

**Senator Lincoln Fillmore** proposes the following substitute bill:

**PAYMENT IN LIEU OF TAXES FUNDS FOR COUNTIES**

2021 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Lincoln Fillmore**

House Sponsor: Keven J. Stratton

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**LONG TITLE**

**General Description:**

This bill creates the Federal Lands Payment in Lieu of Tax restricted account and establishes rules for distribution of certain federal funds.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ creates the Federal Lands Payment in Lieu of Tax Account;
- ▶ creates a base distribution level of payments in lieu of tax on federal entitlement

lands; and

▶ creates distribution requirements for money received for payments in lieu of tax on federal entitlement lands that exceeds the base distribution level.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

ENACTS:

**51-9-901**, Utah Code Annotated 1953



- 26 [51-9-902](#), Utah Code Annotated 1953
- 27 [51-9-903](#), Utah Code Annotated 1953
- 28 [51-9-904](#), Utah Code Annotated 1953

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

31 Section 1. Section [51-9-901](#) is enacted to read:

32 **Part 9. Federal Lands Payment in Lieu of Tax Act**

33 **51-9-901. Title.**

34 This part is known as the "Federal Lands Payment in Lieu of Tax Act."

35 Section 2. Section [51-9-902](#) is enacted to read:

36 **51-9-902. Definitions.**

37 As used in this part:

38 (1) "Entitlement land" means the same as that term is defined in 31 U.S.C. Sec. 6901.

39 (2) "Federal Lands Payment in Lieu of Tax Account" or "account" means the Federal  
40 Lands Payment in Lieu of Tax Account created in Section [51-9-903](#).

41 (3) "Governmental services" means the same as that term is defined in 31 U.S.C. Sec.  
42 6901.

43 (4) "Taxing entity" means the same as that term is defined in Section [59-2-102](#).

44 Section 3. Section [51-9-903](#) is enacted to read:

45 **51-9-903. Creation of the Federal Lands Payment in Lieu of Tax Account.**

46 (1) (a) As permitted by 31 U.S.C. Sec. 6907, there is created a restricted account within  
47 the General Fund known as the "Federal Lands Payment in Lieu of Tax Account."

48 (b) The account shall consist of:

49 (i) all money credited to the account pursuant to Title 31 U.S.C. Chapter 69, Payment  
50 for Entitlement Land;

51 (ii) appropriations from the Legislature; and

52 (iii) private grants or contributions.

53 (2) The Legislature shall appropriate money from the account as provided in Section  
54 [51-9-904](#).

55 Section 4. Section [51-9-904](#) is enacted to read:

56 **51-9-904. Distribution of revenue in the Federal Lands Payment in Lieu of Tax**

57 **Account.**

58 (1) As permitted by 31 U.S.C. Sec. 6907, and subject to Subsections (2) and (3), the  
59 Legislature shall make appropriations from the account in accordance with Title 31 U.S.C.  
60 Chapter 69, Payment for Entitlement Land and as provided in this section.

61 (2) (a) Subject to appropriation, and subject to Subsection (2)(b), the Division of  
62 Finance shall, beginning on July 1, 2021, deposit with each county an amount equal to the  
63 amount received by each respective county from the Secretary of the Interior for payment for  
64 entitlement lands pursuant to Title 31 U.S.C. Chapter 69, Payment for Entitlement Land for the  
65 federal fiscal year ending on September 30, 2020, plus an additional 5% above the highest  
66 amount received by each respective county in any federal fiscal year since 2020.

67 (b) If the amount distributed by the Secretary of the Interior for a particular year is an  
68 amount less than 5% above the amount distributed in the federal fiscal year ending on  
69 September 30, 2020, the Division of Finance shall:

70 (i) proportionately reduce the amount according to the respective amount for each  
71 county as calculated by the Secretary of the Interior; and

72 (ii) distribute to each county the amount reduced according to Subsection (2)(b)(i).

73 (c) A county may use money distributed pursuant to this Subsection (2) for any purpose  
74 that meets the definition of governmental services.

75 (3) (a) For any amount in the account that exceeds the highest amount distributed by  
76 the Secretary of the Interior in the federal fiscal year ending on September 30, 2020, plus an  
77 additional 5% as described in Subsection (2), the Division of Finance shall distribute the funds  
78 to each county in the same proportion as the funds distributed pursuant to Subsection (2).

79 (b) A county shall distribute money received pursuant to Subsection (3)(a) to each  
80 taxing entity within the county in the same proportion as property tax revenue is distributed  
81 among taxing entities pursuant to Title 59, Chapter 2, Property Tax Act and existing local law  
82 regarding property tax distribution.