drilling, equipping, operating, or producing of any oil or gas well in a
143 manner that causes:

144 (i) a reduction in the quantity of oil or gas ultimately recoverable from a reservoir
145 under prudent and economical operations;

146 (ii) unnecessary wells to be drilled; or

147 (iii) the loss or destruction of oil or gas either at the surface or subsurface; or

148 (d) the production of oil or gas in excess of:

149 (i) transportation or storage facilities; or

150 (ii) the amount reasonably required to be produced as a result of the proper drilling,
151 completing, testing, or operating of a well or otherwise utilized on the lease from which it is

152 produced.

153 Section 2. Section **40-6-5** is amended to read:

154 **40-6-5. Jurisdiction of board -- Rules.**

155 (1) The board has jurisdiction over all persons and property necessary to enforce this
156 chapter. The board shall [~~enact~~] make rules in accordance with [~~the~~] Title 63G, Chapter 3,
157 Utah Administrative Rulemaking Act.

158 (2) The board shall [~~adopt~~] make rules and [~~make~~] orders as necessary to administer
159 the following provisions:

160 (a) Ownership of all facilities for the production, storage, treatment, transportation,
161 refining, or processing of oil and gas shall be identified.

162 (b) Well logs, directional surveys, and reports on well location, drilling, and production
163 shall be made and filed with the division. Logs of wells marked "confidential" shall be kept
164 confidential for one year after the date on which the log is required to be filed, unless the
165 operator gives written permission to release the log at an earlier date. Production reports shall
166 be:

167 (i) filed monthly;

168 (ii) accurate; and

169 (iii) in a form that reasonably serves the needs of state agencies and private fee owners.

170 (c) Monthly reports from gas processing plants shall be filed with the division.

171 (d) Wells shall be drilled, cased, cemented, operated, and plugged in such manner as to

172 prevent:

173 (i) the escape of oil, gas, or water out of the reservoir in which they are found into
174 another formation;

175 (ii) the detrimental intrusion of water into an oil or gas reservoir;

176 (iii) the pollution of fresh water supplies by oil, gas, or salt water;

177 (iv) blowouts;

178 (v) cavings;

179 (vi) seepages;

180 (vii) fires; and

181 (viii) unreasonable:

182 (A) loss of a surface land owner's crops on surface land;

183 (B) loss of value of existing improvements owned by a surface land owner on surface
184 land; and

185 (C) permanent damage to surface land.

186 (e) The drilling of wells ~~shall~~ may not commence without an adequate and approved
187 supply of water as required by Title 73, Chapter 3, Appropriation. This ~~[provision]~~ Subsection
188 (2)(e) is not intended to impose ~~[any]~~ additional legal requirements, but to assure that existing
189 legal requirements concerning the use of water have been met ~~[prior to]~~ before the
190 commencement of drilling.

191 (f) ~~[The]~~ Subject to Subsection (9), an operator shall furnish a reasonable performance
192 bond or other good and sufficient surety, conditioned for the performance of the duty to:

193 (i) plug each dry or abandoned well;

194 (ii) repair each well causing waste or pollution;

195 (iii) maintain and restore the well site; and

196 (iv) except as provided in Subsection (8), protect a surface land owner against
197 unreasonable:

198 (A) loss of a surface land owner's crops on surface land;

199 (B) loss of value of existing improvements owned by a surface land owner on surface
200 land; and

201 (C) permanent damage to surface land.

202 (g) Production from wells shall be separated into oil and gas and measured by means
203 and upon standards that ~~[will be]~~ are prescribed by the board and ~~[will]~~ reflect current industry
204 standards.

205 (h) Crude oil obtained from any reserve pit, disposal pond or pit, or similar facility, and
206 any accumulation of nonmerchantable waste crude oil shall be treated and processed, as
207 prescribed by the board.

208 (i) Any person who produces, sells, purchases, acquires, stores, transports, refines, or
209 processes oil or gas or injects fluids for cycling, pressure maintenance, secondary or enhanced
210 recovery, or salt water disposal in this state shall maintain complete and accurate records of the
211 quantities produced, sold, purchased, acquired, stored, transported, refined, processed, or
212 injected for a period of at least six years. The records shall be available for examination by the
213 board or ~~[its]~~ the board's agents at any reasonable time. Rules enacted to administer this

214 ~~[subsection]~~ Subsection (2)(i) shall be consistent with applicable federal requirements.

215 (j) Any person with an interest in a lease shall be notified when all or part of that
216 interest in the lease is sold or transferred.

217 (k) The assessment and collection of administrative penalties is consistent with Section
218 40-6-11.

219 (3) The board has the authority to regulate:

220 (a) all operations for and related to the production of oil or gas including:

221 (i) drilling, testing, equipping, completing, operating, producing, and plugging of
222 wells; and

223 (ii) reclamation of sites;

224 (b) the spacing and location of wells;

225 (c) operations to increase ultimate recovery, such as:

226 (i) cycling of gas;

227 (ii) the maintenance of pressure; and

228 (iii) the introduction of gas, water, or other substances into a reservoir;

229 (d) the disposal of salt water and oil-field wastes;

230 (e) the underground and surface storage of oil, gas, or products; and

231 (f) the flaring of gas from an oil well.

