

Part 1 General Provisions

63J-1-101 Title.

- (1) This title is known as "Budgeting."
- (2) This chapter is known as the "Budgetary Procedures Act."

Renumbered and Amended by Chapter 382, 2008 General Session

63J-1-102 Definitions.

As used in this chapter:

- (1) "Agency" means a unit of accounting, typically associated with a department, division, board, council, committee, institution, office, bureau, or other similar administrative unit of state government, that includes line items and programs.
- (2) "Budget execution plan" means a proposal submitted by an administrative unit of state government to the Division of Finance enumerating expected revenues and authorized expenditures within line items and among programs.
- (3) "Debt service" means the money that is required annually to cover the repayment of interest and principal on state debt.
- (4)
 - (a) "Dedicated credits" means collections by an agency that fund agency operations.
 - (b) "Dedicated credits" includes:
 - (i) assessments;
 - (ii) sales of goods and materials;
 - (iii) sales of services;
 - (iv) permits, licenses, and other fees;
 - (v) fines, penalties, and forfeitures; and
 - (vi) rental revenue.
 - (c) "Dedicated credits" does not include:
 - (i) expendable receipts;
 - (ii) revenues otherwise designated by law for deposit into another fund or account;
 - (iii) federal revenues and the related pass through; or
 - (iv) revenues that are not deposited in governmental funds.
- (5)
 - (a) "Expendable receipts" means collections by an agency for expenditures that are limited by a nonstate entity that provides the funds.
 - (b) "Expendable receipts" includes:
 - (i) grants;
 - (ii) state matches for federal revenues paid by a nonstate entity; and
 - (iii) rebates, including pharmacy rebates, that have similar restrictions on expenditures as the original program.
 - (c) "Expendable receipts" does not include:
 - (i) dedicated credits;
 - (ii) revenues otherwise designated by law for deposit into another fund or account;
 - (iii) federal revenues and the related pass through; or
 - (iv) revenues that are not deposited into governmental funds.

- (6) "Federal revenues" means collections by an agency from a federal source that are deposited into an account for expenditure by the agency.
- (7) "Free revenue" includes:
 - (a) collections that are required by law to be deposited in:
 - (i) the General Fund;
 - (ii) the Income Tax Fund;
 - (iii) the Uniform School Fund; or
 - (iv) the Transportation Fund;
 - (b) collections that are not otherwise designated by law;
 - (c) collections that are not externally restricted; and
 - (d) collections that are not included in an approved budget execution plan.
- (8) "Grant" means the same as that term is defined in Section 63J-7-101.
- (9)
 - (a) "Item of appropriation" means an authorization of expenditure contained in legislation that appropriates funds and includes the following:
 - (i) the name of the agency and line item to which authorization is granted; and
 - (ii) sources of finance from which authorization is granted and associated amounts authorized.
 - (b) "Item of appropriation" also includes:
 - (i) a schedule of programs;
 - (ii) intent language;
 - (iii) approved full-time equivalent employment;
 - (iv) authorized capital outlay; and
 - (v) other conditions of appropriation.
- (10) "Line item" means a unit of accounting, typically representing an administrative unit of state government within an agency, that contains one or more programs.
- (11) "Major revenue types" means:
 - (a) free revenue;
 - (b) federal revenue;
 - (c) restricted revenue;
 - (d) dedicated credits; and
 - (e) expendable receipts.
- (12) "Program" means a unit of accounting included on a schedule of programs within a line item used to track budget authorizations, collections, and expenditures on specific purposes or functions.
- (13) "Restricted revenue" means collections that are:
 - (a) deposited, by law, into a separate fund, subfund, or account; and
 - (b) designated for a specific program or purpose.
- (14) "Schedule of programs" means a list of programs and associated authorization amounts within an item of appropriation.

Amended by Chapter 456, 2022 General Session

63J-1-103 Agency exempt from act.

The Utah Housing Corporation is exempt from this act.

Renumbered and Amended by Chapter 382, 2008 General Session

63J-1-104 Revenue types -- Disposition of free revenue and restricted revenue.

