

**FEDERAL RECEIPTS REPORTING REQUIREMENTS**

2011 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Ken Ivory**

Senate Sponsor: Wayne L. Niederhauser

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**LONG TITLE**

**General Description:**

This bill requires the reporting of federal receipts received by certain state agencies, requires the report to contain a plan to operate the state agency in the event federal receipts are reduced by 25% or more, and requires the Government Operations and Political Subdivisions Interim Committee to study whether to apply federal receipts reporting requirements to certain other governmental entities.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ requires certain state agencies to prepare and submit a report to the Division of Finance on federal receipts received by the state agencies;
- ▶ requires the report to contain a plan to operate the state agency in the event federal receipts are reduced by 25% or more;
- ▶ requires the Division of Finance to report to the Executive Appropriations Committee on the reports the state agencies are required to make to the Division of Finance;
- ▶ provides procedures for requiring the Executive Appropriations Committee to review the Division of Finance report;
- ▶ provides that the Executive Appropriations Committee may make certain recommendations including a reduction or elimination of appropriations to certain



28 state agencies; and  
29       ▶ requires the Government Operations and Political Subdivisions Interim Committee  
30 to study whether to apply federal receipts reporting requirements to certain other  
31 governmental entities.

32 **Money Appropriated in this Bill:**

33       None

34 **Other Special Clauses:**

35       None

36 **Utah Code Sections Affected:**

37 ENACTS:

38       **63J-1-219**, Utah Code Annotated 1953

39 **Uncodified Material Affected:**

40 ENACTS UNCODIFIED MATERIAL



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

43       Section 1. Section **63J-1-219** is enacted to read:

44       **63J-1-219. Definitions -- Federal receipts reporting requirements.**

45       (1) As used in this section:

46       (a) (i) "Designated state agency" means the Department of Administrative Services, the  
47 Department of Agriculture and Food, the Department of Alcoholic Beverage Control, the  
48 Department of Commerce, the Department of Community and Culture, the Department of  
49 Corrections, the Department of Environmental Quality, the Department of Financial  
50 Institutions, the Department of Health, the Department of Human Resource Management, the  
51 Department of Human Services, the Department of Insurance, the Department of Natural  
52 Resources, the Department of Public Safety, the Department of Technology Services, the  
53 Department of Transportation, the Department of Veterans' Affairs, the Department of  
54 Workforce Services, the Labor Commission, the Office of Economic Development, the Public  
55 Service Commission, the State Board of Regents, the State Office of Education, the State Tax  
56 Commission, or the Utah National Guard.

57       (ii) "Designated state agency" does not include the judicial branch, the legislative  
58 branch, or an office or other entity within the judicial branch or the legislative branch.

59 (b) (i) "Federal receipts" means financial assistance in any form that the United States  
60 provides directly or indirectly to a designated state agency.

61 (ii) "Federal receipts" includes:

62 (A) a contract, a direct appropriation, a donation, a grant, insurance, a loan, a loan  
63 guarantee, a payment, a reimbursement, shared federal revenues, or a subsidy;

64 (B) noncash federal assistance including a building, a commodity, equipment, land, or  
65 other similar good, service, or property;

66 (C) assistance that originates within the United States government but that is received  
67 in any form by a designated state agency from another state or local entity;

68 (D) assistance the United States provides to a nongovernmental entity that is received  
69 in any form by a designated state agency; or

70 (E) a payment to a regional commission or organization that is redistributed to a  
71 designated state agency.

72 (2) Subject to Subsections (3) through (5), a designated state agency shall each year, on  
73 or before July 31, prepare a report that:

74 (a) calculates the value of federal receipts the designated state agency received for the  
75 preceding fiscal year;

76 (b) calculates the percentage of the designated state agency's total budget for the  
77 preceding fiscal year that constitutes federal receipts that the designated state agency received  
78 for that fiscal year; and

79 (c) develops a plan for operating the designated state agency if there is a reduction of  
80 25% or more in the federal receipts that the designated state agency receives.

81 (3) For purposes of calculating the value of a federal receipt under this section:

82 (a) if the United States has assigned a value to a federal receipt, the value of that  
83 federal receipt is the value the United States assigns; or

84 (b) if the United States has not assigned a value to a federal receipt, the value of that  
85 federal receipt is a reasonable estimate of the value of that federal receipt as determined by the  
86 designated state agency.

