

Ashlee Matthews proposes the following substitute bill:

Unspent Funding Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ashlee Matthews

Senate Sponsor: Luz Escamilla

LONG TITLE

General Description:

This bill modifies provisions related to unexpended balances.

Highlighted Provisions:

This bill:

- creates the Unspent Balances Restricted Account (restricted account);
- directs the Division of Finance to annually transfer a specified percentage of all lapsing balances and excess account balance transfers to the restricted account; and
- provides the purposes for which money in the restricted account may be used.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

63J-1-601, as last amended by Laws of Utah 2023, Chapter 330

63J-1-602.1, as last amended by Laws of Utah 2025, First Special Session, Chapter 9

ENACTS:

63J-1-604, Utah Code Annotated 1953

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

Section 1. Section **63J-1-601** is amended to read:

63J-1-601 . End of fiscal year -- Unexpended balances -- Funds not to be closed out -- Pending claims -- Transfer of amounts from item of appropriation -- Nonlapsing accounts and funds -- Institutions of higher education to report unexpended balances.

(1) As used in this section:

- (a) "Education grant subrecipient" means a nonfederal entity that:

- 30 (i) receives a subaward from the State Board of Education to carry out at least part of
31 a federal or state grant program; and
- 32 (ii) does not include an individual who is a beneficiary of the federal or state grant
33 program.
- 34 (b) "Transaction control number" means the unique numerical identifier established by
35 the Department of Health and Human Services to track each medical claim and
36 indicates the date on which the claim is entered.
- 37 (2) [On] Except as provided in Section 63J-1-604, on or before August 31 of each fiscal
38 year, the director of the Division of Finance shall close out to the proper fund or account
39 all remaining unexpended and unencumbered balances of appropriations made by the
40 Legislature, except:
- 41 (a) those funds classified under Title 51, Chapter 5, Funds Consolidation Act, as:
- 42 (i) enterprise funds;
- 43 (ii) internal service funds;
- 44 (iii) fiduciary funds;
- 45 (iv) capital projects funds;
- 46 (v) discrete component unit funds;
- 47 (vi) debt service funds; and
- 48 (vii) permanent funds;
- 49 (b) those appropriations from a fund or account or appropriations to a program that are
50 designated as nonlapsing under Section 63J-1-602.1 or 63J-1-602.2;
- 51 (c) expendable special revenue funds, unless specifically directed to close out the fund in
52 the fund's enabling legislation;
- 53 (d) acquisition and development funds appropriated to the Division of State Parks or the
54 Division of Outdoor Recreation;
- 55 (e) funds encumbered to pay purchase orders issued before May 1 for capital equipment
56 if delivery is expected before June 30; and
- 57 (f) unexpended and unencumbered balances of appropriations that meet the requirements
58 of Section 63J-1-603.
- 59 (3)(a) Liabilities and related expenses for goods and services received on or before June
60 30 shall be recognized as expenses due and payable from appropriations made before
61 June 30.
- 62 (b) The liability and related expense shall be recognized within time periods established
63 by the Division of Finance but shall be recognized not later than August 31.

- 64 (c) Liabilities and expenses not so recognized may be paid from regular departmental
65 appropriations for the subsequent fiscal year, if these claims do not exceed
66 unexpended and unencumbered balances of appropriations for the years in which the
67 obligation was incurred.
- 68 (d) Amounts may not be transferred from an item of appropriation of any department,
69 institution, or agency into the Capital Projects Fund or any other fund without the
70 prior express approval of the Legislature.
- 71 (4)(a) For purposes of this chapter, a claim processed under the authority of Title 26B,
72 Chapter 3, Health Care - Administration and Assistance:
- 73 (i) is not a liability or an expense to the state for budgetary purposes, unless the
74 Division of Integrated Healthcare receives the claim within the time periods
75 established by the Division of Finance under Subsection (3)(b); and
76 (ii) is not subject to Subsection (3)(c).
- 77 (b) The transaction control number that the Division of Integrated Healthcare records on
78 each claim invoice is the date of receipt.
- 79 (5)(a) For purposes of this chapter, a claim processed in accordance with Title 35A,
80 Chapter 13, Utah State Office of Rehabilitation Act:
- 81 (i) is not a liability or an expense to the state for budgetary purposes, unless the Utah
82 State Office of Rehabilitation receives the claim within the time periods
83 established by the Division of Finance under Subsection (3)(b); and
84 (ii) is not subject to Subsection (3)(c).
- 85 (b)(i) The Utah State Office of Rehabilitation shall mark each claim invoice with the
86 date on which the Utah State Office of Rehabilitation receives the claim invoice.
87 (ii) The date described in Subsection (5)(b)(i) is the date of receipt for purposes of
88 this section.
- 89 (6)(a) For purposes of this chapter, a reimbursement request received from an education
90 grant subrecipient:
- 91 (i) is not a liability or expense to the state for budgetary purposes, unless the State
92 Board of Education receives the claim within the time periods described in
93 Subsection (3)(b); and
94 (ii) is not subject to Subsection (3)(c).
- 95 (b) The transaction control number that the State Board of Education records on a claim
96 invoice is the date of receipt.
- 97 (7) Any balance from an appropriation to a state institution of higher education that remains

