

# HB0014S01 compared with HB0014

~~{deleted text}~~ shows text that was in HB0014 but was deleted in HB0014S01.

inserted text shows text that was not in HB0014 but was inserted into HB0014S01.

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Representative Craig Hall proposes the following substitute bill:

## APPROPRIATIONS LIMIT AND MATHEMATICAL FORMULA

### AMENDMENTS

2015 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Craig Hall**

Senate Sponsor: ~~{\_\_\_\_\_}~~ Curtis S. Bramble

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#### LONG TITLE

~~{Committee Note:~~

~~\_\_\_\_\_The Revenue and Taxation Interim Committee recommended this bill.~~

~~}~~**General Description:**

This bill ~~{recodifies and clarifies the state appropriations limit formula}~~ amends provisions related to mathematical formulas in the Utah Code.

#### Highlighted Provisions:

This bill:

- ▶ ~~{recodifies and clarifies}~~ directs the Legislative Fiscal Analyst to, in collaboration with the executive branch, create a mathematical formula for certain calculations in the Utah Code; and

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- ▶ directs the Legislative Fiscal Analyst to create a mathematical formula for the state appropriations limit formula~~}, and~~  
—▶ ~~makes technical and conforming amendments}~~.

### Money Appropriated in this Bill:

None

### Other Special Clauses:

~~{None}~~ This bill provides a special effective date.

### Utah Code Sections Affected:

AMENDS:

~~{63J-3-103, as last amended by Laws of Utah 2014, Chapter 63~~

~~}~~ **63J-3-201**, as renumbered and amended by Laws of Utah 2008, Chapter 382

~~{REPEALS:~~

~~63J-3-202, as last amended by Laws of Utah 2013, Chapter 310}~~ ENACTS:

63I-6-101, Utah Code Annotated 1953

63I-6-102, Utah Code Annotated 1953

63I-6-103, Utah Code Annotated 1953

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

Section 1. Section ~~{63J-3-103}~~ 63I-6-101 is ~~{amended to read:~~

~~63J-3-103. Definitions}~~ enacted to read:

### CHAPTER 6. MATHEMATICAL FORMULAS ACT

#### 63I-6-101. Title.

This chapter is known as "Mathematical Formulas Act."

Section 2. Section 63I-6-102 is enacted to read:

#### 63I-6-102. Definitions.

As used in this chapter:

~~— (1) (a) "Appropriations" means actual unrestricted capital and operating appropriations from unrestricted General Fund and Education Fund sources.~~

~~— (b) "Appropriations" includes appropriations that are contingent upon available surpluses in the General Fund and Education Fund.~~

~~— (c) "Appropriations" does not mean:~~

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- ~~—— (i) public education expenditures;~~
- ~~—— (ii) Utah Education and Telehealth Network expenditures in support of public education;~~
- ~~—— (iii) Utah College of Applied Technology expenditures in support of public education;~~
- ~~—— (iv) Tax Commission expenditures related to collection of income taxes in support of public education;~~
- ~~—— (v) debt service expenditures;~~
- ~~—— (vi) emergency expenditures;~~
- ~~—— (vii) expenditures from all other fund or subfund sources;~~
- ~~—— (viii) transfers or appropriations from the Education Fund to the Uniform School Fund;~~
- ~~—— (ix) transfers into, or appropriations made to, the General Fund Budget Reserve Account established in Section 63J-1-312;~~
- ~~—— (x) transfers into, or appropriations made to, the Education Budget Reserve Account established in Section 63J-1-313;~~
- ~~—— (xi) transfers in accordance with Section 63J-1-314 into, or appropriations made to the State Disaster Recovery Restricted Account created in Section 53-2a-603;~~
- ~~—— (xii) money appropriated to fund the total one-time project costs for the construction of capital developments as defined in Section 63A-5-104;~~
- ~~—— (xiii) transfers or deposits into or appropriations made to the Centennial Highway Fund created by Section 72-2-118;~~
- ~~—— (xiv) transfers or deposits into or appropriations made to the Transportation Investment Fund of 2005 created by Section 72-2-124;~~
- ~~—— (xv) transfers or deposits into or appropriations made to:~~
  - ~~—— (A) the Department of Transportation from any source; or~~
  - ~~—— (B) any transportation-related account or fund from any source; or~~
- ~~—— (xvi) supplemental appropriations from the General Fund to the Division of Forestry, Fire, and State Lands to provide money for wildland fire control expenses incurred during the current or previous fire years.~~
- ~~—— [(2) "Base year real per capita appropriations" means the result obtained for the state by dividing the fiscal year 1985 actual appropriations of the state less debt money by:]~~
- ~~—— [(a) the state's July 1, 1983 population; and]~~

