

HB0271S02 compared with HB0271S01

~~{deleted text}~~ shows text that was in HB0271S01 but was deleted in HB0271S02.

inserted text shows text that was not in HB0271S01 but was inserted into HB0271S02.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

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;
- ▶ 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;~~{~~
→ ~~establishes that the money may be used for professional development, educator salaries, or educator benefits;}~~ and
- ▶ addresses money deposited into the Education Fund.

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Money Appropriated in this Bill:

This bill appropriates:

- ▶ to the State Board of Education, as an ongoing 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.

Utah Code Sections Affected:

AMENDS:

[32B-2-301, as last amended by Laws of Utah 2012, Chapter 357](#)

[51-5-4](#), as last amended by Laws of Utah 2010, Chapter 278

ENACTS:

[32B-2-307](#), Utah Code Annotated 1953

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

[Section 1. Section 32B-2-301 is amended to read:](#)

32B-2-301. State property -- Liquor Control Fund -- Markup Holding Fund.

(1) The following are property of the state:

(a) the money received in the administration of this title, except as otherwise provided;

and

(b) property acquired, administered, possessed, or received by the department.

(2) (a) There is created an enterprise fund known as the "Liquor Control Fund."

(b) Except as provided in Sections 32B-3-205 and 32B-2-304, money received in the administration of this title shall be transferred to the Liquor Control Fund.

(3) (a) There is created an enterprise fund known as the "Markup Holding Fund."

(b) In accordance with Section 32B-2-304, the State Tax Commission shall deposit revenue remitted to the State Tax Commission from the markup imposed under Section 32B-2-304 into the Markup Holding Fund.

(c) Money deposited into the Markup Holding Fund may be expended:

(i) to the extent appropriated by the Legislature; and

(ii) to fund the deposits required by Subsection 32B-2-304(4) ~~and~~ Subsection

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32B-2-305(4), and Subsection 32B-2-307(2).

(4) The state treasurer shall by warrant draw from the Liquor Control Fund and, to the extent appropriated by the Legislature, from the Markup Holding Fund, the expenses, debts, and liabilities incurred by the department in connection with the administration of this title or any other expense necessary for the administration of this title, including:

- (a) salaries;
- (b) premiums, if any, on a bond for which the department pays premiums; and
- (c) an expenditure incurred in establishing, operating, or maintaining a state store or package agency.

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

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

- (i) make a deposit to a qualified depository, as defined in Section 51-7-3; and
- (ii) report the deposit to the state treasurer.

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

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

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

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

32B-2-307. is enacted to read:.

(1) As used in this section:

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

- (i) the fiscal year one year preceding the fiscal year for which the deposit is made; and

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(ii) fiscal year 2010-11.

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

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

~~(1)~~ The ~~department~~ **Division of Finance** shall deposit 25% of eligible liquor funds from the Markup Holding Fund described in Section 32B-2-301, with the state treasurer to be credited to the Education Fund to be distributed to local education agencies as provided in Subsection (3).

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

~~(4) The money distributed under Subsection (3) may be used by a local education agency for professional development, educator salaries, and educator benefits.~~

~~(2)~~ 3. Section **51-5-4** is amended to read:

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

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

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

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

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

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

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

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

(ii) Whenever a new act creates or establishes a fund, subfund, or account without

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amending this chapter, the reference to a fund, subfund, or account in the new act shall be classified within one of the major fund types established by this section.

(2) Major Fund Type Titles:

- (a) General Fund;
- (b) Special Revenue Funds;
- (c) Capital Projects Funds;
- (d) Debt Service Funds;
- (e) Permanent Funds;
- (f) Enterprise Funds;
- (g) Internal Service Funds;
- (h) Trust and Agency Funds; and
- (i) Discrete Component Unit Funds.

(3) The General Fund shall receive all revenues and account for all expenditures not otherwise provided for by law in any other fund.

(4) Special Revenue Funds account for proceeds of specific revenue sources, other than permanent funds, trust and agency funds, or major capital projects, that are legally restricted to expenditures for a specific purpose.

(a) The Education Fund is a Special Revenue Fund that:

- (i) receives all revenues from taxes on intangible property ~~[or]~~, from a tax on income, or money ~~{transferred}~~ given to the fund under ~~{Section 32B-2-307}~~ law; and
- (ii) is designated for public and higher education.

(b) The Transportation Investment Fund of 2005 is a Special Revenue Fund that accounts for revenues that are required by law to be expended for the maintenance, construction, reconstruction, or renovation of certain state and federal highways.

(c) The Transportation Fund is a Special Revenue Fund that accounts for all revenues that are required by law to be expended for highway purposes.

(d) (i) A Restricted Special Revenue Fund is a Special Revenue Fund created by legislation or contractual relationship with parties external to the state that:

(A) identifies specific revenues collected from fees, taxes, dedicated credits, donations, federal funds, or other sources;

(B) defines the use of the money in the fund for a specific function of government or

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program within an agency; and

(C) delegates spending authority or authorization to use the fund's assets to a governing board, administrative department, or other officials as defined in the enabling legislation or contract establishing the fund.

(ii) A Restricted Special Revenue Fund may only be created by contractual relationship with external parties when the sources of revenue for the fund are donated revenues or federal revenues.

(iii) Restricted Special Revenue Funds are subject to annual legislative review by the appropriate legislative appropriations subcommittee.

(5) Capital Projects Funds account for financial resources to be expended for the acquisition or construction of major capital facilities, except that when financing for the acquisition or construction of a major capital facility is obtained from a trust fund or a proprietary type fund within one of the major fund types, the money shall be accounted for in those accounts.

(6) Debt Service Funds account for the accumulation of resources for, and the payment of, the principal and interest on general long-term obligations.

(7) Permanent Funds account for assets that are legally restricted to the extent that only earnings, and not principal, may be used for a specific purpose.

(8) Enterprise Funds are designated to account for the following:

(a) operations, financed and operated in a manner similar to private business enterprises, where the Legislature intends that the costs of providing goods or services to the public are financed or recovered primarily through user charges;

(b) operations where the Legislature requires periodic determination of revenues earned, expenses incurred, and net income;

(c) operations for which a fee is charged to external users for goods or services; or

(d) operations that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the operations.

(9) Internal Service Funds account for the financing of goods or services provided by one department, division, or agency to other departments, divisions, or agencies of the state, or to other governmental units, on a cost-reimbursement basis.

(10) (a) Trust and Agency Funds account for assets held by the state as trustee or agent

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for individuals, private organizations, or other governmental units.

(b) Pension Trust Funds, Investment Trust Funds, Private-Purpose Trust Funds, and Agency Funds are Trust and Agency Funds.

(11) Discrete Component Unit Funds account for the financial resources used to operate the state's colleges and universities and other discrete component units.

Section ~~3~~4. **Appropriation.**

Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following sums of money are appropriated from resources not otherwise appropriated, or reduced from amounts previously appropriated, out of the funds or accounts indicated. These sums of money are in addition to any amounts previously appropriated for fiscal year 2014.

To Related to Basic Programs

From Education Fund

\$7,461,600

Schedule of Programs:

Liquor Revenues Allocation

\$7,461,600

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

Section ~~4~~5. **Effective date.**

This bill takes effect on July 1, 2013.