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WILDLAND FIRE SUPPRESSION FUND

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Evan J. Vickers

House Sponsor: Joel K. Briscoe

LONG TITLE

General Description:

This bill modifies the Wildland Fire Suppression Fund.

Highlighted Provisions:

This bill:

- ▶ creates a source of funding for the Wildland Fire Suppression Fund;
- ▶ modifies the structure of the Wildland Fire Suppression Fund; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

This bill appropriates:

- ▶ to the Wildland Fire Suppression Fund, as a one-time appropriation:
 - from the Mineral Bonus Account, \$2,000,000.

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

- 59-21-2**, as last amended by Laws of Utah 2012, Chapters 212 and 242
- 63J-1-314**, as last amended by Laws of Utah 2013, Chapter 295
- 63J-1-315**, as last amended by Laws of Utah 2015, Chapter 283
- 63J-3-103**, as last amended by Laws of Utah 2014, Chapter 63
- 63N-3-106**, as renumbered and amended by Laws of Utah 2015, Chapter 283



28 [65A-8-204](#), as renumbered and amended by Laws of Utah 2007, Chapter 136

29

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

31 Section 1. Section **59-21-2** is amended to read:

32 **59-21-2. Mineral Bonus Account created -- Contents -- Use of Mineral Bonus**
33 **Account money -- Mineral Lease Account created -- Contents -- Appropriation of money**
34 **from Mineral Lease Account.**

35 (1) (a) There is created a restricted account within the General Fund known as the
36 "Mineral Bonus Account."

37 (b) The Mineral Bonus Account consists of federal mineral lease bonus payments
38 deposited pursuant to Subsection [59-21-1\(3\)](#).

39 (c) The Legislature shall make appropriations from the Mineral Bonus Account in
40 accordance with Section 35 of the Mineral Lands Leasing Act of 1920, 30 U.S.C. Sec. 191.

41 (d) The state treasurer shall:

42 (i) invest the money in the Mineral Bonus Account by following the procedures and
43 requirements of Title 51, Chapter 7, State Money Management Act; and

44 (ii) deposit all interest or other earnings derived from the account into the Mineral
45 Bonus Account.

46 (e) The Division of Finance shall, beginning on July 1, 2017, annually deposit 30% of
47 mineral lease bonus payments from the previous fiscal year, up to \$2,000,000, but not to
48 exceed 20% of the amount expended in the previous fiscal year from the Wildland Fire
49 Suppression Fund created in Section [65A-8-204](#).

50 (2) (a) There is created a restricted account within the General Fund known as the
51 "Mineral Lease Account."

52 (b) The Mineral Lease Account consists of federal mineral lease money deposited
53 pursuant to Subsection [59-21-1\(1\)](#).

54 (c) The Legislature shall make appropriations from the Mineral Lease Account as
55 provided in Subsection [59-21-1\(1\)](#) and this Subsection (2).

56 (d) The Legislature shall annually appropriate 32.5% of all deposits made to the
57 Mineral Lease Account to the Permanent Community Impact Fund established by Section
58 [35A-8-303](#).

59 (e) The Legislature shall annually appropriate 2.25% of all deposits made to the
60 Mineral Lease Account to the State Board of Education, to be used for education research and
61 experimentation in the use of staff and facilities designed to improve the quality of education in
62 Utah.

63 (f) The Legislature shall annually appropriate 2.25% of all deposits made to the
64 Mineral Lease Account to the Utah Geological Survey, to be used for activities carried on by
65 the survey having as a purpose the development and exploitation of natural resources in the
66 state.

67 (g) The Legislature shall annually appropriate 2.25% of all deposits made to the
68 Mineral Lease Account to the Water Research Laboratory at Utah State University, to be used
69 for activities carried on by the laboratory having as a purpose the development and exploitation
70 of water resources in the state.

71 (h) (i) The Legislature shall annually appropriate to the Department of Transportation
72 40% of all deposits made to the Mineral Lease Account to be distributed as provided in
73 Subsection (2)(h)(ii) to:

74 (A) counties;

75 (B) special service districts established:

76 (I) by counties;

77 (II) under Title 17D, Chapter 1, Special Service District Act; and

78 (III) for the purpose of constructing, repairing, or maintaining roads; or

79 (C) special service districts established:

80 (I) by counties;

81 (II) under Title 17D, Chapter 1, Special Service District Act; and

82 (III) for other purposes authorized by statute.

83 (ii) The Department of Transportation shall allocate the funds specified in Subsection
84 (2)(h)(i):

85 (A) in amounts proportionate to the amount of mineral lease money generated by each
86 county; and

87 (B) to a county or special service district established by a county under Title 17D,
88 Chapter 1, Special Service District Act, as determined by the county legislative body.

89 (i) (i) The Legislature shall annually appropriate 5% of all deposits made to the

90 Mineral Lease Account to the Department of Workforce Services to be distributed to:

91 (A) special service districts established:

92 (I) by counties;

93 (II) under Title 17D, Chapter 1, Special Service District Act; and

94 (III) for the purpose of constructing, repairing, or maintaining roads; or

95 (B) special service districts established:

96 (I) by counties;

97 (II) under Title 17D, Chapter 1, Special Service District Act; and

98 (III) for other purposes authorized by statute.