232 (4) For the purposes of administering this chapter, the board may designate:

233 (a) wells as:

234 (i) oil wells; or

235 (ii) gas wells; and

236 (b) pools as:

237 (i) oil pools; or

238 (ii) gas pools.

239 (5) The board has exclusive jurisdiction over:

240 (a) class II injection wells, as defined by the federal Environmental Protection Agency

241 or ~~[any]~~ a successor agency; and

242 (b) pits and ponds in relation to these injection wells.

243 (6) The board has jurisdiction:

244 (a) to hear ~~[any]~~ questions regarding multiple mineral development conflicts with oil

245 and gas operations if there:

246 (i) is potential injury to other mineral deposits on the same lands; or

247 (ii) are simultaneous or concurrent operations conducted by other mineral owners or
248 lessees affecting the same lands; and

249 (b) to enter ~~[its]~~ the board's order or rule with respect to those questions.

250 (7) The board has enforcement powers with respect to operators of minerals other than
251 oil and gas as are set forth in Section 40-6-11, for the sole purpose of enforcing multiple
252 mineral development issues.

253 (8) ~~[The provisions of]~~ Subsection (2)(f)(iv) ~~[do]~~ does not apply if the surface land
254 owner is a party to, or a successor of a party to:

255 (a) a lease of the underlying privately owned oil and gas;

256 (b) a surface use agreement applicable to the surface land owner's surface land; or

257 (c) a contract, waiver, or release addressing an owner's or operator's use of the surface
258 land owner's surface land.

259 (9) (a) The board shall review rules made under Subsection (2)(f) to determine whether
260 the rules provide adequate fiscal security for the fiscal risks to the state related to oil and gas
261 operations.

262 (b) During the board's review under this Subsection (9), the board may consider the
263 bonding schemes of other states.

264 Section 3. Section 40-6-9.5 is amended to read:

265 **40-6-9.5. Permits for crude oil production -- Application -- Bond requirement --**
266 **Closure of facilities -- Availability of records.**

267 (1) The division may issue permits authorizing construction, operation, maintenance,
268 and cessation of treating facilities and operations covered by Subsection 40-6-5(2)(h) and to
269 approve, as part of that permit, post-cessation reclamation of the site.

270 (2) ~~[Each]~~ (a) An owner and operator of ~~[any]~~ a facility described in Subsection
271 40-6-5(2)(h) or planning to construct, operate, or maintain a facility described in Subsection
272 40-6-5(2)(h) shall submit to the division an application stating in detail:

273 (i) the location, type, and capacity of the facility contemplated;

274 (ii) the extent and location of area disturbed or to be disturbed including~~[-, but not~~
275 ~~limited to,]~~ any pits, ponds, or lands~~[-]~~ associated with the facility;

276 (iii) a plan for reclamation of the site; and
277 (iv) other materials required by the division. [~~All existing~~]
278 (b) Existing facilities described in Subsection 40-6-5(2)(h) shall submit plans by July
279 28, 1985.

280 (c) Application for all planned facilities must be approved and a permit issued before
281 any ground clearing or construction may occur.

282 (3) (a) As a condition for approval of [~~any~~] a permit, the owner and operator shall post
283 a bond in an amount determined by the division to cover reclamation costs for the site
284 consistent with rules made to implement Subsection 40-6-5(2)(f).

285 (b) Approval of [~~any~~] a permit is also conditioned upon compliance with [~~all~~] the laws,
286 rules, and orders of the board.

287 (c) Failure to post the bond is considered sufficient grounds to deny a permit.

288 (4) The board may order the closure of [~~any~~] a facility described in Subsection
289 40-6-5(2)(h) if:

290 (a) an application is not forthcoming in the time allowed in Subsection (2)[~~;~~];

291 (b) a bond is not posted[~~;~~];

292 (c) a violation of the rules and regulations of other state or federal agencies exists[~~;~~]; or

293 (d) for other material and substantial cause.

294 (5) The owner and operator are subject to [~~all~~] applicable state, federal, and local rules
295 and regulations.

296 (6) The records required to be kept by Subsection 40-6-5(2)(i) shall be available for
297 inspection and audit by the board or [~~its~~] the board's agents during reasonable working hours.

298 Section 4. Section 40-6-11 is amended to read:

299 **40-6-11. Power to summon witnesses, administer oaths and require production of**
300 **records -- Enforcement -- Penalties for violation of chapter or rules -- Illegal oil or gas --**
301 **Civil liability -- Restricted account.**

302 (1) [~~The~~] At a hearing or investigation conducted by the board, the board may:

303 (a) summon witnesses[~~;~~];

304 (b) administer oaths[~~;~~]; and

305 (c) require the production of records, books, and documents for examination [~~at any~~
306 ~~hearing or investigation conducted by it~~].

