

Representative Jim Bird proposes the following substitute bill:

FUNDING FOR PUBLIC EDUCATION

2013 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jim Bird

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies the Alcoholic Beverage Control Act and the Funds Consolidation Act to allocate certain revenues from the sale of liquor to support public education.

Highlighted Provisions:

This bill:

▸ defines terms;

▸ **H→ for liquor revenue collected during the 2012-13 fiscal year only, ←H** directs the deposit of 25% of the growth in the amount of liquor revenues to the Education Fund;

▸ provides for the distribution of the liquor revenues to local educational agencies;

and

▸ addresses money deposited into the Education Fund.

Money Appropriated in this Bill:

This bill appropriates:

▸ to the State Board of Education, as **H→ [an ongoing] a one-time ←H** appropriation:

• from the Education Fund, \$7,461,600 subject to intent language that states that the appropriation is to be distributed as provided in statute.

Other Special Clauses:

This bill takes effect on July 1, 2013.



57 (c) an expenditure incurred in establishing, operating, or maintaining a state store or
58 package agency.

59 (5) The department shall transfer annually from the Liquor Control Fund and the State
60 Tax Commission shall transfer annually from the Markup Holding Fund to the General Fund a
61 sum equal to the amount of net profit earned from the sale of liquor since the preceding transfer
62 of money under this Subsection (5). The transfers shall be calculated by no later than
63 September 1 and made by no later than September 30 after a fiscal year.

64 (6) (a) By the end of each day, the department shall:

65 (i) make a deposit to a qualified depository, as defined in Section 51-7-3; and

66 (ii) report the deposit to the state treasurer.

67 (b) A commissioner or department employee is not personally liable for a loss caused
68 by the default or failure of a qualified depository.

69 (c) Money deposited in a qualified depository is entitled to the same priority of
70 payment as other public funds of the state.

71 (7) If the cash balance of the Liquor Control Fund is not adequate to cover a warrant
72 drawn against the Liquor Control Fund by the state treasurer, the cash resources of the General
73 Fund may be used to the extent necessary. At no time may the fund equity of the Liquor
74 Control Fund fall below zero.

75 Section 2. Section **32B-2-307** is enacted to read:

76 **32B-2-307. H→ [is enacted to read:] Public education deposit of certain liquor profits. ←H**

77 (1) As used in this section:

78 (a) "Eligible liquor funds" means an amount equal to the difference between the
79 amount of revenue collected from the total gross revenue from sales of liquor in:

80 (i) the fiscal year H→ [one year preceding] that is two years prior to ←H the fiscal year
80a for which the deposit is made; and

81 (ii) fiscal year 2010-11.

82 (b) "Local education agency" means a local education agency in Utah that has
83 administrative control and direction for public education.

84 (c) "Weighted pupil units H→ " ←H or H→ " ←H WPU" is as defined in
84a Section 53A-17a-103.

85 (2) **H→ [The] For liquor revenue collected in fiscal year 2012-13 only, the ←H Division**
85a of Finance shall deposit 25% of eligible liquor funds from the
86 Markup Holding Fund described in Section 32B-2-301 H→ [;] ←H with the state treasurer
86a to be credited to
87 the Education Fund to be distributed to local education agencies as provided in Subsection (3).

88 (3) For ~~H~~ ~~→~~ [a] the ~~←H~~ fiscal year beginning on ~~H~~ ~~→~~ [or after] ~~←H~~ July 1, 2013
 88a ~~H~~ ~~→~~ only ~~←H~~ , the State Board of Education
 89 shall ~~H~~ ~~→~~ [annually] ~~←H~~ distribute the eligible funds described in Subsection (2) on or after
 89a October 1 of
 90 the fiscal year to local education agencies based on the number of WPUs in the local education
 91 agency on the previous October 1 as compared to the state total.

92 Section 3. Section **51-5-4** is amended to read:

93 **51-5-4. Funds established -- Titles of funds -- Fund functions.**

94 (1) (a) (i) The funds enumerated in this section are established as major fund types.

95 (ii) All resources and financial transactions of Utah state government shall be
 96 accounted for within one of these major fund types.

97 (b) (i) All funds or subfunds shall be consolidated into one of the state's major fund
 98 types.

99 (ii) Where a specific statute requires that a restricted fund or account be established,
 100 that fund or account shall be accounted for as an individual fund, subfund, or account within
 101 the major fund type to meet generally accepted accounting principles.

102 (iii) Existing and new activities of state government authorized by the Legislature shall
 103 be accounted for within the framework of the major fund types established in this section.

104 (c) The Division of Finance shall determine the accounting classification that complies
 105 with generally accepted accounting principles for all funds, subfunds, or accounts created by
 106 the Legislature.

107 (d) (i) Major fund types shall be added by amending this chapter.

108 (ii) Whenever a new act creates or establishes a fund, subfund, or account without
 109 amending this chapter, the reference to a fund, subfund, or account in the new act shall be
 110 classified within one of the major fund types established by this section.

111 (2) Major Fund Type Titles:

112 (a) General Fund;

113 (b) Special Revenue Funds;

114 (c) Capital Projects Funds;

115 (d) Debt Service Funds;

116 (e) Permanent Funds;

117 (f) Enterprise Funds;

118 (g) Internal Service Funds;

181 addition to any amounts previously appropriated for fiscal year 2014.

182 To Related to Basic Programs

183 From Education Fund ~~H→~~ , **one-time** ~~←H~~ \$7,461,600

184 Schedule of Programs:

185 Liquor Revenues Allocation \$7,461,600

186 It is the intent of the Legislature that the State Board of Education shall allocate the
187 money appropriated under this item in accordance with Section 32B-2-307.

188 **Section 5. Effective date.**

189 This bill takes effect on July 1, 2013.