

SURFACE LEASES PROCEDURE AMENDMENTS

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Mike K. McKell

Senate Sponsor: David P. Hinkins

LONG TITLE

General Description:

This bill amends provisions related to the leasing of state lands.

Highlighted Provisions:

This bill:

► amends provisions relating to the issuance of a lease for the construction of a highway facility over sovereign lakebed lands.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

65A-7-5, as last amended by Laws of Utah 2011, Chapter 256

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

Section 1. Section **65A-7-5** is amended to read:

65A-7-5. Surface leases -- Procedures for issuing leases -- Leases for the construction of a highway facility.

(1) The division may issue surface leases of state lands for any period up to 99 years.

(2) This section does not apply to leases for oil and gas, grazing, or mining purposes.

(3) The division shall disclose any known geologic hazard affecting leased property.

(4) (a) (i) Surface leases may be entered into by negotiation, public auction, or other

30 public competitive bidding process as determined by rules of the division.

31 (ii) Requests for proposals (RFP) on state lands may be offered by the division after
32 public notice.

33 (b) (i) A notice of an invitation for bids or a public auction shall, prior to the auction or
34 acceptance of a bid, be published at least once a week for three consecutive weeks in one or
35 more newspapers of general circulation in the county in which the lease is offered.

36 (ii) The notice shall be sent, by certified mail, at least 30 days prior to the auction or
37 acceptance of a bid, to each person who owns property adjoining the state lands offered for
38 lease.

39 (c) (i) Surface leases entered into through negotiation shall be published in the manner
40 set forth in Subsection (4)(b) 30 days prior to final approval.

41 (ii) The notice shall include, at a minimum, a general description of the lands proposed
42 for lease and the type of lease.

43 (5) (a) The division may not issue a lease to a private entity for the construction of a
44 highway facility over sovereign lakebed lands unless the applicant for the lease submits an
45 approval for the construction of a highway facility over sovereign lakebed lands from the
46 Transportation Commission in accordance with Section 72-6-303 with the application for the
47 lease.

48 (b) The division shall consider the information and analysis provided by the
49 Transportation Commission under Section 72-6-303 when making its determination as to
50 whether to issue a lease for the construction of a highway facility over sovereign lakebed lands.

51 (c) A lease for the construction of a highway facility over sovereign lakebed lands:

52 (i) may include an option to renew the lease upon expiration; and

53 (ii) shall include a provision that requires that at the termination of the lease:

54 (A) the ownership of the highway facility shall revert to the state;

55 (B) the highway facility shall be in a state of proper maintenance as outlined in the
56 agreement under Subsection 72-6-303(4)(e) and determined by the Department of
57 Transportation; and

58 (C) the highway facility shall be returned to the Department of Transportation in
59 satisfactory condition at no further cost to the Department of Transportation, in a condition of
60 good repair.

61 (d) The requirements under this Subsection (5) apply to all pending and future
62 applications for a lease for the construction of a highway facility over sovereign lakebed lands.