307 (2) (a) If ~~[any]~~ a person fails or refuses to comply with a subpoena issued by the board,
 308 or fails or refuses to testify about any matter, the board may apply to ~~[any]~~ a district court in the
 309 state for an order compelling that person to:

310 (i) comply with the subpoena~~[-and to]~~;

311 (ii) attend before the board ~~[and]~~;

312 (iii) produce the subpoenaed records, books, and documents for examination~~[-]~~; and
 313 ~~[to]~~

314 (iv) give ~~[his]~~ the person's testimony.

315 (b) The court may punish the person for contempt as if ~~[he]~~ the person disobeyed a
 316 subpoena issued by the court, or if ~~[he]~~ the person refused to testify in a court.

317 (3) (a) Whenever it appears that ~~[any]~~ a person is violating ~~[any provision of]~~ this
 318 chapter or ~~[any]~~ a rule or order made under the authority of this chapter, the board may issue an
 319 order requiring compliance within a period not to exceed ~~[30]~~ 45 days.

320 (b) The board may bring suit in the name of the state against ~~[any]~~ a person violating
 321 this chapter, or rules or orders made under the authority of this chapter if:

322 (i) the violation continues after expiration of the time period granted in Subsection

323 (3)(a);

324 (ii) the violation presents an immediate threat to public health, safety, or welfare; or

325 (iii) the violation would cause waste.

326 (4) (a) ~~[If]~~ Subject to the requirements of this Subsection (4), if the board or division
 327 determines, after an adjudicative proceeding conducted in accordance with Title 63G, Chapter
 328 4, Administrative Procedures Act, that ~~[any]~~ a person has violated ~~[any provision of]~~ this
 329 chapter, or ~~[any]~~ a permit, rule, or order made under ~~[the provisions of]~~ this chapter, ~~[that~~
 330 ~~person is subject, in a civil proceeding, to a penalty not exceeding]~~ the board or division may
 331 impose an administrative penalty on the person not to exceed \$5,000 per day for each day of
 332 violation.

333 (b) If the board determines that the violation is willful, the board may impose an
 334 administrative penalty on that person ~~[may be fined not more than]~~ not to exceed \$10,000 for
 335 each day of violation.

336 (c) The board shall, by rule made in accordance with Title 63G, Chapter 3, Utah
 337 Administrative Rulemaking Act, establish a standardized violation schedule to set the

338 violations and the associated administrative penalty for each violation.

339 (d) A single violation shall result in a single administrative penalty, that may be
340 imposed on a daily basis for each day that the violation remains unresolved following the
341 assessment of the administrative penalty or completion of the appeal.

342 (e) Before initiation of an adjudicative proceeding or assessing an administrative
343 penalty, and except for circumstances provided in Subsection (5)(b), the division shall provide
344 a notice of violation to the owner and operator in the form and manner set forth by board rule,
345 made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act. The rule
346 made under this Subsection (4)(e) shall, at a minimum, require the notice to set forth the
347 actions necessary to cure the violation and a reasonable period of time to cure the violation.

348 (f) Should an owner or operator fail to cure the violation as set out in the notice of
349 violation under Subsection (4)(e), the division may initiate an adjudicative proceeding
350 conducted in accordance with Title 63G, Chapter 4, Administrative Procedures Act.

351 (g) Administrative penalties assessed by the division or the board may not exceed
352 \$200,000 per violation per person.

353 (h) An administrative penalty assessed by the division may be appealed to the board
354 within 30 days of the assessment.

355 (i) If a violation remains unabated and the maximum penalty amount has accrued, the
356 division may request an emergency order from the board requiring the operator or person to
357 suspend operations of the well or facility in violation. Operations may only resume upon
358 abatement of the violation.

359 (5) If ordered to do so by the board, the director of the division may order the
360 immediate closure or shutdown of any well that is operating in violation of [~~the provisions of~~]
361 this chapter, if the closure or shutdown will not cause waste or is necessary because of an
362 immediate threat to public health, safety, or welfare.

363 (6) (a) [~~No~~] A person may not sell, purchase, acquire, transport, refine, process, or
364 handle illegal oil, gas, or product, if the person knows or has reason to know that the oil, gas, or
365 product is illegal.

366 (b) The court in the district where the illegal oil, gas, or product is found, shall, after
367 notice and hearing in an action brought by the board, order the product to be seized and sold,
368 and the proceeds returned or held for the legal owner.

369 (7) (a) ~~[Nothing in this]~~ This chapter, [and no] a suit by or against the board, and [no] a
 370 violation charged or asserted against [any] a person under [any provisions of] this chapter, or
 371 [any] a rule or order issued under the authority of this chapter, [shall] may not impair, abridge,
 372 or delay [any] a cause of action for damages that [any] a person may have or assert against any
 373 person violating [any provision of] this chapter, or [any] a rule or order issued under the
 374 authority of this chapter.

