

**COMMUNITY IMPACT ALLEVIATION -  
DEFINITIONS**

2000 GENERAL SESSION

STATE OF UTAH

**Sponsor: Mike Dmitrich**

AN ACT RELATING TO COMMUNITY IMPACT MONIES; AUTHORIZING THE COMMUNITY IMPACT BOARD TO DISTRIBUTE MONIES TO ENTITIES FORMED BY CERTAIN POLITICAL SUBDIVISIONS VIA THE INTERLOCAL COOPERATION ACT; AND MAKING TECHNICAL CORRECTIONS.

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

AMENDS:

**9-4-302**, as last amended by Chapter 326, Laws of Utah 1995

**9-4-305**, as last amended by Chapter 326, Laws of Utah 1995

**9-4-307**, as last amended by Chapter 78, Laws of Utah 1993

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

Section 1. Section **9-4-302** is amended to read:

**9-4-302. Definitions.**

As used in this part:

(1) "Bonus payments" mean that portion of the bonus payments received by the United States government under the Leasing Act paid to the state under Section 35 of the Leasing Act, together with any interest that had accrued on those payments.

(2) "Impact board" means the Permanent Community Impact Fund Board created under Section 9-4-304.

(3) "Impact fund" means the Permanent Community Impact Fund established by this chapter.

(4) "Interlocal Agency" means a legal or administrative entity created by a subdivision or combination of subdivisions under the authority of Title 11, Chapter 13, Interlocal Cooperation Act.

[~~(4)~~] (5) "Leasing Act" means the Mineral Leasing Act of 1920, 30 U.S.C. Sec. 181 et seq.,

as amended.

~~[(5)]~~ (6) "Subdivision" means any county, city, town, county service area, special service district, special improvement district, water conservancy district, water or sewer improvement district, housing authority, building authority, school district, or public postsecondary institution organized under the laws of this state.

Section 2. Section **9-4-305** is amended to read:

**9-4-305. Duties -- Loans -- Interest.**

(1) The impact board shall:

(a) make, subject to the limitations of the Leasing Act, grants and loans from the amounts appropriated by the Legislature out of the impact fund to state agencies ~~[and to]~~, subdivisions, and interlocal agencies that are or may be socially or economically impacted, directly or indirectly, by mineral resource development for:

(i) planning;

(ii) construction and maintenance of public facilities; and

(iii) provision of public services;

(b) establish the criteria by which the loans and grants will be made;

(c) determine the order in which projects will be funded;

(d) in conjunction with other agencies of the state or of subdivisions or of interlocal agencies, conduct studies, investigations, and research into the effects of proposed mineral resource development projects upon local communities;

(e) sue and be sued in accordance with applicable law;

(f) qualify for, accept, and administer grants, gifts, loans, or other funds from the federal government and from other sources, public or private; and

(g) perform other duties assigned to it under Sections 11-13-29 and 11-13-30.

(2) Monies, including all loan repayments and interest, in the impact fund derived from bonus payments may be used for any of the purposes set forth in Subsection (1)(a) but may only be given in the form of loans to be paid back into the impact fund by the agency ~~[or]~~, subdivision, or interlocal agency.

(3) The average annual return to the impact fund on all bonus monies may not be less than one-half of the average interest rate paid by the state on general obligation bonds issued during the most recent fiscal year in which bonds were sold.

(4) (a) "Provision of public services" under Subsection (1)(a) includes contracts with public postsecondary institutions to fund research, education, or public service programs that:

- (i) benefit impacted counties or political subdivisions of the counties; and
  - (ii) are consistent with the purposes provided in Subsection 59-21-1(1)(a)(ii).
- (b) Each contract under Subsection (4)(a) shall be:
- (i) based on an application to the impact board from the impacted county; and
  - (ii) approved by the county legislative body.
- (c) For purposes of this section, a land use plan is a public service program.

Section 3. Section **9-4-307** is amended to read:

**9-4-307. Impact fund administered by impact board -- Eligibility for assistance -- Review by board -- Administration costs -- Annual report -- Compliance with tax commission directives.**

(1) (a) The impact board shall:

(i) administer the impact fund in a manner ~~[which]~~ that will keep a portion of the impact fund revolving ~~[and shall]~~;

(ii) determine provisions for repayment of loans~~[-]~~; and

(iii) establish criteria for determining eligibility for assistance under this part that are consistent with the purposes of Section 35 of the Leasing Act.

(b) In order to receive assistance under this part, subdivisions and interlocal agencies shall submit formal applications ~~[with such]~~ containing the information ~~[as]~~ that the impact board ~~[prescribes. The impact board shall establish criteria for determining eligibility for assistance under this part which are consistent with the purposes of Section 35 of the Leasing Act]~~ requires.

(2) In determining eligibility for loans and grants under this part, the impact board shall consider the following:

(a) the subdivision's or interlocal agency's current federal mineral lease production;

- (b) the feasibility of the actual development of a resource [~~which~~] that may impact the subdivision or interlocal agency directly or indirectly;
- (c) current taxes being paid by the subdivision's or interlocal agency's residents;
- (d) the borrowing capacity of the subdivision or interlocal agency, its ability and willingness to sell bonds or other securities in the open market, and its current and authorized indebtedness[; ~~except that the impact board may not fund any education project which could otherwise have reasonably been funded by a school district through a program of annual budgeting, capital budgeting, bonded indebtedness, or special assessments~~];
- (e) all possible additional sources of state and local revenue, including utility user charges;
- (f) the availability of federal assistance funds;
- (g) probable growth of population due to actual or prospective natural resource development in an area;
- (h) existing public facilities and services;
- (i) the extent of the expected direct or indirect impact upon public facilities and services of the actual or prospective natural resource development in an area; and
- (j) the extent of industry participation in an impact alleviation plan, either as specified in Title 63, Chapter 51, Resource Development, or otherwise.

(3) The impact board may not fund any education project that could otherwise have reasonably been funded by a school district through a program of annual budgeting, capital budgeting, bonded indebtedness, or special assessments.

~~[(2)]~~ (4) The impact board may restructure all or part of the agency's or subdivision's liability to repay loans for extenuating circumstances.

~~[(3)]~~ (5) The impact board shall:

- (a) review the proposed [~~usages~~] uses of the impact fund for loans or grants [~~prior to approval~~] before approving them and may condition its approval on [~~such~~] whatever assurances [~~as~~] that the impact board [~~deems~~] considers necessary to ensure that the proceeds of the loan or grant will be used in accordance with the provisions of the Leasing Act[~~. Any loan shall specify~~]; and
- (b) ensure that each loan specifies the terms for repayment and [~~shall be~~] is evidenced by

general obligation, special assessment, or revenue bonds, notes, or other obligations of the appropriate subdivision or interlocal agency issued to the impact board [~~pursuant to such~~] under whatever authority for the issuance [thereof as may exist] of those bonds, notes, or obligations exists at the time of the loan.

[~~(4)~~] (6) The impact board shall allocate from the impact fund to the department those funds that are appropriated by the Legislature for the administration of the impact fund, but this amount may not exceed 2% of the annual receipts to the impact fund.

[~~(5)~~] (7) The department shall make an annual report to the Legislature concerning the number and type of loans and grants made as well as a list of subdivisions [~~which~~] and interlocal agencies that received this assistance.

[~~(6)~~] (8) Notwithstanding anything to the contrary in this part, [~~no~~] the impact board may not make a loan or grant [may be made] to any subdivision or interlocal agency that is not in compliance [by January 1, 1983;] with the State Tax Commission's directives [of the State Tax Commission with respect to] governing factoring.