

1 **COMMUNITY IMPACT FUND BOARD AMENDMENTS**

2 2019 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Ronald Winterton**

5 House Sponsor: \_\_\_\_\_

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**LONG TITLE**

7 **General Description:**

8 This bill modifies provisions related to the Permanent Community Impact Fund Board.

9 **Highlighted Provisions:**

10 This bill:

- 11 ▶ modifies the membership of the Permanent Community Impact Fund Board;
- 12 ▶ modifies the selection of the chair of the Permanent Community Impact Fund

13 Board;

- 14 ▶ directs a portion of the receipts of the Permanent Community Impact Fund to be

15 directed to the Seven County Infrastructure Coalition; and

- 16 ▶ makes technical changes.

17 **Money Appropriated in this Bill:**

18 None

19 **Other Special Clauses:**

20 None

21 **Utah Code Sections Affected:**

22 AMENDS:

23 **35A-8-304**, as renumbered and amended by Laws of Utah 2012, Chapter 212

24 **35A-8-307**, as last amended by Laws of Utah 2014, Chapter 371

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



28 Section 1. Section 35A-8-304 is amended to read:

29 **35A-8-304. Permanent Community Impact Fund Board created -- Members --**  
30 **Terms -- Chair -- Expenses.**

31 (1) There is created within the department the Permanent Community Impact Fund  
32 Board composed of 11 members as follows:

33 [~~(a) the chair of the Board of Water Resources or the chair's designee;~~]

34 [~~(b) the chair of the Water Quality Board or the chair's designee;~~]

35 [~~(c) the director of the department or the director's designee;~~]

36 [~~(d) the state treasurer;~~]

37 [~~(e)~~] (a) the chair of the Transportation Commission or the chair's designee;

38 (b) the director of the School and Institutional Trust Lands Administration or the  
39 director's designee;

40 (c) a member of the Senate, appointed by the president of the Senate;

41 (d) a member of the House of Representatives, appointed by the speaker of the House  
42 of Representatives;

43 [~~(f)~~] (e) a locally elected official who resides in Carbon, Emery, Grand, or San Juan  
44 County;

45 [~~(g)~~] (f) a locally elected official who resides in Juab, Millard, Sanpete, Sevier, Piute,  
46 or Wayne County;

47 [~~(h)~~] (g) a locally elected official who resides in Duchesne, Daggett, or Uintah County;

48 [~~(i)~~] (h) a locally elected official who resides in Beaver, Iron, Washington, Garfield, or  
49 Kane County; [and]

50 [~~(j)~~] (i) a locally elected official from [each of the two counties] the county that  
51 produced the most mineral lease money related to oil extraction during the previous four-year  
52 period[;] prior to the term of appointment[; as determined by the department.];

53 (j) a locally elected official from the county that produced the most mineral lease  
54 money related to natural gas extraction during the previous four-year period prior to the term of  
55 appointment; and

56 (k) a locally elected official from the county that produced the most mineral lease  
57 money related to coal extraction during the previous four-year period prior to the term of  
58 appointment.

59 (2) (a) The members specified under Subsections (1)~~[(f) through (j)]~~(e) through (k)  
 60 may not reside in the same county and shall be:

61 (i) nominated by the Board of Directors of the Southeastern Association of  
 62 Governments, Central Utah Association of Governments, Uintah Basin Association of  
 63 Governments, and Southwestern Association of Governments, respectively, except that a  
 64 member under ~~[Subsection (1)(j)]~~ Subsections (1)(i) through (k) shall each be nominated by the  
 65 Board of Directors of the Association of Governments from the region of the state in which the  
 66 county is located; and

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

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

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

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

76 (3) The ~~[terms]~~ term of office for ~~[the members]~~ each member of the impact board  
 77 specified under Subsections (1)(a) ~~[through (1)(e)]~~ and (b) shall run concurrently with the  
 78 ~~[terms]~~ term of office for the ~~[councils, boards, committees, commission, departments, or~~  
 79 ~~offices]~~ entity from which the ~~[members come]~~ member comes.

80 ~~[(4) The executive director of the department, or the executive director's designee, is~~  
 81 ~~the chair of the impact board.]~~

82 (4) The members of the impact board shall elect a chair of the impact board for a  
 83 two-year term.

84 (5) The department shall provide staff support to the impact board.

