1	BUDGETARY PROCEDURES AMENDMENTS
2	2003 GENERAL SESSION
3	STATE OF UTAH
4	Sponsor: Leonard M. Blackham
5	This act modifies the Budgetary Procedures Act by authorizing the Budget Reserve
6	Account to be expended to fund certain state settlement agreements. This act provides an
7	immediate effective date.
8	This act affects sections of Utah Code Annotated 1953 as follows:
9	AMENDS:
10	63-38-2.5, as last amended by Chapter 321, Laws of Utah 2002
11	Be it enacted by the Legislature of the state of Utah:
12	Section 1. Section 63-38-2.5 is amended to read:
13	63-38-2.5. Establishing a Budget Reserve Account Providing for deposits and
14	expenditures from the account.
15	(1) There is created within the General Fund a restricted account to be known as the
16	Budget Reserve Account, which is designated to receive the surplus revenue required by this
17	section.
18	(2) (a) (i) At the end of any fiscal year in which the Division of Finance, in conjunction
19	with the completion of the annual audit by the state auditor, determines that there is a General
20	Fund surplus, 25% of the surplus shall be transferred to the Budget Reserve Account, except
21	that the amount in the Budget Reserve Account may not exceed 8% of the General Fund
22	appropriation amount for the fiscal year in which the surplus occurred.
23	(ii) In addition to Subsection (2)(a)(i), if a surplus exists and if, within the last ten
24	years, the Legislature has appropriated any money from the Budget Reserve Account that has
25	not been replaced by appropriation or as provided in this Subsection (2)(a)(ii), the Division of
26	Finance shall, before any contingent appropriations or other transfers required by law are made,
27	transfer up to 25% more of the surplus to the Budget Reserve Account to replace the amounts



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appropriated until transfers of the surplus under this Subsection (2)(a)(ii) have replaced the appropriations from the fund.

- (b) The amount to be transferred to the Budget Reserve Account shall be determined before any other contingency appropriation using surplus funds.
- (3) (a) If, at the close of any fiscal year, there appear to be insufficient monies to pay additional debt service for bonded debt authorized during the last annual general session and any special session, the Division of Finance may hold back monies from any General Fund surplus sufficient to pay the additional debt service requirements resulting from issuance of bonded debt that was authorized by the Legislature in the last annual general session and any special session.
- (b) The Division of Finance may not spend the hold back amount for debt service under Subsection (3)(a) unless and until it is appropriated by the Legislature.
- (c) If, after calculating the amount for transfers to the Budget Reserve Account, the remaining surplus is insufficient to cover the hold back for debt service required by Subsection (3)(a), the Division of Finance shall reduce the transfer to the Budget Reserve Account by the amount necessary to cover the debt service hold back.
- (d) Notwithstanding Subsection (2), the Division of Finance shall hold back the General Fund balance for debt service authorized by this Subsection (3) before making any transfers to the Budget Reserve Account or any other designation or allocation of surplus.
- (4) (a) Any appropriation made by the Legislature from the Budget Reserve Account may only be used to cover operating deficits, state settlement agreements approved under Title 63, Chapter 38b, State Settlement Agreements, or retroactive tax refunds.
- (b) The Budgetary Reserve Account is available for appropriation to fund operating deficits in public education appropriations.
- (5) 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.

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Legislative Review Note as of 3-4-03 11:35 AM

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

Office of Legislative Research and General Counsel