



Land Exchange Distribution Account (LEDA)

SITLA Board Meeting
June 16, 2016
SLC, Utah

LEDA Background, Part I

- Federal law gives Utah half of leasable mineral revenues from federal lands.
- Most of that money flows to counties.
- Counties didn't want to give those funds up when SITLA acquired BLM lands in the Grand Staircase Escalante Nat'l Monument (GSENM) exchange.
- Compromise: SITLA cost of acquiring BLM lands was reduced by 50%, but SITLA assumed BLM's 50% mineral revenue sharing obligation on acquired lands.

LEDA Background, Part II

- At exchange closing in 1999, SITLA acquires coal/oil & gas lands primarily in Carbon and Emery counties.
- 1999 to 2007: SITLA sends state share to Mineral Lease Account (MLA), similar to federal lands.
- Realization: distribution made under state law, funds could go directly to counties, not possible with MLA.
- 2007: LEDA enacted with the following goals:
 - Build county support for SITLA land exchanges.
 - Give counties a more flexible source of funding – grants, not loans.
 - Create an administrative fee to fund SITLA administration, mineral management costs.

LEDA Application

- Created in Title 53C-3-203 (HB 134-March 2007)
- Applies only to SITLA lands acquired from BLM with leasable minerals in certain land exchanges.
- Currently applies to Grand Staircase (1998) and Recreation (2014) exchanges.
- Does not apply to Hill Creek, UTTR exchanges.
- Would apply in future exchanges with BLM only if the value of acquired lands is discounted to reflect SITLA's assumption of federal revenue sharing obligation.

LEDA Initial Revenue Split

- On exchanged lands with leasable minerals:
- SITLA collects all lease revenues, then:
 - School fund receives 48.5% of lease rents and royalties.
 - LEDA receives 48.5% of lease bonus, rents and royalties
 - United States receives 48.5% of lease bonus in place of school fund.
 - Only in Grand Staircase Escalante NM Exchange
 - SITLA retains 3% fee for administrative activity; if there is a fiscal year end balance above statutory threshold, excess funds sent to listed beneficiaries.

LEDA Lease Revenues – GSENM Exchange

- From lands acquired in the Grand Staircase Escalante National Monument Exchange

- Revenue distributions from January 1999 to March 2016:

SITLA Administrative Withholding	\$12,452,593
SITLA School Beneficiary	\$135,241,238
United States(1/2 bonus bids)	\$28,440,889
State of Utah LEDA/MLA	<u>\$163,526,200</u>
• Total Collected	\$339,660,924

(Exclusive of \$50,000,000 cash payment at exchange closing in 1999)

LEDA – Recreation Land Exchange

- Applies only to exchange lands in Grand, Uintah and San Juan Counties.
- SITLA collects all lease revenues, then:
 - School fund receives 48.5% of lease bonus, rents and royalties.
 - LEDA receives 48.5% of lease bonus, rents and royalties
 - SITLA retains 3% fee for administrative activity, with any fiscal year end balance above statutory threshold sent to listed beneficiaries.

LEDA Lease Revenues – Recreation Exchange

- From lands acquired in the Utah Recreational Land Exchange, revenue distributions from July 2015 to March 2016 were as follows:

SITLA Administrative Withholding	\$21,618
SITLA School Beneficiary	\$353,956
State of Utah, LEDA/MLA	<u>\$353,956</u>
• Total Collected	\$729,530

Where does state share of LEDA money go?

- 80% goes to counties:
 - 55% goes to counties where revenue is generated on SITLA acquired land
 - 25% goes to counties where SITLA traded lands to USA
 - Little known fact: 27 of 29 counties had SITLA lands in GSENM exchange, due to inclusion of inholding lands in settlement.
- 11% to Constitutional Defense Fund, first \$1mm
- Smaller amounts to former MLA recipients: USU, USOE, UGS, PCIB.

LEDA/MLA

• <u>LEDA, March 2007 to March 2016</u>	
• Counties, Acquired lands	\$49,163,327
• Counties, Exchanged out lands	\$22,418,694
• State Board of Education	\$1,506,536
• Utah Geologic Survey	\$2,006,647
• Water Research Lab	\$1,488,601
• Permanent Community Impact Fund	\$5,557,201
• Constitutional Defense Restricted Acct	\$23,707,573
• <u>MLA, January 1999 to February 2007</u>	
• Permanent Community Impact Fund	\$2,320,527
• State Mineral Lease Account	\$40,509,554
• State Mineral Bonus Account	\$5,528,304
• Rural Development Fund	\$4,012,167
• Rural Electronic Commerce Communication	\$4,953,115

LEDA, Counties \$71.6MM

-not participating, Salt Lake and Rich counties

Beaver	\$72,005
Box Elder	\$196,562
Cache	\$1,016,151
Carbon	\$17,031,575
Daggett	\$344,347
Davis	\$71,237
Duchesne	\$60,956
Emery	\$24,815,975
Garfield	\$5,147,898
Grand	\$465,466
Iron	\$211,310
Juab	\$518,331
Kane	\$7,722,897

Millard	\$762,065
Morgan	\$90,054
Piute	\$378,824
San Juan	\$2,438,762
Sanpete	\$185,447
Sevier	\$7,947,885
Summit	\$30,825
Tooele	\$447,623
Uintah	\$266,410
Utah	\$296,046
Wasatch	\$60,479
Washington	\$76,494
Wayne	\$987,965
Weber	\$58,057