

OIL AND GAS CONSERVATION ACCOUNT AMENDMENTS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ralph Okerlund

House Sponsor: Scott H. Chew

LONG TITLE

General Description:

This bill modifies provisions of the Oil and Gas Conservation Account.

Highlighted Provisions:

This bill:

- ▶ changes the balance limit of the Oil and Gas Conservation Account; and
- ▶ changes the amount of money in the Oil and Gas Conservation Account that is

transferred to the General Fund.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

40-6-14.5, as last amended by Laws of Utah 2011, Chapters 149 and 342

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 money.

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

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

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

32 (b) interest and earnings on account money.

33 (3) Account money shall be used to pay for:

34 (a) the administration of this chapter;

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

37 (i) there is no reclamation surety; or

38 (ii) the forfeited surety is insufficient for plugging and reclamation; and

39 (c) public educational programs designed to increase knowledge of mineral and
40 petroleum resources and industries.

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

43 (5) Appropriations made in accordance with Subsections (3)(b) and (c) are nonlapsing.

44 (6) (a) The balance of the Oil and Gas Conservation Account at the end of a fiscal year
45 may not exceed [~~\$750,000~~] 100% of the fiscal year appropriation for Subsection (3)(a).

46 (b) Any excess money at the end of the fiscal year above [~~\$750,000~~] the balance limit
47 established in Subsection (6)(a) shall be transferred to the General Fund.