375 (b) ~~[Any]~~ A person damaged by [any] a violation may sue for and recover whatever
 376 damages that [he] the person otherwise may be entitled to receive.

377 (8) After an administrative penalty is assessed under this chapter, the division may
 378 collect that administrative penalty as if the administrative penalty were a judgment issued by a
 379 court of law so long as the penalized person was provided with notice of the violation, a
 380 reasonable opportunity to cure, and an opportunity for a hearing under Title 63G, Chapter 4,
 381 Administrative Procedures Act, and the administrative and appellate remedies are exhausted.

382 (9) (a) There is created within the General Fund a restricted account known as the "Oil
 383 and Gas Administrative Penalties Account."

384 (b) The Oil and Gas Administrative Penalties Account shall consist of:

385 (i) administrative penalties collected by the board or division under this chapter; and

386 (ii) interest earned on the Oil and Gas Administrative Penalties Account.

387 (c) The Oil and Gas Administrative Penalties Account shall earn interest.

388 (d) Subject to appropriation by the Legislature, the division may use money in the Oil
 389 and Gas Administrative Penalties Account to offset:

390 (i) risks to the public health, safety, or welfare caused by oil and gas operations for
 391 impacts and activities covered by bonding; or

392 (ii) other direct impacts to the general public from oil and gas development as
 393 identified by the board and the executive director of the Department of Natural Resources at a
 394 public hearing that are not otherwise addressed through performance bonds allowed by
 395 Subsection 40-6-5(2)(f).

396 (e) In accordance with Section 63J-1-602.1, appropriations from the Oil and Gas
 397 Administrative Penalty Account are nonlapsing.

398 Section 5. Section **63I-1-263** is amended to read:

399 **63I-1-263. Repeal dates, Titles 63A to 63N.**

- 400 (1) In relation to the Utah Transparency Advisory Board, on January 1, 2025:
- 401 (a) Subsection 63A-1-201(1) is repealed;
- 402 (b) Subsection 63A-1-202(2)(c), the language that states "using criteria established by
- 403 the board" is repealed;
- 404 (c) Section 63A-1-203 is repealed;
- 405 (d) Subsections 63A-1-204(1) and (2), the language that states "After consultation with
- 406 the board, and" is repealed; and
- 407 (e) Subsection 63A-1-204(1)(b), the language that states "using the standards provided
- 408 in Subsection 63A-1-203(3)(c)" is repealed.
- 409 (2) Subsection 63A-5-228(2)(h), relating to prioritizing and allocating capital
- 410 improvement funding, is repealed on July 1, 2024.
- 411 (3) Section 63A-5-603, State Facility Energy Efficiency Fund, is repealed July 1, 2023.
- 412 (4) Title 63C, Chapter 4a, Constitutional and Federalism Defense Act, is repealed July
- 413 1, 2028.
- 414 (5) Title 63C, Chapter 6, Utah Seismic Safety Commission, is repealed January 1,
- 415 2025.
- 416 (6) Title 63C, Chapter 16, Prison Development Commission Act, is repealed July 1,
- 417 2020.
- 418 (7) Title 63C, Chapter 17, Point of the Mountain Development Commission Act, is
- 419 repealed July 1, 2021.
- 420 (8) Title 63C, Chapter 18, Mental Health Crisis Line Commission, is repealed July 1,
- 421 2023.
- 422 (9) Title 63G, Chapter 21, Agreements to Provide State Services, is repealed July 1,
- 423 2025.
- 424 (10) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed July 1,
- 425 2020.
- 426 (11) In relation to the State Fair Corporation Board of Directors, on January 1, 2025:
- 427 (a) Subsection 63H-6-104(2)(c), related to a Senate appointment, is repealed;
- 428 (b) Subsection 63H-6-104(2)(d), related to a House appointment, is repealed;
- 429 (c) in Subsection 63H-6-104(2)(e), the language that states ", of whom only one may
- 430 be a legislator, in accordance with Subsection (3)(e)," is repealed;

