

**APPROPRIATION TO DEPARTMENT OF
COMMUNITY AND ECONOMIC DEVELOPMENT**
2002 GENERAL SESSION
STATE OF UTAH

Sponsor: Kory M. Holdaway

This act modifies provisions relating to the Budget Reserve Account by providing a one-time appropriation of \$10,000,000 from the account to the Department of Community and Economic Development to stimulate and promote business and economic development. The act has an effective date.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

63-38-2.5, as last amended by Chapter 6, Laws of Utah 1996, Second Special Session
Be it enacted by the Legislature of the state of Utah:

Section 1. Section **63-38-2.5** is amended to read:

63-38-2.5. Establishing a Budget Reserve Account -- Providing for deposits and expenditures from the account.

(1) There is created within the General Fund a restricted account to be known as the Budget Reserve Account, which is designated to receive the surplus revenue required by this section.

(2) (a) Beginning June 30, 1993, at the end of any fiscal year in which the Division of Finance, in conjunction with the completion of the annual audit by the state auditor, determines that there is a General Fund surplus, 25% of the surplus shall be transferred to the Budget Reserve Account, except that the amount in the Budget Reserve Account may not exceed 8% of the General Fund appropriation amount for the fiscal year in which the surplus occurred.

(b) The amount to be transferred to the Budget Reserve Account shall be determined before any other contingency appropriation using surplus funds.

(3) (a) Any appropriation made by the Legislature from the Budget Reserve Account may



only be used to cover operating deficits or retroactive tax refunds except as otherwise provided in Subsection (3)(c).

(b) The Budgetary Reserve Account is available for appropriation to fund operating deficits in public education appropriations.

(c) (i) The Legislature shall appropriate from the account for fiscal year 2001-02, a one-time appropriation of \$10,000,000 to the Department of Community and Economic Development.

(ii) The department shall use the appropriation for the following purposes:

(A) \$6,000,000 to the Division of Travel Development for post Olympic tourism promotion activities;

(B) \$2,500,000 to the Industrial Assistance Fund; and

(C) \$1,500,000 to the Division of Business and Economic development for business development purposes.

(iii) The appropriation is nonlapsing.

(4) All interest generated from investments of money in the Budget Reserve Account shall be deposited into the account.

Section 2. **Effective date.**

If approved by two-thirds of all the members elected to each house, this act takes effect upon approval by the governor, or the day following the constitutional time limit of Utah Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto, the date of veto override.

Legislative Review Note

as of 2-7-02 10:58 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel