

Compendium of Budget Information for the 2014 General Session

Business, Economic Development, and Labor Appropriations Subcommittee

Agency: Commerce

Function

The Utah Department of Commerce is the licensing and registration agency for Utah's professional and corporate community. Business registrations, professional licensing, consumer protection and education, oversight of public utilities and monitoring real estate and securities industries are all department responsibilities.

The department protects public interest by ensuring fair commercial and professional practices.

The mission of the Department of Commerce is "to protect the public interest by ensuring fair commercial and professional practices."

The vision of the Department of Commerce is that, "the Department of Commerce contributes to the success of Utah businesses, professionals, and consumers by creating a favorable economic environment."

Statutory Authority

The overall governance of the Department of Commerce can be found in UCA 13-1-1 which states: "the Legislature finds that many businesses and occupations in the state have a pronounced physical and economic impact on the health, safety, and welfare of the citizens of the state. The Legislature further finds that while the overall impact is generally beneficial to the public, the potential for harm and injury frequently warrants intervention by state government."

"The Legislature declares that it is appropriate and necessary for state government to protect its citizens from harmful and injurious acts by persons offering or providing essential or necessary goods and services to the general public. The Legislature further declares that business regulation should not be unfairly discriminatory. However, the general public interest must be recognized and regarded as the primary purpose of all regulation by state government."

The following are the specific sections of the Utah Code Annotated that give direction to the Department of Commerce and its operations.

- Commerce and Trade sections are found in UCA 13, chapters 1 through 38,
- Collection Agencies are found in UCA-12,
- Corporations are in UCA 16, chapters 4 through 15,
- Partnerships are in UCA 48, chapters 1 through 2a,
- Bail Bond Recovery are in UCA 53 (Public Safety), chapter 11,

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- Public Utilities is in UCA 54 chapters 2 through 16,
 - Real Estate Regulations are in UCA 57, chapters 1 through 23,
 - Occupations and Professions are in UCA 58, chapters 1 through 76,
 - Real Estate and Securities divisions are in UCA 61, chapters 1 through 6,
 - Trademarks & Trade Names are in UCA 70, chapter 3a, and
 - Uniform Commercial Code is in UCA 70A, chapters 1 through 11.

Issues/Analysis

Commerce Federal Funds

Department of Commerce Current Year Budget Trends - FY 2014

Commerce Department Restricted Fund Balances FY 2014

In Depth Budget Review Off Budget Funds Commerce

Special Funds

Commerce administers the following special funding sources:

The Commerce Service Fund consists of fees collected by each division and by the department. Funding is used to provide overall staff support to the Department. Any amount over the Legislative appropriation is transferred to the General Fund at the end of the fiscal year.

The Public Utilities Regulation Fee is assessed on public utilities to cover the costs of regulation. Funding is used according to the criteria established in UCA 54-5-1.5

The Factory Built Housing Fee Restricted Account is assessed on factory built home dealers for each home sold. Funds are used to pay for education and enforcement of the Building Inspector and Factory Built Housing Licensing Act.

The Geologist Education and Enforcement Account is funded through a surcharge on initial, renewal, and reinstatement licensure fees provided under the Professional Geologist Licensing Act. Funds are used for education and training of licensees.

The Nurse Education and Enforcement Account is funded through administrative penalties imposed under UCA 58-31b-503. Funding can be used for education and training of licensees, enforcement of the Nurse Practice Act, investigating unprofessional or unlawful conduct, legal representation, reviewing compliance, and establishment of new training programs.

The Pawnbroker and Secondhand Merchandise Operations Restricted Account is created UCA 13-32a-113. The account is funded from the fees and administrative fines imposed and collected under UCA 13-32a-106, 13-32a-107, 13-32a-110, and 13-32a-111. Funds are used to provide training.

Funding Detail

The Department of Commerce is funded primarily through the collection and assessment of fees on duties that they are statutorily charged with upholding. Additionally, the Department consists of three main line items, including: Commerce General Regulation, Public Utilities, and Office of Consumer Services.

