

**LITIGATION FUND RESTRICTED ACCOUNT  
FOR HIGHWAY PROJECTS**

2007 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Sheldon L. Killpack**

House Sponsor: John Dougall

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**LONG TITLE**

**General Description:**

This bill creates a restricted account to be used to fund litigation expenses for highway projects.

**Highlighted Provisions:**

This bill:

- ▶ creates a restricted account;
- ▶ establishes the account's revenue sources and use;
- ▶ authorizes the Division of Finance to:
  - create subaccounts in the restricted account; and
  - apportion interest and donations to the subaccounts;
- ▶ provides that monies not spent from the subaccounts be appropriated by the Legislature to the LeRay McAllister Critical Land Conservation Fund; and
- ▶ creates an exception to the statutory cap on the LeRay McAllister Critical Land Conservation Fund so that all of those appropriations can be deposited in the fund.

**Monies Appropriated in this Bill:**

This bill appropriates:

- ▶ \$5,000,000 one-time to the Litigation Fund for Highway Projects Account.

**Other Special Clauses:**

This bill takes effect on July 1, 2007.



28 **Utah Code Sections Affected:**

29 AMENDS:

30 **11-38-301**, as last amended by Chapter 278, Laws of Utah 2006

31 ENACTS:

32 **67-5-22**, Utah Code Annotated 1953



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

35 Section 1. Section **11-38-301** is amended to read:

36 **11-38-301. LeRay McAllister Critical Land Conservation Fund.**

37 (1) There is created a restricted special revenue fund entitled the "LeRay McAllister  
38 Critical Land Conservation Fund," consisting of:

- 39 (a) money appropriated or otherwise made available by the Legislature;
- 40 (b) contributions of money, property, or equipment from federal agencies, political  
41 subdivisions of the state, persons, or corporations; and
- 42 (c) proceeds that a department chooses to place into the fund from the sale of surplus  
43 land under Subsection (2).

44 (2) The Department of Administrative Services, the Department of Agriculture and  
45 Food, the Department of Natural Resources, and the Department of Transportation may place  
46 proceeds from the sale of surplus land into the fund.

47 (3) ~~[The]~~ (a) Except as provided in Subsection (3)(b), the total amount of money in the  
48 fund may not exceed \$6,000,000.

49 (b) Monies deposited into the fund under the authority of Section 67-5-22 are not  
50 subject to the cap established in Subsection (3)(a).

51 Section 2. Section **67-5-22** is enacted to read:

52 **67-5-22. Litigation Fund for Highway Projects Account.**

53 (1) There is created within the General Fund a restricted account known as the  
54 Litigation Fund for Highway Projects Account.

55 (2) The Litigation Fund for Highway Projects Account consists of:

- 56 (a) appropriations made to the account by the Legislature;
- 57 (b) transfers to the account from highway project funds as approved by the  
58 Transportation Commission;

59 (c) any donations made to the account; and

60 (d) interest on account monies.

61 (3) (a) Upon appropriation by the Legislature, the attorney general shall use monies  
62 from the account to pay litigation expenses for defending legal actions filed against the state  
63 that challenge highway projects.

64 (b) The Legislature intends that monies in the account be appropriated for a project's  
65 litigation expenses before appropriating funds for litigation expenses from any other source.

66 (4) The Division of Finance shall:

67 (a) establish subaccounts within the Litigation Fund for Highway Projects Account to  
68 hold monies appropriated by the Legislature for litigation expenses for different highway  
69 projects;

70 (b) apportion donations received equally among subaccounts unless the donor directs  
71 that the donation:

72 (i) be used to defend a specific legal action; or

73 (ii) be deposited into a specific subaccount; and

74 (c) apportion interest between subaccounts proportionally based upon the balance of  
75 each subaccount.

76 (5) When some or all of the money appropriated to fund litigation expenses for a  
77 particular highway project is not expended, the Legislature shall:

78 (a) appropriate those unused monies to the LeRay McAllister Critical Land  
79 Conservation fund created by Section 11-38-301; or

80 (b) return the money to the donor.

81 **Section 3. Appropriation.**

82 There is appropriated from the General Fund for fiscal year 2007-08 only, \$5,000,000  
83 to the Litigation Fund for Highway Projects Account to capitalize the account.

84 **Section 4. Effective date.**

85 This bill takes effect on July 1, 2007.

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**Legislative Review Note**  
as of 1-30-07 2:01 PM

**Office of Legislative Research and General Counsel**

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**S.B. 240 - Litigation Fund Restricted Account for Highway Projects**

**Fiscal Note**

2007 General Session  
State of Utah

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**State Impact**

Enactment of this bill will create a new General Fund restricted account called the Litigation Fund for Highway Projects Account and will appropriate \$5,000,000 from one-time General Funds for FY 2008 to the restricted account. The transfer of General Fund resources into the restricted account will reduce the spending cap by the amount of transfer. Future spending from the restricted account will not be subject to the spending limit.

	<u>FY 2007</u> <u>Approp.</u>	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2009</u> <u>Approp.</u>	<u>FY 2007</u> <u>Revenue</u>	<u>FY 2008</u> <u>Revenue</u>	<u>FY 2009</u> <u>Revenue</u>
General Fund, One-Time	\$0	\$5,000,000	\$0	\$0	\$0	\$0
General Fund Restricted	\$0	\$0	\$0	\$0	\$5,000,000	\$0
<b>Total</b>	<b>\$0</b>	<b>\$5,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,000,000</b>	<b>\$0</b>

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**Individual, Business and/or Local Impact**

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.

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