85 ~~[(5)]~~ (6) A member who is not a legislator may not receive compensation or benefits  
 86 for the member's service, but may receive per diem and travel expenses in accordance with:

87 (a) Section [63A-3-106](#);

88 (b) Section [63A-3-107](#); and

89 (c) rules made by the Division of Finance pursuant to Sections [63A-3-106](#) and

90 63A-3-107.

91 Section 2. Section 35A-8-307 is amended to read:

92 **35A-8-307. Impact fund administered by impact board -- Eligibility for**  
93 **assistance -- Review by board -- Administration costs -- Annual report.**

94 (1) (a) The impact board shall:

95 (i) administer the impact fund in a manner that will keep a portion of the impact fund  
96 revolving;

97 (ii) determine provisions for repayment of loans;

98 (iii) establish criteria for determining eligibility for assistance under this part; and

99 (iv) consider recommendations from the School and Institutional Trust Lands

100 Administration when awarding a grant described in Subsection 35A-8-303(6).

101 (b) (i) The criteria for awarding loans or grants made from funds described in  
102 Subsection 35A-8-303(5) shall be consistent with the requirements of Subsection  
103 35A-8-303(5).

104 (ii) The criteria for awarding grants made from funds described in Subsection  
105 35A-8-303(2)(c) shall be consistent with the requirements of Subsection 35A-8-303(6).

106 (c) In order to receive assistance under this part, subdivisions and interlocal agencies  
107 shall submit formal applications containing the information that the impact board requires.

108 (2) In determining eligibility for loans and grants under this part, the impact board shall  
109 consider the following:

110 (a) the subdivision's or interlocal agency's current mineral lease production;

111 (b) the feasibility of the actual development of a resource that may impact the  
112 subdivision or interlocal agency directly or indirectly;

113 (c) current taxes being paid by the subdivision's or interlocal agency's residents;

114 (d) the borrowing capacity of the subdivision or interlocal agency, including:

115 (i) its ability and willingness to sell bonds or other securities in the open market; and

116 (ii) its current and authorized indebtedness;

117 (e) all possible additional sources of state and local revenue, including utility user  
118 charges;

119 (f) the availability of federal assistance funds;

120 (g) probable growth of population due to actual or prospective natural resource

121 development in an area;

122 (h) existing public facilities and services;

123 (i) the extent of the expected direct or indirect impact upon public facilities and  
124 services of the actual or prospective natural resource development in an area; and

125 (j) the extent of industry participation in an impact alleviation plan, either as specified  
126 in Title 63M, Chapter 5, Resource Development Act, or otherwise.

127 (3) The impact board may not fund an education project that could otherwise have  
128 reasonably been funded by a school district through a program of annual budgeting, capital  
129 budgeting, bonded indebtedness, or special assessments.

130 (4) The impact board may restructure all or part of the agency's or subdivision's  
131 liability to repay loans for extenuating circumstances.

132 (5) The impact board shall:

133 (a) review the proposed uses of the impact fund for loans or grants before approving  
134 them and may condition its approval on whatever assurances the impact board considers  
135 necessary to ensure that proceeds of the loan or grant will be used in accordance with the  
136 Leasing Act and this part; and

137 (b) ensure that each loan specifies the terms for repayment and is evidenced by general  
138 obligation, special assessment, or revenue bonds, notes, or other obligations of the appropriate  
139 subdivision or interlocal agency issued to the impact board under whatever authority for the  
140 issuance of those bonds, notes, or obligations exists at the time of the loan.

141 ~~[(6) The impact board shall allocate from the impact fund to the department those  
142 funds that are appropriated by the Legislature for the administration of the impact fund, but this  
143 amount may not exceed 2% of the annual receipts to the impact fund.]~~

144 (6) Subject to appropriation by the Legislature, the impact board shall allocate from the  
145 impact fund:

146 (a) to the department an amount that may not exceed 2% of the annual receipts to the  
147 impact fund for the administration of the impact fund; and

148 (b) to the Seven County Infrastructure Coalition an amount equal to 2.5% of the annual  
149 receipts to the impact fund to be used for the alleviation of social, economic, and public finance  
150 impacts from the development of natural resources in the state and in accordance with this part.

151 (7) The department shall include in the annual written report described in Section

152 [35A-1-109](#), the number and type of loans and grants made as well as a list of subdivisions and  
153 interlocal agencies that received this assistance.