Table 1: Operating and Capital Budget Including Expendable Funds and Accounts

Sources of Finance	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Federal Funds	\$233,300	\$644,900	\$500	\$645,400	(\$242,300)	\$403,100
Dedicated Credits Revenue	\$1,044,100	\$1,558,500	\$300	\$1,558,800	\$39,200	\$1,598,000
Licenses/Fees	\$0	\$0	\$0	\$0	\$592,800	\$592,800
Interest Income	\$0	\$0	\$0	\$0	\$17,700	\$17,700
GFR - Commerce Service	\$19,206,400	\$19,665,600	\$0	\$19,665,600	\$729,700	\$20,395,300
GFR - Commerce Service, One-time	\$0	\$0	\$41,100	\$41,100	\$315,000	\$356,100
GFR - CSA - PURF	\$5,159,000	\$5,365,100	\$9,400	\$5,374,500	\$95,900	\$5,470,400
GFR - Factory Built Housing Fees	\$104,700	\$100,000	\$0	\$100,000	\$0	\$100,000
GFR - Geologist Ed. and Enf.	\$10,000	\$10,000	\$0	\$10,000	\$0	\$10,000
GFR - Nurses Ed and Enf Account	\$10,000	\$14,700	\$0	\$14,700	\$0	\$14,700
GFR - Pawnbroker Operations	\$129,000	\$129,000	\$100	\$129,100	\$1,000	\$130,100
GFR - Utah Housing Opportunity Restricted Account	\$20,000	\$20,000	\$0	\$20,000	\$0	\$20,000
Transfers	\$0	\$0	\$0	\$0	\$0	\$0
Transfers - Within Agency	\$0	\$0	\$0	\$0	\$0	\$0
Pass-through	\$7,900	\$50,000	\$0	\$50,000	\$0	\$50,000
Beginning Nonlapsing	\$5,212,700	\$1,133,200	\$5,094,800	\$6,228,000	(\$5,577,900)	\$650,100
Closing Nonlapsing	(\$6,228,000)	(\$500,100)	(\$150,000)	(\$650,100)	\$650,100	\$0
Lapsing Balance	(\$546,100)	\$0	\$0	\$0	\$0	\$0

Beginning Fund Balance	\$0	\$0	\$0	\$0	\$3,580,000	\$3,580,000
Ending Fund Balance	\$0	\$0	\$0	\$0	(\$1,920,500)	(\$1,920,500)
Total	\$24,363,000	\$28,190,900	\$4,996,200	\$33,187,100	(\$1,719,300)	\$31,467,800

Line Items	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Commerce General Regulation	\$23,398,300	\$26,647,700	\$425,500	\$27,073,200	\$562,100	\$27,635,300
Building Inspector Training	\$223,600	\$743,100	\$380,200	\$1,123,300	(\$861,000)	\$262,300
Public Utilities Professional and Technical Services	\$436,500	\$300,000	\$2,426,900	\$2,726,900	(\$2,426,900)	\$300,000
Office of Consumer Services Professional and Technical Services	\$304,600	\$500,100	\$1,763,600	\$2,263,700	(\$1,263,500)	\$1,000,200
Architecture Education and Enforcement Fund	\$0	\$0	\$0	\$0	\$40,000	\$40,000
Consumer Protection Education and Training Fund	\$0	\$0	\$0	\$0	\$325,000	\$325,000
Cosmetologist/Barber, Esthetician, Electrologist Fund	\$0	\$0	\$0	\$0	\$30,000	\$30,000
Land Surveyor/Engineer Education and Enforcement Fund	\$0	\$0	\$0	\$0	\$45,000	\$45,000
Landscapes Architects Education and Enforcement Fund	\$0	\$0	\$0	\$0	\$10,000	\$10,000
Physicians Education Fund	\$0	\$0	\$0	\$0	\$30,000	\$30,000
Real Estate Education, Research, and Recovery Fund	\$0	\$0	\$0	\$0	\$270,000	\$270,000
Residence Lien Recovery Fund	\$0	\$0	\$0	\$0	\$1,000,000	\$1,000,000
Residential Mortgage Loan Education, Research, and Recovery Fund	\$0	\$0	\$0	\$0	\$220,000	\$220,000
Securities Investor Education/Training/Enforcement Fund	\$0	\$0	\$0	\$0	\$300,000	\$300,000
Total	\$24,363,000	\$28,190,900	\$4,996,200	\$33,187,100	(\$1,719,300)	\$31,467,800

Categories of Expenditure	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Personnel Services	\$17,440,000	\$18,824,800	\$475,400	\$19,300,200	\$1,190,100	\$20,490,300

In-state Travel	\$67,900	\$30,500	\$50,000	\$80,500	\$34,000	\$114,500
Out-of-state Travel	\$42,600	\$57,200	\$54,800	\$112,000	\$50,500	\$162,500
Current Expense	\$5,103,600	\$8,044,500	\$4,058,800	\$12,103,300	(\$3,274,300)	\$8,829,000
DP Current Expense	\$1,555,600	\$1,163,900	\$357,200	\$1,521,100	\$195,400	\$1,716,500
DP Capital Outlay	\$35,500	\$0	\$0	\$0	\$0	\$0
Capital Outlay	\$19,500	\$0	\$0	\$0	\$0	\$0
Other Charges/Pass Thru	\$98,300	\$70,000	\$0	\$70,000	\$85,000	\$155,000
Total	\$24,363,000	\$28,190,900	\$4,996,200	\$33,187,100	(\$1,719,300)	\$31,467,800

Other Indicators	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Budgeted FTE	257	252	(1)	251	1	252
Actual FTE	233	0	0	0	0	0
Vehicles	26	36	(10)	26	10	36

COBI contains unaudited data as presented to the Legislature by state agencies at the time of publication. For audited financial data see the State of Utah's Comprehensive Annual Financial Reports.