

1                                   **REPEAL OF SEVERANCE TAX HOLDING**

2   **ACCOUNT**

3   2010 GENERAL SESSION

4   STATE OF UTAH

5   **Chief Sponsor: Lyle W. Hillyard**

6   House Sponsor: John Dougall

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8                   **LONG TITLE**

9                   **General Description:**

10                   This bill amends the Funds and Accounts Act to repeal the Severance Tax Holding  
11 Account and related provisions.

12                   **Highlighted Provisions:**

13                   This bill:

- 14                   ▶ repeals the Severance Tax Holding Account and related provisions;
- 15                   ▶ renames the part title to reflect the repeal of the Severance Tax Holding Account;

16 and

- 17                   ▶ makes technical and conforming changes.

18                   **Monies Appropriated in this Bill:**

19                   None

20                   **Other Special Clauses:**

21                   None

22                   **Utah Code Sections Affected:**

23                   **AMENDS:**

24                   **51-9-202**, as last amended by Laws of Utah 2009, Chapter 183

25                   **51-9-301**, as renumbered and amended by Laws of Utah 2008, Chapter 382

26                   **51-9-302**, as renumbered and amended by Laws of Utah 2008, Chapter 382

27                   **REPEALS:**

28                   **51-9-304**, as last amended by Laws of Utah 2008, Chapters 141, 216 and renumbered  
29 and amended by Laws of Utah 2008, Chapter 382

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

32 Section 1. Section **51-9-202** is amended to read:

33 **51-9-202. Permanent state trust fund.**

34 (1) Until July 1, 2003, 50% of all funds of every kind that are received by the state  
35 that are related to the settlement agreement that the state entered into with leading tobacco  
36 manufacturers on November 23, 1998, shall be deposited into the permanent state trust fund  
37 created by and operated under Utah Constitution Article XXII, Section 4.

38 (2) On and after July 1, 2003 and until July 1, 2004 20% of the funds of any kind  
39 received by the state that are related to the settlement agreement that the state entered into with  
40 leading tobacco manufacturers shall be deposited into the permanent state trust fund created  
41 by and operated under Utah Constitution Article XXII, Section 4.

42 (3) On and after July 1, 2004 and until July 1, 2005, 30% of all funds of any kind  
43 received by the state that are related to the settlement agreement that the state entered into with  
44 leading tobacco manufacturers shall be deposited into the General Fund Budget Reserve  
45 Account created in Section 63J-1-312.

46 (4) On and after July 1, 2005 and until July 1, 2007, 25% of all funds of any kind  
47 received by the state that are related to the settlement agreement that the state entered into with  
48 leading tobacco manufacturers shall be deposited into the permanent state trust fund created  
49 by and operated under Utah Constitution Article XXII, Section 4.

50 (5) On and after July 1, 2007, 40% of all funds of every kind that are received by the  
51 state that are related to the settlement agreement that the state entered into with leading  
52 tobacco manufacturers on November 23, 1998, shall be deposited into the permanent state  
53 trust fund created by and operated under Utah Constitution Article XXII, Section 4.

54 (6) Funds in the permanent state trust fund shall be deposited or invested pursuant to  
55 Section 51-7-12.1.

56 (7) (a) In accordance with Utah Constitution Article XXII, Section 4, the interest and  
57 dividends earned annually from the permanent state trust fund shall be deposited in the

58 General Fund. There shall be transferred on an ongoing basis from the General Fund to the  
59 permanent state trust fund created under Utah Constitution Article XXII, Section 4, an amount  
60 equal to 50% of the interest and dividends earned annually from the permanent state trust  
61 fund. The amount transferred into the fund under this Subsection (7)(a) shall be treated as  
62 principal.

63 (b) Any annual interest or dividends earned from the permanent state trust fund that  
64 remain in the General Fund after Subsection (7)(a) may be appropriated by the Legislature.

65 (c) Any realized or unrealized gains or losses on investments in the permanent state  
66 trust fund shall remain in the permanent state trust fund.

67 (8) This section does not apply to funds deposited under Chapter 9, Part 3,  
68 Infrastructure and Economic Diversification Investment Account [~~and Severance Tax Holding~~  
69 ~~Account~~] and Deposit of Certain Severance Taxes into Permanent State Trust Fund Act, into  
70 the permanent state trust fund.

71 Section 2. Section **51-9-301** is amended to read:

72 **Part 3. Infrastructure and Economic Diversification Investment Account**  
73 **and Deposit of Certain Severance Taxes into Permanent State Trust Fund Act**  
74 **51-9-301. Title.**

75 This part is known as the "Infrastructure and Economic Diversification Investment  
76 Account [~~and Severance Tax Holding Account~~] and Deposit of Certain Severance Taxes into  
77 Permanent State Trust Fund Act."

78 Section 3. Section **51-9-302** is amended to read:

79 **51-9-302. Definitions.**

80 As used in this part:

81 (1) "Infrastructure and Economic Diversification Investment Account" means the  
82 Infrastructure and Economic Diversification Investment Account created in Section 51-9-303.

83 (2) "Permanent state trust fund" means the permanent state trust fund created under  
84 Utah Constitution Article XXII, Section 4.

85 [~~(3) "Severance Tax Holding Account" means the Severance Tax Holding Account~~

86 ~~created in Section 51-9-304.]~~

87           Section 4. **Repealer.**

88           This bill repeals:

89           Section **51-9-304, Creation of Severance Tax Holding Account -- Distribution of**

90 **funds in the account.**