98 unexpended at the end of the fiscal year shall be reported to the Division of Finance by
99 the September 1 following the close of the fiscal year.

100 Section 2. Section **63J-1-602.1** is amended to read:

101 **63J-1-602.1 . List of nonlapsing appropriations from accounts and funds.**

102 Appropriations made from the following accounts or funds are nonlapsing:

- 103 (1) The Native American Repatriation Restricted Account created in Section 9-9-407.
- 104 (2) Certain money payable for expenses of the Pete Suazo Utah Athletic Commission, as
105 provided under Title 9, Chapter 23, Pete Suazo Utah Athletic Commission Act.
- 106 (3) Funds collected for directing and administering the C-PACE district created in Section
107 11-42a-106.
- 108 (4) Money received by the Utah Inland Port Authority, as provided in Section 11-58-105.
- 109 (5) The Commerce Electronic Payment Fee Restricted Account created in Section 13-1-17.
- 110 (6) The Division of Air Quality Oil, Gas, and Mining Restricted Account created in Section
111 19-2a-106.
- 112 (7) The Division of Water Quality Oil, Gas, and Mining Restricted Account created in
113 Section 19-5-126.
- 114 (8) State funds for matching federal funds in the Children's Health Insurance Program as
115 provided in Section 26B-3-906.
- 116 (9) Funds collected from the program fund for local health department expenses incurred in
117 responding to a local health emergency under Section 26B-7-111.
- 118 (10) The Technology Development Restricted Account created in Section 31A-3-104.
- 119 (11) The Criminal Background Check Restricted Account created in Section 31A-3-105.
- 120 (12) The Captive Insurance Restricted Account created in Section 31A-3-304, except to the
121 extent that Section 31A-3-304 makes the money received under that section free revenue.
- 122 (13) The Title Licensee Enforcement Restricted Account created in Section 31A-23a-415.
- 123 (14) The Health Insurance Actuarial Review Restricted Account created in Section
124 31A-30-115.
- 125 (15) The State Mandated Insurer Payments Restricted Account created in Section
126 31A-30-118.
- 127 (16) The Insurance Fraud Investigation Restricted Account created in Section 31A-31-108.
- 128 (17) The Underage Drinking Prevention Media and Education Campaign Restricted
129 Account created in Section 32B-2-306.
- 130 (18) The School Readiness Restricted Account created in Section 35A-15-203.
- 131 (19) Money received by the Utah State Office of Rehabilitation for the sale of certain

