

**UINTAH BASIN REVITALIZATION FUND**

2007 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Gordon E. Snow**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE****General Description:**

This bill modifies provisions related to the Uintah Basin Revitalization Fund.

**Highlighted Provisions:**

This bill:

- ▶ modifies definitions;
- ▶ modifies how monies are allocated from the fund to each county and the Ute Indian Tribe of the Uintah and Ouray Reservation, including clarifying the relationship between statute and an interlocal agreement amongst the parties;
- ▶ addresses how monies from the fund may be used by the Tribe;
- ▶ removes date restrictions on deposits into the fund;
- ▶ increases on an ongoing basis the cap on deposits 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:**

**9-10-101**, as last amended by Chapter 18, Laws of Utah 2004

**9-10-104**, as enacted by Chapter 341, Laws of Utah 1995



9-10-106, as enacted by Chapter 341, Laws of Utah 1995

59-5-116, as last amended by Chapter 13, Laws of Utah 2004

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

Section 1. Section 9-10-101 is amended to read:

**9-10-101. Definitions.**

As used in this chapter:

(1) "Board" means the Uintah Basin Revitalization Fund Board.

(2) "Capital projects" means expenditures for land, improvements on the land, and equipment intended to have long-term beneficial use.

(3) "County" means:

(a) Duchesne County; or

(b) Uintah County.

~~[(3)]~~ (4) "Division" means the Division of Housing and Community Development.

~~[(4)]~~ (5) "Revitalization Fund" means the Uintah Basin Revitalization Fund.

~~[(5)]~~ (6) "Tribe" means the Ute Indian Tribe of the Uintah and Ouray Reservation.

Section 2. Section 9-10-104 is amended to read:

**9-10-104. Duties -- Loans -- Interest.**

(1) The board shall:

(a) subject to the other provisions of this chapter and an agreement entered into under ~~[the]~~ Title 11, Chapter 13, Interlocal Cooperation Act, among the state, ~~[Duchesne and Uintah Counties]~~ the counties, and the Tribe, make recommendations to the division for grants and loans from the revitalization fund to county agencies and the Tribe that are or may be socially or economically impacted, directly or indirectly, by mineral resource development;

(b) establish procedures for application for and award of grants and loans including:

(i) eligibility criteria;

(ii) subject to Subsection 9-10-106(2)(b), a preference that capital projects, including subsidized and low-income housing, and other one-time need projects and programs have priority over other projects;

(iii) a preference ~~[to]~~ for projects and programs that are associated with the geographic area where the oil and gas were produced; and

(iv) coordination of projects and programs with other projects and programs funded by federal, state, and local governmental entities;

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

(d) allocate the amount to be distributed from the revitalization fund for grants or loans to each county and the Tribe during a fiscal year as follows:

(i) up to and including the first \$3,000,000 that is approved for distribution by the board during a fiscal year, the board may allocate the amount in accordance with the interlocal agreement described by Subsection (1)(a), except that the board may not allocate less than 75% of the amount under the interlocal agreement to the Tribe unless the interlocal agreement is further modified by statute; and

(ii) beginning with fiscal year 2007-08, any amount approved for distribution by the board during that fiscal year in excess of \$3,000,000 shall be allocated equally amongst each county and the Tribe so that each receives 1/3 of the amount approved for distribution by the board in excess of \$3,000,000;

~~[(d)]~~ (e) qualify for, accept, and administer grants, gifts, loans, or other funds from the federal government and from other sources, public or private; and

~~[(e)]~~ (f) perform other duties assigned to it under the ~~[Interlocal Cooperation Act]~~ interlocal agreement described in Subsection (1)(a) that are not prohibited by law or otherwise modified by this chapter.

(2) The board shall ensure that loan repayments and interest are deposited into the revitalization fund.

(3) The interlocal agreement described in Subsection (1)(a) shall be consistent with the following statutes, including any subsequent amendments to those statutes:

(a) this chapter;

(b) Title 11, Chapter 13, Interlocal Cooperation Act;

(c) Section 59-5-116; and

(d) any other applicable provision of this Utah Code.

Section 3. Section **9-10-106** is amended to read:

**9-10-106. Eligibility for assistance -- Applications -- Review by board -- Terms -- Security.**

(1) Counties or the Tribe that wish to receive loans or grants from the board shall

submit formal applications to the board containing the information required by the board.

