

Chapter 21 Mineral Lease Funds

59-21-1 Disposition of federal mineral lease money -- Priority to political subdivisions impacted by mineral development -- Disposition of mineral bonus payments -- Appropriation of money attributable to royalties from extraction of minerals on federal land located within boundaries of Grand Staircase-Escalante National Monument.

- (1) Except as provided in Subsections (2) through (4), all money received from the United States under the provisions of the Mineral Lands Leasing Act, 30 U.S.C. Sec. 181 et seq., shall:
 - (a) be deposited in the Mineral Lease Account of the General Fund; and
 - (b) be appropriated by the Legislature giving priority to those subdivisions of the state socially or economically impacted by development of minerals leased under the Mineral Lands Leasing Act, for:
 - (i) planning;
 - (ii) construction and maintenance of public facilities; and
 - (iii) provision of public services.
- (2) Seventy percent of money received from federal mineral lease bonus payments shall be deposited into the Permanent Community Impact Fund and shall be used as provided in Title 35A, Chapter 8, Part 3, Community Impact Alleviation.
- (3) Thirty percent of money received from federal mineral lease bonus payments shall be deposited in the Mineral Bonus Account created by Subsection 59-21-2(1) and appropriated as provided in that subsection.
- (4)
 - (a) For purposes of this Subsection (4):
 - (i) the "boundaries of the Grand Staircase-Escalante National Monument" means the boundaries:
 - (A) established by Presidential Proclamation No. 6920, 61 Fed. Reg. 50,223 (1996); and
 - (B) modified by:
 - (I) Pub. L. No. 105-335, 112 Stat. 3139; and
 - (II) Pub. L. No. 105-355, 112 Stat. 3247; and
 - (ii) a special service district, school district, or federal land is considered to be located within the boundaries of the Grand Staircase-Escalante National Monument if a portion of the special service district, school district, or federal land is located within the boundaries described in Subsection (4)(a)(i).
 - (b) Beginning on July 1, 1999, the Legislature shall appropriate, as provided in Subsections (4) (c) through (g), money received from the United States that is attributable to royalties from the extraction of minerals on federal land that, on September 18, 1996, was located within the boundaries of the Grand Staircase-Escalante National Monument.
 - (c) The Legislature shall annually appropriate 40% of the money described in Subsection (4)(b) to the Department of Transportation to be distributed by the Department of Transportation to special service districts that are:
 - (i) established by counties under Title 17D, Chapter 1, Special Service District Act;
 - (ii) socially or economically impacted by the development of minerals under the Mineral Lands Leasing Act; and
 - (iii) located within the boundaries of the Grand Staircase-Escalante National Monument.

- (d) The Department of Transportation shall distribute the money described in Subsection (4)(c) in amounts proportionate to the amount of federal mineral lease money generated by the county in which a special service district is located.
- (e) The Legislature shall annually appropriate 40% of the money described in Subsection (4)(b) to the State Board of Education to be distributed equally to school districts that are:
 - (i) socially or economically impacted by the development of minerals under the Mineral Lands Leasing Act; and
 - (ii) located within the boundaries of the Grand Staircase-Escalante National Monument.
- (f) The Legislature shall annually appropriate 2.25% of the money described in Subsection (4)(b) to the Utah Geological Survey to facilitate the development of energy and mineral resources in counties that are:
 - (i) socially or economically impacted by the development of minerals under the Mineral Lands Leasing Act; and
 - (ii) located within the boundaries of the Grand Staircase-Escalante National Monument.
- (g) Seventeen and three-fourths percent of the money described in Subsection (4)(b) shall be deposited annually into the State School Fund established by Utah Constitution Article X, Section 5.

Amended by Chapter 212, 2012 General Session

59-21-2 Mineral Bonus Account created -- Contents -- Use of Mineral Bonus Account money -- Mineral Lease Account created -- Contents -- Appropriation of money from Mineral Lease Account.

- (1)
 - (a) There is created a restricted account within the General Fund known as the "Mineral Bonus Account."
 - (b) The Mineral Bonus Account consists of federal mineral lease bonus payments deposited pursuant to Subsection 59-21-1(3).
 - (c) The Legislature shall make appropriations from the Mineral Bonus Account in accordance with Section 35 of the Mineral Lands Leasing Act of 1920, 30 U.S.C. Sec. 191.
 - (d) The state treasurer shall:
 - (i) invest the money in the Mineral Bonus Account by following the procedures and requirements of Title 51, Chapter 7, State Money Management Act; and
 - (ii) deposit all interest or other earnings derived from the account into the Mineral Bonus Account.
 - (e) The Division of Finance shall, beginning on July 1, 2017, annually deposit 30% of mineral lease bonus payments deposited under Subsection (1)(b) from the previous fiscal year into the Wildland Fire Suppression Fund created in Section 65A-8-204, up to \$2,000,000 but not to exceed 20% of the amount expended in the previous fiscal year from the Wildland Fire Suppression Fund.
- (2)
 - (a) There is created a restricted account within the General Fund known as the "Mineral Lease Account."
 - (b) The Mineral Lease Account consists of federal mineral lease money deposited pursuant to Subsection 59-21-1(1).
 - (c) The Legislature shall make appropriations from the Mineral Lease Account as provided in Subsection 59-21-1(1) and this Subsection (2).
 - (d)

