

REGIONAL SERVICE CENTER FUNDING AMENDMENTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ralph Okerlund

House Sponsor: _____

LONG TITLE

General Description:

This bill addresses funding for a regional service center.

Highlighted Provisions:

This bill:

▶ directs the State Board of Education to prioritize funds allocated to the board from the Mineral Lease Account for the provision of a regional service center.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-21-2, as last amended by Laws of Utah 2016, Chapters 183 and 184

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

Section 1. Section **59-21-2** is amended to read:

59-21-2. Mineral Bonus Account created -- Contents -- Use of Mineral Bonus Account money -- Mineral Lease Account created -- Contents -- Appropriation of money from Mineral Lease Account.

(1) (a) There is created a restricted account within the General Fund known as the



28 "Mineral Bonus Account."

29 (b) The Mineral Bonus Account consists of federal mineral lease bonus payments
30 deposited pursuant to Subsection 59-21-1(3).

31 (c) The Legislature shall make appropriations from the Mineral Bonus Account in
32 accordance with Section 35 of the Mineral Lands Leasing Act of 1920, 30 U.S.C. Sec. 191.

33 (d) The state treasurer shall:

34 (i) invest the money in the Mineral Bonus Account by following the procedures and
35 requirements of Title 51, Chapter 7, State Money Management Act; and

36 (ii) deposit all interest or other earnings derived from the account into the Mineral
37 Bonus Account.

38 (e) The Division of Finance shall, beginning on July 1, 2017, annually deposit 30% of
39 mineral lease bonus payments deposited under Subsection (1)(b) from the previous fiscal year
40 into the Wildland Fire Suppression Fund created in Section 65A-8-204, up to \$2,000,000 but
41 not to exceed 20% of the amount expended in the previous fiscal year from the Wildland Fire
42 Suppression Fund.

43 (2) (a) There is created a restricted account within the General Fund known as the
44 "Mineral Lease Account."

45 (b) The Mineral Lease Account consists of federal mineral lease money deposited
46 pursuant to Subsection 59-21-1(1).

47 (c) The Legislature shall make appropriations from the Mineral Lease Account as
48 provided in Subsection 59-21-1(1) and this Subsection (2).

49 (d) (i) Except as provided in Subsections (2)(d)(ii) and (iii), the Legislature shall
50 annually appropriate 32.5% of all deposits made to the Mineral Lease Account to the
51 Permanent Community Impact Fund established by Section 35A-8-303.

52 (ii) For fiscal year 2016-17 only and from the amount required to be deposited under
53 Subsection (2)(d)(i), the Legislature shall appropriate \$26,000,000 of the deposits made to the
54 Mineral Lease Account to the Impacted Communities Transportation Development Restricted
55 Account established by Section 72-2-128.

56 (iii) For fiscal year 2017-18 only and from the amount required to be deposited under
57 Subsection (2)(d)(i), the Legislature shall appropriate \$27,000,000 of the deposits made to the
58 Mineral Lease Account to the Impacted Communities Transportation Development Restricted

59 Account established by Section [72-2-128](#).

60 (e) (i) The Legislature shall annually appropriate 2.25% of all deposits made to the
61 Mineral Lease Account to the State Board of Education[, ~~to be used for education research and
62 experimentation in the use of staff and facilities designed to improve the quality of education in
63 Utah~~].

64 (ii) The State Board of Education shall prioritize funds appropriated under Subsection
65 (2)(e)(i) for the provision of a regional service center described in Section [53A-3-429](#).

66 (f) The Legislature shall annually appropriate 2.25% of all deposits made to the
67 Mineral Lease Account to the Utah Geological Survey, to be used for activities carried on by
68 the survey having as a purpose the development and exploitation of natural resources in the
69 state.

70 (g) The Legislature shall annually appropriate 2.25% of all deposits made to the
71 Mineral Lease Account to the Water Research Laboratory at Utah State University, to be used
72 for activities carried on by the laboratory having as a purpose the development and exploitation
73 of water resources in the state.

