

BUDGET RESERVE ACCOUNT AMENDMENTS

2012 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lyle W. Hillyard

House Sponsor: _____

LONG TITLE

General Description:

This bill modifies the Budgetary Procedures Act to address limits on budget reserve accounts.

Highlighted Provisions:

This bill:

- ▶ modifies the limits on the General Fund Budget Reserve Account;
- ▶ modifies the limits on the Education Budget Reserve Account; ~~§~~→ [and]
- ▶ corrects references to the Medicaid Growth Reduction and Budget Stabilization

Account; and ←~~§~~

- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

63J-1-312, as last amended by Laws of Utah 2011, Chapters 211, 303, and 342

63J-1-313, as last amended by Laws of Utah 2011, Chapter 303

~~§~~→ **63J-1-314**, as last amended by Laws of Utah 2011, Chapters 211 and 303 ←~~§~~

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

Section 1. Section **63J-1-312** is amended to read:

63J-1-312. Establishing a General Fund Budget Reserve Account -- Providing for



152 transfer up to 25% more of the Education Fund revenue surplus to the Education Fund Budget
153 Reserve Account to replace the amounts appropriated, until direct legislative appropriations, if
154 any, and transfers from the Education Fund revenue surplus under this Subsection (3)(b) have
155 replaced the appropriations from the account.

156 (ii) If the transfer under Subsection (3)(b)(i) would cause the balance in the account to
157 exceed [7%] 9% of Education Fund appropriations for the fiscal year in which the Education
158 Fund revenue surplus occurred, the Division of Finance shall transfer only those funds
159 necessary to ensure that the balance in the account equals [7%] 9% of Education Fund
160 appropriations for the fiscal year in which the revenue surplus occurred.

161 (iii) The Division of Finance shall calculate the amount to be transferred under this
162 Subsection (3)(b):

163 (A) before transferring from the Education Fund revenue surplus any other year-end
164 contingency appropriations, year-end set-asides, or other year-end transfers required by law;
165 and

166 (B) excluding any direct legislative appropriation made to the Education Fund Budget
167 Reserve Account for the fiscal year.

168 (c) For appropriations made by the Legislature to the Education Fund Budget Reserve
169 Account, the Division of Finance shall treat those appropriations, unless specified otherwise in
170 the appropriation, as replacement funds for appropriations made from the account if funds were
171 appropriated from the account within the past 10 years and have not yet been replaced.

172 (4) Notwithstanding Subsection (3), if, at the end of a fiscal year, the Division of
173 Finance determines that an operating deficit exists, the Division of Finance may reduce the
174 transfer to the Education Fund Budget Reserve Account by the amount necessary to eliminate
175 the operating deficit.

176 (5) The Legislature may appropriate money from the Education Fund Budget Reserve
177 Account only to resolve an Education Fund budget deficit.

178 (6) Interest generated from investments of money in the Education Fund Budget
179 Reserve Account shall be deposited into the Education Fund.

179a **§→Section 3. Section 63J-1-314 is amended to read:**

179b **63J-1-314. Deposits related to the Disaster Recovery Funding Act.**

179c (1) As used in this section, "operating deficit" means that, at the end of the fiscal year, the
179d unassigned fund balance in the General Fund is less than zero.

179e (2) Except as provided under Subsection (3), at the end of each fiscal year, the Division of
179f Finance shall, after the transfer of General Fund revenue surplus has been made to the Medicaid
179g Budget Growth Reduction and Stabilization Restricted Account, as provided in Section 63J-1-315,←§

179h **§→**and the General Fund Budget Reserve Account, as provided in Section 63J-1-312, transfer an
 179i amount
 179i into the State Disaster Recovery Restricted Account, created in Section 53-2-403, from the General
 179j Fund revenue surplus as defined in Section 63J-1-312, calculated by:
 179k (a) determining the amount of General Fund revenue surplus after the transfer to the
 179l Medicaid Growth Reduction and Budget Stabilization [Restricted] Account under Section 63J-1-315
 179m and the General Fund Budget Reserve Account under Section 63J-1-312;
 179n (b) calculating an amount equal to the lesser of:
 179o (i) 25% of the amount determined under Subsection (2)(a); or
 179p (ii) 6% of the total of the General Fund appropriation amount for the fiscal year in which the
 179q surplus occurs; and
 179r (c) adding to the amount calculated under Subsection (2)(b) an amount equal to the lesser of:
 179s (i) 25% more of the amount described in Subsection (2)(a); or
 179t (ii) the amount necessary to replace, in accordance with this Subsection (2)(c), any amount
 179u appropriated from the State Disaster Recovery Restricted Account within 10 fiscal years before the
 179v fiscal year in which the surplus occurs if:
 179w (A) a surplus exists; and
 179x (B) the Legislature appropriates money from the State Disaster Recovery Restricted Account
 179y that is not replaced by appropriation or as provided in this Subsection (2)(c).
 179z (3) Notwithstanding Subsection (2), if, at the end of a fiscal year, the Division of Finance
 179aa determines that an operating deficit exists, the division shall reduce the transfer to the State Disaster
 179ab Recovery Restricted Account by the amount necessary to eliminate the operating deficit.←§