

1 **REVENUES FROM FEDERAL LAND EXCHANGE**

2 **PARCELS**

3 2002 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: Mike Dmitrich**

6 **This act modifies provisions related to revenues from federal land exchange parcels. The act**
7 **modifies the percentage of revenues distributed to certain accounts and funds from rentals**
8 **and royalties received from the lease of minerals on acquired lands and the lease of acquired**
9 **mineral interests. The act lowers the ceiling on the amount of monies collected that can be**
10 **used to pay for administrative costs.**

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

12 AMENDS:

13 **53C-3-202**, as last amended by Chapter 299, Laws of Utah 2000

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

15 Section 1. Section **53C-3-202** is amended to read:

16 **53C-3-202. Collection and distribution of revenues from federal land exchange**
17 **parcels.**

18 (1) The director is responsible for the collection of all bonus payments, rentals, and
19 royalties from the lease of:

20 (a) minerals on acquired lands; and

21 (b) acquired mineral interests.

22 (2) The director shall:

23 (a) except as provided in Subsections (3) and (4), no later than the last day of the second
24 month following each calendar quarter, distribute all bonus payments received during the calendar
25 quarter from the lease of coal, oil and gas, and coalbed methane on the identified tracts as follows:

26 (i) 50% to the United States;

27 (ii) 12.16% to the Permanent Community Impact Fund created in Section 9-4-303;



28 (iii) 20% to the Constitutional Defense Restricted Account created in Section 63C-4-103;
 29 [(iv) (A) beginning on July 1, 2000, through June 30, 2001, 15% to the Mineral Bonus
 30 Account created by Section 59-21-2; and]

31 [(B)] (iv) [beginning on July 1, 2001,] 15% to the Rural Electronic Commerce
 32 Communications System Fund created by Section 9-15-102; and

33 (v) 2.84% to the Rural Development Fund created under Section 9-14-102; and

34 (b) except as provided in Subsections (3) and (4), no later than the last day of the second
 35 month following each calendar quarter, distribute all rentals and royalties received during the
 36 calendar quarter from the lease of subject minerals on the acquired lands and the lease of acquired
 37 mineral interests as follows:

38 (i) 50% to the Land Grant Management Fund created by Section 53C-3-101;

39 (ii) [29.66%] ~~h~~ [40%] 39.5% ~~h~~ to the Mineral Lease Account created by Subsection
 39a 59-21-2(3);

40 (iii) [10%] ~~h~~ [5%] 4.5% ~~h~~ to the Constitutional Defense Restricted Account created by
 40a Section

41 63C-4-103;

42 (iv) [7.5%] ~~h~~ [3.6] 3.0 ~~h~~ % to the Rural Electronic Commerce Communications System
 42a Fund created

43 by Section 9-15-102; and

44 (v) [2.84%] ~~h~~ [1.4] 3.0 ~~h~~ % to the Rural Development Fund created by Section 9-14-102.

45 (3) Notwithstanding Subsections (2)(a), (2)(b), and (4), if the distribution required by
 46 Subsection (2)(a)(iii), (2)(b)(iii), or (4) would cause the balance of the Constitutional Defense
 47 Restricted Account to exceed \$2,000,000, the director shall distribute to the Permanent
 48 Community Impact Fund an amount equal to the difference between:

49 (a) what the total balance of the Constitutional Defense Restricted Account would be if,
 50 but for this Subsection (3), a distribution described in Subsection (2)(a)(iii), (2)(b)(iii), or (4) was
 51 made; and

52 (b) \$2,000,000.

53 (4) Notwithstanding Subsections (2)(a) and (b), and except as provided in Subsection (3),
 54 for [fiscal years beginning on or after] each fiscal year [2000-01] the director shall deposit:

55 (a) the first \$750,000 of distributions required by Subsections (2)(a)(iv) and (2)(b)(iv) into
 56 the Rural Electronic Commerce Communications System Fund; and

57 (b) any amounts exceeding the \$750,000 described in Subsection (4)(a) that would be
 58 distributed into the Rural Electronic Commerce Communications System Fund but for this

59 Subsection (4) into the Constitutional Defense Restricted Account.

60 (5) (a) The director may retain up to [8%] ~~h~~ **[4%] 3% h** of the monies collected under
60a Subsection

61 (1) to pay for administrative costs incurred under Subsection (1).

62 (b) The administrative costs may be deducted prior to the distributions made under
63 Subsections (2)(a) and (b).

64 (c) The director shall keep the administrative cost deductions in separate accounts.

65 (d) (i) For purposes of this section, administrative costs:

66 (A) include:

67 (I) direct costs incurred by the administration; and

68 (II) out-of-pocket expenditures incurred by the administration that are directly attributable
69 to leasing or management of the acquired lands for subject minerals or acquired mineral interests;
70 and

71 (B) shall be determined in a manner similar to that used by the federal government
72 pursuant to 30 U.S.C. Sec.191(b).

73 (ii) If the administration includes out-of-pocket expenditures under Subsection (5)(d)(i)
74 in determining its costs, those expenditures may not be included in its general calculation of direct
75 costs.

76 (e) (i) At the end of each fiscal year, the director shall reconcile the amount actually spent
77 under Subsection (5)(d) with the amount retained under Subsection (5)(a).

78 ~~§ [(iii) The director shall distribute any excess from the reconciliation pursuant to Subsections~~
79 ~~(2) through (4).] (ii) THE MONIES RETAINED UNDER SUBSECTION (5)(a) ARE NONLAPSING.~~

80 ~~[(iii) The director may retain an amount sufficient to cover the expected administrative~~
81 ~~costs allowed under Subsection (5)(d) for the subsequent fiscal year, less the expected deduction~~
82 ~~for the subsequent fiscal year under Subsection (5)(a).] §~~

Legislative Review Note as of 1-24-02 9:54 AM

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

Office of Legislative Research and General Counsel