

1 **STATE SPENDING LIMITATION**

2 **AMENDMENTS**

3 2003 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: Gregory H. Hughes**

6 **This act modifies the section governing appropriation limits by modifying the formula**
7 **used to calculate the amount of the appropriation limit and by establishing a new base**
8 **year.**

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

10 AMENDS:

11 **63-38c-201**, as renumbered and amended by Chapter 275, Laws of Utah 1996

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

13 Section 1. Section **63-38c-201** is amended to read:

14 **63-38c-201. Appropriations limit -- Formula.**

15 (1) There is established a state appropriations limit for each fiscal year beginning after
16 June 30, [~~1988~~] 2003.

17 (2) ~~(a)~~ For each of these fiscal years, the annual legislative appropriations for this state,
18 its agencies, departments, and institutions may not exceed that sum determined by ~~[the average~~
19 ~~of the two formulas]~~ calculating the formula specified in ~~[Subsections]~~ Subsection (2)(c) [(h)
20 ~~and (i)]~~ in which:

21 ~~[(a) "Z" equals the most recent fiscal year's personal income;]~~

22 ~~[(b) "Y" equals personal income for the fiscal year just previous to "Z";]~~

23 ~~[(c) "A" equals the prior fiscal year's maximum allowable personal income~~
24 ~~appropriations limit beginning with fiscal year 1985 actual base year appropriations;]~~

25 ~~[(d)]~~ (i) "B" equals the base year real per capita appropriations for the state, its
26 agencies, departments, and institutions;

27 ~~[(e)]~~ (ii) "P" equals the most recent fiscal year's population; and



28 ~~[(f)]~~ (iii) "I" equals the most recent fiscal year's inflation index adjusted to reflect fiscal
29 year 1989 as having an index value of 100.

30 ~~[(g)]~~ (b) The revenues specified in Section 63-38c-205 are not subject to the limitation
31 in this section.

32 ~~[(h)]~~ (c) Formula 1: $B * P * (I/100) = \text{Maximum Allowable Inflation and Population}$
33 Appropriations Limit.

34 ~~[(i) Formula 2: $A * (Z/Y) = \text{Maximum Allowable Personal Income Appropriations}$~~
35 ~~Limit.]~~

Legislative Review Note

as of 12-17-02 2:34 PM

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

Office of Legislative Research and General Counsel

Fiscal Note**State Spending Limitation Amendments***15-Jan-03***Bill Number HB0071***3:28 PM*

State Impact

Passage of this bill would limit the allowable growth in State spending to inflation and population growth. This would constrain allowable growth since the personal income component currently grows faster than the inflation/population component.

Individual and Business Impact

No fiscal impact.

Office of the Legislative Fiscal Analyst