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

Section 1. Section **35A-8-1608** is amended to read:

35A-8-1608. Deposits into fund.

(1) ~~[All money received]~~ Money required to be deposited into the Uintah Basin Revitalization Fund under Section **59-5-116** shall be deposited ~~[in]~~ into the Uintah Basin Revitalization Fund ~~[provided that no]~~ if a business or activity fee or tax based on gross receipts has not been imposed by a county or the Tribe on oil and gas activities.

(2) (a) Nothing in this section prohibits a county from imposing a charge described in Subsection (1) with respect to any gathering, transmission, or local distribution pipeline in which the county owns an interest.

(b) Nothing in this section prohibits the Tribe from imposing a charge described in Subsection (1) with respect to any gathering, transmission, or local distribution pipeline in which the Tribe owns an interest.

Section 2. Section **51-9-305** is amended to read:

51-9-305. Deposit and credit of certain severance tax revenue.

(1) As used in this section:

(a) "Aggregate annual revenue" means the aggregate annual revenue collected in a fiscal year from the taxes imposed under Title 59, Chapter 5, Severance Tax on Oil, Gas, and Mining, after subtracting the amounts required to be distributed under Sections **59-5-116** and **59-5-119**.

(b) "Severance tax base deposit amount" means the following aggregate annual revenue required to be deposited annually, beginning on July 1, 2016, into the permanent state trust fund under Utah Constitution Article XXII, Section 4:

(i) 25% of the first \$50,000,000 of aggregate annual revenue;

(ii) 50% of the next \$50,000,000 of aggregate annual revenue; and

(iii) 75% of the aggregate annual revenue that exceeds \$100,000,000.

~~[(1)(a)]~~ (2) After making the ~~[distributions]~~ deposits of oil and gas severance tax ~~[revenues]~~ revenue as required under Sections **59-5-116** and **59-5-119**, the Division of Finance shall make the ~~[distributions]~~ credits required under Subsections ~~[(2) through (5)]~~ (3) and (4).

~~[(b) For purposes of this section, revenue collected from severance taxes on oil and gas~~

59 imposed under Title 59, Chapter 5, Severance Tax on Oil, Gas, and Mining, does not include
60 revenue that is distributed under Section ~~59-5-116~~ or ~~59-5-119~~.]

61 [(2) (a) Beginning with fiscal year 2008-09 and ending with fiscal year 2010-11, if
62 authorized by law, the Division of Finance shall credit to the permanent state trust fund all
63 revenue collected in a fiscal year from severance taxes on oil and gas imposed under Title 59,
64 Chapter 5, Severance Tax on Oil, Gas, and Mining, that exceed \$71,000,000.]

65 [(b) Beginning with fiscal year 2011-12, if authorized by law, the Division of Finance
66 shall credit to the permanent state trust fund all revenue collected in a fiscal year from
67 severance taxes on oil and gas imposed under Title 59, Chapter 5, Severance Tax on Oil, Gas,
68 and Mining, that exceed \$77,000,000.]

69 [(3) Beginning with fiscal year 2008-09, if authorized by law, the Division of Finance
70 shall credit to the permanent state trust fund all revenue collected in a fiscal year from
71 severance taxes on mining imposed under Title 59, Chapter 5, Severance Tax on Oil, Gas, and
72 Mining, that exceed \$27,600,000.]

73 (3) To the extent appropriated by the Legislature, the Division of Finance shall credit to
74 the permanent state trust fund the aggregate annual revenue:

75 (a) for fiscal year 2014-15, equal to 33% of the severance tax base deposit amount; and

76 (b) for fiscal year 2015-16, equal to 67% of the severance tax base deposit amount.

77 (4) Beginning on July 1, 2016, the Division of Finance shall credit to the permanent
78 state trust fund the severance tax base deposit amount.

79 [(4)] (5) The state treasurer shall invest and separately account for the earnings on
80 funds that are [~~deposited into~~] credited to the permanent state trust fund under this section.

81 [(5)] (6) (a) In accordance with Utah Constitution Article XXII, Section 4, the interest
82 and dividends earned annually on revenue from severance taxes that are [~~deposited into~~]
83 credited to the permanent state trust fund shall be [~~deposited in~~] credited to the General Fund.

84 (b) Interest and dividends earned on revenue from severance taxes that are [~~deposited~~
85 ~~in~~] credited to the General Fund pursuant to Subsection [(5)] (6)(a) shall be credited to the
86 Infrastructure and Economic Diversification Investment Account created in Section ~~51-9-303~~.

87 Section 3. Section ~~59-5-115~~ is amended to read:

88 **59-5-115. Disposition of taxes collected -- Credit to General Fund.**

89 [~~All taxes~~] Except as provided in Section ~~51-9-305~~, ~~59-5-116~~, or ~~59-5-119~~, a tax

90 imposed and collected under Section 59-5-102 shall be paid to the commission, promptly
91 remitted to the state treasurer, and [~~except those taxes otherwise allocated under Section~~
92 ~~51-9-305, 59-5-116, or 59-5-119;~~] credited to the General Fund.