- 431 (d) Subsection 63H-6-104(3)(a)(i) is amended to read:
432 "(3)(a)(i) Except as provided in Subsection (3)(a)(ii), a board member appointed under
433 Subsection (2)(e) or (f) shall serve a term that expires on the December 1 four years after the
434 year that the board member was appointed.";
- 435 (e) in Subsections 63H-6-104(3)(a)(ii), (c)(ii), and (d), the language that states "the
436 president of the Senate, the speaker of the House, the governor," is repealed and replaced with
437 "the governor"; and
- 438 (f) Subsection 63H-6-104(3)(e), related to limits on the number of legislators, is
439 repealed.
- 440 (12) Title 63H, Chapter 8, Utah Housing Corporation Act, is repealed July 1, 2026.
- 441 (13) Section 63M-7-212 is repealed on December 31, 2019.
- 442 (14) On July 1, 2025:
- 443 (a) in Subsection 17-27a-404(3)(c)(ii), the language that states "the Resource
444 Development Coordinating Committee," is repealed;
- 445 (b) Subsection 23-14-21(2)(c) is amended to read "(c) provide notification of proposed
446 sites for the transplant of species to local government officials having jurisdiction over areas
447 that may be affected by a transplant.";
- 448 (c) in Subsection 23-14-21(3), the language that states "and the Resource Development
449 Coordinating Committee" is repealed;
- 450 (d) in Subsection 23-21-2.3(1), the language that states "the Resource Development
451 Coordinating Committee created in Section 63J-4-501 and" is repealed;
- 452 (e) in Subsection 23-21-2.3(2), the language that states "the Resource Development
453 Coordinating Committee and" is repealed;
- 454 (f) Subsection 63J-4-102(1) is repealed and the remaining subsections are renumbered
455 accordingly;
- 456 (g) Subsections 63J-4-401(5)(a) and (c) are repealed;
- 457 (h) Subsection 63J-4-401(5)(b) is renumbered to Subsection 63J-4-401(5)(a) and the
458 word "and" is inserted immediately after the semicolon;
- 459 (i) Subsection 63J-4-401(5)(d) is renumbered to Subsection 63J-4-401(5)(b);
- 460 (j) Sections 63J-4-501, 63J-4-502, 63J-4-503, 63J-4-504, and 63J-4-505 are repealed;
- 461 and

462 (k) Subsection 63J-4-603(1)(e)(iv) is repealed and the remaining subsections are
463 renumbered accordingly.

464 (15) Subsection 63J-1-602.1(13), Nurse Home Visiting Restricted Account is repealed
465 July 1, 2026.

466 (16) Subsection 63J-1-602.2(4), referring to dedicated credits to the Utah Marriage
467 Commission, is repealed July 1, 2023.

468 (17) Subsection 63J-1-602.2(5), referring to the Trip Reduction Program, is repealed
469 July 1, 2022.

470 (18) (a) Subsection 63J-1-602.1[(53)](56), relating to the Utah Statewide Radio System
471 Restricted Account, is repealed July 1, 2022.

472 (b) When repealing Subsection 63J-1-602.1[(53)](56), the Office of Legislative
473 Research and General Counsel shall, in addition to the office's authority under Subsection
474 36-12-12(3), make necessary changes to subsection numbering and cross references.

475 (19) Subsection 63J-1-602.2(23), related to the Utah Seismic Safety Commission, is
476 repealed January 1, 2025.

477 (20) Subsection 63J-4-708(1), in relation to the Talent Ready Utah Board, on January
478 1, 2023, is amended to read:

479 "(1) On or before October 1, the board shall provide an annual written report to the
480 Social Services Appropriations Subcommittee and the Economic Development and Workforce
481 Services Interim Committee."

482 (21) In relation to the Utah Substance Use and Mental Health Advisory Council, on
483 January 1, 2023:

484 (a) Sections 63M-7-301, 63M-7-302, 63M-7-303, 63M-7-304, and 63M-7-306 are
485 repealed;

486 (b) Section 63M-7-305, the language that states "council" is replaced with
487 "commission";

488 (c) Subsection 63M-7-305(1) is repealed and replaced with:

489 "(1) "Commission" means the Commission on Criminal and Juvenile Justice."; and

490 (d) Subsection 63M-7-305(2) is repealed and replaced with:

491 "(2) The commission shall:

492 (a) provide ongoing oversight of the implementation, functions, and evaluation of the

493 Drug-Related Offenses Reform Act; and

494 (b) coordinate the implementation of Section 77-18-1.1 and related provisions in
495 Subsections 77-18-1(5)(b)(iii) and (iv).".

496 (22) The Crime Victim Reparations and Assistance Board, created in Section
497 63M-7-504, is repealed July 1, 2027.

498 (23) Title 63M, Chapter 11, Utah Commission on Aging, is repealed July 1, 2021.

499 (24) Subsection 63N-1-301(4)(c), related to the Talent Ready Utah Board, is repealed
500 on January 1, 2023.

501 (25) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed July 1, 2028.

502 (26) (a) Title 63N, Chapter 2, Part 4, Recycling Market Development Zone Act, is
503 repealed January 1, 2021.

504 (b) Subject to Subsection (26)(c), Sections 59-7-610 and 59-10-1007 regarding tax
505 credits for certain persons in recycling market development zones, are repealed for taxable
506 years beginning on or after January 1, 2021.

507 (c) A person may not claim a tax credit under Section 59-7-610 or 59-10-1007:

508 (i) for the purchase price of machinery or equipment described in Section 59-7-610 or
509 59-10-1007, if the machinery or equipment is purchased on or after January 1, 2021; or

510 (ii) for an expenditure described in Subsection 59-7-610(1)(b) or 59-10-1007(1)(b), if
511 the expenditure is made on or after January 1, 2021.

