

MINERAL LEASE AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kay J. Christofferson

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies mineral lease application procedures.

Highlighted Provisions:

This bill:

- ▶ introduces an online option for the disclosure of a mineral lease application; and
- ▶ modifies the deadline for disclosing an application.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

53C-2-407, as last amended by Laws of Utah 2016, Chapter 389

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

Section 1. Section **53C-2-407** is amended to read:

53C-2-407. Mineral lease application procedures.

(1) Lands that are not encumbered by a current mineral lease for the same resource, a withdrawal order, or other rule of the director prohibiting the lease of the lands, may be offered for lease as provided in this section or may, with board approval, be committed to another



28 contractual arrangement under Subsection 53C-2-401(1)(d).

29 (2) (a) A notice of the land available for leasing shall be posted in the administration's
30 office or on the administration's website.

31 (b) The notice shall:

32 (i) describe the land;

33 (ii) indicate what mineral interest in each tract is available for leasing; and

34 (iii) state the last date, which shall be no less than 15 days after the notice is posted, on
35 which bids may be received.

36 (3) (a) Applications for the lease of lands filed in the administration's office or online
37 before the closing date stated in the notice shall be considered to be filed simultaneously.

38 (b) The applications shall be:

39 (i) submitted in sealed envelopes or as required by the online bidding process; and

40 (ii) disclosed in the administration's office or online at 10 a.m. of the [~~first~~] second
41 business day following the last day on which bids may be received.

42 (c) Leases shall be awarded to the highest responsible, qualified bidder, in terms of the
43 bonus paid in addition to the first year's rental, who submitted a bid in the manner required.

44 (d) In cases of identical bids of successful bidders:

45 (i) the right to lease shall be determined by drawing or oral auction;

46 (ii) the determination of whether to award the lease by drawing or oral auction shall be
47 made at the sole discretion of the director; and

48 (iii) the drawing or oral auction shall be held in public at the administration's office in a
49 manner calculated to optimize the return to the trust land beneficiary.

50 (4) (a) At the discretion of the director, mineral leases may be offered at an oral public
51 auction.

52 (b) The director may set a minimum bid for a public auction.

53 (5) The director may award a mineral lease without following the competitive bidding
54 procedures specified in Subsections (3) and (4) or conducting an oral public auction, if the
55 mineral lessee waives or relinquishes to the trust a prior mining claim, mineral lease, or other
56 right which in the opinion of the director might otherwise:

57 (a) defeat or encumber the selection of newly acquired land, either for indemnity or
58 other purposes, or the acquisition by the trust of any land; or

59 (b) cloud the title to any of those lands.

60 (6) Following the awarding of a lease to a successful bidder, deposits, except filing
61 fees, made by unsuccessful bidders shall be returned to those bidders.

62 (7) (a) Subject to Section 53C-2-104, lands acquired through exchange or indemnity
63 selection from the federal government shall be subject to the vested rights of unpatented
64 mining claimants under the Mining Law of 1872, as amended, and other federal vested rights,
65 both surface and minerals.

66 (b) Subsection (7)(a) does not prevent the director from negotiating the
67 accommodation of vested rights through any method acceptable to the parties.

68 (8) The director may lease lands for which applications are filed or submitted online if:

69 (a) the director offers trust lands for lease for mineral purposes according to the
70 procedures in Subsections (3) through (6) and the lands are not leased; or

71 (b) a period of time of not less than one year but less than three years has elapsed
72 following:

73 (i) a revocation of a withdrawal; or

74 (ii) the date an existing mineral lease is canceled, relinquished, surrendered, or
75 terminated.