87 (4) (a) The report required by Subsection (2) that the Board of Regents prepares shall  
88 include the calculations required by Subsections (2)(a) and (b) for each state institution of  
89 higher education listed in Section 53B-2-101.

90 (b) The report required by Subsection (2) that the State Office of Education prepares  
91 shall include the calculations required by Subsections (2)(a) and (b) for each school within the  
92 public education system.

93 (5) A designated state agency that prepares a report in accordance with Subsection (2)  
94 shall submit the report to the Division of Finance on or before August 1 of each year.

95 (6) (a) The Division of Finance shall, on or before August 31 of each year, prepare a  
96 report that:

97 (i) compiles and summarizes the reports the Division of Finance receives in accordance  
98 with Subsection (5); and

99 (ii) compares the value of federal receipts each designated state agency received for the  
100 previous fiscal year as calculated for purposes of the report required by Subsection (2) to the  
101 amount of federal funds appropriated by the Legislature to that designated state agency for that  
102 fiscal year.

103 (b) The Division of Finance shall, as part of the report required by Subsection (6)(a),  
104 compile a list of designated state agencies that do not submit a report as required by this  
105 section.

106 (7) The Division of Finance shall submit the report required by Subsection (6) to the  
107 Executive Appropriations Committee on or before September 1 of each year.

108 (8) Upon receipt of the report required by Subsection (6), the chairs of the Executive  
109 Appropriations Committee shall place the report on the agenda for review and consideration at  
110 the next Executive Appropriations Committee meeting.

111 (9) When considering the report required by Subsection (6), the Executive  
112 Appropriations Committee may elect to:

113 (a) recommend that the Legislature reduce or eliminate appropriations for a designated  
114 state agency;

115 (b) take no action; or

116 (c) take another action that a majority of the committee approves.

117 **Section 2. Government Operations and Political Subdivisions Interim Committee**  
118 **study.**

119 During the 2011 interim, the Government Operations and Political Subdivisions Interim  
120 Committee shall study whether to draft legislation requiring:

- 121           (1) a political subdivision to:  
122           (a) calculate the value of federal receipts the political subdivision receives;  
123           (b) calculate the percentage of the political subdivision's total budget that constitutes  
124 federal receipts; and  
125           (c) develop a plan for operating the political subdivision if there is a reduction of 25%  
126 or more in the federal receipts the political subdivision receives; or  
127           (2) a state institution of higher education listed in Section 53B-2-101 or a school within  
128 the public education system to develop a plan for operating the state institution of higher  
129 education or the school if there is a reduction of 25% or more in the federal receipts the state  
130 institution of higher education or school receives.
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**Legislative Review Note**  
**as of 2-10-11 3:08 PM**

**Office of Legislative Research and General Counsel**

# FISCAL NOTE

H.B. 138

SHORT TITLE: Federal Receipts Reporting Requirements

SPONSOR: Ivory, K.

2011 GENERAL SESSION, STATE OF UTAH

## STATE GOVERNMENT (UCA 36-12-13(2)(b))

Implementation of this bill will cost the Division of Finance \$3,000 ongoing from the General Fund starting in FY 2012 to compile, summarize, compare, and submit the required reports.

### STATE BUDGET DETAIL TABLE

	FY 2011	FY 2012	FY 2013
Revenue	\$0	\$0	\$0
Expenditure:			
General Fund	\$0	\$3,000	\$3,000
Total Expenditure	\$0	\$3,000	\$3,000
Net Impact, All Funds (Rev.-Exp.)	\$0	(\$3,000)	(\$3,000)
Net Impact, General/Education Funds	\$0	(\$3,000)	(\$3,000)

## LOCAL GOVERNMENTS (UCA 36-12-13(2)(c))

Enactment of this bill likely will not result in direct, measurable costs for local governments.

## DIRECT EXPENDITURES BY UTAH RESIDENTS AND BUSINESSES (UCA 36-12-13(2)(d))

Enactment of this bill likely will not result in direct, measurable expenditures by Utah residents or businesses.