99 (ii) The Department of Workforce Services may distribute the amounts described in

100 Subsection (2)(i)(i) only to special service districts established under Title 17D, Chapter 1,
101 Special Service District Act, by counties:

102 (A) of the third, fourth, fifth, or sixth class;

103 (B) in which 4.5% or less of the mineral lease money within the state is generated; and

104 (C) that are significantly socially or economically impacted as provided in Subsection

105 (2)(i)(iii) by the development of minerals under the Mineral Lands Leasing Act, 30 U.S.C. Sec.
106 181 et seq.

107 (iii) The significant social or economic impact required under Subsection (2)(i)(ii)(C)
108 shall be as a result of:

109 (A) the transportation within the county of hydrocarbons, including solid hydrocarbons
110 as defined in Section 59-5-101;

111 (B) the employment of persons residing within the county in hydrocarbon extraction,
112 including the extraction of solid hydrocarbons as defined in Section 59-5-101; or

113 (C) a combination of Subsections (2)(i)(iii)(A) and (B).

114 (iv) For purposes of distributing the appropriations under this Subsection (2)(i) to
115 special service districts established by counties under Title 17D, Chapter 1, Special Service
116 District Act, the Department of Workforce Services shall:

117 (A) (I) allocate 50% of the appropriations equally among the counties meeting the
118 requirements of Subsections (2)(i)(ii) and (iii); and

119 (II) allocate 50% of the appropriations based on the ratio that the population of each
120 county meeting the requirements of Subsections (2)(i)(ii) and (iii) bears to the total population

121 of all of the counties meeting the requirements of Subsections (2)(i)(ii) and (iii); and
122 (B) after making the allocations described in Subsection (2)(i)(iv)(A), distribute the
123 allocated revenues to special service districts established by the counties under Title 17D,
124 Chapter 1, Special Service District Act, as determined by the executive director of the
125 Department of Workforce Services after consulting with the county legislative bodies of the
126 counties meeting the requirements of Subsections (2)(i)(ii) and (iii).
127 (v) The executive director of the Department of Workforce Services:
128 (A) shall determine whether a county meets the requirements of Subsections (2)(i)(ii)
129 and (iii);
130 (B) shall distribute the appropriations under Subsection (2)(i)(i) to special service
131 districts established by counties under Title 17D, Chapter 1, Special Service District Act, that
132 meet the requirements of Subsections (2)(i)(ii) and (iii); and
133 (C) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
134 may make rules:
135 (I) providing a procedure for making the distributions under this Subsection (2)(i) to
136 special service districts; and
137 (II) defining the term "population" for purposes of Subsection (2)(i)(iv).
138 (j) (i) The Legislature shall annually make the following appropriations from the
139 Mineral Lease Account:
140 (A) an amount equal to 52 cents multiplied by the number of acres of school or
141 institutional trust lands, lands owned by the Division of Parks and Recreation, and lands owned
142 by the Division of Wildlife Resources that are not under an in lieu of taxes contract, to each
143 county in which those lands are located;
144 (B) to each county in which school or institutional trust lands are transferred to the
145 federal government after December 31, 1992, an amount equal to the number of transferred
146 acres in the county multiplied by a payment per acre equal to the difference between 52 cents
147 per acre and the per acre payment made to that county in the most recent payment under the
148 federal payment in lieu of taxes program, 31 U.S.C. Sec. 6901 et seq., unless the federal
149 payment was equal to or exceeded the 52 cents per acre, in which case a payment under this
150 Subsection (2)(j)(i)(B) may not be made for the transferred lands;
151 (C) to each county in which federal lands, which are entitlement lands under the federal

152 in lieu of taxes program, are transferred to the school or institutional trust, an amount equal to
153 the number of transferred acres in the county multiplied by a payment per acre equal to the
154 difference between the most recent per acre payment made under the federal payment in lieu of
155 taxes program and 52 cents per acre, unless the federal payment was equal to or less than 52
156 cents per acre, in which case a payment under this Subsection (2)(j)(i)(C) may not be made for
157 the transferred land; and

158 (D) to a county of the fifth or sixth class, an amount equal to the product of:

159 (I) \$1,000; and

160 (II) the number of residences described in Subsection (2)(j)(iv) that are located within
161 the county.

162 (ii) A county receiving money under Subsection (2)(j)(i) may, as determined by the
163 county legislative body, distribute the money or a portion of the money to:

164 (A) special service districts established by the county under Title 17D, Chapter 1,
165 Special Service District Act;

166 (B) school districts; or

167 (C) public institutions of higher education.

168 (iii) (A) Beginning in fiscal year 1994-95 and in each year after fiscal year 1994-95, the
169 Division of Finance shall increase or decrease the amounts per acre provided for in Subsections
170 (2)(j)(i)(A) through (C) by the average annual change in the Consumer Price Index for all urban
171 consumers published by the Department of Labor.

