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Critics Say Bill To Define How State Spends Mineral Leasing Money Could Benefit Energy Industry

KUER 90.1 | By [Kate Groetzinger](#)

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Last year, the state of Utah [received over \\$53 million](#) in drilling and mining revenue from the federal government.

The Community Impact Board is a statewide committee in charge of distributing most of that money through grants and low-interest loans.

Under current state law, it is supposed to fund projects that offset the impacts of extraction on communities in Utah. But Sen. Ron Winterton, R-Roosevelt, has filed a bill [that could change that](#).

He said it is based on [an audit of the Community Impact Board](#) that was completed last year. It found the board has been inconsistent when it comes to awarding loans and grants and that the board has funded some projects that primarily benefit the oil and gas industry.

Auditors [presented the findings](#) during an interim legislative committee hearing in May 2020 and suggested lawmakers better define how the revenues can be spent under state law in order to avoid litigation.

Winterton said he met with the auditors and the senate president in December to discuss the recommendations, and they asked him to file legislation to clarify the terms “planning,” “public facility” and “public service.”

“That’s the whole meat of this bill,” he said. “As lawmakers, we can define, or should define, gray areas. Because if we don’t then we leave it to the courts.”

Tooter Ogden, a Sevier County Commissioner and member of the CIB, praised the bill. He said it would help the board make better decisions when it comes to funding planning studies.

“Sen. Winterton ran this bill because it provides clarity in what the statute is saying,” Ogden said. “Where we can use the funds and where we can’t.”

But the bill also removes language requiring the revenues go to projects that alleviate the impacts of drilling and mining. And it adds language that explicitly allows the board to fund projects that increase natural resource production or economic development.

That has a lot of people worried, including Rep. Suzanne Harrison, D-Draper. She sat on the interim legislative committee that heard the audit report.

“My concern with this bill is that instead of addressing the audit and holding the Community Impact Board accountable, it seeks to simply change the law,” she said.

She added Winterton’s bill will likely make it easier for the board to fund projects that benefit the oil and gas and mining industries at the expense of rural communities in Utah.

But the bill conflicts with federal law, according to Wendy Park, an attorney for the Center for Biological Diversity. She said the federal mineral leasing act requires that drilling and mining revenues generated on federal public lands must be spent on projects that offset the impacts of extraction.

“That bill improperly allows the money to be spent on pretty much anything, including private fossil fuel projects like the Uinta Basin Railway,” she added.

Her organization [filed a lawsuit last year against the Community Impact Board](#) for allegedly violating that provision in 2019, when it awarded a \$27.9 million grant to fund planning of the rail line.

Park said Winterton’s bill also includes language that attempts to negate the lawsuit by explicitly stating that the provisions in the bill apply to ongoing claims in court. She added the lawsuit will move forward, since it’s based on federal law.

The bill passed out of the Senate Natural Resources committee on Wednesday after [a contentious hearing](#). Now it goes to the full chamber for a vote.