

SPECIAL ADMINISTRATIVE EXPENSE ACCOUNT

AMENDMENTS

2012 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jeremy A. Peterson

Senate Sponsor: Curtis S. Bramble

LONG TITLE

General Description:

This bill modifies the Employment Security Act by requiring the Department of Workforce Services to develop a cost allocation plan when funds from the Special Administrative Expense Account are used for certain purposes.

Highlighted Provisions:

This bill:

- ▶ requires the Department of Workforce Services to develop a cost allocation plan that complies with Department of Labor regulations when funds from the Special Administrative Expense Account are used for purposes unrelated to the administration of the unemployment insurance program; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

35A-4-506, as last amended by Laws of Utah 2011, Chapters 297 and 303

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

Section 1. Section **35A-4-506** is amended to read:

30 **35A-4-506. Special Administrative Expense Account.**

31 (1) There is created a restricted account within the General Fund known as the "Special
32 Administrative Expense Account."

33 (2) (a) Interest and penalties collected under this chapter, less refunds made under
34 Subsection 35A-4-306(5), shall be paid into the restricted account from the clearing account of
35 the restricted account at the end of each calendar month.

36 (b) A contribution to the restricted account and any other money received for that
37 purpose shall be paid into the restricted account.

38 (c) The money in the restricted account may not be expended in any manner that would
39 permit [~~their~~] its substitution for, or a corresponding reduction in, federal funds that would in
40 the absence of the money be available to finance expenditures for the administration of this
41 chapter.

42 (3) Nothing in this section shall prevent the money from being used as a revolving fund
43 to cover expenditures, necessary and proper under this chapter, for which federal funds have
44 been duly requested but not yet received subject to the charging of those expenditures against
45 the funds when received.

46 (4) [~~Money~~] Subject to Subsection (6), money in the restricted account shall be
47 deposited, administered, and dispersed in accordance with the directions of the Legislature.

48 (5) [~~Money~~] Subject to Subsection (6), money in the restricted account is made
49 available to replace, within a reasonable time, any money received by this state under Section
50 302 of the [~~Federal~~] Social Security Act, 42 U.S.C. Sec. 502, as amended, that because of any
51 action of contingency [~~have~~] has been lost or [~~have~~] has been expended for purposes other than
52 or in amounts in excess of those necessary for the proper administration of this chapter.

53 (6) If money in the restricted account is used for a purpose unrelated to the
54 administration of the unemployment compensation program as described in Subsection
55 303(a)(8) of the Social Security Act, 42 U.S.C. Sec. 503(a)(8), as amended, the division shall
56 develop and follow a cost allocation plan in compliance with United States Department of
57 Labor regulations, including the cost principles described in 29 C.F.R. 97.22(b) and 2 C.F.R.

58 Part 225.

59 ~~[(6)]~~ (7) Money in the restricted account shall be available to the division for
60 expenditure in accordance with this section.

61 ~~[(7)]~~ (8) The state treasurer shall pay all warrants drawn upon it by the division or its
62 duly authorized agent in accordance with ~~[such]~~ rules ~~[as]~~ made by the department ~~[shall~~
63 ~~prescribe]~~.

64 ~~[(8)]~~ (9) (a) The state treasurer ~~[shall be]~~ is liable on the state treasurer's official bond
65 for the faithful performance of the treasurer's duties in connection with the Special
66 Administrative Expense Account ~~[provided for under]~~ described in this chapter.

67 (b) Liability on the official bond ~~[shall exist]~~ exists in addition to any liability upon any
68 separate bond ~~[existent]~~ that exists on the effective date of this provision or that may be given
69 in the future.

70 (c) Any money recovered on any surety bond losses sustained by the Special
71 Administrative Expense Account shall be deposited in the restricted account or in the General
72 Fund if ~~[so]~~ directed by the Legislature.