

Amendments to House Bill No. 107
3rd Reading Copy

Requested by Senator Kim Gillan

For the Senate Taxation Committee

Prepared by Lee Heiman
March 21, 2011 (4:11pm)

1. Title, line 8.

Following: "PAYMENTS;"

Insert: "PROVIDING FOR AN AUDIT, AFTER NOTICE, OF COAL ROYALTIES
PAID TO THE STATE;"

2. Page 1, line 18.

Following: "at"

Strike: "a"

Insert: "the legal"

Strike: "31-1-107"

Insert: "31-1-106"

3. Page 1, line 28.

Insert: "NEW SECTION. Section 2. Audit -- notice -- action to compel payment. (1) Except as provided in subsection (2), the department may, within 5 years of the filing of a report pursuant to 77-3-317, commence an audit of a lessee's or former lessee's operation to determine whether the report is complete and accurate and whether all royalties owed have been paid. The department shall notify the lessee in writing of the audit. The notice must describe the period for which the audit is being conducted. Upon conclusion of the audit, the department shall notify the lessee of the department's conclusions and, if the department has determined that additional royalties are owed, the basis for that determination. An action to compel payment of royalties due must be commenced within 2 years of the date of mailing the notice.

(2) If a lessee or former lessee, with intent to evade payment of royalties, purposely or knowingly files a false report or purposely or knowingly fails to pay royalties owed, the department may conduct an audit and file an action to collect royalties at any time after the royalties are due."

Renumber: subsequent sections

4. Page 1, line 29.

Strike: "[Section 1] is"

Insert: "[Sections 1 and 2] are"

5. Page 1, line 30.

Strike: "[section 1]"