74 (h) (i) The Legislature shall annually appropriate to the Department of Transportation
75 40% of all deposits made to the Mineral Lease Account to be distributed as provided in
76 Subsection (2)(h)(ii) to:

77 (A) counties;

78 (B) special service districts established:

79 (I) by counties;

80 (II) under Title 17D, Chapter 1, Special Service District Act; and

81 (III) for the purpose of constructing, repairing, or maintaining roads; or

82 (C) special service districts established:

83 (I) by counties;

84 (II) under Title 17D, Chapter 1, Special Service District Act; and

85 (III) for other purposes authorized by statute.

86 (ii) The Department of Transportation shall allocate the funds specified in Subsection
87 (2)(h)(i):

88 (A) in amounts proportionate to the amount of mineral lease money generated by each
89 county; and

90 (B) to a county or special service district established by a county under Title 17D,
91 Chapter 1, Special Service District Act, as determined by the county legislative body.

92 (i) (i) The Legislature shall annually appropriate 5% of all deposits made to the
93 Mineral Lease Account to the Department of Workforce Services to be distributed to:

94 (A) special service districts established:

95 (I) by counties;

96 (II) under Title 17D, Chapter 1, Special Service District Act; and

97 (III) for the purpose of constructing, repairing, or maintaining roads; or

98 (B) special service districts established:

99 (I) by counties;

100 (II) under Title 17D, Chapter 1, Special Service District Act; and

101 (III) for other purposes authorized by statute.

102 (ii) The Department of Workforce Services may distribute the amounts described in
103 Subsection (2)(i)(i) only to special service districts established under Title 17D, Chapter 1,
104 Special Service District Act, by counties:

105 (A) of the third, fourth, fifth, or sixth class;

106 (B) in which 4.5% or less of the mineral lease money within the state is generated; and

107 (C) that are significantly socially or economically impacted as provided in Subsection
108 (2)(i)(iii) by the development of minerals under the Mineral Lands Leasing Act, 30 U.S.C. Sec.
109 181 et seq.

110 (iii) The significant social or economic impact required under Subsection (2)(i)(ii)(C)
111 shall be as a result of:

112 (A) the transportation within the county of hydrocarbons, including solid hydrocarbons
113 as defined in Section [59-5-101](#);

114 (B) the employment of persons residing within the county in hydrocarbon extraction,
115 including the extraction of solid hydrocarbons as defined in Section [59-5-101](#); or

116 (C) a combination of Subsections (2)(i)(iii)(A) and (B).

117 (iv) For purposes of distributing the appropriations under this Subsection (2)(i) to
118 special service districts established by counties under Title 17D, Chapter 1, Special Service
119 District Act, the Department of Workforce Services shall:

120 (A) (I) allocate 50% of the appropriations equally among the counties meeting the

121 requirements of Subsections (2)(i)(ii) and (iii); and

122 (II) allocate 50% of the appropriations based on the ratio that the population of each
123 county meeting the requirements of Subsections (2)(i)(ii) and (iii) bears to the total population
124 of all of the counties meeting the requirements of Subsections (2)(i)(ii) and (iii); and

125 (B) after making the allocations described in Subsection (2)(i)(iv)(A), distribute the
126 allocated revenues to special service districts established by the counties under Title 17D,
127 Chapter 1, Special Service District Act, as determined by the executive director of the
128 Department of Workforce Services after consulting with the county legislative bodies of the
129 counties meeting the requirements of Subsections (2)(i)(ii) and (iii).

130 (v) The executive director of the Department of Workforce Services:

131 (A) shall determine whether a county meets the requirements of Subsections (2)(i)(ii)
132 and (iii);

133 (B) shall distribute the appropriations under Subsection (2)(i)(i) to special service
134 districts established by counties under Title 17D, Chapter 1, Special Service District Act, that
135 meet the requirements of Subsections (2)(i)(ii) and (iii); and

136 (C) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
137 may make rules:

138 (I) providing a procedure for making the distributions under this Subsection (2)(i) to
139 special service districts; and

140 (II) defining the term "population" for purposes of Subsection (2)(i)(iv).

