

1 **ALCOHOL BEVERAGE CONTROL BUDGET AMENDMENTS**

2 2017 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Karen Mayne**

5 House Sponsor: Brad R. Wilson

7 **LONG TITLE**

8 **General Description:**

9 This bill modifies provisions related to the budget of the Department of Alcoholic
10 Beverage Control.

11 **Highlighted Provisions:**

12 This bill:

- 13 ▶ defines terms;
- 14 ▶ addresses the department's base budget;
- 15 ▶ provides for use of specific funds for specified purposes; and
- 16 ▶ makes technical changes.

17 **Money Appropriated in this Bill:**

18 None

19 **Other Special Clauses:**

20 This bill provides a special effective date.

21 **Utah Code Sections Affected:**

22 AMENDS:

23 **32B-2-301**, as last amended by Laws of Utah 2013, Chapter 349

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

26 Section 1. Section **32B-2-301** is amended to read:

27 **32B-2-301. State property -- Liquor Control Fund -- Markup Holding Fund.**

28 (1) The following are property of the state:

29 (a) the money received in the administration of this title, except as otherwise provided;

30 and

31 (b) property acquired, administered, possessed, or received by the department.

32 (2) (a) There is created an enterprise fund known as the "Liquor Control Fund."

33 (b) Except as provided in Sections 32B-3-205 and 32B-2-304, money received in the
34 administration of this title shall be transferred to the Liquor Control Fund.

35 (3) (a) There is created an enterprise fund known as the "Markup Holding Fund."

36 (b) In accordance with Section 32B-2-304, the State Tax Commission shall deposit
37 revenue remitted to the State Tax Commission from the markup imposed under Section
38 32B-2-304 into the Markup Holding Fund.

39 (c) Money deposited into the Markup Holding Fund may be expended:

40 (i) to the extent appropriated by the Legislature; and

41 (ii) to fund the deposits required by Subsection 32B-2-304(4) and Subsection
42 32B-2-305(4).

43 (4) The department may draw from the Liquor Control Fund only to the extent
44 appropriated by the Legislature or provided for by statute, except that the department may draw
45 by warrant without an appropriation from the Liquor Control Fund for an expenditure that is
46 directly incurred by the department:

47 (a) to purchase an alcoholic product;

48 (b) to transport an alcoholic product from the supplier to a warehouse of the
49 department; and

50 (c) for variances related to an alcoholic product.

51 (5) (a) As used in this Subsection (5), "base budget" means the same as that term is
52 defined in legislative rule.

53 (b) The department's base budget shall include as an appropriation from the Liquor
54 Control Fund:

55 (i) credit card related fees paid by the department;

56 (ii) package agency compensation; and

57 (iii) the department's costs of shipping and warehousing alcoholic products.

58 (6) Before the transfer required by Subsection (7), the department may retain each
59 fiscal year from the Liquor Control Fund \$1,000,000 that the department may use for:

- 60 (a) capital equipment purchases;
- 61 (b) salary increases for department employees;
- 62 (c) performance awards for department employees; or
- 63 (d) information technology enhancements because of changes or trends in technology.

64 ~~[(5)]~~ (7) The department shall transfer annually from the Liquor Control Fund and the
65 State Tax Commission shall transfer annually from the Markup Holding Fund to the General
66 Fund a sum equal to the amount of net profit earned from the sale of liquor since the preceding
67 transfer of money under this Subsection ~~[(5)]~~ (7). The transfers shall be calculated by no later
68 than September 1 and made by no later than September 30 after a fiscal year. The Division of
69 Finance may make year-end closing entries in the Liquor Control Fund and the Markup
70 Holding Fund in order to comply with Subsection 51-5-6(2).

71 ~~[(6)]~~ (8) (a) By the end of each day, the department shall:

- 72 (i) make a deposit to a qualified depository, as defined in Section 51-7-3; and
 - 73 (ii) report the deposit to the state treasurer.
- 74 (b) A commissioner or department employee is not personally liable for a loss caused
75 by the default or failure of a qualified depository.

76 (c) Money deposited in a qualified depository is entitled to the same priority of
77 payment as other public funds of the state.

78 ~~[(7)]~~ (9) If the cash balance of the Liquor Control Fund is not adequate to cover a
79 warrant drawn against the Liquor Control Fund by the department, the cash resources of the
80 General Fund may be used to the extent necessary. At no time may the fund equity of the
81 Liquor Control Fund fall below zero.

82 **Section 2. Effective date.**

83 This bill takes effect on July 1, 2017.