

NAVAJO REVITALIZATION FUND

2007 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Brad King

Senate Sponsor: Mike Dmitrich

LONG TITLE

General Description:

This bill modifies provisions related to the Navajo Revitalization Fund.

Highlighted Provisions:

This bill:

- ▶ eliminates the requirement that the governor annually approve that grants and loans may be made from the fund;
- ▶ modifies the cap on severance tax monies that are deposited into the fund; and
- ▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect on July 1, 2007.

Utah Code Sections Affected:

AMENDS:

9-11-107, as last amended by Chapter 150, Laws of Utah 2001

59-5-119, as last amended by Chapter 150, Laws of Utah 2001

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

Section 1. Section **9-11-107** is amended to read:

9-11-107. Revitalization fund administered by board -- Eligibility for assistance --



28 **Review by board -- Restrictions on loans and grants -- Governor's approval prerequisite**
29 **-- Division to distribute monies.**

30 (1) (a) If an eligible entity wishes to receive a loan or grant from the board, the eligible
31 entity shall apply to the board. The application shall contain the information required by the
32 board.

33 (b) The board shall review each application for a loan or grant before approving the
34 loan or grant.

35 (c) The board may approve loan or grant applications subject to the applicant's
36 compliance with certain conditions established by the board.

37 (2) In determining whether an eligible entity may receive a loan or grant, the board
38 shall give priority to:

39 (a) capital projects and infrastructure, including electrical power, water, and other one
40 time need projects;

41 (b) housing projects that consist of:

42 (i) the purchase of new housing;

43 (ii) the construction of new housing; or

44 (iii) a significant remodeling of existing housing; or

45 (c) matching educational endowments that:

46 (i) promote economic development within the Utah portion of the Navajo Reservation;

47 (ii) promote the preservation of Navajo culture, history, and language; or

48 (iii) support postsecondary educational opportunities for Navajo students enrolled in
49 courses or programs taught within the Utah portion of the Navajo Reservation.

50 (3) A loan or grant issued under this chapter may not fund:

51 (a) start-up or operational costs of private business ventures;

52 (b) general operating budgets of the eligible entities; or

53 (c) a project or program that will operate or be located outside of the Navajo

54 Reservation in San Juan County, Utah, except for educational endowments approved by the
55 board under Subsection (2)(c).

56 (4) (a) The board may not approve a loan unless the loan:

57 (i) specifies the terms for repayment; and

58 (ii) is secured by proceeds from a general obligation, special assessment, or revenue

59 bond, note, or other obligation.

60 (b) Any loan repayment or interest on a loan issued under this chapter shall be
61 deposited into the fund.

62 (5) The board may not approve a loan or grant unless the loan or grant provides for
63 matching monies or in-kind services from:

- 64 (a) the Navajo Nation;
- 65 (b) the Navajo Trust Fund;
- 66 (c) San Juan County;
- 67 (d) the state;
- 68 (e) the federal government;
- 69 (f) a Utah Navajo Chapter, as defined in Section 63-88-101; or
- 70 (g) other private or public organization.

71 ~~[(6)(a) During any fiscal year, the board may not approve a loan or grant unless the~~
72 ~~governor notifies the division in writing that loans and grants may be approved during that~~
73 ~~fiscal year.]~~

74 ~~[(b) The governor shall provide the notice required by Subsection (6)(a) if the governor~~
75 ~~finds that there is progress in resolving issues between:]~~

76 ~~[(i) the state, including its political subdivisions; and]~~

77 ~~[(ii) (A) the Navajo Nation; or]~~

78 ~~[(B) the members of the Navajo Nation living in Utah.]~~

79 ~~[(7)]~~ (6) The division shall distribute loan and grant monies:

- 80 (a) if the loan or grant is approved by the board;
- 81 (b) in accordance with the instructions of the board, except that the board may not
82 instruct that monies be distributed in a manner:

- 83 (i) inconsistent with this chapter; or
- 84 (ii) in violation of rules and procedures of the department; and
- 85 (c) in the case of a loan, in accordance with Section 63A-3-205.

86 Section 2. Section **59-5-119** is amended to read:

87 **59-5-119. Disposition of certain taxes collected on Navajo Nation Land located in**
88 **Utah.**

89 (1) Except as provided in Subsection (2), there shall be deposited into the Navajo

90 Revitalization Fund established in Section 9-11-104 for taxes imposed under this part
91 beginning on July 1, 1997:

92 (a) 33% of the taxes collected on oil, gas, or other hydrocarbon substances produced
93 from a well:

94 (i) for which production began on or before June 30, 1996; and

95 (ii) attributable to interests in Utah held in trust by the United States for the Navajo
96 Nation and its members; and

97 (b) 80% of the taxes collected on oil, gas, or other hydrocarbon substances produced
98 from a well:

99 (i) for which production began on or after July 1, 1996; and

100 (ii) attributable to interests in Utah held in trust by the United States for the Navajo
101 Nation and its members.

102 (2) (a) The maximum amount deposited in the Navajo Revitalization Fund may not
103 exceed [~~\$2,000,000~~] \$4,000,000 in any state fiscal year.

104 (b) Any amounts in excess of the maximum described in Subsection (2)(a) shall be
105 deposited into the General Fund.

106 Section 3. **Effective date.**

107 This bill takes effect on July 1, 2007.

Legislative Review Note
as of 11-15-06 5:08 PM

Office of Legislative Research and General Counsel

Legislative Committee Note
as of 12-18-06 3:25 PM

The Native American Legislative Liaison Committee recommended this bill.

H.B. 19 - Navajo Revitalization Fund

Fiscal Note

2007 General Session

State of Utah

State Impact

Enactment of this bill could reduce the General Fund by up to \$2,000,000 annually.

	<u>FY 2007</u> <u>Approp.</u>	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2009</u> <u>Approp.</u>	<u>FY 2007</u> <u>Revenue</u>	<u>FY 2008</u> <u>Revenue</u>	<u>FY 2009</u> <u>Revenue</u>
General Fund	\$0	\$0	\$0	\$0	(\$2,000,000)	(\$2,000,000)
Total	\$0	\$0	\$0	\$0	(\$2,000,000)	(\$2,000,000)

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.

1/10/2007, 2:56:46 PM, Lead Analyst: Wilko, A.

Office of the Legislative Fiscal Analyst