

1 **BRINE SHRIMP ROYALTY ACT AMENDMENTS**

2 2010 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Todd E. Kiser**

5 Senate Sponsor: Wayne L. Niederhauser

6

LONG TITLE

7
8 **Committee Note:**

9 The Revenue and Taxation Interim Committee recommended this bill.

10 **General Description:**

11 This bill amends the Brine Shrimp Royalty Act.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ repeals obsolete language;
- 15 ▶ addresses definitions;
- 16 ▶ addresses the calculation of the royalty; and
- 17 ▶ makes technical changes.

18 **Monies Appropriated in this Bill:**

19 None

20 **Other Special Clauses:**

21 None

22 **Utah Code Sections Affected:**

23 **AMENDS:**

24 **59-23-3**, as last amended by Laws of Utah 2005, Chapter 16

25 **59-23-4**, as last amended by Laws of Utah 2009, Chapter 344

26 **59-23-7**, as enacted by Laws of Utah 1997, Chapter 179

27 **59-23-8**, as enacted by Laws of Utah 1997, Chapter 179



28 REPEALS:

29 **59-23-2**, as enacted by Laws of Utah 1997, Chapter 179



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

32 Section 1. Section **59-23-3** is amended to read:

33 **59-23-3. Definitions.**

34 As used in this chapter:

35 [~~(1) "Alternate royalty rate" means \$550,000 divided by the gross volume of~~
36 ~~unprocessed brine shrimp eggs harvested in the state during the tax year.]~~

37 [~~(2)~~ (1) "Brine shrimp eggs" means dormant, early stage brine shrimp embryos
38 encapsulated as cysts that are harvested from [~~the waters of~~] within the state.

39 [~~(3)~~ (2) "Tax year" means a one-year period beginning on February 1 and ending on
40 January 31 of the following year.

41 Section 2. Section **59-23-4** is amended to read:

42 **59-23-4. Brine shrimp royalty -- Royalty rate -- Commission to prepare billing**
43 **statement -- Deposit of revenue.**

44 [~~(1)(a) Beginning on February 1, 2004, and ending on January 31, 2006, there is~~
45 ~~imposed for each tax year a brine shrimp royalty of the lesser of:]~~

46 [~~(i) 3.75 cents multiplied by the total pounds of unprocessed brine shrimp eggs that are~~
47 ~~harvested in the state during the tax year; or]~~

48 [~~(ii) \$550,000.]~~

49 [(b) (1) [~~Beginning on February 1, 2006, there is imposed~~] A person shall pay for each
50 tax year a brine shrimp royalty of 3.75 cents multiplied by the total number of pounds of
51 unprocessed brine shrimp eggs that [~~are harvested in~~] the person harvests within the state
52 during the tax year.

53 [~~(2) Beginning on February 1, 2004, and ending on January 31, 2006, the royalty~~
54 ~~amount due from a person for each tax year is:]~~

55 [(a) ~~if the brine shrimp royalty for the tax year is as described in Subsection (1)(a)(i),~~
56 ~~the gross volume of unprocessed brine shrimp eggs harvested in the state by that person during~~
57 ~~that tax year multiplied by 3.75 cents; or]~~

58 [(b) ~~if the brine shrimp royalty for the tax year is \$550,000, the gross volume of~~

59 unprocessed brine shrimp eggs harvested in the state by that person for that tax year multiplied
60 by the alternate royalty rate.]

61 [~~(3)~~ Beginning on February 1, 2006, the royalty amount due from a person for a tax
62 year is the gross volume of unprocessed brine shrimp eggs harvested in the state by that person
63 during that tax year multiplied by 3.75 cents.]

64 [~~(4)~~] (2) (a) A person that harvests unprocessed brine shrimp eggs shall report to the
65 Department of Natural Resources the total [~~gross volume~~] number of pounds of unprocessed
66 brine shrimp eggs harvested by that person for that tax year on or before the February 15
67 immediately following the last day of that tax year.

68 (b) The Department of Natural Resources shall provide the following information to
69 the commission on or before the March 1 immediately following the last day of a tax year:

70 (i) the total [~~gross volume~~] number of pounds of unprocessed brine shrimp eggs
71 harvested for that tax year; and

72 (ii) for each person that harvested unprocessed brine shrimp eggs for that tax year:

73 (A) the [~~gross volume~~] total number of pounds of unprocessed brine shrimp eggs
74 harvested by that person for that tax year; and

75 (B) a current billing address for that person; and

76 (iii) any additional information required by the commission.

77 (c) (i) The commission shall prepare and mail a billing statement to each person that
78 harvested unprocessed brine shrimp eggs in a tax year by the March 30 immediately following
79 the last day of a tax year.

80 (ii) The billing statement under Subsection [~~(4)~~] (2)(c)(i) shall specify:

81 (A) the [~~gross volume~~] total number of pounds of unprocessed brine shrimp eggs
82 harvested by that person for that tax year;

83 (B) the [~~amount of~~] brine shrimp royalty that the person owes; and

84 (C) the date that the brine shrimp royalty payment is due as provided in Section
85 59-23-5.

86 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
87 commission may make rules prescribing the information required under Subsection [~~(4)~~]
88 (2)(b)(iii).

89 [~~(5) All revenue~~] (3) Revenue generated by the brine shrimp royalty shall be deposited

90 in the Species Protection Account created in Section 79-2-303.

91 ~~[(6)]~~ (4) Beginning with the 2004 interim, the Revenue and Taxation Interim
92 Committee:

93 (a) shall review the ~~[annual]~~ brine shrimp royalty ~~[amount]~~ imposed under this section
94 ~~[one or more times]~~ at least every five years;

95 (b) shall determine on or before the November interim meeting of the year in which the
96 Revenue and Taxation Interim Committee reviews the ~~[annual]~~ brine shrimp royalty ~~[amount]~~
97 imposed under this section whether the brine shrimp royalty ~~[amount]~~ should be~~[(+)]~~
98 continued~~[(+)]~~, modified~~[(+)]~~, or ~~[(iii)]~~ repealed; and

99 (c) may review any other issue related to the brine shrimp royalty imposed under this
100 part ~~[as determined by the Revenue and Taxation Interim Committee]~~.

101 Section 3. Section **59-23-7** is amended to read:

102 **59-23-7. Rules.**

103 ~~[The]~~ In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
104 the commission may make rules to implement and enforce this chapter.

105 Section 4. Section **59-23-8** is amended to read:

106 **59-23-8. Penalties and interest.**

107 A person who harvests unprocessed brine shrimp eggs who fails to comply with this
108 chapter is subject to penalties and interest as provided in Sections 59-1-401 and 59-1-402.

109 Section 5. **Repealer.**

110 This bill repeals:

111 Section **59-23-2, Intent statement.**

Legislative Review Note
as of 11-20-09 6:53 AM

Office of Legislative Research and General Counsel

H.B. 26 - Brine Shrimp Royalty Act Amendments

Fiscal Note

2010 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, or local governments. The bill removes the royalty cap which may affect some businesses.
