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COMMUNITY IMPACT AMENDMENTS

2006 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Gordon E. Snow

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions of Title 9, Community and Culture, related to the Permanent Community Impact Fund and the Permanent Community Impact Fund Board.

Highlighted Provisions:

This bill:

- ▶ provides that the Permanent Community Impact Fund Board shall elect one of its members to serve as its chair for a two-year term;
- ▶ modifies the definition of subdivision for purposes related to the receipt of loans or grants made from the Permanent Community Impact Fund; and
- ▶ provides that 75% of new monies received into the Permanent Community Impact Fund shall be used for grants.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

9-4-302, as last amended by Chapters 10 and 299, Laws of Utah 2000

9-4-303, as last amended by Chapter 175, Laws of Utah 2001



28 9-4-304, as last amended by Chapters 130 and 148, Laws of Utah 2005

29 9-4-305, as last amended by Chapter 286, Laws of Utah 2002



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

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

33 **9-4-302. Definitions.**

34 As used in this part:

35 (1) "Acquired lands" is as defined in Section 53C-3-201.

36 (2) "Acquired mineral interests" is as defined in Section 53C-3-201.

37 (3) "Bonus payments" means:

38 (a) that portion of the bonus payments received by the United States government under
39 the Leasing Act paid to the state under Section 35 of the Leasing Act, 30 U.S.C. Sec. 191,
40 together with any interest that had accrued on those payments; or

41 (b) bonus payments collected by the School and Institutional Trust Lands

42 Administration created by Section 53C-1-201 from the lease of:

43 (i) minerals on acquired lands; or

44 (ii) acquired mineral interests.

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

47 (5) "Impact fund" means the Permanent Community Impact Fund established by this
48 chapter.

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

52 (7) "Leasing Act" means the Mineral Lands Leasing Act of 1920, 30 U.S.C. Sec. 181 et
53 seq.

54 (8) "Subdivision" means:

55 (a) a county[;] in which revenues are generated that are deposited in the impact fund; or

56 (b) a city, town, county service area, special service district, special improvement
57 district, water conservancy district, water improvement district, sewer improvement district,
58 housing authority, building authority, school district, or public postsecondary institution

59 organized under the laws of this state located within a county from which revenues are
60 generated that are deposited in the impact fund.

61 Section 2. Section **9-4-303** is amended to read:

62 **9-4-303. Impact fund -- Deposits and contents -- Use of fund monies.**

63 (1) There is created an enterprise fund entitled the "Permanent Community Impact
64 Fund."

65 (2) The fund consists of:

66 (a) all amounts appropriated to the impact fund under Section 59-21-2;

67 (b) bonus payments deposited to the impact fund pursuant to Subsection 59-21-1(2);

68 (c) bonus payments deposited to the impact fund pursuant to Section 53C-3-202;

69 (d) all amounts received for the repayment of loans made by the impact board under
70 this chapter; and

71 (e) all other monies appropriated or otherwise made available to the impact fund by the
72 Legislature.

73 (3) The state treasurer shall:

74 (a) invest the monies in the impact fund by following the procedures and requirements
75 of Title 51, Chapter 7, State Money Management Act; and

76 (b) deposit all interest or other earnings derived from those investments into the impact
77 fund.

78 (4) The amounts in the impact fund available for loans, grants, administrative costs, or
79 other purposes of this part shall be limited to that which the Legislature appropriates for these
80 purposes.

81 (5) Federal mineral lease revenue received by the state under the Leasing Act that is
82 deposited into the impact fund shall be used:

83 (a) in a manner consistent with:

84 (i) the Leasing Act; and

85 (ii) this part; and

86 (b) for loans, grants, or both to state agencies or subdivisions that are socially or
87 economically impacted by the leasing of minerals under the Leasing Act.

88 (6) Mineral lease revenue collected by the School and Institutional Trust Lands
89 Administration from the lease of minerals on acquired lands or the lease of acquired mineral

90 interests that is deposited into the impact fund shall be used:

91 (a) in a manner consistent with this part; and

92 (b) for loans, grants, or both to state agencies or subdivisions socially or economically
93 impacted by the leasing of:

94 (i) minerals on acquired lands; or

95 (ii) acquired mineral interests.

96 (7) (a) As used in this Subsection (7), "new monies" means all monies received into the
97 fund under Subsections (2)(a), (b), (c), (e) and (3)(b).

98 (b) The impact board:

99 (i) may use at least 75% of new monies in the fund received prior to May 1, 2006, for
100 grants that are authorized under this part; and

101 (ii) shall use 75% of new monies received after April 30, 2006, for grants referred to in
102 Subsection (7)(b)(i).

