

1 **AMENDMENTS TO BUDGETARY PROCEDURES**

2 **ACT**

3 2004 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: Jack A. Seitz**

7 **LONG TITLE**

8 **General Description:**

9 This bill clarifies accounting requirements for certain claims against the state.

10 **Highlighted Provisions:**

11 This bill:

12 ▶ prohibits certain medical assistance claims from being an expense or liability to the
13 state unless they are received by a certain date.

14 **Monies Appropriated in this Bill:**

15 None

16 **Other Special Clauses:**

17 None

18 **Utah Code Sections Affected:**

19 AMENDS:

20 **63-38-8**, as last amended by Chapter 256, Laws of Utah 2002

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

23 Section 1. Section **63-38-8** is amended to read:

24 **63-38-8. End of fiscal year -- Unexpended balances -- Funds not to be closed out**
25 **-- Pending claims -- Transfer of amounts from item of appropriation.**

26 (1) As used in this section, "transaction control number" means the unique numerical
27 identifier established by the Department of Health to track each medical claim, which indicates



28 the date upon which the claim is entered.

29 (2) On or before August 31 of each fiscal year, the director of the Division of Finance
30 shall close out to the proper fund or account all remaining unexpended and unencumbered
31 balances of appropriations made by the Legislature, except:

32 (a) those funds classified under Title 51, Chapter 5, Funds Consolidation Act as:

33 (i) enterprise funds;

34 (ii) internal service funds;

35 (iii) trust and agency funds;

36 (iv) capital projects funds;

37 (v) college and university funds;

38 (vi) debt service funds; and

39 (vii) permanent funds;

40 (b) appropriations made to the Legislature and its committees;

41 (c) restricted special revenue funds, unless specifically directed to close out the fund in
42 the fund's enabling legislation;

43 (d) acquisition and development funds appropriated to the Division of Parks and
44 Recreation;

45 (e) funds encumbered to pay purchase orders issued prior to May 1 for capital
46 equipment if delivery is expected before June 30;

47 (f) unexpended and unencumbered balances of appropriations that meet the
48 requirements of Section 63-38-8.1; and

49 (g) any other appropriations excepted by statute or by an annual appropriations act.

50 (3) (a) Liabilities and related expenses for goods and services received on or before
51 June 30 shall be recognized as expenses due and payable from appropriations made prior to
52 June 30.

53 (b) The liability and related expense shall be recognized within time periods
54 established by the Division of Finance but shall be recognized not later than August 31.

55 (c) Liabilities and expenses not so recognized may be paid from regular departmental
56 appropriations for the subsequent fiscal year, if these claims do not exceed unexpended and
57 unencumbered balances of appropriations for the years in which the obligation was incurred.

58 (d) No amounts may be transferred from an item of appropriation of any department,

59 institution, or agency into the Capital Projects Fund or any other fund without the prior express
60 approval of the Legislature.

61 (4) (a) For purposes of this chapter, claims processed under the authority of Title 26,
62 Chapter 18, Medical Assistance Act[;]:

63 (i) may not be considered a liability or expense to the state for budgetary purposes
64 [~~until~~] unless they are received by the Division of Health Care Financing[-] within the time
65 periods established by the Division of Finance under Subsection (3)(b); and

66 (ii) are not subject to the requirements of Subsection (3)(c).

67 (b) The transaction control number recorded on each claim invoice by the division is
68 considered the date of receipt [~~and is the date that liability is recognized by the state~~].

Legislative Review Note
as of 12-18-03 8:24 AM

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

Office of Legislative Research and General Counsel

Fiscal Note**Amendments to Budgetary Procedures Act***19-Jan-04***Bill Number HB0057***8:53 AM*

State Impact

No fiscal impact.

Individual and Business ImpactNo fiscal impact.

Office of the Legislative Fiscal Analyst