- (i) Except as provided in Subsections (2)(d)(ii) and (iii), the Legislature shall annually appropriate 32.5% of all deposits made to the Mineral Lease Account to the Permanent Community Impact Fund established by Section 35A-8-303.
- (ii) For fiscal year 2016-17 only and from the amount required to be deposited under Subsection (2)(d)(i), the Legislature shall appropriate \$26,000,000 of the deposits made to the Mineral Lease Account to the Impacted Communities Transportation Development Restricted Account established by Section 72-2-128.
- (iii) For fiscal year 2017-18 only and from the amount required to be deposited under Subsection (2)(d)(i), the Legislature shall appropriate \$27,000,000 of the deposits made to the Mineral Lease Account to the Impacted Communities Transportation Development Restricted Account established by Section 72-2-128.
- (e) The Legislature shall annually appropriate 2.25% of all deposits made to the Mineral Lease Account to the State Board of Education, to be used for education research and experimentation in the use of staff and facilities designed to improve the quality of education in Utah.
- (f) The Legislature shall annually appropriate 2.25% of all deposits made to the Mineral Lease Account to the Utah Geological Survey, to be used for activities carried on by the survey having as a purpose the development and exploitation of natural resources in the state.
- (g) The Legislature shall annually appropriate 2.25% of all deposits made to the Mineral Lease Account to the Water Research Laboratory at Utah State University, to be used for activities carried on by the laboratory having as a purpose the development and exploitation of water resources in the state.
- (h)
 - (i) The Legislature shall annually appropriate to the Department of Transportation 40% of all deposits made to the Mineral Lease Account to be distributed as provided in Subsection (2)(h)(ii) to:
 - (A) counties;
 - (B) special service districts established:
 - (I) by counties;
 - (II) under Title 17D, Chapter 1, Special Service District Act; and
 - (III) for the purpose of constructing, repairing, or maintaining roads; or
 - (C) special service districts established:
 - (I) by counties;
 - (II) under Title 17D, Chapter 1, Special Service District Act; and
 - (III) for other purposes authorized by statute.
 - (ii) The Department of Transportation shall allocate the funds specified in Subsection (2)(h)(i):
 - (A) in amounts proportionate to the amount of mineral lease money generated by each county; and
 - (B) to a county or special service district established by a county under Title 17D, Chapter 1, Special Service District Act, as determined by the county legislative body.
- (i)
 - (i) The Legislature shall annually appropriate 5% of all deposits made to the Mineral Lease Account to the Department of Workforce Services to be distributed to:
 - (A) special service districts established:
 - (I) by counties;
 - (II) under Title 17D, Chapter 1, Special Service District Act; and
 - (III) for the purpose of constructing, repairing, or maintaining roads; or
 - (B) special service districts established:

- (I) by counties;
 - (II) under Title 17D, Chapter 1, Special Service District Act; and
 - (III) for other purposes authorized by statute.
- (ii) The Department of Workforce Services may distribute the amounts described in Subsection (2)(i)(i) only to special service districts established under Title 17D, Chapter 1, Special Service District Act, by counties:
- (A) of the third, fourth, fifth, or sixth class;
 - (B) in which 4.5% or less of the mineral lease money within the state is generated; and
 - (C) that are significantly socially or economically impacted as provided in Subsection (2)(i)(iii) by the development of minerals under the Mineral Lands Leasing Act, 30 U.S.C. Sec. 181 et seq.
- (iii) The significant social or economic impact required under Subsection (2)(i)(ii)(C) shall be as a result of:
- (A) the transportation within the county of hydrocarbons, including solid hydrocarbons as defined in Section 59-5-101;
 - (B) the employment of persons residing within the county in hydrocarbon extraction, including the extraction of solid hydrocarbons as defined in Section 59-5-101; or
 - (C) a combination of Subsections (2)(i)(iii)(A) and (B).
- (iv) For purposes of distributing the appropriations under this Subsection (2)(i) to special service districts established by counties under Title 17D, Chapter 1, Special Service District Act, the Department of Workforce Services shall:
- (A)
 - (I) allocate 50% of the appropriations equally among the counties meeting the requirements of Subsections (2)(i)(ii) and (iii); and
 - (II) allocate 50% of the appropriations based on the ratio that the population of each county meeting the requirements of Subsections (2)(i)(ii) and (iii) bears to the total population of all of the counties meeting the requirements of Subsections (2)(i)(ii) and (iii); and
 - (B) after making the allocations described in Subsection (2)(i)(iv)(A), distribute the allocated revenues to special service districts established by the counties under Title 17D, Chapter 1, Special Service District Act, as determined by the executive director of the Department of Workforce Services after consulting with the county legislative bodies of the counties meeting the requirements of Subsections (2)(i)(ii) and (iii).
- (v) The executive director of the Department of Workforce Services:
- (A) shall determine whether a county meets the requirements of Subsections (2)(i)(ii) and (iii);
 - (B) shall distribute the appropriations under Subsection (2)(i)(i) to special service districts established by counties under Title 17D, Chapter 1, Special Service District Act, that meet the requirements of Subsections (2)(i)(ii) and (iii); and
 - (C) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, may make rules:
 - (I) providing a procedure for making the distributions under this Subsection (2)(i) to special service districts; and
 - (II) defining the term "population" for purposes of Subsection (2)(i)(iv).
- (j)
- (i) The Legislature shall annually make the following appropriations from the Mineral Lease Account:
 - (A) an amount equal to 52 cents multiplied by the number of acres of school or institutional trust lands, lands owned by the Division of Parks and Recreation, and lands owned by

