

YEAR-END TRANSFER BETWEEN FUNDING**SOURCES**

2003 FIRST SPECIAL SESSION

STATE OF UTAH

Sponsor: Leonard M. Blackham

This act modifies the Budgetary Procedures Act by authorizing the Division of Finance to make certain transfers between funds to balance the budget when there is a deficit at the end of a fiscal year. This act takes effect immediately.

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

AMENDS:

63-38-10, as last amended by Chapter 61, Laws of Utah 1987

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

Section 1. Section **63-38-10** is amended to read:

63-38-10. Overexpenditure of budget by agency -- Prorating budget income shortfall.

(1) In providing for appropriations, the Legislature intends that expenditures of departments, agencies, and institutions of state government be kept within revenues available for such expenditures.

(2) (a) The Legislature also intends that line items of appropriation not be overexpended.

(b) If an agency's line item is overexpended at the close of a fiscal year:

(i) the director of the Division of Finance may make payments from the line item to vendors for goods or services that were received on or before June 30; and

(ii) the director of the Division of Finance shall immediately reduce the agency's line item budget in the current year by the amount of the overexpenditure.

(c) Each agency with an overexpended line item shall produce a written report explaining the reasons for the overexpenditure and shall present the report to the Board of



Examiners as required by Section 63-6-10.

(3) If the total of all revenues accruing in any given fiscal year to the General Fund, or any other major fund type, collections, or dedicated credits, from which appropriations are made, are not sufficient to cover the appropriations made for that period, the governor shall reduce the budgetary allotments and transfer of funds by the amount of the deficiency.

(4) (a) Except as provided in Subsection (4)(b), for fiscal year 2002-03 only, if, at the end of the fiscal year, the director of the Division of Finance, the director of the Governor's Office of Planning and Budget, and the Legislative Fiscal Analyst unanimously determine that there is a deficit in the General Fund or the Uniform School Fund, the Division of Finance shall, in order to ensure a balanced budget and before making any transfers of surplus to any Budget Reserve Account or making any other contingent appropriations:

(i) transfer monies from the General Fund to the Uniform School Fund if there is a surplus in the General Fund and a deficit in the Uniform School Fund; or

(ii) decrease General Fund appropriations to Higher Education and increase appropriations from income tax revenues to Higher Education by the same amount if there is a surplus in the Uniform School Fund and a deficit in the General Fund.

(b) The Division of Finance may not make any transfers under the authority of Subsection (4)(a) if the transfer does not result in a balanced budget.

(c) The Division of Finance shall report each transfer made under the authority of this Subsection (4) to the Legislative Fiscal Analyst.

(d) A transfer made under subsection (4)(a) to remedy a deficit in the Uniform School Fund is a "budget transfer or other legal means," which satisfies the requirements of Subsection 53A-17a-144(6).

~~[(4)]~~ (5) (a) No department may receive any advance allotment, or allotments in excess of regular monthly allotments, that cannot be covered by anticipated revenue within the work program of the fiscal year, unless the governor allocates moneys from his emergency appropriations.

(b) All allocations made from the governor's emergency appropriations shall be reported to the budget subcommittee of the Legislative Management Committee by notifying the Office of the Legislative Fiscal Analyst at least 15 days before the effective date of the allocation.

59 (c) Emergency appropriations shall be allocated only to support activities having
60 existing legislative approval and appropriation, and may not be allocated to any activity or
61 function rejected directly or indirectly by the Legislature.

62 Section 2. **Effective date.**

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

Legislative Review Note

as of 5-20-03 3:40 PM

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

Office of Legislative Research and General Counsel

Fiscal Note**Year-End Transfer Between Funding Sources***21-May-03***Bill Number SB1001***9:21 AM*

State Impact

This bill allows a one time year end fund balancing by the Division of Finance if there are revenue deficits. The bill in and of itself has no fiscal impact.

Individual and Business Impact

None

Office of the Legislative Fiscal Analyst