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~~—— [(b) the fiscal year 1983 inflation index divided by 100.]~~

~~—— [(3)] (2) "Calendar year" means the time period beginning on January 1 of any given year and ending on December 31 of the same year.~~

~~—— [(4)] (3) "Fiscal emergency" means an extraordinary occurrence requiring immediate expenditures and includes the settlement under Laws of Utah 1988, Fourth Special Session, Chapter 4.~~

~~—— [(5)] (4) "Fiscal year" means the time period beginning on July 1 of any given year and ending on June 30 of the subsequent year.~~

~~—— [(6) "Fiscal year 1985 actual base year appropriations" means fiscal year 1985 actual capital and operations appropriations from General Fund and non-Uniform School Fund income tax revenue sources, less debt money.]~~

~~—— [(7) "Inflation index" means the change in the general price level of goods and services as measured by the Gross National Product Implicit Price Deflator of the Bureau of Economic Analysis, U.S. Department of Commerce calculated as provided in Section 63J-3-202.]~~

~~—— [(8)] (5) (a) "Maximum allowable appropriations limit" means the appropriations that could be, or could have been, spent in any given year under the limitations of this chapter.~~

~~—— (b) "Maximum allowable appropriations limit" does not mean actual appropriations spent or actual expenditures.~~

~~—— [(9) "Most recent fiscal year's inflation index" means the fiscal year inflation index two fiscal years previous to the fiscal year for which the maximum allowable inflation and population appropriations limit is being computed under this chapter.]~~

~~—— [(10) "Most recent fiscal year's population" means the fiscal year population two fiscal years previous to the fiscal year for which the maximum allowable inflation and population appropriations limit is being computed under this chapter.]~~

~~—— [(11) "Population" means the number of residents of the state as of July 1 of each year as calculated by the Governor's Office of Management and Budget according to the procedures and requirements of Section 63J-3-202.]~~

~~—— [(12)] (6) "Revenues" means the revenues of the state from every tax, penalty, receipt, and other monetary exaction and interest connected with it that are recorded as unrestricted revenue of the General Fund and from non-Uniform School Fund income tax revenues, except as specifically exempted by this chapter.~~

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~~[(13)](7) "Security" means any bond, note, warrant, or other evidence of indebtedness, whether or not the bond, note, warrant, or other evidence of indebtedness is or constitutes an "indebtedness" within the meaning of any provision of the constitution or laws of this state.~~

~~(8) "State appropriations limit" means the maximum amount.~~

(1) "Calculation" means a description of or directions for a computation in the Utah Code.

(2) "Mathematical formula" means a symbolic expression of a calculation that is created by the Legislative Fiscal analyst under Subsection 63I-6-103(1).

Section 3. Section 63I-6-103 is enacted to read:

### 63I-6-103. Converting a calculation into a mathematical formula.

(1) The Legislative Fiscal Analyst shall, when directed by the Utah Code and in consultation with the executive branch, convert a calculation into a mathematical formula that:

(a) accurately expresses the calculation with mathematical symbols as a mathematical equation; and

(b) is mathematically unambiguous.

(2) The Legislative Fiscal Analyst shall include each mathematical formula described in Subsection (1) in an annual Appropriations Act.

