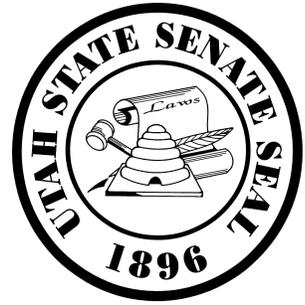




Fiscal Note
3rd Sub. S.B. 254 (Ivory)
 2026 General Session
 Extracted Natural Resources Amendments
 by Millner, Ann
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General, Income Tax, and Uniform School Funds

JR4-4-101

	Ongoing	One-time	Total
Net GF/ITF/USF (rev.-exp.)	\$(326,600)	\$(3,279,000)	\$(3,605,600)

State Government

UCA 36-12-13(2)(c)

Revenues	FY 2026	FY 2027	FY 2028
General Fund, One-time	\$0	\$(3,200,000)	\$0
New Account Created By Bill (FN Only)	\$0	\$1,500,000	\$1,500,000
New Account Created By Bill (FN Only), One-time	\$14,016,200	\$3,200,000	\$0
Total Revenues	\$14,016,200	\$1,500,000	\$1,500,000

Enactment of this legislation is estimated to reduce revenue to the General Fund by approximately \$3,200,000 in FY 2027 resulting from a new earmark on Mining Severance Tax, resulting in an equivalent increase to revenue into the newly created State Reinvestment Restricted Account. To the extent that gross mining severance tax revenue which is derived from a mineral for which the United States is greater than 50% net import reliant exceeds such revenue in the prior year, enactment of this legislation could forgo additional revenue to the General Fund beginning in FY 2028 with an equivalent increase in revenue to the newly created State Reinvestment Restricted Account. To the extent that certified tax credits issued for new exploration could otherwise be claimed against liability in excess of 50% of liability in a given year, enactment of this legislation could decrease forgone severance tax revenue to the General Fund beginning in FY 2027; the aggregate impact is unknown. Enactment of this legislation would appropriate \$14,016,200 into the newly created State Reinvestment Restricted Account in FY 2026. Enactment of this legislation could also increase interest and dividends revenue to the newly created State Reinvestment Restricted Account by an estimated \$1,500,000 in FY 2027 and FY 2028.

Expenditures	FY 2026	FY 2027	FY 2028
Infrastructure and Economic Diversification Investment Account (GFR), One-time	\$14,016,200	\$0	\$0
Utah Geological Survey Restricted Account (GFR), One-time	\$0	\$50,000	\$0
Division of Oil, Gas, and Mining (GFR)	\$0	\$528,000	\$528,000
General Fund	\$0	\$326,600	\$326,600

3rd Sub. S.B. 254 (Ivory)

General Fund, One-time	\$1,800	\$77,200	\$0
New Account Created By Bill (FN Only)	\$0	\$1,000,000	\$1,000,000
New Account Created By Bill (FN Only), One-time	\$0	\$10,000,000	\$0
Total Expenditures	\$14,018,000	\$11,981,800	\$1,854,600

Enactment of this legislation could cost the Division of Finance \$1,800 one-time from the General Fund in FY 2026 and \$3,800 ongoing from the General Fund beginning in FY 2027 to create and maintain the new Critical Minerals Development Account and the new State Reinvestment Restricted Account. Enactment of this legislation could cost the Legislature \$2,800 ongoing from the General Fund beginning in FY 2027 for per diem and travel reimbursement for legislative members on the new Critical Minerals Council. Enactment of this legislation could cost the Department of Natural Resources an estimated \$50,000 one-time from the General Fund in FY 2027 and \$50,000 one-time from the Utah Geological Survey Restricted Account in FY 2027 for the completion of a critical minerals atlas; the agency has indicated these costs can be absorbed. Enactment of this legislation could also cost the Department of Natural Resources an estimated \$320,000 ongoing from the General Fund beginning in FY 2027 for two full-time equivalent support staff within the Utah Office of Energy Development; the agency has indicated \$112,700 of this can be absorbed. Enactment of this legislation could also cost the Department of Natural Resources an estimated \$528,000 ongoing from the Division of Oil, Gas, and Mining Restricted Account beginning in FY 2027 for three full-time equivalent support staff within the Division of Oil, Gas, and Mining. Enactment of this legislation could cost the Tax Commission \$27,200 one-time from the General Fund in FY 2027 for tax system programming updates and changes to related forms, instructions, and processes. Enactment of this legislation would appropriate \$14,016,200 one-time from the Infrastructure and Economic Diversification Investment Account to the newly created State Reinvestment Restricted Account in FY 2026. Enactment of this legislation would appropriate \$10,000,000 one-time in FY 2027 and \$1,000,000 ongoing beginning in FY 2027 from the newly created State Reinvestment Restricted Account to the newly created Critical Minerals Council within the Department of Natural Resources for initial startup costs and ongoing support of the program.

	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>
Net All Funds	<u>\$(1,800)</u>	<u>\$(10,481,800)</u>	<u>\$(354,600)</u>

Local Government

UCA 36-12-13(2)(c)

To the extent that critical minerals zones are created within counties or municipalities, enactment of this legislation could result in incremental property tax revenue generated within such zones being transferred from local governments to the Critical Minerals Development Account, resulting in forgone revenue to the taxing entities; the aggregate impact is unknown and impacts will vary among local entities.

3rd Sub. S.B. 254 (Ivory)

Individuals & Businesses

UCA 36-12-13(2)(c)

To the extent that critical minerals zones are created within counties or municipalities, enactment of this legislation could result in individuals and businesses within such zones facing higher tax rates as certified taxable value is adjusted for incremental value; individual impacts will vary and the aggregate impact is unknown. To the extent that a taxpayer would have certified tax credits for new exploration in excess of 50% of their liability in a given year, enactment of this legislation could result in severance taxes paid by businesses and individuals which they would otherwise have forgone beginning in FY 2027; the aggregate impact is unknown.

Regulatory Impact

UCA 36-12-13(2)(d)

Enactment of this legislation likely will not change the regulatory burden for Utah residents or businesses.

Performance Evaluation

JR1-4-601

This bill does not create a new program or significantly expand an existing program.

Notes on Notes

Fiscal explanations estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal explanation is not an appropriation. The Legislature decides appropriations separately.