

PAYMENT IN LIEU OF TAXES FUNDS FOR COUNTIES

2021 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor: Keven J. Stratton

LONG TITLE**Committee Note:**

The Federalism Commission recommended this bill.

Legislative Vote: 6 voting for 0 voting against 3 absent

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:



28 [51-9-901](#), Utah Code Annotated 1953
29 [51-9-902](#), Utah Code Annotated 1953
30 [51-9-903](#), Utah Code Annotated 1953
31 [51-9-904](#), Utah Code Annotated 1953

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

34 Section 1. Section **51-9-901** is enacted to read:

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

36 **51-9-901. Title.**

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

38 Section 2. Section **51-9-902** is enacted to read:

39 **51-9-902. Definitions.**

40 As used in this part:

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

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

44 (3) "Governmental services" means the same as that term is defined in 31 U.S.C. Sec.
45 6901.

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

47 Section 3. Section **51-9-903** is enacted to read:

48 **51-9-903. Creation of the Federal Lands Payment in Lieu of Tax Account.**

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

51 (b) The account shall consist of:

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

54 (ii) appropriations from the Legislature;

55 (iii) private grants or contributions; and

56 (iv) interest deposited as described in Subsection (1)(c)(ii).

57 (c) The state treasurer shall:

58 (i) invest the money in the account by following the procedures and requirements of

Chapter 7, State Money Management Act; and

(ii) deposit all interest or other earnings derived from the account into the account.

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

Section 4. Section **51-9-904** is enacted to read:

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

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

(2) (a) Subject to appropriation, and subject to Subsection (2)(b), the Division of Finance shall, beginning on July 1, 2021, deposit with each county an amount equal to the amount received by each respective county from the Secretary of the Interior for payment for entitlement lands pursuant to Title 31 U.S.C. Chapter 69, Payment for Entitlement Land for the fiscal year ending on June 30, 2020.

(b) If the amount distributed by the Secretary of the Interior for a particular year is an amount less than the amount distributed in fiscal year ending on June 30, 2020, the Division of Finance shall:

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

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

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

(3) (a) For any amount in the account that exceeds the amount distributed under Subsection (2), the Division of Finance shall distribute the funds to each county in the same proportion as the funds distributed pursuant to Subsection (2).

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