

90 **10-5-113. Accumulation of retained earnings or fund balance -- Limit as to**
 91 **general fund -- Reserve for capital improvements.**

92 (1) ~~[Towns]~~ A town may accumulate retained earnings or fund balances, as
 93 appropriate, in any fund.

94 (2) The accumulation of a fund balance in the ~~[General Fund]~~ town general fund may
 95 not exceed 75% of the total ~~Ĥ→~~ **[estimated]** ~~←Ĥ~~ revenue of the ~~[General Fund]~~ town general fund
 95a **Ĥ→ for the current fiscal period ←Ĥ** .

96 (3) (a) The town council may, in ~~[any]~~ a budget year, appropriate from estimated
 97 revenue or excess fund balance in the ~~[General Fund]~~ town general fund to a reserve for capital
 98 improvements~~[-];~~

99 (i) for the purpose of financing future specified capital improvements~~[-, pursuant to];~~
 100 and

101 (ii) in accordance with a formal long-range capital plan adopted by the governing body.

102 (b) The reserves described in Subsection (3)(a) may accumulate from year to year in a
 103 capital improvements fund until the accumulated total is sufficient to permit economical
 104 expenditure for the specified purposes.

105 Section 5. Section **10-5-118** is amended to read:

106 **10-5-118. Emergency expenditures.**

107 (1) ~~[The]~~ If the town council~~[-, on determining]~~ determines that an emergency exists,
 108 such as widespread damage from fire, flood, or earthquake, and that the emergency necessitates
 109 the expenditure of money in excess of the budget of the town general fund, the council may
 110 amend the budget and authorize ~~[such]~~ expenditures ~~[as may be]~~ that are reasonably necessary
 111 to meet the emergency.

112 (2) Except to the extent provided for in Title 53, Chapter ~~[2]~~ 2a, Part ~~[4]~~ 6, Disaster
 113 Recovery Funding Act, a town council ~~[of a town]~~ may not expend money in the town's local
 114 fund for an emergency, if the town creates a local fund under Title 53, Chapter ~~[2]~~ 2a, Part ~~[4]~~
 115 6, Disaster Recovery Funding Act.

116 Section 6. Section **10-5-119** is amended to read:

117 **10-5-119. Special fund balance -- Disposition when fund no longer required.**

118 ~~[Whenever the necessity for maintaining any special fund of a town has ceased to exist]~~
 119 If the purpose for which a special fund was created no longer exists, and a balance remains in
 120 the fund, the ~~[governing body]~~ town council shall authorize the transfer of the balance to the

245 10-6-129; and

246 ~~[(e)]~~ (iii) to cover a pending year-end excess of expenditures over revenues from an
247 unavoidable shortfall in revenues. ~~[This provision does not permit the appropriation of any]~~

248 (b) Notwithstanding Subsection (1)(a)(i), a city may not appropriate a fund balance for
249 budgeting purposes except as provided in Subsection (4).

250 (c) Notwithstanding Subsection (1)(a)(iii), a city may not appropriate a fund balance to
251 avoid an operating deficit during any budget period except as provided under Subsection (4), or
252 for emergency purposes under Section 10-6-129.

253 (2) The accumulation of a fund balance in the city general fund may not exceed 25% of
254 the total ~~H→~~ [estimated] ~~←H~~ revenue of the city general fund ~~H→~~ for the current
254a fiscal period ←H .

255 (3) If the fund balance at the close of any fiscal period exceeds the amount permitted
256 under Subsection (2), the excess shall be appropriated in the manner provided in Section
257 10-6-117.

258 (4) Any fund balance in excess of 5% of the total revenues of the city general fund may
259 be utilized for budget purposes.

260 (5) (a) Within a capital improvements fund, the governing body may, in any budget
261 period, appropriate from estimated revenue or fund balance to a reserve for capital
262 improvements for the purpose of financing future specific capital improvements, under a
263 formal long-range capital plan adopted by the governing body.

264 (b) The reserves described in Subsection (5)(a) may accumulate from fiscal period to
265 fiscal period until the accumulated total is sufficient to permit economical expenditure for the
266 specified purposes.

267 (c) Disbursements from ~~[these]~~ reserves described in Subsection (5)(a) shall be made
268 only by transfer to a revenue or transfer account within the capital improvements fund, under a
269 budget appropriation in a budget for the fund adopted in the manner provided by this chapter.

270 (d) Expenditures from the above appropriation budget accounts shall conform to all
271 requirements of this chapter relating to execution and control of budgets.

272 Section 10. Section **10-6-117** is amended to read:

273 **10-6-117. Appropriations not to exceed estimated expendable revenue --**

274 **Determination of revenue -- Appropriations for existing deficits.**

275 (1) The governing body of any city may not make any appropriation in the final budget