

1 **DEPOSIT OF SEVERANCE TAX REVENUES INTO**
2 **PERMANENT STATE TRUST FUND**

3 2011 GENERAL SESSION

4 STATE OF UTAH

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

6 House Sponsor: Melvin R. Brown

8 **LONG TITLE**

9 **General Description:**

10 This bill modifies the oil and gas severance tax revenues to be deposited into the
11 permanent state trust fund.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ modifies the oil and gas severance tax revenues to be deposited into the permanent
- 15 state trust fund beginning with fiscal year 2011-12; and
- 16 ▶ makes technical and conforming changes.

17 **Money Appropriated in this Bill:**

18 None

19 **Other Special Clauses:**

20 None

21 **Utah Code Sections Affected:**

22 AMENDS:

23 **51-9-305**, as enacted by Laws of Utah 2008, Chapter 141

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

26 Section 1. Section **51-9-305** is amended to read:

27 **51-9-305. Crediting of certain severance tax revenues to the permanent state**
28 **trust fund.**

29 (1) (a) After making the distributions of oil and gas severance tax revenues as required

30 under Sections 59-5-116 and 59-5-119, the Division of Finance shall make the distributions
31 required under Subsections (2) through (5).

32 (b) For purposes of this section, revenue collected from severance taxes on oil and gas
33 imposed under Title 59, Chapter 5, Severance Tax on Oil, Gas, and Mining, does not include
34 revenue that is distributed under Section 59-5-116 or 59-5-119.

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

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

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

47 (4) The state treasurer shall invest and separately account for the earnings on funds that
48 are deposited into the permanent state trust fund under this section.

49 (5) (a) In accordance with Utah Constitution Article XXII, Section 4, the interest and
50 dividends earned annually on revenue from severance taxes that are deposited into the
51 permanent state trust fund shall be deposited in the General Fund.

52 (b) Interest and dividends earned on revenue from severance taxes that are deposited in
53 the General Fund pursuant to Subsection (5)(a) shall be credited to the Infrastructure and
54 Economic Diversification Investment Account created in Section 51-9-303.