- 132 products or services, as provided in Section 35A-13-202.
- 133 (20) The Property Loss Related to Homelessness Compensation Enterprise Fund created in
134 Section 35A-16-212.
- 135 (21) The Homeless Shelter Cities Mitigation Restricted Account created in Section
136 35A-16-402.
- 137 (22) The Oil and Gas Administrative Penalties Account created in Section 40-6-11.
- 138 (23) The Oil and Gas Conservation Account created in Section 40-6-14.5.
- 139 (24) The Division of Oil, Gas, and Mining Restricted account created in Section 40-6-23.
- 140 (25) The Electronic Payment Fee Restricted Account created by Section 41-1a-121 to the
141 Motor Vehicle Division.
- 142 (26) The License Plate Restricted Account created by Section 41-1a-122.
- 143 (27) The Motor Vehicle Enforcement Division Temporary Permit Restricted Account
144 created by Section 41-3-110 to the State Tax Commission.
- 145 (28) The State Disaster Recovery Restricted Account to the Division of Emergency
146 Management, as provided in Section 53-2a-603.
- 147 (29) The Disaster Response, Recovery, and Mitigation Restricted Account created in
148 Section 53-2a-1302.
- 149 (30) The Emergency Medical Services Critical Needs Account created in Section 53-2d-110.
- 150 (31) The Department of Public Safety Restricted Account to the Department of Public
151 Safety, as provided in Section 53-3-106.
- 152 (32) The Utah Highway Patrol Aero Bureau Restricted Account created in Section 53-8-303.
- 153 (33) The DNA Specimen Restricted Account created in Section 53-10-407.
- 154 (34) The Technical Colleges Capital Projects Fund created in Section 53H-9-605.
- 155 (35) The Higher Education Capital Projects Fund created in Section 53H-9-502.
- 156 (36) A certain portion of money collected for administrative costs under the School
157 Institutional Trust Lands Management Act, as provided under Section 53C-3-202.
- 158 (37) The Public Utility Regulatory Restricted Account created in Section 54-5-1.5, subject
159 to Subsection 54-5-1.5(4)(d).
- 160 (38) Funds collected from a surcharge fee to provide certain licensees with access to an
161 electronic reference library, as provided in Section 58-3a-105.
- 162 (39) Certain fines collected by the Division of Professional Licensing for violation of
163 unlawful or unprofessional conduct that are used for education and enforcement
164 purposes, as provided in Section 58-17b-505.
- 165 (40) Funds collected from a surcharge fee to provide certain licensees with access to an

- 166 electronic reference library, as provided in Section 58-22-104.
- 167 (41) Funds collected from a surcharge fee to provide certain licensees with access to an
168 electronic reference library, as provided in Section 58-55-106.
- 169 (42) Funds collected from a surcharge fee to provide certain licensees with access to an
170 electronic reference library, as provided in Section 58-56-3.5.
- 171 (43) Certain fines collected by the Division of Professional Licensing for use in education
172 and enforcement of the Security Personnel Licensing Act, as provided in Section
173 58-63-103.
- 174 (44) The Relative Value Study Restricted Account created in Section 59-9-105.
- 175 (45) The Cigarette Tax Restricted Account created in Section 59-14-204.
- 176 (46) Funds paid to the Division of Real Estate for the cost of a criminal background check
177 for a mortgage loan license, as provided in Section 61-2c-202.
- 178 (47) Funds paid to the Division of Real Estate for the cost of a criminal background check
179 for principal broker, associate broker, and sales agent licenses, as provided in Section
180 61-2f-204.
- 181 (48) Certain funds donated to the Department of Health and Human Services, as provided
182 in Section 26B-1-202.
- 183 (49) Certain funds donated to the Division of Child and Family Services, as provided in
184 Section 80-2-404.
- 185 (50) Funds collected by the Office of Administrative Rules for publishing, as provided in
186 Section 63G-3-402.
- 187 (51) The Immigration Act Restricted Account created in Section 63G-12-103.
- 188 (52) Money received by the military installation development authority, as provided in
189 Section 63H-1-504.
- 190 (53) The Unified Statewide 911 Emergency Service Account created in Section 63H-7a-304.
- 191 (54) The Utah Statewide Radio System Restricted Account created in Section 63H-7a-403.
- 192 (55) The Utah Capital Investment Restricted Account created in Section 63N-6-204.
- 193 (56) The Motion Picture Incentive Account created in Section 63N-8-103.
- 194 (57) Funds collected by the housing of state probationary inmates or state parole inmates, as
195 provided in Subsection 64-13e-104(2).
- 196 (58) Certain forestry and fire control funds utilized by the Division of Forestry, Fire, and
197 State Lands, as provided in Section 65A-8-103.
- 198 (59) The following funds or accounts created in Section 72-2-124:
199 (a) Transportation Investment Fund of 2005;