93 Section 4. Section 59-5-116 is amended to read:

94 **59-5-116. Disposition of certain taxes collected on Ute Indian land.**

95 (1) Except as provided in Subsection (2), there shall be deposited into the Uintah Basin
96 Revitalization Fund established in Section 35A-8-1602:

97 (a) for taxes imposed under this part, 33% of the taxes collected on oil, gas, or other
98 hydrocarbon substances produced from a well:

99 (i) for which production began on or before June 30, 1995; and

100 (ii) attributable to interests:

101 (A) held in trust by the United States for the Tribe and its members; or

102 (B) on lands identified in Pub. L. No. 440, 62 Stat. 72 (1948);

103 (b) for taxes imposed under this part, 80% of taxes collected on oil, gas, or other
104 hydrocarbon substances produced from a well:

105 (i) for which production began on or after July 1, 1995; and

106 (ii) attributable to interests:

107 (A) held in trust by the United States for the Tribe and its members; or

108 (B) on lands identified in Pub. L. No. 440, 62 Stat. 72 (1948); and

109 (c) for taxes imposed under this part, 80% of taxes collected on oil, gas, or other
110 hydrocarbon substances produced from a well:

111 (i) for which production began on or after January 1, 2001; and

112 (ii) attributable to interests on lands conveyed to the tribe under the Ute-Moab Land
113 Restoration Act, Pub. L. No. 106-398, Sec. 3303.

114 (2) (a) The maximum amount deposited in the Uintah Basin Revitalization Fund may
115 not exceed:

116 (i) \$3,000,000 in fiscal year 2005-06;

117 (ii) \$5,000,000 in fiscal year 2006-07;

118 (iii) \$6,000,000 in fiscal years 2007-08 and 2008-09; and

119 (iv) for fiscal years beginning with fiscal year 2009-10, the amount determined by the
120 commission as described in Subsection (2)(b).

121 (b) (i) The commission shall increase or decrease the dollar amount described in
122 Subsection (2)(a)(iii) by a percentage equal to the percentage difference between the consumer
123 price index for the preceding calendar year and the consumer price index for calendar year
124 2008; and

125 (ii) after making an increase or decrease under Subsection (2)(b)(i), round the dollar
126 amount to the nearest whole dollar.

127 (c) For purposes of this Subsection (2), "consumer price index" is as described in
128 Section 1(f)(4), Internal Revenue Code, and defined in Section (1)(f)(5), Internal Revenue
129 Code.

130 (d) Any amounts in excess of the maximum described in Subsection (2)(a) shall be
131 ~~deposited into the General Fund~~ credited as provided in Sections [51-9-305](#) and [59-5-115](#).

132 Section 5. Section **59-5-119** is amended to read:

133 **59-5-119. Disposition of certain taxes collected on Navajo Nation land located in**
134 **Utah.**

135 (1) Except as provided in Subsection (2), there shall be deposited into the Navajo
136 Revitalization Fund established in Section [35A-8-1704](#) for taxes imposed under this part
137 beginning on July 1, 1997:

138 (a) 33% of the taxes collected on oil, gas, or other hydrocarbon substances produced
139 from a well:

140 (i) for which production began on or before June 30, 1996; and

141 (ii) attributable to interests in Utah held in trust by the United States for the Navajo
142 Nation and its members; and

143 (b) 80% of the taxes collected on oil, gas, or other hydrocarbon substances produced
144 from a well:

145 (i) for which production began on or after July 1, 1996; and

146 (ii) attributable to interests in Utah held in trust by the United States for the Navajo
147 Nation and its members.

148 (2) (a) The maximum amount deposited in the Navajo Revitalization Fund may not
149 exceed:

150 (i) \$2,000,000 in fiscal year 2006-07; and

151 (ii) \$3,000,000 for fiscal years beginning with fiscal year 2007-08.

152 (b) Any amounts in excess of the maximum described in Subsection (2)(a) shall be
153 [~~deposited into the General Fund~~] credited as provided in Sections [51-9-305](#) and [59-5-115](#).

154 Section 6. Section **59-5-215** is amended to read:

155 **59-5-215. Disposition of taxes collected -- Credit to General Fund.**

156 [~~All taxes~~] Except as provided in Section [51-9-305](#), a tax imposed and collected under
157 Section [59-5-202](#) shall be paid to the commission, promptly remitted to the state treasurer, and
158 [~~except those taxes otherwise allocated under Section [51-9-305](#),~~] credited to the General Fund.

159 Section 7. **Effective date.**

160 This bill takes effect on July 1, 2014.

Legislative Review Note
as of 9-3-13 6:36 AM

Office of Legislative Research and General Counsel