

1 **PAYMENT IN LIEU OF TAXES FUNDS FOR COUNTIES**

2 2021 GENERAL SESSION

3 STATE OF UTAH



4
5 **LONG TITLE**

6 **General Description:**

7 This bill creates the Federal Lands Payment in Lieu of Tax restricted account and
8 establishes rules for distribution of certain federal funds.

9 **Highlighted Provisions:**

10 This bill:

- 11 ▶ defines terms;
- 12 ▶ creates the Federal Lands Payment in Lieu of Tax Account;
- 13 ▶ creates a base distribution level of payments in lieu of tax on federal entitlement
- 14 lands; and
- 15 ▶ creates distribution requirements for money received for payments in lieu of tax on
- 16 federal entitlement lands that exceeds the base distribution level.

17 **Money Appropriated in this Bill:**

18 None

19 **Other Special Clauses:**

20 None

21 **Utah Code Sections Affected:**

22 ENACTS:

23 **51-9-901**, Utah Code Annotated 1953

24 **51-9-902**, Utah Code Annotated 1953

25 **51-9-903**, Utah Code Annotated 1953

26 **51-9-904**, Utah Code Annotated 1953



27
28 *Be it enacted by the Legislature of the state of Utah:*

29 Section 1. Section **51-9-901** is enacted to read:

30 **51-9-901. Title.**

31 This part is known as the "Federal Lands Payment In Lieu of Tax Act."

32 Section 2. Section **51-9-902** is enacted to read:

33 **51-9-902. Definitions.**

34 As used in this part:

35 (1) "Entitlement land" means the same as that term is defined in 31 U.S.C. Sec. 6901.

36 (2) "Federal Lands Payment in Lieu of Tax Account" or "account" means the Federal
37 Lands Payment in Lieu of Tax Account created in Section 51-9-903.

38 (3) "Governmental services" means the same as that term is defined in 31 U.S.C. Sec.
39 6901.

40 (4) "Taxing entity" means the same as that term is defined in Section 59-2-102.

41 Section 3. Section **51-9-903** is enacted to read:

42 **51-9-903. Creation of the Federal Lands Payment in Lieu of Tax Account.**

43 (1) (a) As permitted by 31 U.S.C. Sec. 6907, there is created a restricted account within
44 the General Fund known as the "Federal Lands Payment in Lieu of Tax Account."

45 (b) The account shall consist of:

46 (i) all money credited to the account pursuant to Title 31 U.S.C. Chapter 69, Payment
47 for Entitlement Land;

48 (ii) appropriations from the Legislature;

49 (iii) private grants or contributions; and

50 (iv) interest deposited as described in Subsection (1)(c)(ii).

51 (c) The state treasurer shall:

52 (i) invest the money in the account by following the procedures and requirements of
53 Chapter 7, State Money Management Act; and

54 (ii) deposit all interest or other earnings derived from the account into the account.

55 (2) The Legislature shall appropriate money from the account as provided in Section
56 51-9-904.

57 Section 4. Section **51-9-904** is enacted to read:

58 **51-9-904. Distribution of revenue in the Federal Lands Payment in Lieu of Tax**
59 **Account.**

60 (1) As permitted by 31 U.S.C. Sec. 6907, and subject to Subsections (2) and (3), the
61 Legislature shall make appropriations from the account in accordance with Title 31 U.S.C.
62 Chapter 69, Payment for Entitlement Land and as provided in this section.

63 (2) (a) Subject to appropriation, and subject to Subsection (2)(b), the Division of

64 Finance shall, beginning on July 1, 2021, deposit with each county an amount equal to the
65 amount received by each respective county from the Secretary of the Interior for payment for
66 entitlement lands pursuant to Title 31 U.S.C. Chapter 69, Payment for Entitlement Land for the
67 fiscal year ending on June 30, 2020.

68 (b) If the amount distributed by the Secretary of the Interior for a particular year is an
69 amount less than the amount distributed in fiscal year ending on June 30, 2020, the Division of
70 Finance shall:

71 (i) proportionately reduce the amount according to the respective amount for each
72 county as calculated by the Secretary of the Interior; and

73 (ii) distribute to each county the amount reduced according to Subsection (2)(b)(i).

74 (c) A county may use money distributed pursuant to this Subsection (2) for any purpose
75 that meets the definition of governmental services.

76 (3) (a) For any amount in the account that exceeds the amount distributed under
77 Subsection (2), the Division of Finance shall distribute the funds to each county in the same
78 proportion as the funds distributed pursuant to Subsection (2).

79 (b) A county shall distribute money received pursuant to Subsection (3)(a) to each
80 taxing entity within the county in the same proportion as property tax revenue is distributed
81 among taxing entities pursuant to Title 59, Chapter 2, Property Tax Act and existing local law
82 regarding property tax distribution.