

Senator Parley G. Hellewell proposes the following substitute bill:

USE OF RAINY DAY FUNDS

2002 GENERAL SESSION

STATE OF UTAH

Sponsor: Parley G. Hellewell

This act modifies the Budgetary Procedures Act by requiring that monies appropriated from the Budget Reserve Account be replaced from surpluses that occur in subsequent years.

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) (i) ~~[Beginning June 30, 1993, at]~~ 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.

(ii) In addition to Subsection (2)(a)(i), if a surplus exists and if, within the last ten years, the Legislature has appropriated any money from the Budget Reserve Account that has not been replaced by appropriation or as provided in this Subsection (2)(a)(ii), the Division of Finance shall, before any contingent appropriations or other transfers required by law are made, transfer up to



26 25% more of the surplus to the Budget Reserve Account to replace the amounts appropriated until
27 interest earnings and transfers of the surplus under this Subsection (2)(a)(ii) have replaced the
28 appropriations from the fund.

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

31 (3) (a) Any appropriation made by the Legislature from the Budget Reserve Account may
32 only be used to cover operating deficits or retroactive tax refunds.

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

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