

59-2-210 Collection and enforcement of tax on mines -- Lien -- Tax liability of owners of fractional interests -- Duties of unit operators -- Penalties.

- (1) The tax mentioned in the preceding sections on mines, mining claims, and mining property shall be collected, and payment enforced, in the manner provided for the collection and enforcement of other taxes, except as provided in Subsection (3).
- (2) Every tax is a lien upon the mine or mining claim and related mining machinery and improvements. The lien attaches on January 1. Sale of property for delinquent taxes may be made as provided for the sale of real estate for delinquent taxes, except as set forth below.
- (3)
 - (a) If oil, gas, or other hydrocarbon wells or fields belonging to multiple owners are operated as a unit, the owner of each fractional interest in the unit is liable for the same proportion of the tax assessed against the total unit that the owner's interest bears to the total interest in the unit.
 - (b) The unit operator shall be notified of the assessment against the entire unit as provided in Section 59-2-201. The operator shall collect the applicable tax from the owner of each fractional interest, and remit the tax assessed against the entire unit. The operator shall also file the statement described in Section 59-2-207 for the entire unit. The commission may require that the statement include a listing of all fractional interest owners and their interests.
 - (c) The unit operator may, in a manner provided by the commission, deduct and withhold from royalty payments, or from any other payments due to any fractional interest owner, the amount of the tax owed by the fractional interest owner.
 - (d) If the unit operator fails to collect the applicable tax from the fractional interest owners and remit the tax as provided, a penalty shall be imposed against the operator by the county treasurer of the county in which the unit is located. The penalty is equal to the amount of the tax due and owing the county for the tax period in question from that unit.
 - (e) Failure of the unit operator to collect and remit the tax does not preclude tax authorities from utilizing regular collection and enforcement remedies and procedures against the owner of any fractional interest to collect the tax owed by the owner. A nonoperating owner is not subject to penalty or interest upon the tax owed unless the owner fails to remit the tax within 20 days after notification by the county treasurer of the default of the operator.
 - (f) As used in this section, "unit" means any single oil, gas, or other hydrocarbon well or field which has multiple ownership, or any combination of oil, gas, or other hydrocarbon wells, fields, and properties consolidated into a single operation, whether by a formal agreement or otherwise. "Owner" means the holder of any interest or interests in those properties or units, including royalty interests.

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