

CRITICAL INFRASTRUCTURE AND MINING

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Casey Snider

Senate Sponsor: Kirk A. Cullimore

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

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

Money Appropriated in this Bill:

This bill appropriates in fiscal year 2024:

- to Department of Natural Resources - Oil, Gas, and Mining - Minerals Reclamation as a one-time appropriation:
 - from the General Fund Restricted - GFR - Division of Oil, Gas, and Mining, One-time, \$500,000

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

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

ENACTS:

17-41-102, Utah Code Annotated 1953

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

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

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

(1) As used in this section:

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

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

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

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

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

(ii) a metropolitan planning organization; or

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

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

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

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

(ii) levels of production; and

(iii) the extent to which the critical infrastructure materials meet standards used by the Department of Transportation;

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

(i) zoning; and

(ii) supply in the market;

(c) an assessment of projected future demand for critical infrastructure materials within

- 62 the relevant area, including:
- 63 (i) the effects of residential and commercial development; and
- 64 (ii) known planned projects, such as transportation projects;
- 65 (d) an analysis of the financial costs related to transporting and distributing critical
- 66 infrastructure materials to and from the relevant area;
- 67 (e) an analysis of the impacts of critical infrastructure materials operations and related
- 68 mining on local infrastructure within the relevant area and possible mitigation of
- 69 those impacts;
- 70 (f) an analysis of the regulatory requirements faced by critical infrastructure materials
- 71 operations;
- 72 (g) the study of whether critical infrastructure materials operations should be licensed,
- 73 permitted, or otherwise authorized or regulated by the division, another state agency,
- 74 or local government; and
- 75 (h) any other issue the division finds relevant to the study of critical infrastructure
- 76 materials operations and related mining.
- 77 (3) In conducting the study, the division shall work cooperatively with:
- 78 (a) the Utah League of Cities and Towns;
- 79 (b) the Utah Association of Counties;
- 80 (c) the Department of Transportation;
- 81 (d) the critical infrastructure materials industry;
- 82 (e) the related mining industry;
- 83 (f) the real estate development industry;
- 84 (g) the home builders industry;
- 85 (h) a local metropolitan planning organization;
- 86 (i) at least two representatives from counties of the first, second, or third class; and
- 87 (j) at least two representatives from municipalities located within a county of the first,
- 88 second, or third class.
- 89 (4) The division shall complete the initial findings of the study required by this section by
- 90 no later than November 1, 2024, and report the division's initial findings to the Natural
- 91 Resources, Agriculture, and Environment Interim Committee by no later than the
- 92 November 2024 interim meeting of that committee.
- 93 (5) The division shall complete the study required by this section and report the division's
- 94 findings to the Legislature by no later than the first day of the 2025 legislative annual
- 95 general session.

(6) Notwithstanding other provisions of this section, the division may not include in the division's study any critical infrastructure materials resources within the relevant area if those critical infrastructure materials resources are only extracted for use within an existing mining operation and not offered for sale to the public.

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

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

(1) Title 17, Chapter 21a, Part 3, Administration and Standards, which creates the Utah Electronic Recording Commission, is repealed July 1, 2022.

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

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

(b) Subsection 17-31-2(2)(a)(iii), relating to establishing and promoting an economic diversification activity, is repealed;

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

"(i) for a purpose described in Subsection (2)(a) and subject to the limitation described in Subsection (7)(d), the greater of:"; and

(d) Subsection 17-31-2(7)(d)(ii), relating to a limitation on the expenditure of revenue for an economic diversification activity, is repealed.

(3) Subsection 17-31-5.5(2)(a)(i)(E), relating to economic diversification activity, is repealed July 1, 2023.

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

Section 3. FY 2024 Appropriation.

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

Subsection 3(a) Operating and Capital Budgets

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

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

From General Fund Restricted - GFR - Division of Oil,

Gas, and Mining, One-time

\$500,000

Schedule of Programs:

130 Minerals Reclamation \$500,000

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

134 Section 4. **Effective date.**

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

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