

Title 59 Chapter 23 -- Brine Shrimp Royalty Act

59-23-1. Title.

This chapter shall be known as the "Brine Shrimp Royalty Act."

Enacted by Chapter 179, 1997 General Session

59-23-2. Intent statement.

It is the policy of the state that when its natural resources are used, a royalty should be paid to compensate the state for the use of the natural resource. The state receives royalties on minerals extracted from the Great Salt Lake. A market has developed for brine shrimp eggs; therefore, the state should be compensated for the use of this natural resource.

Enacted by Chapter 179, 1997 General Session

59-23-3. Definitions.

As used in this chapter:

- (1) "Alternate royalty rate" means \$550,000 divided by the gross volume of unprocessed brine shrimp eggs harvested in the state during the tax year.
- (2) "Brine shrimp eggs" means dormant, early stage brine shrimp embryos encapsulated as cysts that are harvested from the waters of the state.
- (3) "Tax year" means a one-year period beginning on February 1 and ending on January 31 of the following year.

Amended by Chapter 16, 2005 General Session

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

- (1) (a) Beginning on February 1, 2004, and ending on January 31, 2006, there is imposed for each tax year a brine shrimp royalty of the lesser of:
 - (i) 3.75 cents multiplied by the total pounds of unprocessed brine shrimp eggs that are harvested in the state during the tax year; or
 - (ii) \$550,000.
- (b) Beginning on February 1, 2006, there is imposed for each tax year a brine shrimp

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royalty of 3.75 cents multiplied by the pounds of unprocessed brine shrimp eggs that are harvested in the state during the tax year.

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

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

(b) if the brine shrimp royalty for the tax year is \$550,000, the gross volume of unprocessed brine shrimp eggs harvested in the state by that person for that tax year multiplied by the alternate royalty rate.

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

(4) (a) A person that harvests unprocessed brine shrimp eggs shall report to the Department of Natural Resources the total gross volume of unprocessed brine shrimp eggs harvested by that person for that tax year on or before the February 15 immediately following the last day of that tax year.

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

(i) the total gross volume of unprocessed brine shrimp eggs harvested for that tax year; and

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

(A) the gross volume of unprocessed brine shrimp eggs harvested by that person for that tax year; and

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

(iii) any additional information required by the commission.

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

(ii) The billing statement under Subsection (4)(c)(i) shall specify:

(A) the gross volume of unprocessed brine shrimp eggs harvested by that person for that tax year;

(B) the amount of brine shrimp royalty that the person owes; and

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

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

(5) All revenue generated by the brine shrimp royalty shall be deposited in the Species Protection Account created in Section 79-2-303.

(6) Beginning with the 2004 interim, the Revenue and Taxation Interim Committee:

(a) shall review the annual brine shrimp royalty amount imposed under this section one or more times every five years;

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(b) shall determine on or before the November interim meeting of the year in which the Revenue and Taxation Interim Committee reviews the annual brine shrimp royalty amount imposed under this section whether the royalty amount should be:

- (i) continued;
- (ii) modified; or
- (iii) repealed; and

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

Amended by Chapter 344, 2009 General Session

59-23-5. Payment of the brine shrimp royalty.

(1) The brine shrimp royalty shall be paid to the commission by the person who harvests the unprocessed brine shrimp eggs.

(2) The payment shall be accompanied by the billing statement prepared by the commission in accordance with Section 59-23-4.

(3) The royalty is due on the April 30 immediately following the last day of the tax year.

Amended by Chapter 16, 2005 General Session

59-23-7. Rules.

The commission may make rules to implement and enforce this chapter.

Enacted by Chapter 179, 1997 General Session

59-23-8. Penalties and interest.

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

Enacted by Chapter 179, 1997 General Session