

1                   **GENERAL FUND BUDGET RESERVE ACCOUNT**

2                                   **AMENDMENTS**

3   2017 GENERAL SESSION

4   STATE OF UTAH

5                                   **Chief Sponsor: Ken Ivory**

6                                   Senate Sponsor: Lincoln Fillmore

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8   **LONG TITLE**

9   **General Description:**

10           This bill modifies provisions relating to the General Fund Budget Reserve Account.

11   **Highlighted Provisions:**

12           This bill:

13           ▶ authorizes the Legislature to appropriate money from the General Fund Budget  
14 Reserve Account to finance an existing federally funded program or activity in  
15 certain circumstances; and

16           ▶ makes technical corrections.

17   **Money Appropriated in this Bill:**

18           None

19   **Other Special Clauses:**

20           None

21   **Utah Code Sections Affected:**

22   AMENDS:

23           **63J-1-312**, as last amended by Laws of Utah 2015, Chapter 214

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

26           Section 1. Section **63J-1-312** is amended to read:

27           **63J-1-312. Establishing a General Fund Budget Reserve Account -- Providing for**  
28 **deposits and expenditures from the account -- Providing for interest generated by the**  
29 **account.**

30 (1) As used in this section:

31 (a) "Education Fund budget deficit" means a situation where appropriations made by  
32 the Legislature from the Education Fund for a fiscal year exceed the estimated revenues  
33 adopted by the Executive Appropriations Committee of the Legislature for the Education Fund  
34 in that fiscal year.

35 (b) "General Fund appropriations" means the sum of the spending authority for a fiscal  
36 year that is:

37 (i) granted by the Legislature in all appropriation acts and bills; and

38 (ii) identified as coming from the General Fund.

39 (c) "General Fund budget deficit" means a situation where General Fund appropriations  
40 made by the Legislature for a fiscal year exceed the estimated revenues adopted by the  
41 Executive Appropriations Committee of the Legislature for the General Fund in that fiscal year.

42 (d) "General Fund revenue surplus" means a situation where actual General Fund  
43 revenues collected in a completed fiscal year exceed the estimated revenues for the General  
44 Fund for that fiscal year that were adopted by the Executive Appropriations Committee of the  
45 Legislature.

46 (e) "Operating deficit" means that, at the end of the fiscal year, the unassigned fund  
47 balance in the General Fund is less than zero.

48 (2) There is created within the General Fund a restricted account to be known as the  
49 General Fund Budget Reserve Account, which is designated to receive the legislative  
50 appropriations and the surplus revenue required to be deposited into the account by this section.

51 (3) (a) (i) Except as provided in Subsection (3)(a)(ii), at the end of any fiscal year in  
52 which the Division of Finance, in consultation with the Legislative Fiscal Analyst and in  
53 conjunction with the completion of the annual audit by the state auditor, determines that there  
54 is a General Fund revenue surplus, the Division of Finance shall transfer 25% of the General  
55 Fund revenue surplus to the General Fund Budget Reserve Account.

56 (ii) If the transfer of 25% of the General Fund revenue surplus to the General Fund  
57 Budget Reserve Account would cause the balance in the account to exceed 9% of General Fund

58 appropriations for the fiscal year in which the revenue surplus occurred, the Division of  
59 Finance shall transfer only those funds necessary to ensure that the balance in the account  
60 equals 9% of General Fund appropriations for the fiscal year in which the General Fund  
61 revenue surplus occurred.

62 (iii) The Division of Finance shall calculate the amount to be transferred under this  
63 Subsection (3)(a):

64 (A) after making the transfer of General Fund revenue surplus to the Medicaid Growth  
65 Reduction and Budget Stabilization Account, as provided in Section [63J-1-315](#);

66 (B) before transferring from the General Fund revenue surplus any other year-end  
67 contingency appropriations, year-end set-asides, or other year-end transfers required by law;  
68 and

69 (C) excluding any direct legislative appropriation made to the General Fund Budget  
70 Reserve Account for the fiscal year.

71 (b) (i) Except as provided in Subsection (3)(b)(ii), in addition to Subsection (3)(a)(i), if  
72 a General Fund revenue surplus exists and if, within the last 10 years, the Legislature has  
73 appropriated any money from the General Fund Budget Reserve Account that has not been  
74 replaced by appropriation or as provided in this Subsection (3)(b), the Division of Finance shall  
75 transfer up to 25% more of the General Fund revenue surplus to the General Fund Budget  
76 Reserve Account to replace the amounts appropriated, until direct legislative appropriations, if  
77 any, and transfers from the General Fund revenue surplus under this Subsection (3)(b) have  
78 replaced the appropriations from the account.

79 (ii) If the transfer under Subsection (3)(b)(i) would cause the balance in the account to  
80 exceed 9% of General Fund appropriations for the fiscal year in which the revenue surplus  
81 occurred, the Division of Finance shall transfer only those funds necessary to ensure that the  
82 balance in the account equals 9% of General Fund appropriations for the fiscal year in which  
83 the revenue surplus occurred.

84 (iii) The Division of Finance shall calculate the amount to be transferred under this  
85 Subsection (3)(b):

86 (A) after making the transfer of General Fund revenue surplus to the Medicaid Growth  
87 Reduction and Budget Stabilization Account, as provided in Section 63J-1-315;

88 (B) before transferring from the General Fund revenue surplus any other year-end  
89 contingency appropriations, year-end set-asides, or other year-end transfers required by law;  
90 and

91 (C) excluding any direct legislative appropriation made to the General Fund Budget  
92 Reserve Account for the fiscal year.

93 (c) For appropriations made by the Legislature to the General Fund Budget Reserve  
94 Account, the Division of Finance shall treat those appropriations, unless otherwise specified in  
95 the appropriation, as replacement funds for appropriations made from the account if funds were  
96 appropriated from the General Fund Budget Reserve Account within the past 10 years and have  
97 not yet been replaced.

98 (4) The Legislature may appropriate money from the General Fund Budget Reserve  
99 Account only to:

100 (a) resolve a General Fund budget deficit, for the fiscal year in which the General Fund  
101 budget deficit occurs;

102 (b) pay some or all of state settlement agreements approved under Title 63G, Chapter  
103 10, State Settlement Agreements Act;

104 (c) pay retroactive tax refunds; [~~or~~]

105 (d) resolve an Education Fund budget deficit[-]; or

106 (e) finance an existing federally funded program or activity when:

107 (i) the federal funds expected to fund the federal program or activity are not available  
108 to fund the program or activity; and

109 (ii) the Legislature and governor concurrently determine that the program or activity is  
110 essential.

111 (5) Interest generated from investments of money in the General Fund Budget Reserve  
112 Account shall be deposited into the General Fund.