103 Section 3. Section **9-4-304** is amended to read:

104 **9-4-304. Permanent Community Impact Fund Board created -- Members --**
105 **Terms -- Chair -- Expenses.**

106 (1) There is created within the Department of Community and Culture the Permanent
107 Community Impact Fund Board composed of 11 members as follows:

108 (a) the chair of the Board of Water Resources or the chair's designee;

109 (b) the chair of the Water Quality Board or the chair's designee;

110 (c) the director of the department or the director's designee;

111 (d) the state treasurer;

112 (e) the chair of the Transportation Commission or the chair's designee;

113 (f) a locally elected official who resides in Carbon, Emery, Grand, or San Juan County;

114 (g) a locally elected official who resides in Juab, Millard, Sanpete, Sevier, Piute, or
115 Wayne County;

116 (h) a locally elected official who resides in Duchesne, Daggett, or Uintah County;

117 (i) a locally elected official who resides in Beaver, Iron, Washington, Garfield, or Kane
118 County; and

119 (j) a locally elected official from each of the two counties that produced the most
120 mineral lease monies during the previous four-year period, prior to the term of appointment, as

121 determined by the Department of Community and Culture.

122 (2) (a) The members specified under Subsections (1)(f) through (j) may not reside in
123 the same county and shall be:

124 (i) nominated by the Board of Directors of the Southeastern Association of
125 Governments, Central Utah Association of Governments, Uintah Basin Association of
126 Governments, and Southwestern Association of Governments, respectively, except that a
127 member under Subsection (1)(j) shall be nominated by the Board of Directors of the
128 Association of Governments from the region of the state in which the county is located; and

129 (ii) appointed by the governor with the consent of the Senate.

130 (b) Except as required by Subsection (2)(c), as terms of current board members expire,
131 the governor shall appoint each new member or reappointed member to a four-year term.

132 (c) Notwithstanding the requirements of Subsection (2)(b), the governor shall, at the
133 time of appointment or reappointment, adjust the length of terms to ensure that the terms of
134 board members are staggered so that approximately half of the board is appointed every two
135 years.

136 (d) When a vacancy occurs in the membership for any reason, the replacement shall be
137 appointed for the unexpired term.

138 (3) The terms of office for the members of the impact board specified under
139 Subsections (1)(a) through (1)(e) shall run concurrently with the terms of office for the
140 councils, boards, committees, commission, departments, or offices from which the members
141 come.

142 (4) (a) The [executive director of the department, or the executive director's designee,]
143 impact board shall [be] elect one of its members to serve as the chair of the [impact] board.

144 (b) The chair's term of office is for two years and until a successor is elected.

145 (5) (a) (i) Members who are not government employees shall receive no compensation
146 or benefits for their services, but may receive per diem and expenses incurred in the
147 performance of the member's official duties at the rates established by the Division of Finance
148 under Sections 63A-3-106 and 63A-3-107.

149 (ii) Members may decline to receive per diem and expenses for their service.

150 (b) (i) State government officer and employee members who do not receive salary, per
151 diem, or expenses from their agency for their service may receive per diem and expenses

152 incurred in the performance of their official duties from the board at the rates established by the
153 Division of Finance under Sections 63A-3-106 and 63A-3-107.

154 (ii) State government officer and employee members may decline to receive per diem
155 and expenses for their service.

156 (c) (i) Local government members who do not receive salary, per diem, or expenses
157 from the entity that they represent for their service may receive per diem and expenses incurred
158 in the performance of their official duties at the rates established by the Division of Finance
159 under Sections 63A-3-106 and 63A-3-107.

160 (ii) Local government members may decline to receive per diem and expenses for their
161 service.

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

163 **9-4-305. Duties -- Loans -- Interest.**

164 (1) [~~The~~] Subject to the requirement in Subsection 9-4-303(7), the impact board shall:

165 (a) make grants and loans from the amounts appropriated by the Legislature out of the
166 impact fund to state agencies, subdivisions, and interlocal agencies that are or may be socially
167 or economically impacted, directly or indirectly, by mineral resource development for:

168 (i) planning;

169 (ii) construction and maintenance of public facilities; and

170 (iii) provision of public services;

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

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

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

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

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

179 (g) perform other duties assigned to it under Sections 11-13-306 and 11-13-307.

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

183 subdivision, or interlocal agency.

184 (b) Beginning May 1, 2006, 75% of all new monies, as defined in Subsection
185 9-4-303(7), received into the impact fund shall be used for grants.

186 (3) The average annual return to the impact fund on all bonus monies used for loans
187 may not be less than 1/2 of the average interest rate paid by the state on general obligation
188 bonds issued during the most recent fiscal year in which bonds were sold.

189 (4) (a) "Provision of public services" under Subsection (1)(a) includes contracts with
190 public postsecondary institutions to fund research, education, or public service programs that
191 benefit impacted counties or political subdivisions of the counties.

192 (b) Each contract under Subsection (4)(a) shall be:

193 (i) based on an application to the impact board from the impacted county; and

194 (ii) approved by the county legislative body.

195 (c) For purposes of this section, a land use plan is a public service program.

Legislative Review Note
as of 1-10-06 4:43 PM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel

Fiscal Note
Bill Number HB0097

Community Impact Amendments

16-Jan-06

4:11 PM

State Impact

No fiscal impact on current allocations. However, over time passage of the bill could limit the number of projects authorized as repayments potentially decrease.

Individual and Business Impact

No fiscal impact.

Office of the Legislative Fiscal Analyst