

Part 2 Federal-State Land Exchange

53C-3-201 Definitions.

As used in this part:

- (1) "Acquired lands" means lands acquired by the administration under the agreement.
- (2) "Acquired mineral interests" means mineral interests acquired by the administration pursuant to Section 3(F), (K), (L), or (M) of the agreement.
- (3) "Agreement" means the Agreement to Exchange Utah School Trust Lands Between the State of Utah and the United States of America, signed May 8, 1998, as ratified by the Utah School and Lands Exchange Act of 1998, Pub. L. No. 105-335.
- (4) "Exchange" means a land or mineral interest exchange by the administration and the United States of America after March 1, 2007 that is directed by Congressional action.
- (5) "Exchanged lands" means lands:
 - (a) acquired by the administration through an exchange; and
 - (b) reduced in value to take into account the presence of minerals subject to leasing under the Mineral Leasing Act, 30 U.S.C. Sec. 181 et seq.
- (6) "Exchanged mineral interests" means mineral interests:
 - (a) acquired by the administration through an exchange; and
 - (b) reduced in value to take into account the presence of minerals subject to leasing under the Mineral Leasing Act, 30 U.S.C. Sec. 181 et seq.
- (7) "Identified tracts" means the tracts identified in Section 3(F), (G), (J), (K), (L), and (M) of the agreement, generally referred to as the Cottonwood Tract, Westridge Coal Tract, Ferron Field, Mill Fork Tract, Dugout Canyon Tract, Muddy Tract, and North Horn Coal Tract.
- (8) "Subject mineral" means a mineral that is covered by the Mineral Leasing Act, 30 U.S.C. Sec. 181 et seq.

Amended by Chapter 79, 2010 General Session

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

- (1) The director shall collect all bonus payments, rentals, and royalties from the lease of:
 - (a) minerals on acquired lands;
 - (b) acquired mineral interests;
 - (c) minerals on exchanged lands; and
 - (d) exchanged mineral interests.
- (2) No later than the last day of the second month following each calendar quarter, the director shall distribute:
 - (a) bonus payments received during the calendar quarter from the lease of coal, oil and gas, and coalbed methane on the identified tracts as follows:
 - (i) 50% to the United States; and
 - (ii) 50% to the Land Exchange Distribution Account created in Section 53C-3-203;
 - (b) rentals and royalties received during the calendar quarter from the lease of subject minerals on the acquired lands and the lease of acquired mineral interests as follows:
 - (i) 50% to the Land Grant Management Fund created by Section 53C-3-101; and
 - (ii) 50% to the Land Exchange Distribution Account created in Section 53C-3-203;

- (c) mineral bonus, rental, and royalty revenue generated from the lease of subject minerals, other than oil shale, on exchanged lands or from the lease of exchanged mineral interests, other than interests in oil shale, as follows:
 - (i) 50% to the Land Grant Management Fund created by Section 53C-3-101; and
 - (ii) 50% to the Land Exchange Distribution Account created in Section 53C-3-203; and
 - (d) mineral bonus, rental, and royalty revenue generated from the lease of oil shale on exchanged lands or the lease of exchanged mineral interests that are interests in oil shale, net of amounts paid to the United States pursuant to a reserved interest of the United States in oil shale, as follows:
 - (i) 50% to the Land Grant Management Fund created by Section 53C-3-101; and
 - (ii) 50% to the Land Exchange Distribution Account created in Section 53C-3-203.
- (3)
- (a) Except as provided in Subsection (3)(c), the director may retain up to 3% of the money collected under Subsection (1) to pay for administrative costs incurred under Subsections (1) and (2).
 - (b) Except as provided in Subsection (3)(c), the director may deduct administrative costs before distributions are made under Subsection (2).
 - (c) The director may not deduct administrative costs from the portion of collections derived from minerals on exchanged lands or exchanged mineral interests that is equal to the United States' reserved interest in oil shale.
 - (d) The director shall keep the administrative cost deductions in separate accounts.
 - (e) The money retained under Subsection (3)(a) is nonlapsing.
 - (f) The director shall distribute in accordance with Subsection (2) the unused balance of the money retained under Subsection (3)(a) that exceeds \$2,000,000 at the end of a fiscal year.

Amended by Chapter 342, 2011 General Session

53C-3-203 Land Exchange Distribution Account.

- (1) As used in this section, "account" means the Land Exchange Distribution Account created in Subsection (2)(a).
- (2)
 - (a) There is created within the General Fund a restricted account known as the Land Exchange Distribution Account.
 - (b) The account shall consist of revenue deposited in the account as required by Section 53C-3-202.
- (3)
 - (a) The state treasurer shall invest money in the account according to Title 51, Chapter 7, State Money Management Act.
 - (b) The Division of Finance shall deposit interest or other earnings derived from investment of account money into the General Fund.
- (4) The Legislature shall annually appropriate from the account in the following order:
 - (a) \$1,000,000 to the Constitutional Defense Restricted Account created in Section 63C-4a-402; and
 - (b) from the deposits to the account remaining after the appropriation in Subsection (4)(a), the following amounts:
 - (i) 55% of the deposits to counties in amounts proportionate to the amounts of mineral revenue generated from the acquired land, exchanged land, acquired mineral interests,

- or exchanged mineral interests located in each county, to be used to mitigate the impacts caused by mineral development;
- (ii) 25% of the deposits to counties in amounts proportionate to the total surface and mineral acreage within each county that was conveyed to the United States under the agreement or an exchange, to be used to mitigate the loss of mineral development opportunities resulting from the agreement or exchange;
 - (iii) 1.68% of the deposits 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;
 - (iv) 1.66% of the deposits to the Geological Survey, to be used for natural resources development in the state;
 - (v) 1.66% of the deposits to the Water Research Laboratory at Utah State University, to be used for water development in the state;
 - (vi) 11% of the deposits to the Constitutional Defense Restricted Account created in Section 63C-4a-402;
 - (vii) 1% of the deposits to the Geological Survey, to be used for test wells and other hydrologic studies in the West Desert; and
 - (viii) 3% of the deposits to the Permanent Community Impact Fund created in Section 35A-8-303, to be used for grants to political subdivisions of the state to mitigate the impacts resulting from the development or use of school and institutional trust lands.
- (5) The administration shall make recommendations to the Permanent Community Impact Fund Board for the Permanent Community Impact Fund Board's consideration when awarding the grants described in Subsection (4)(b)(viii).

Amended by Chapter 234, 2020 General Session