512 (d) Notwithstanding Subsections (26)(b) and (c), a person may carry forward a tax
513 credit in accordance with Section 59-7-610 or 59-10-1007 if:

514 (i) the person is entitled to a tax credit under Section 59-7-610 or 59-10-1007; and

515 (ii) (A) for the purchase price of machinery or equipment described in Section
516 59-7-610 or 59-10-1007, the machinery or equipment is purchased on or before December 31,
517 2020; or

518 (B) for an expenditure described in Subsection 59-7-610(1)(b) or 59-10-1007(1)(b), the
519 expenditure is made on or before December 31, 2020.

520 (27) Section 63N-2-512 is repealed on July 1, 2021.

521 (28) (a) Title 63N, Chapter 2, Part 6, Utah Small Business Jobs Act, is repealed
522 January 1, 2021.

523 (b) Section 59-9-107 regarding tax credits against premium taxes is repealed for

524 calendar years beginning on or after January 1, 2021.

525 (c) Notwithstanding Subsection (28)(b), an entity may carry forward a tax credit in
526 accordance with Section 59-9-107 if:

527 (i) the person is entitled to a tax credit under Section 59-9-107 on or before December
528 31, 2020; and

529 (ii) the qualified equity investment that is the basis of the tax credit is certified under
530 Section 63N-2-603 on or before December 31, 2023.

531 (29) Subsections 63N-3-109(2)(e) and 63N-3-109(2)(f)(i) are repealed July 1, 2023.

532 (30) Title 63N, Chapter 4, Part 4, Rural Employment Expansion Program, is repealed
533 July 1, 2023.

534 (31) Title 63N, Chapter 9, Part 2, Outdoor Recreational Infrastructure Grant Program,
535 is repealed January 1, 2023.

536 (32) In relation to the Pete Suazo Utah Athletic Commission, on January 1, 2021:

537 (a) Subsection 63N-10-201(2)(a) is amended to read:

538 "(2) (a) The governor shall appoint five commission members with the advice and
539 consent of the Senate.";

540 (b) Subsection 63N-10-201(2)(b), related to legislative appointments, is repealed;

541 (c) in Subsection 63N-10-201(3)(a), the language that states ", president, or speaker,
542 respectively," is repealed; and

543 (d) Subsection 63N-10-201(3)(d) is amended to read:

544 "(d) The governor may remove a commission member for any reason and replace the
545 commission member in accordance with this section.".

546 (33) In relation to the Talent Ready Utah Board, on January 1, 2023:

547 (a) Subsection 9-22-102(16) is repealed;

548 (b) in Subsection 9-22-114(2), the language that states "Talent Ready Utah," is
549 repealed; and

550 (c) in Subsection 9-22-114(5), the language that states "representatives of Talent Ready
551 Utah," is repealed.

552 (34) Title 63N, Chapter 12, Part 5, Talent Ready Utah Center, is repealed January 1,
553 2023.

554 Section 6. Section 63I-2-263 is amended to read:

555 **63I-2-263. Repeal dates, Title 63A to Title 63N.**

556 (1) On July 1, 2020:

557 (a) Subsection 63A-1-203(5)(a)(i) is repealed; and

558 (b) in Subsection 63A-1-203(5)(a)(ii), the language that states "appointed on or after

559 May 8, 2018," is repealed.

560 (2) Sections 63C-4a-307 and 63C-4a-309 are repealed January 1, 2020.

561 (3) Title 63C, Chapter 19, Higher Education Strategic Planning Commission is
562 repealed July 1, 2020.

563 (4) The following sections regarding the World War II Memorial Commission are
564 repealed on July 1, 2020:

565 (a) Section 63G-1-801;

566 (b) Section 63G-1-802;

567 (c) Section 63G-1-803; and

568 (d) Section 63G-1-804.

569 (5) In relation to the State Fair Park Committee, on January 1, 2021:

570 (a) Section 63H-6-104.5 is repealed; and

571 (b) Subsections 63H-6-104(8) and (9) are repealed.

572 (6) Section 63H-7a-303 is repealed on July 1, 2022.

573 (7) In relation to the Employability to Careers Program Board, on July 1, 2022:

574 (a) Subsection 63J-1-602.1[(52)](57) is repealed;

575 (b) Subsection 63J-4-301(1)(h), related to the review of data and metrics, is repealed;

576 and

577 (c) Title 63J, Chapter 4, Part 7, Employability to Careers Program, is repealed.

578 (8) Section 63J-4-708 is repealed January 1, 2023.

579 Section 7. Section 63J-1-602.1 is amended to read:

580 **63J-1-602.1. List of nonlapsing appropriations from accounts and funds.**

581 Appropriations made from the following accounts or funds are nonlapsing:

582 (1) The Utah Intracurricular Student Organization Support for Agricultural Education
583 and Leadership Restricted Account created in Section 4-42-102.