(3) If, for a calculation, the mathematical formula described in Subsection (1) is approved by the Legislature ~~{may appropriate in a given fiscal year, as described in Section 63J-3-201, and as calculated using the formula in Subsection 63J-3-201(3)}:~~

~~Section 2}~~in an annual Appropriations Act:

(a) the mathematical formula is the authoritative version of the calculation; and

(b) the Legislative Fiscal Analyst shall post the mathematical formula on the Internet for public access.

Section 4. Section 63J-3-201 is amended to read:

### 63J-3-201. Appropriations limit -- Formula.

~~{(1)}~~(1) There is established a state appropriations limit for each fiscal year beginning after June 30, 1988. ~~{}~~

~~{(2)}~~(2) ~~{(1)}~~ For each ~~{}~~ of these fiscal years ~~{fiscal year}~~, the annual legislative appropriations for ~~{}~~ this ~~{the}~~ state, its agencies, departments, and institutions may not exceed ~~{}~~ that sum determined by applying the formula  $B * P * (I/100)$  in which: ~~{the state}~~

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~~appropriations limit that is calculated using the formula in Subsection (3).~~

~~{(a)}~~ "B" equals the base year real per capita appropriations for the state, its agencies, departments, and institutions;~~{(b)}~~

~~{(b)}~~ "P" equals the most recent fiscal year's population; and~~{(c)}~~

~~{(c)}~~ "I" equals the most recent fiscal year's inflation index adjusted to reflect fiscal year 1989 as having an index value of 100.~~{(d)}~~

~~{(3)}~~~~{(2)}~~ The revenues specified in Section 63J-3-205 are not subject to the limitation in this section.

~~{(3)}~~ The state appropriations limit for a given fiscal year, FY, shall be calculated by where:

~~— (a) ;~~

~~— (b) ;~~

~~— (c) ;~~

~~— (d) ; and~~

~~— (e) as used in~~4) The Legislative Fiscal Analyst shall create, in accordance with Section 63I-6-103, a mathematical formula for the state appropriations limit formula~~;~~

~~— (i) i is a variable representing a given fiscal year;~~

~~— (ii) is the net adjustments to the state appropriations limit for a given fiscal year due to program or service adjustments, as required under Section 63J-3-203;~~

~~— (iii) is the state capital and operations appropriations from the General Fund and non-Uniform School fund in fiscal year 1985;~~

~~— (iv) is the amount the state paid in debt payments in fiscal year 1985;~~

~~— (v) is the average of the quarterly values of the Gross National Product Implicit Price Deflator for the fiscal year two fiscal years before FY, as published by the United States Federal Reserve by January 31 of each year;~~

~~— (vi) is the average of the quarterly values of the Gross National Product Implicit Price Deflator for a given fiscal year, as measured by the Gross National Product Implicit Price Deflator from the vintage series published by the United States Department of Commerce on January 26, 1990;~~

~~— (vii) is the change in the general price level of goods and services nationally from 1983 to two fiscal years before a given fiscal year, as measured by the most current Gross~~

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~~National Product Implicit Price Deflator series published by the United States Federal Reserve, adjusted to a 1989 basis;~~

~~—— (viii) is the amount of real per capita state appropriations for fiscal year 1985; and~~

~~—— (ix) is:~~

~~—— (A) the population as of July 1 in the fiscal year two fiscal years before a given fiscal year, as estimated by the United States Census Bureau by January 31 of each year; or~~

~~—— (B) if the estimate described in Subsection (3)(c)(ix)(A) is not available, an amount determined by the Governor's Office of Management and Budget, estimated by adjusting an available April 1 decennial census count or by adjusting a fiscal year population estimate available from the United States Census Bureau.~~

~~—— Section 3. **Repealer.**~~

~~—— This bill repeals:~~

~~—— Section **63J-3-202, Computing formula elements.**~~

### Legislative Review Note

~~—— as of 7-16-14 3:49 PM~~

~~Office of Legislative Research and General Counsel; described in this part.~~

### ~~Section 5. **Effective date.**~~

~~If approved by two-third of all the members elected to each house, this bill takes effect upon approval by the governor, or the day following the constitutional time limit of Utah Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto, the date of veto override.~~