141 (j) (i) The Legislature shall annually make the following appropriations from the
142 Mineral Lease Account:

143 (A) an amount equal to 52 cents multiplied by the number of acres of school or
144 institutional trust lands, lands owned by the Division of Parks and Recreation, and lands owned
145 by the Division of Wildlife Resources that are not under an in lieu of taxes contract, to each
146 county in which those lands are located;

147 (B) to each county in which school or institutional trust lands are transferred to the
148 federal government after December 31, 1992, an amount equal to the number of transferred
149 acres in the county multiplied by a payment per acre equal to the difference between 52 cents
150 per acre and the per acre payment made to that county in the most recent payment under the
151 federal payment in lieu of taxes program, 31 U.S.C. Sec. 6901 et seq., unless the federal

152 payment was equal to or exceeded the 52 cents per acre, in which case a payment under this
153 Subsection (2)(j)(i)(B) may not be made for the transferred lands;

154 (C) to each county in which federal lands, which are entitlement lands under the federal
155 in lieu of taxes program, are transferred to the school or institutional trust, an amount equal to
156 the number of transferred acres in the county multiplied by a payment per acre equal to the
157 difference between the most recent per acre payment made under the federal payment in lieu of
158 taxes program and 52 cents per acre, unless the federal payment was equal to or less than 52
159 cents per acre, in which case a payment under this Subsection (2)(j)(i)(C) may not be made for
160 the transferred land; and

161 (D) to a county of the fifth or sixth class, an amount equal to the product of:

162 (I) \$1,000; and

163 (II) the number of residences described in Subsection (2)(j)(iv) that are located within
164 the county.

165 (ii) A county receiving money under Subsection (2)(j)(i) may, as determined by the
166 county legislative body, distribute the money or a portion of the money to:

167 (A) special service districts established by the county under Title 17D, Chapter 1,
168 Special Service District Act;

169 (B) school districts; or

170 (C) public institutions of higher education.

171 (iii) (A) Beginning in fiscal year 1994-95 and in each year after fiscal year 1994-95, the
172 Division of Finance shall increase or decrease the amounts per acre provided for in Subsections
173 (2)(j)(i)(A) through (C) by the average annual change in the Consumer Price Index for all urban
174 consumers published by the Department of Labor.

175 (B) For fiscal years beginning on or after fiscal year 2001-02, the Division of Finance
176 shall increase or decrease the amount described in Subsection (2)(j)(i)(D)(I) by the average
177 annual change in the Consumer Price Index for all urban consumers published by the
178 Department of Labor.

179 (iv) Residences for purposes of Subsection (2)(j)(i)(D)(II) are residences that are:

180 (A) owned by:

181 (I) the Division of Parks and Recreation; or

182 (II) the Division of Wildlife Resources;

- 183 (B) located on lands that are owned by:
- 184 (I) the Division of Parks and Recreation; or
- 185 (II) the Division of Wildlife Resources; and
- 186 (C) are not subject to taxation under:
- 187 (I) Chapter 2, Property Tax Act; or
- 188 (II) Chapter 4, Privilege Tax.

189 (k) The Legislature shall annually appropriate to the Permanent Community Impact
190 Fund all deposits remaining in the Mineral Lease Account after making the appropriations
191 provided for in Subsections (2)(d) through (j).

192 (3) (a) Each agency, board, institution of higher education, and political subdivision
193 receiving money under this chapter shall provide the Legislature, through the Office of the
194 Legislative Fiscal Analyst, with a complete accounting of the use of that money on an annual
195 basis.

196 (b) The accounting required under Subsection (3)(a) shall:

197 (i) include actual expenditures for the prior fiscal year, budgeted expenditures for the
198 current fiscal year, and planned expenditures for the following fiscal year; and

199 (ii) be reviewed by the Business, Economic Development, and Labor Appropriations
200 Subcommittee as part of its normal budgetary process under Title 63J, Chapter 1, Budgetary
201 Procedures Act.