- the Division of Wildlife Resources that are not under an in lieu of taxes contract, to each county in which those lands are located;
- (B) to each county in which school or institutional trust lands are transferred to the federal government after December 31, 1992, an amount equal to the number of transferred acres in the county multiplied by a payment per acre equal to the difference between 52 cents per acre and the per acre payment made to that county in the most recent payment under the federal payment in lieu of taxes program, 31 U.S.C. Sec. 6901 et seq., unless the federal payment was equal to or exceeded the 52 cents per acre, in which case a payment under this Subsection (2)(j)(i)(B) may not be made for the transferred lands;
- (C) to each county in which federal lands, which are entitlement lands under the federal in lieu of taxes program, are transferred to the school or institutional trust, an amount equal to the number of transferred acres in the county multiplied by a payment per acre equal to the difference between the most recent per acre payment made under the federal payment in lieu of taxes program and 52 cents per acre, unless the federal payment was equal to or less than 52 cents per acre, in which case a payment under this Subsection (2)(j)(i)(C) may not be made for the transferred land; and
- (D) to a county of the fifth or sixth class, an amount equal to the product of:
- (I) \$1,000; and
- (II) the number of residences described in Subsection (2)(j)(iv) that are located within the county.
- (ii) A county receiving money under Subsection (2)(j)(i) may, as determined by the county legislative body, distribute the money or a portion of the money to:
- (A) special service districts established by the county under Title 17D, Chapter 1, Special Service District Act;
- (B) school districts; or
- (C) public institutions of higher education.
- (iii)
- (A) Beginning in fiscal year 1994-95 and in each year after fiscal year 1994-95, the Division of Finance shall increase or decrease the amounts per acre provided for in Subsections (2)(j)(i)(A) through (C) by the average annual change in the Consumer Price Index for all urban consumers published by the Department of Labor.
- (B) For fiscal years beginning on or after fiscal year 2001-02, the Division of Finance shall increase or decrease the amount described in Subsection (2)(j)(i)(D)(I) by the average annual change in the Consumer Price Index for all urban consumers published by the Department of Labor.
- (iv) Residences for purposes of Subsection (2)(j)(i)(D)(II) are residences that are:
- (A) owned by:
- (I) the Division of Parks and Recreation; or
- (II) the Division of Wildlife Resources;
- (B) located on lands that are owned by:
- (I) the Division of Parks and Recreation; or
- (II) the Division of Wildlife Resources; and
- (C) are not subject to taxation under:
- (I) Chapter 2, Property Tax Act; or
- (II) Chapter 4, Privilege Tax.
- (k) The Legislature shall annually appropriate to the Permanent Community Impact Fund all deposits remaining in the Mineral Lease Account after making the appropriations provided for in Subsections (2)(d) through (j).

- (3)
- (a) Each agency, board, institution of higher education, and political subdivision receiving money under this chapter shall provide the Legislature, through the Office of the Legislative Fiscal Analyst, with a complete accounting of the use of that money on an annual basis.
 - (b) The accounting required under Subsection (3)(a) shall:
 - (i) include actual expenditures for the prior fiscal year, budgeted expenditures for the current fiscal year, and planned expenditures for the following fiscal year; and
 - (ii) be reviewed by the Business, Economic Development, and Labor Appropriations Subcommittee as part of its normal budgetary process under Title 63J, Chapter 1, Budgetary Procedures Act.

Amended by Chapter 183, 2016 General Session

Amended by Chapter 184, 2016 General Session