

COUNTIES ACCUMULATION OF RETAINED EARNINGS

2001 GENERAL SESSION

STATE OF UTAH

Sponsor: Thomas V. Hatch

This act modifies provisions relating to counties to expand the maximum amount of unappropriated surplus that a county may retain in its General Fund.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

17-36-16, as last amended by Chapter 300, Laws of Utah 1999

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

Section 1. Section **17-36-16** is amended to read:

17-36-16. Retained earnings -- Accumulation -- Restrictions -- Disbursements.

(1) A county may accumulate retained earnings in any enterprise or internal service fund or a fund balance in any other fund; but with respect to the General Fund, its use shall be restricted to the following purposes:

(a) to provide cash to finance expenditures from the beginning of the budget period until general property taxes, sales taxes, or other revenues are collected;

(b) to provide a fund or reserve to meet emergency expenditures; and

(c) to cover unanticipated deficits for future years.

(2) The maximum accumulated unappropriated surplus in the General Fund, as determined prior to adoption of the tentative budget, may not exceed an amount equal to [~~the estimated~~] 50% of the total revenues [~~from property taxes~~] of the General Fund for the current fiscal period, except that in counties with a taxable value of \$750,000,000 or more and a population of 100,000 or more, the accumulated surplus shall be limited to 20% of the total revenues of the General Fund for the current fiscal period. Any surplus balance in excess of the above computed maximum shall be included in the estimated revenues of the General Fund budget for the next fiscal period.

(3) Any fund balance exceeding 5% of the total General Fund revenues may be used for budgetary purposes.

(4) (a) A county may appropriate funds from estimated revenue in any budget period to

a reserve for capital improvements within any capital improvements fund which has been duly established by ordinance or resolution.

(b) Money in the reserves shall be allowed to accumulate from fiscal period to fiscal period until the accumulated total is sufficient to permit economical expenditure for the specified purposes.

(c) Disbursements from the reserves shall be made only by transfer to a revenue account within a capital improvements fund pursuant to an appropriation for the fund.

(d) Expenditures from the capital improvement budget accounts shall conform to all requirements of this act as it relates to the execution and control of budgets.