

1 **SPECIAL ADMINISTRATIVE EXPENSE ACCOUNT**

2 **AMENDMENTS**

3 2012 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Jeremy A. Peterson**

6 Senate Sponsor: Curtis S. Bramble

7

8 **LONG TITLE**

9 **Committee Note:**

10 The Workforce Services and Community and Economic Development Interim
11 Committee recommended this bill.

12 **General Description:**

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

16 **Highlighted Provisions:**

17 This bill:

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

22 ▶ makes technical changes.

23 **Money Appropriated in this Bill:**

24 None

25 **Other Special Clauses:**

26 None

27 **Utah Code Sections Affected:**



28 AMENDS:

29 **35A-4-506**, as last amended by Laws of Utah 2011, Chapters 297 and 303



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

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

33 **35A-4-506. Special Administrative Expense Account.**

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

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

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

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

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

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

51 (5) ~~[Money]~~ Subject to Subsection (6), money in the restricted account is made
52 available to replace, within a reasonable time, any money received by this state under Section
53 302 of the ~~[Federal]~~ Social Security Act, 42 U.S.C. 502, as amended, that because of any action
54 of contingency ~~[have]~~ has been lost or ~~[have]~~ has been expended for purposes other than or in
55 amounts in excess of those necessary for the proper administration of this chapter.

56 (6) If money in the restricted account is used for a purpose unrelated to the
57 administration of the unemployment compensation program as described in Subsection
58 303(a)(8) of the Social Security Act, 42 U.S.C. 503 (a)(8), as amended, the division shall

59 develop and follow a cost allocation plan in compliance with United States Department of
60 Labor regulations, including the cost principles described in 29 C.F.R. 97.22(b) and 2 C.F.R.
61 Part 225.

62 [~~(6)~~] (7) Money in the restricted account shall be available to the division for
63 expenditure in accordance with this section.

64 [(7)] (8) The state treasurer shall pay all warrants drawn upon it by the division or its
65 duly authorized agent in accordance with [~~such~~] rules [~~as~~] made by the department [~~shall~~
66 ~~prescribe~~].

67 [(8)] (9) (a) The state treasurer [~~shall be~~] is liable on the state treasurer's official bond
68 for the faithful performance of the treasurer's duties in connection with the Special
69 Administrative Expense Account [~~provided for under~~] described in this chapter.

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

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

Legislative Review Note
as of 11-17-11 9:03 AM

Office of Legislative Research and General Counsel