

**BRINE SHRIMP ROYALTY ACT**

**AMENDMENTS**

2010 GENERAL SESSION

STATE OF UTAH

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**LONG TITLE**

**General Description:**

This bill amends the Brine Shrimp Royalty Act.

**Highlighted Provisions:**

This bill:

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

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

- 59-23-3**, as last amended by Laws of Utah 2005, Chapter 16
- 59-23-4**, as last amended by Laws of Utah 2009, Chapter 344
- 59-23-7**, as enacted by Laws of Utah 1997, Chapter 179
- 59-23-8**, as enacted by Laws of Utah 1997, Chapter 179

REPEALS:

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

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

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

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

As used in this chapter:

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

34           ~~[(3)]~~ (1) "Tax year" means a one-year period beginning on February 1 and ending on  
 35 January 31 of the following year.

36           (2) [~~"Brine]~~ "Unprocessed brine shrimp eggs" means the gross product, including a  
 37 cyst or other material, obtained when harvesting dormant, early stage brine shrimp embryos  
 38 encapsulated as cysts [~~that are harvested]~~ from [~~the waters of]~~ within the state.

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

40           **59-23-4. Brine shrimp royalty -- Royalty rate -- Commission to prepare billing**  
 41 **statement -- Deposit of revenue.**

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

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

46           ~~[(ii) \$550,000.]~~

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

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

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

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

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

62           ~~[(4)]~~ (2) (a) A person that harvests unprocessed brine shrimp eggs shall report to the

63 Department of Natural Resources the total [~~gross volume~~] number of pounds of unprocessed  
64 brine shrimp eggs harvested by that person for that tax year on or before the February 15  
65 immediately following the last day of that tax year.

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

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

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

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

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

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

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

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

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

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

82 (C) the date that the brine shrimp royalty payment is due as provided in Section  
83 59-23-5.

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

87 [~~(5) All revenue~~] (3) Revenue generated by the brine shrimp royalty shall be deposited  
88 in the Species Protection Account created in Section 79-2-303.

89 [~~(6)~~] (4) Beginning with the 2004 interim, the Revenue and Taxation Interim  
90 Committee:

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

93 (b) shall determine on or before the November interim meeting of the year in which the

94 Revenue and Taxation Interim Committee reviews the [~~annual~~] brine shrimp royalty [~~amount~~]  
95 imposed under this section whether the brine shrimp royalty [~~amount~~] should be[:(i)]  
96 continued[;:(ii)], modified[;], or [(iii)] repealed; and

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

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

100 **59-23-7. Rules.**

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

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

104 **59-23-8. Penalties and interest.**

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

107 Section 5. **Repealer.**

108 This bill repeals:

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