Utah misusing public funds for fossil fuel projects, environmental groups allege

Former Salt Lake City Mayor Jackie Biskupski joins environmental groups to accuse Utah of improperly using public money for fossil fuel projects

Katie McKellar  Aug 17, 2021, 5:21pm MDT

Deeda Seed, public lands senior campaigner for the Center for Biological Diversity, speaks as protesters rally outside of the Capitol in Salt Lake City on Tuesday, Aug. 17, 2021, against
Former Salt Lake City Mayor Jackie Biskupski stepped back into the public spotlight on Tuesday to join with environmental groups in releasing a report that alleges Utah has improperly used more than $109 million in public money to fund fossil fuel projects.

"I have stayed out of politics since I left office, but I cannot remain silent when I am witnessing wrongdoing by those elected and appointed to represent all people living in Utah," Biskupski said at a news conference held on the steps of the Utah Capitol in Salt Lake City.

"Once again, we are watching the state crush the needs of our local communities," said the former mayor, who has been a vocal advocate against climate change. "Once again, we are watching state leaders, an unelected board, prioritizing their own interests over the long term and sustainable growth of this state, and leaving a mess for our future and that of generations to come."

The former mayor, who bowed out of her 2019 bid for reelection citing a "complex family situation," called on federal officials including the U.S. Department of Interior and the Bureau of Land Management to conduct "a thorough investigation into the spending of federal mineral lease funds in the state of Utah since 2009."
Jim Catano slides a copy of the Utah Clean Infrastructure Coalition report through the doors to the governor’s office at the Capitol in Salt Lake City on Tuesday, Aug. 17, 2021, after a staffer said she could not accept packages or mail for the governor’s office. The report alleges Utah’s Permanent Community Impact Fund Board used more than $109 million in public funds for fossil fuel projects, in violation of the federal Mineral Leasing Act. *Kristin Murphy, Deseret News* [Purchase Photo](#)

Biskupski stood with about two dozen environmental activists from groups including the Center for Biological Diversity, Southern Utah Wilderness Alliance, the Utah chapter of the Sierra Club and others to release a report written by those groups titled the “Utah Oil Slick: Funding Polluters Instead of Rural Communities.”

The report alleges Utah’s Permanent Community Impact Fund Board has issued $109 million in grants and low- or no-
interest loans made up of public money to projects that promote or expand fossil fuel extraction in violation of the federal Mineral Leasing Act, which allows the government to receive compensation for mineral extraction on federal public lands for the purpose of alleviating impact of mineral development.

The report claims that includes more than $2.2 million approved after a 2020 state audit raised concerns about “several large projects that illustrate the need for additional policies because they appear to be largely for economic development or provide low-interest government loans to the private sector,” according to the audit.

After the news conference, Biskupski and about two dozen activists representing the environmental groups walked to the offices of Gov. Spencer Cox, House Speaker Brad Wilson, R-Kaysville, and Senate President Stuart Adams, R-Layton, to hand deliver the report, demanding they oversee the board and ensure it stops using public dollars to fund fossil fuel development projects.

A staffer at the governor’s office did not open the door for the group, telling them through an intercom she could not accept packages or mail for the governor’s office. The group slid the report through a crack in the door anyway before heading to the House speaker’s and Senate president’s offices, where staffers accepted the reports by hand.
Cox’s spokeswoman, Jennifer Napier-Pearce, in a text message to the Deseret News did not directly address the allegations in the report, but said, “The governor supports the CIB and efforts to provide infrastructure for rural areas.”

Adams’ spokeswoman, Aundrea Peterson, said the Senate president’s office had “received the packet and will go through the process of reviewing it.”

Wilson’s chief of staff, Abby Osborne, said Tuesday the House speaker’s office had “not had a chance to look at their argument nor have we had a chance to talk” to legal counsel.

Protesters rally against what they say is a misuse of public funds for fossil fuel projects during a rally at the Capitol in Salt Lake City on Tuesday, Aug. 17, 2021.

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The “Utah Oil Slick” report was researched based on dozens of public records including the Utah Office of Legislative Auditor General’s 2020 performance audit of the state’s Permanent Community Impact Fund, as well as meeting minutes, audio tapes and project documents, according to the report.

The claims listed in the report include:

- “Since 2009, Utah’s Permanent Community Impact Fund Board has issued $109 million in grants and low- or no-interest loans — all public money — to finance road construction, engineering studies, attorney fees and other costs to enable fossil fuel development on public and private land. Beneficiaries include well-connected private firms trying to get approval for the proposed $1.5 billion Uinta Basin Railway.”

Meanwhile, the report states more than $60 million in community improvement projects in rural towns, cities and special improvement districts have not been funded, including water and sewer services, recreation centers, road improvements and public safety equipment.

- The report’s authors accuse the Utah Legislature of failing to oversee the Permanent Community Impact Fund Board, and they criticize lawmakers for changing state law earlier this year to “allow mineral lease
revenues and royalties to finance fossil fuel infrastructure projects, which is illegal under federal law.”

The new law, **SB176**, came after the 2020 audit that raised concerns about whether policies were being followed consistently and called for additional policies for how projects will be reviewed and awarded.

Deeda Seed, a campaigner with the Center for Biological Diversity, said with the passage of SB176, Utah lawmakers attempted to “wiggle around federal law. ... So the law that they passed is not legal.”

- “County governments and local agencies continue to seek public funding for projects that facilitate fossil fuel extraction and enrich private corporations over community needs,” the report states, pointing specifically to Uintah County commissioners who “approved seeking $39 million in public funds to help a private, Ogden-based oil company build a 640-acre oil refinery in eastern Utah.”

That proposed $1.4 billion Uintah Advantage refinery, the report states, “would have the capacity to refine 40,000 barrels of oil a day, and it may also include a rail yard for the proposed Uinta Basin Railway.”
The report raises concerns about a list of projects including the Uinta Basin Railway, for which conservation groups, including the Center for Biological Diversity, has sued the Utah Permanent Community Impact Fund Board for granting nearly $28 million in public money for the project.

“The proposed 88-mile railway would increase capacity to transport the basin’s waxy crude, worsening the impact of extractive industries in the Uinta basin — the opposite of what these public funds are intended to do,” the report states, while citing a federal environmental analysis that more than 400 streams would be destroyed and 10,000 acres of wildlife habitat “stripped bare or paved over.”

The report also raises concerns about the 48-mile Seep Ridge Road from Ouray through Uintah County for which the Permanent Community Impact Fund Board has provided $34 million in grants and $25.5 million in loans.

“For far too long the Permanent Community Impact Fund Board has illegally doled out public funds to facilitate fossil fuel extraction in Utah,” the report states. “Rural Utah communities with crumbling infrastructures have paid the highest price, but all Utahns are harmed as our elected and appointed officials approve destructive projects that worsen the climate crisis.”

The report urged the Utah Legislature to amend Utah law to
ban the use of Permanent Community Impact Fund Board funds for “projects that are intended to increase or enable fossil fuel extraction,” and monitor adoption of the 2020 auditor general’s recommendations, including that the board’s grants and loans “fully comply with the Mineral Leasing Act that priority projects for communities are funded and that fossil fuel projects are not.”

Environmental groups also called on Utah leaders to “immediately liquidate the $53 million fund earmarked for the now-banned Oakland export terminal and ensure the money is used to finance unfunded and desperately needed community projects.”