- (1)
 - (a) The Division of Finance shall:
 - (i) account for revenues in accordance with generally accepted accounting principles; and
 - (ii) use the major revenue types in internal accounting.
 - (b) Each agency shall:
 - (i) use the major revenue types to account for revenues;
 - (ii) deposit revenues and other public funds received by them by following the procedures and requirements of Title 51, Chapter 7, State Money Management Act; and
 - (iii) expend revenues and public funds as required by this chapter.
- (2)
 - (a) Each agency shall deposit its free revenues into the appropriate fund.
 - (b) An agency may expend free revenues up to the amount specifically appropriated by the Legislature.
 - (c) Any free revenue funds appropriated by the Legislature to an agency that remain unexpended at the end of the fiscal year lapse to the source fund unless the Legislature provides by law that those funds are nonlapsing.
- (3)
 - (a) Each agency shall deposit its restricted revenues into the applicable restricted account or fund.
 - (b) Revenues in a restricted account or fund do not lapse to another account or fund unless otherwise specifically provided for by law or legislative appropriation.
 - (c) The Legislature may appropriate restricted revenues from a restricted account or fund for the specific purpose or program designated by law.
 - (d) If the fund equity of a restricted account or fund is insufficient to provide the accounts appropriated from it by the Legislature, the Division of Finance may reduce the appropriation to a level that ensures that the fund equity is not less than zero.
 - (e) Any restricted revenues appropriated by the Legislature to an agency that remain unexpended at the end of the fiscal year lapse to the applicable restricted account or fund unless the Legislature provides by law that those appropriations, or the program or line item financed by those appropriations, are nonlapsing.
- (4) Unless otherwise specifically provided by law, when an agency has a program or line item that is funded by both free revenue and restricted revenue, an agency shall expend those revenues based upon a proration of the amounts appropriated from each of those major revenue types.

Amended by Chapter 469, 2018 General Session

63J-1-105 Revenue types -- Disposition of dedicated credits and expendable receipts.

- (1)
 - (a) Dedicated credits are subject to appropriations and the restrictions in this chapter.
 - (b) An agency may expend dedicated credits for any purpose within the program or line item.
- (2) Except as provided in Subsections (3) and (4), an agency may not expend dedicated credits in excess of the amount appropriated to a line item as dedicated credits by the Legislature.
- (3) Each agency that receives dedicated credits revenue greater than the amount appropriated to a line item by the Legislature in the annual appropriations acts may expend the excess up to 25% of the amount appropriated if the expenditure is included in a revised budget execution plan submitted as provided in Section 63J-1-209.
- (4) Notwithstanding the requirements of Subsection (3), when an agency's dedicated credits revenue represents over 90% of the budget of the line item for which the dedicated credits

are collected, the agency may expend 100% of the excess of the amount appropriated if the agency submits a revised budget execution plan as provided in Subsection (3) and Section 63J-1-209.

- (5) An expenditure of dedicated credits in excess of amounts appropriated to a line item as dedicated credits by the Legislature may not be used to permanently increase personnel within the agency unless:
 - (a) the increase is approved by the Legislature; or
 - (b) the money is deposited as a dedicated credit in a line item covering tuition or federal vocational funds at an institution of higher education.
- (6)
 - (a) All excess dedicated credits not received or expended in compliance with Subsection (3), (4), or (7) lapse to the General Fund or other appropriate fund as free or restricted revenue at the end of the fiscal year.
 - (b) The Division of Finance shall determine the appropriate fund into which the dedicated credits lapse.
- (7)
 - (a) When an agency has a line item that is funded by more than one major revenue type, one of which is dedicated credits, the agency shall completely expend authorized dedicated credits within the current fiscal year and allocate unused spending authorization among other funding sources based upon a proration of the amounts appropriated from each of those major revenue types not attributable to dedicated credits, unless the Legislature has designated a portion of the dedicated credits as nonlapsing, in which case the agency shall completely expend within the current fiscal year authorized dedicated credits minus the portion of dedicated credits designated as nonlapsing, and allocate unused spending authorization among the other funding sources based upon a proration of the amounts appropriated from each of those major revenue types not attributable to dedicated credits.
 - (b) Nothing in Subsection (7)(a) shall be construed to allow an agency to receive and expend dedicated credits in excess of legislative appropriations to a line item without complying with Subsection (3) or (4).
 - (c) Each agency that receives dedicated credits shall report, to the Division of Finance, any balances remaining in those funds at the conclusion of each fiscal year.
- (8) Each agency shall include in its annual budget request estimates of dedicated credits revenue that is identified by, collected for, or set by the agency.
- (9) Each agency may expend expendable receipts in accordance with the terms set by a nonstate entity that provides the funds.
- (10)
 - (a) Expendable receipts are not limited by appropriations.
 - (b) Each agency that receives expendable receipts revenue greater than the amount included for a line item by the Legislature in the annual appropriations acts may expend the excess if the expenditure is included in a revised budget execution plan submitted as provided in Section 63J-1-209.
 - (c) If an agency receives excess expendable receipts revenue that is more than 25% greater than the amount included for a line item by the Legislature in the annual appropriations acts, the agency shall report the excess amount, the source of the expendable receipts, and the purpose for which the expendable receipts will be expended to the Governor's Office of Planning and Budget, the legislative fiscal analyst, and the Executive Appropriations Committee within 60 days of submitting a revised budget execution plan as provided in Section 63J-1-209.

Amended by Chapter 382, 2021 General Session