

**OIL AND GAS CONSERVATION ACCOUNT
AMENDMENTS**

2006 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Mike Dmitrich

House Sponsor: John G. Mathis

LONG TITLE

General Description:

This bill amends the Oil and Gas Conservation Account statute.

Highlighted Provisions:

This bill:

- ▶ increases the maximum amount that may be retained in the Oil and Gas Conservation Account at the end of the fiscal year; and
- ▶ removes obsolete language.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

40-6-14.5, as last amended by Chapter 88, Laws of Utah 2003

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

Section 1. Section **40-6-14.5** is amended to read:

40-6-14.5. Oil and Gas Conservation Account created -- Contents -- Use of account monies.



28 (1) There is created within the General Fund a restricted account known as the Oil and
29 Gas Conservation Account.

30 (2) The contents of the account shall consist of:

31 (a) revenues from the fee levied under Section 40-6-14, including any penalties or
32 interest charged for delinquent payments; and

33 (b) interest and earnings on account monies.

34 (3) Account monies shall be used to pay for the:

35 (a) administration of this chapter; and

36 (b) plugging and reclamation of abandoned oil or gas wells or bore, core, or
37 exploratory holes for which:

38 (i) there is no reclamation surety; or

39 (ii) the forfeited surety is insufficient for plugging and reclamation.

40 (4) Priority in the use of the monies shall be given to paying for the administration of
41 this chapter.

42 (5) Appropriations for plugging and reclamation of abandoned oil or gas wells or bore,
43 core, or exploratory holes ~~[shall be]~~ are nonlapsing.

44 (6) ~~[The]~~ If, at the end of the fiscal year, the balance of the Oil and Gas Conservation
45 Account ~~[at the end of a fiscal year may not exceed \$750,000. Any]~~ exceeds \$1,500,000, the
46 Division of Finance shall transfer the excess monies ~~[shall be transferred to]~~ into the General
47 Fund.

48 ~~[(7) (a) As used in this Subsection (7), "excess fee revenue" means revenue collected in~~
49 ~~fiscal year 1999-2000 from the fee levied under Section 40-6-14 that exceeds the fee revenue~~
50 ~~appropriated to the Division of Oil, Gas, and Mining in fiscal year 1999-2000.]~~

51 ~~[(b) If there is a General Fund surplus for fiscal year 1999-2000, the Division of~~
52 ~~Finance shall transfer General Fund surplus monies to the Oil and Gas Conservation Account~~
53 ~~in an amount up to the excess fee revenue.]~~

54 ~~[(c) The transfer provided in Subsection (7)(b) shall be made after General Fund~~
55 ~~surplus monies are transferred to the General Fund Budget Reserve Account pursuant to~~
56 ~~Section 63-38-2.5.]~~

Legislative Review Note
as of 12-6-05 7:06 AM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel