Economic Study Shows Land "Transfers" Could Cost Utah Taxpayers At Least $50 Million Per Year

On Monday, Utah economists released an analysis showing that any large-scale transfer of national public lands from the federal government to Utah is a bad deal for Utahns, costing taxpayers millions of dollars.

Under Most Scenarios, Utah Cannot Generate Enough Revenue for Costs

It will cost Utah approximately $280 million to manage the transferred lands and the state will have to set up a massive new land management bureaucracy. Economists studied multiple scenarios for Utah to generate needed revenues. In nearly all, Utah cannot afford the costs without putting Utah taxpayers on the hook for the difference. According to the economists' findings, Utah could come up between $35 million short and $69 million short per year.

	Low Energy Price Assumption	High Energy Price Assumption
Current oil production levels	Revenue: $210.7 Million **$69 million short**	Revenue: $235.1 Million **$45 million short**
Oil production level increased by 15 percent	Revenue: $219.4 Million **$61 million short**	Revenue: $245.4 Million **$35 million short**

How Does Utah Hope to Make the Dollars and Cents Work? By Taking More than Its Share.

Land transfer advocates have always said that the state's management of federal lands would more than cover the costs of land management. But that's clearly not the case.

According to the economists, the only scenario for Utah to afford managing the transferred public lands is for the state to receive 100 percent of all oil and gas revenues from existing and future energy development. These are resources owned by all American taxpayers and Utah cannot expect to receive them without fair compensation. Royalties from oil and gas development are a critical source of funds, representing one of the federal government's largest nontax sources of revenue.

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To make up for cost shortfalls, Utah would have to rapidly increase the pace and scale of drilling and other development at the expense of Utah's renowned recreational opportunities and quality of life.

The Industrialization of Utah's Parks, Forests, and Monuments

In the recent past, oil and gas companies have tried to develop some of Utah's renowned lands, including plans to put drill rigs in at the doorstep of Arches National Park and leasing the Book Cliffs prized by hunters and hikers alike.

In their analysis, the economists look at the potential to generate revenue from uranium, tar sands, oil shale, coal, and other mineral extraction in places like Desolation Canyon, the San Rafael Swell, and Grand Staircase Escalante National Monument.

> **"Outdoor recreation is part of Utah's culture and heritage, and preserving such opportunities enhances the quality of life for residents and visitors. If recreational resources were degraded, impaired or polluted, the demand for travel to recreational destinations would fall, and so would the benefits to society."**

Promoting and Supporting Utah's Outdoor Recreation Economy

The economists were careful to acknowledge the continued and growing importance of Utah's outdoor recreation economy.

Citation: "An Analysis of a Transfer of Federal Lands to the State of Utah" – 12/1/2014