(2) The board may not fund:

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

(b) general operating budgets of the counties or the Tribe~~[-]~~, except that the Tribe may use a grant or loan to fund costs associated with the management and administration of energy or mineral development on:

(i) lands held in trust by the United States for the Tribe and its members; or

(ii) lands owned by the Tribe.

(3) (a) The board shall review each application for a loan or grant before approving it.

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

(c) The board shall:

(i) ensure that each loan specifies the terms for repayment; and

(ii) secure the loans by proceeds from any general obligation, special assessment, or revenue bonds, notes, or other obligations of the appropriate subdivision.

Section 4. Section **59-5-116** is amended to read:

**59-5-116. Disposition of certain taxes collected on Ute Indian land.**

(1) Except as provided in Subsection (2), there shall be deposited into the Uintah Basin Revitalization Fund established in Section 9-10-102:

(a) for taxes imposed under this part ~~[beginning on July 1, 1996]~~, 33% of the taxes collected on oil, gas, or other hydrocarbon substances produced from a well:

(i) for which production began on or before June 30, 1995; and

(ii) attributable to interests:

(A) held in trust by the United States for the Tribe and its members; or

(B) ~~[for taxes imposed under this part beginning on July 1, 1996, and ending on December 31, 2009,]~~ on lands identified in Pub. L. No. 440, 62 Stat. 72 (1948);

(b) for taxes imposed under this part ~~[beginning on July 1, 1996]~~, 80% of taxes collected on oil, gas, or other hydrocarbon substances produced from a well:

(i) for which production began on or after July 1, 1995; and

(ii) attributable to interests:

(A) held in trust by the United States for the Tribe and its members; or

121 (B) [~~for taxes imposed under this part beginning on July 1, 1996, and ending on~~  
122 ~~December 31, 2009,~~] on lands identified in Pub. L. No. 440, 62 Stat. 72 (1948); and  
123 (c) for taxes imposed under this part [~~beginning on January 1, 2001, and ending on~~  
124 ~~December 31, 2009,~~] 80% of taxes collected on oil, gas, or other hydrocarbon substances  
125 produced from a well:  
126 (i) for which production began on or after January 1, 2001; and  
127 (ii) attributable to interests on lands conveyed to the tribe under the Ute-Moab Land  
128 Restoration Act, Pub. L. No. 106-398, Sec. 3303.  
129 (2) (a) The maximum amount deposited in the Uintah Basin Revitalization Fund may  
130 not exceed:  
131 (i) \$3,000,000 in [~~any state~~] fiscal year[-] 2005-06;  
132 (ii) \$6,000,000 in fiscal year 2006-07; and  
133 (iii) for fiscal years beginning with fiscal year 2007-08, an amount calculated by  
134 adding to the amount described in Subsection (2)(a)(ii), \$1,000,000 for each fiscal year after  
135 the fiscal year 2006-07.  
136 (b) Any amounts in excess of the maximum described in Subsection (2)(a) shall be  
137 deposited into the General Fund.  
138 Section 5. **Effective date.**  
139 This bill takes effect on July 1, 2007.

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Legislative Review Note  
as of 1-19-07 11:34 AM

Office of Legislative Research and General Counsel

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## H.B. 138 - Uintah Basin Revitalization Fund

### Fiscal Note

2007 General Session

State of Utah

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#### State Impact

Enactment of this bill could reduce the General Fund by up to \$3,000,000 in FY 2007, and which could increase by \$1,000,000 each year thereafter. There are corresponding increases in the Uintah Basin Revitalization Fund.

	<b>FY 2007</b> <b><u>Approp.</u></b>	<b>FY 2008</b> <b><u>Approp.</u></b>	<b>FY 2009</b> <b><u>Approp.</u></b>	<b>FY 2007</b> <b><u>Revenue</u></b>	<b>FY 2008</b> <b><u>Revenue</u></b>	<b>FY 2009</b> <b><u>Revenue</u></b>
General Fund	\$0	\$0	\$0	(\$3,000,000)	(\$4,000,000)	(\$5,000,000)
Restricted Funds	\$0	\$0	\$0	\$3,000,000	\$4,000,000	\$5,000,000
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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#### Individual, Business and/or Local Impact

Enactment of this bill likely will benefit entities eligible to receive funding from the Uintah Basin Revitalization Fund.

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