

MINERAL LEASE AMENDMENTS

1999 GENERAL SESSION

STATE OF UTAH

Sponsor: Thomas V. Hatch

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

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

AMENDS:

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

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

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

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

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

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

- (A) planning;
- (B) construction and maintenance of public facilities;
- (C) provision for public services; and

(D) housing.

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

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

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

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

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

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

(3) Thirty percent of the money received from the United States attributable to bonus payments on its oil shale prototype leases described in Subsection (2) and 30% of all other 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 Subsections (4)(b) through (f):

(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 Pub. L. No. 105-355, 112 Stat. 3139; 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 (f), monies received from the United States that are 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 appropriate 40% of the monies described in Subsection (4)(b) to the Department of Transportation to be distributed to special service districts within counties:

(i) if the special service districts are:

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

(B) located within the boundaries of the Grand Staircase-Escalante National Monument; and

(ii) in amounts proportionate to the amount of federal mineral lease money generated by the county in which a special service district is located.

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

(e) The Legislature shall appropriate 2.25% of the monies 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.

(f) Seventeen and three-fourths percent of the monies described in Subsection (4)(b) shall be deposited into the State School Fund established by Utah Constitution Article X, Section 5.