584 (2) The Native American Repatriation Restricted Account created in Section 9-9-407.

585 (3) The Martin Luther King, Jr. Civil Rights Support Restricted Account created in

586 Section [9-18-102](#).

587 (4) The National Professional Men's Soccer Team Support of Building Communities
588 Restricted Account created in Section [9-19-102](#).

589 (5) Funds collected for directing and administering the C-PACE district created in
590 Section [11-42a-302](#).

591 (6) The "Support for State-Owned Shooting Ranges Restricted Account" created in
592 Section [23-14-13.5](#).

593 (7) Award money under the State Asset Forfeiture Grant Program, as provided under
594 Section [24-4-117](#).

595 (8) Funds collected from the program fund for local health department expenses
596 incurred in responding to a local health emergency under Section [26-1-38](#).

597 (9) Funds collected from the emergency medical services grant program, as provided in
598 Section [26-8a-207](#).

599 (10) The Children with Cancer Support Restricted Account created in Section
600 [26-21a-304](#).

601 (11) State funds for matching federal funds in the Children's Health Insurance Program
602 as provided in Section [26-40-108](#).

603 (12) The Children with Heart Disease Support Restricted Account created in Section
604 [26-58-102](#).

605 (13) The Nurse Home Visiting Restricted Account created in Section [26-63-601](#).

606 (14) The Technology Development Restricted Account created in Section [31A-3-104](#).

607 (15) The Criminal Background Check Restricted Account created in Section
608 [31A-3-105](#).

609 (16) The Captive Insurance Restricted Account created in Section [31A-3-304](#), except
610 to the extent that Section [31A-3-304](#) makes the money received under that section free revenue.

611 (17) The Title Licensee Enforcement Restricted Account created in Section
612 [31A-23a-415](#).

613 (18) The Health Insurance Actuarial Review Restricted Account created in Section
614 [31A-30-115](#).

615 (19) The Insurance Fraud Investigation Restricted Account created in Section
616 [31A-31-108](#).

- 617 (20) The Underage Drinking Prevention Media and Education Campaign Restricted
618 Account created in Section [32B-2-306](#).
- 619 (21) The School Readiness Restricted Account created in Section [35A-15-203](#).
- 620 (22) Money received by the Utah State Office of Rehabilitation for the sale of certain
621 products or services, as provided in Section [35A-13-202](#).
- 622 (23) The Oil and Gas Administrative Penalties Account created in Section [40-6-11](#).
- 623 [~~(23)~~] (24) The Oil and Gas Conservation Account created in Section [40-6-14.5](#).
- 624 [~~(24)~~] (25) The Electronic Payment Fee Restricted Account created by Section
625 [41-1a-121](#) to the Motor Vehicle Division.
- 626 [~~(25)~~] (26) The Motor Vehicle Enforcement Division Temporary Permit Restricted
627 Account created by Section [41-3-110](#) to the State Tax Commission.
- 628 [~~(26)~~] (27) The Utah Law Enforcement Memorial Support Restricted Account created
629 in Section [53-1-120](#).
- 630 [~~(27)~~] (28) The State Disaster Recovery Restricted Account to the Division of
631 Emergency Management, as provided in Section [53-2a-603](#).
- 632 [~~(28)~~] (29) The Department of Public Safety Restricted Account to the Department of
633 Public Safety, as provided in Section [53-3-106](#).
- 634 [~~(29)~~] (30) The Utah Highway Patrol Aero Bureau Restricted Account created in
635 Section [53-8-303](#).
- 636 [~~(30)~~] (31) The DNA Specimen Restricted Account created in Section [53-10-407](#).
- 637 [~~(31)~~] (32) The Canine Body Armor Restricted Account created in Section [53-16-201](#).
- 638 [~~(32)~~] (33) The Technical Colleges Capital Projects Fund created in Section
639 [53B-2a-118](#).
- 640 [~~(33)~~] (34) The Higher Education Capital Projects Fund created in Section
641 [53B-22-202](#).
- 642 [~~(34)~~] (35) A certain portion of money collected for administrative costs under the
643 School Institutional Trust Lands Management Act, as provided under Section [53C-3-202](#).
- 644 [~~(35)~~] (36) The Public Utility Regulatory Restricted Account created in Section
645 [54-5-1.5](#), subject to Subsection [54-5-1.5\(4\)\(d\)](#).
- 646 [~~(36)~~] (37) Funds collected from a surcharge fee to provide certain licensees with
647 access to an electronic reference library, as provided in Section [58-3a-105](#).

648 [~~(37)~~] (38) Certain fines collected by the Division of Occupational and Professional
649 Licensing for violation of unlawful or unprofessional conduct that are used for education and
650 enforcement purposes, as provided in Section 58-17b-505.

651 [~~(38)~~] (39) Funds collected from a surcharge fee to provide certain licensees with
652 access to an electronic reference library, as provided in Section 58-22-104.

