

1 **MINERAL LEASE AMENDMENTS**

2 1999 GENERAL SESSION

3 STATE OF UTAH

4 **Sponsor: Thomas V. Hatch**

5 AN ACT RELATING TO MINERAL LEASE FUNDS; PROVIDING DEFINITIONS;  
6 PROVIDING FOR THE ALLOCATION OF MONIES ATTRIBUTABLE TO ROYALTIES  
7 FROM THE EXTRACTION OF MINERALS ON CERTAIN LANDS LOCATED WITHIN THE  
8 GRAND STAIRCASE-ESCALANTE NATIONAL MONUMENT; AND MAKING  
9 TECHNICAL CHANGES.

10 This act affects sections of Utah Code Annotated 1953 as follows:

11 AMENDS:

12 **59-21-1**, as last amended by Chapter 127, Laws of Utah 1993

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

14 Section 1. Section **59-21-1** is amended to read:

15 **59-21-1. Mineral Lease Account -- Legislature to appropriate -- Priority to political**  
16 **subdivisions impacted by mineral development -- Disposition of mineral bonus payments.**

17 (1) (a) [~~All money~~] Except as provided in Subsections (2) through (4), all monies received  
18 from the United States under the provisions of the [Act of Congress of February 25, 1920, known  
19 as the "Mineral Lands Leasing Act,"] 30 U.S.C. Sec. [191, except as otherwise provided in  
20 Subsections (2) and (3);] 181 et seq., shall:

21 (i) be deposited in the Mineral Lease Account of the General Fund; and

22 (ii) be appropriated by the Legislature giving priority to those subdivisions of the state  
23 socially or economically impacted by development of minerals leased under the Mineral Lands  
24 Leasing Act, for:

25 (A) planning;

26 (B) construction and maintenance of public facilities;

27 (C) provision for public services; and

28 (D) housing.

29 (b) (i) To the extent determined necessary by the Legislature to provide for the purposes  
30 specified in Subsection (1) (a), the Legislature shall appropriate the money received from the  
31 United States either totally or partially to:

32 (A) the Permanent Community Impact Fund established by Section 9-4-303;

33 (B) the Board of Water Resources for loans under Section 73-10-23; or

34 (C) counties, cities, towns, or other political subdivisions of this state socially or  
35 economically impacted by development of minerals leased under the Mineral Land Leasing Act.

36 (ii) Any balance of the money may be appropriated by the Legislature.

37 (2) Seventy percent of money received from the United States attributable to the bonus  
38 payments on the Department of the Interior oil shale prototype leases known as U-A and U-B and  
39 70% of all other federal mineral lease bonus payments, shall be deposited into the Permanent  
40 Community Impact Fund and shall be used as provided in Title [63] 9, Chapter [52] 4, [~~Federal~~  
41 ~~Mineral Lease Payments - Permanent~~] Part 3, Community Impact ~~[Fund]~~ Alleviation.

42 (3) Thirty percent of the money received from the United States attributable to bonus  
43 payments on its oil shale prototype leases described in Subsection (2) and 30% of all other federal  
44 mineral lease bonus payments shall be deposited in the Mineral Bonus Account created by  
45 Subsection 59-21-2 (1) and appropriated as provided in that subsection.

46 (4) (a) For purposes of Subsections (4)(b) through (e):

47 (i) the "boundaries of the Grand Staircase-Escalante National Monument" means the  
48 boundaries:

49 (A) established by Presidential Proclamation No. 6920, 61 Fed. Reg. 50,223 (1996); and

50 (B) modified by Pub. L. No. ~~h~~ [-105-335] 105-355 ~~h~~ ; and

51 (ii) a special service district, school district, or federal land is considered to be located  
52 within the boundaries of the Grand Staircase-Escalante National Monument if a portion of the  
53 special service district, school district, or federal land is located within the boundaries described  
54 in Subsection (4)(a)(i).

55 (b) Beginning on July 1, 1999, the Legislature shall appropriate, as provided in  
56 Subsections (4)(c) through (e), monies received from the United States that are attributable to  
57 royalties from the extraction of minerals on federal land that, on September 18, 1996, was located  
58 within the boundaries of the Grand Staircase-Escalante National Monument.

59 (c) The Legislature shall appropriate 40% of the monies described in Subsection (4)(b) to  
 60 the Department of Transportation to be distributed ~~h [equally] h~~ to special service districts within  
 61 counties ~~h~~ :

61a (i) h if the special service districts are:

62 ~~h [(fi)] (A) h~~ socially or economically impacted by the development of minerals under the  
 62a Mineral  
 63 Lands Leasing Act; and

64 ~~h [(fii)] (B) h~~ located within the boundaries of the Grand Staircase-Escalante National  
 64a Monument ~~h~~ ; **AND**

64b **(ii) IN AMOUNTS PROPORTIONATE TO THE AMOUNT OF FEDERAL MINERAL LEASE MONEY**  
 64c **GENERATED BY THE COUNTY IN WHICH A SPECIAL SERVICE DISTRICT IS LOCATED** ~~h~~ .

65 (d) The Legislature shall appropriate 40% of the monies described in Subsection (4)(b) to  
 66 the State Board of Education to be distributed equally to school districts if the school districts are:

67 (i) socially or economically impacted by the development of minerals under the Mineral  
 68 Lands Leasing Act; and

69 (ii) located within the boundaries of the Grand Staircase-Escalante National Monument.

69a **h (e) THE LEGISLATURE SHALL APPROPRIATE 2.25% OF THE MONIES DESCRIBED IN**  
 69b **SUBSECTION (4)(b) TO THE UTAH GEOLOGICAL SURVEY TO FACILITATE THE DEVELOPMENT OF**  
 69c **ENERGY AND MINERAL RESOURCES IN COUNTIES THAT ARE:**

69d **(i) SOCIALLY OR ECONOMICALLY IMPACTED BY THE DEVELOPMENT OF MINERALS**  
 69e **UNDER**  
 69e **THE MINERAL LANDS LEASING ACT; AND**

69f **(ii) LOCATED WITHIN THE BOUNDARIES OF THE GRAND STAIRCASE-ESCALANTE**  
 69g **NATIONAL MONUMENT.** ~~h~~

70 ~~h [(e) Twenty] (f) SEVENTEEN AND THREE-FOURTHS h~~ percent of the monies described in  
 70a Subsection (4)(b) shall be ~~h [:]~~ **DEPOSITED INTO THE STATE SCHOOL FUND ESTABLISHED BY**  
 70b **UTAH CONSTITUTION ARTICLE X, SECTION 5.** ~~h~~

71 ~~h [(i) deposited into the Mineral Lease Account; and~~

72 ~~—— (ii) appropriated as provided in Section 59-21-2.] h~~

## Legislative Review Note

as of 1-25-99 9:23 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

**H.B. 96**

**01-25-99 3:39 PM**

**Office of Legislative Research and General Counsel**