- 200 (b) Transit Transportation Investment Fund;
- 201 (c) Cottonwood Canyons Transportation Investment Fund;
- 202 (d) Active Transportation Investment Fund; and
- 203 (e) Commuter Rail Subaccount.
- 204 (60) The Amusement Ride Safety Restricted Account, as provided in Section 72-16-204.
- 205 (61) Certain funds received by the Office of the State Engineer for well drilling fines or
- 206 bonds, as provided in Section 73-3-25.
- 207 (62) The Water Resources Conservation and Development Fund, as provided in Section
- 208 73-23-2.
- 209 (63) Award money under the State Asset Forfeiture Grant Program, as provided under
- 210 Section 77-11b-403.
- 211 (64) Funds donated or paid to a juvenile court by private sources, as provided in Subsection
- 212 78A-6-203(1)(c).
- 213 (65) Fees for certificate of admission created under Section 78A-9-102.
- 214 (66) Funds collected for adoption document access as provided in Sections 81-13-103,
- 215 81-13-504, and 81-13-505.
- 216 (67) Funds collected for indigent defense as provided in Title 78B, Chapter 22, Part 4, Utah
- 217 Indigent Defense Commission.
- 218 (68) The Utah Geological Survey Restricted Account created in Section 79-3-403.
- 219 (69) Revenue for golf user fees at the Wasatch Mountain State Park, Palisades State Park,
- 220 and Green River State Park, as provided under Section 79-4-403.
- 221 (70) Certain funds received by the Division of State Parks from the sale or disposal of
- 222 buffalo, as provided under Section 79-4-1001.
- 223 (71) The Unspent Balances Restricted Account created in Section 63J-1-504.
- 224 Section 3. Section **63J-1-604** is enacted to read:
- 225 **63J-1-604 . Unspent Balances Restricted Account.**
- 226 (1) As used in this section:
- 227 (a)(i) "Account balance transfer" means an amount in a fund or account at the close
- 228 of a fiscal year that:
- 229 (A) exceeds the amount statute allows to remain in the fund or account at the close
- 230 of the fiscal year; and
- 231 (B) statute directs be transferred to the General Fund at the close of a fiscal year.
- 232 (ii) "Account balance transfer" does not include a lapsing balance.
- 233 (b) "Excess account balance transfer" means the greater of:

- 234 (i) the difference between:
235 (A) a fund's or account's account balance transfer; and
236 (B) the fund's or account's expected account balance transfer based on the most
237 recent General Fund revenue estimate adopted by the Executive Appropriations
238 Committee; and
239 (ii) \$0.
- 240 (c) "General Fund revenue surplus" means the same as that term is defined in Section
241 63J-1-312.
- 242 (d) "Lapsing balance" means any unexpended and unencumbered amount that would
243 otherwise lapse to the General Fund under Section 63J-1-601.
- 244 (2) There is created within the General Fund a restricted account known as the Unspent
245 Balances Restricted Account.
- 246 (3) Notwithstanding any other provision of law, beginning with fiscal year 2026, the
247 Division of Finance shall comply with Subsection (4) for each fiscal year in which:
248 (a) there is a General Fund revenue surplus; and
249 (b)(i) there is not an Income Tax Fund revenue deficit; or
250 (ii) if there is an Income Tax Fund revenue deficit, the General Fund revenue surplus
251 is equal to or exceeds the Income Tax Fund deficit.
- 252 (4)(a) Subject to Subsection (4)(b), for each fiscal year described in Subsection (3), the
253 Division of Finance shall deposit into the restricted account:
254 (i) 50% of all lapsing balances; and
255 (ii) 50% of all excess account balance transfers.
256 (b) The total amount transferred for a fiscal year in accordance with Subsection (4)(a)
257 may not exceed \$5,000,000.
- 258 (5) Subject to legislative appropriation:
259 (a) the Office of Child Care created in Section 35A-3-202 may use up to an amount
260 equal to 50% of the funds in the restricted account for child care subsidies or grants
261 as provided in Section 35A-3-209; and
262 (b) the Department of Health and Human Services may use up to an amount equal to
263 50% of the funds in the restricted account as directed by the Utah Behavioral Health
264 Commission created in Section 26B-5-702 to fulfill the commission's duties.

265 **Section 4. Effective Date.**

266 This bill takes effect on May 6, 2026.