653 [~~(39)~~] (40) Funds collected from a surcharge fee to provide certain licensees with
654 access to an electronic reference library, as provided in Section 58-55-106.

655 [~~(40)~~] (41) Funds collected from a surcharge fee to provide certain licensees with
656 access to an electronic reference library, as provided in Section 58-56-3.5.

657 [~~(41)~~] (42) Certain fines collected by the Division of Occupational and Professional
658 Licensing for use in education and enforcement of the Security Personnel Licensing Act, as
659 provided in Section 58-63-103.

660 [~~(42)~~] (43) The Relative Value Study Restricted Account created in Section 59-9-105.

661 [~~(43)~~] (44) The Cigarette Tax Restricted Account created in Section 59-14-204.

662 [~~(44)~~] (45) Funds paid to the Division of Real Estate for the cost of a criminal
663 background check for a mortgage loan license, as provided in Section 61-2c-202.

664 [~~(45)~~] (46) Funds paid to the Division of Real Estate for the cost of a criminal
665 background check for principal broker, associate broker, and sales agent licenses, as provided
666 in Section 61-2f-204.

667 [~~(46)~~] (47) Certain funds donated to the Department of Human Services, as provided in
668 Section 62A-1-111.

669 [~~(47)~~] (48) The National Professional Men's Basketball Team Support of Women and
670 Children Issues Restricted Account created in Section 62A-1-202.

671 [~~(48)~~] (49) Certain funds donated to the Division of Child and Family Services, as
672 provided in Section 62A-4a-110.

673 [~~(49)~~] (50) The Choose Life Adoption Support Restricted Account created in Section
674 62A-4a-608.

675 [~~(50)~~] (51) Funds collected by the Office of Administrative Rules for publishing, as
676 provided in Section 63G-3-402.

677 [~~(51)~~] (52) The Immigration Act Restricted Account created in Section 63G-12-103.

678 [~~(52)~~] (53) Money received by the military installation development authority, as

679 provided in Section [63H-1-504](#).

680 ~~[(53)]~~ [\(54\)](#) The Computer Aided Dispatch Restricted Account created in Section
681 [63H-7a-303](#).

682 ~~[(54)]~~ [\(55\)](#) The Unified Statewide 911 Emergency Service Account created in Section
683 [63H-7a-304](#).

684 ~~[(55)]~~ [\(56\)](#) The Utah Statewide Radio System Restricted Account created in Section
685 [63H-7a-403](#).

686 ~~[(56)]~~ [\(57\)](#) The Employability to Careers Program Restricted Account created in
687 Section [63J-4-703](#).

688 ~~[(57)]~~ [\(58\)](#) The Motion Picture Incentive Account created in Section [63N-8-103](#).

689 ~~[(58)]~~ [\(59\)](#) Certain money payable for expenses of the Pete Suazo Utah Athletic
690 Commission, as provided under Section [63N-10-301](#).

691 ~~[(59)]~~ [\(60\)](#) Funds collected by the housing of state probationary inmates or state parole
692 inmates, as provided in Subsection [64-13e-104\(2\)](#).

693 ~~[(60)]~~ [\(61\)](#) Certain forestry and fire control funds utilized by the Division of Forestry,
694 Fire, and State Lands, as provided in Section [65A-8-103](#).

695 ~~[(61)]~~ [\(62\)](#) The Transportation of Veterans to Memorials Support Restricted Account
696 created in Section [71-14-102](#).

697 ~~[(62)]~~ [\(63\)](#) The Amusement Ride Safety Restricted Account, as provided in Section
698 [72-16-204](#).

699 ~~[(63)]~~ [\(64\)](#) Certain funds received by the Office of the State Engineer for well drilling
700 fines or bonds, as provided in Section [73-3-25](#).

701 ~~[(64)]~~ [\(65\)](#) The Water Resources Conservation and Development Fund, as provided in
702 Section [73-23-2](#).

703 ~~[(65)]~~ [\(66\)](#) Funds donated or paid to a juvenile court by private sources, as provided in
704 Subsection [78A-6-203\(1\)\(c\)](#).

705 ~~[(66)]~~ [\(67\)](#) Fees for certificate of admission created under Section [78A-9-102](#).

706 ~~[(67)]~~ [\(68\)](#) Funds collected for adoption document access as provided in Sections
707 [78B-6-141](#), [78B-6-144](#), and [78B-6-144.5](#).

708 ~~[(68)]~~ [\(69\)](#) Funds collected for indigent defense as provided in Title 78B, Chapter 22,
709 Part 4, Utah Indigent Defense Commission.

710 [~~(69)~~] (70) Revenue for golf user fees at the Wasatch Mountain State Park, Palisades
711 State Park, Jordan River State Park, and Green River State Park, as provided under Section
712 [79-4-403](#).

713 [~~(70)~~] (71) Certain funds received by the Division of Parks and Recreation from the
714 sale or disposal of buffalo, as provided under Section [79-4-1001](#).