172 (B) For fiscal years beginning on or after fiscal year 2001-02, the Division of Finance
173 shall increase or decrease the amount described in Subsection (2)(j)(i)(D)(I) by the average
174 annual change in the Consumer Price Index for all urban consumers published by the
175 Department of Labor.

176 (iv) Residences for purposes of Subsection (2)(j)(i)(D)(II) are residences that are:

177 (A) owned by:

178 (I) the Division of Parks and Recreation; or

179 (II) the Division of Wildlife Resources;

180 (B) located on lands that are owned by:

181 (I) the Division of Parks and Recreation; or

182 (II) the Division of Wildlife Resources; and

183 (C) are not subject to taxation under:

184 (I) Chapter 2, Property Tax Act; or

185 (II) Chapter 4, Privilege Tax.

186 (k) The Legislature shall annually appropriate to the Permanent Community Impact
187 Fund all deposits remaining in the Mineral Lease Account after making the appropriations
188 provided for in Subsections (2)(d) through (j).

189 (3) (a) Each agency, board, institution of higher education, and political subdivision
190 receiving money under this chapter shall provide the Legislature, through the Office of the
191 Legislative Fiscal Analyst, with a complete accounting of the use of that money on an annual
192 basis.

193 (b) The accounting required under Subsection (3)(a) shall:

194 (i) include actual expenditures for the prior fiscal year, budgeted expenditures for the
195 current fiscal year, and planned expenditures for the following fiscal year; and

196 (ii) be reviewed by the Business, Economic Development, and Labor Appropriations
197 Subcommittee as part of its normal budgetary process under Title 63J, Chapter 1, Budgetary
198 Procedures Act.

199 Section 2. Section **63J-1-314** is amended to read:

200 **63J-1-314. Deposits related to the Wildland Fire Suppression Fund and the**
201 **Disaster Recovery Funding Act.**

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

204 (2) Except as provided under Subsection (3), at the end of each fiscal year, the Division
205 of Finance shall, after the transfer of General Fund revenue surplus has been made to the
206 Medicaid Growth Reduction and Budget Stabilization Account, as provided in Section
207 [63J-1-315](#), and the General Fund Budget Reserve Account, as provided in Section [63J-1-312](#),
208 transfer:

209 (a) \$4,000,000 to the Wildland Fire Suppression Fund created in Section [65A-8-204](#),
210 not to exceed the cap described in Subsection [65A-8-204\(5\)](#); and

211 (b) an amount into the State Disaster Recovery Restricted Account, created in Section
212 [53-2a-603](#), from the General Fund revenue surplus as defined in Section [63J-1-312](#), calculated
213 by:

214 ~~[(a)]~~ (i) determining the amount of General Fund revenue surplus after the transfer to
 215 the Medicaid Growth Reduction and Budget Stabilization Account under Section [63J-1-315](#)
 216 ~~[and]~~, the General Fund Budget Reserve Account under Section [63J-1-312](#), and the transfer to
 217 the Wildland Fire Suppression Fund as described in Subsection (2)(a);

218 ~~[(b)]~~ (ii) calculating an amount equal to the lesser of:

219 ~~[(i)]~~ (A) 25% of the amount determined under Subsection ~~[(2)(a)]~~ (2)(b)(ii); or

220 ~~[(ii)]~~ (B) 6% of the total of the General Fund appropriation amount for the fiscal year
 221 in which the surplus occurs; and

222 ~~[(c)]~~ (iii) adding to the amount calculated under Subsection (2)(b)(ii) an amount equal
 223 to the lesser of:

224 ~~[(i)]~~ (A) 25% more of the amount described in Subsection ~~[(2)(a)]~~ (2)(b)(i); or

225 ~~[(ii)]~~ (B) the amount necessary to replace, in accordance with this Subsection ~~[(2)(c)]~~
 226 (2)(b)(iii), any amount appropriated from the State Disaster Recovery Restricted Account
 227 within 10 fiscal years before the fiscal year in which the surplus occurs if:

228 ~~[(A)]~~ (I) a surplus exists; and

229 ~~[(B)]~~ (II) the Legislature appropriates money from the State Disaster Recovery
 230 Restricted Account that is not replaced by appropriation or as provided in this Subsection
 231 ~~[(2)(c)]~~ (2)(b)(iii).

232 (3) Notwithstanding Subsection (2), if, at the end of a fiscal year, the Division of
 233 Finance determines that an operating deficit exists, the division shall reduce the transfer to the
 234 State Disaster Recovery Restricted Account by the amount necessary to eliminate the operating
 235 deficit.

236 Section 3. Section **63J-1-315** is amended to read:

237 **63J-1-315. Medicaid Growth Reduction and Budget Stabilization Account --**

238 **Transfers of Medicaid growth savings -- Base budget adjustments.**

239 (1) As used in this section:

240 (a) "Department" means the Department of Health created in Section [26-1-4](#).

241 (b) "Division" means the Division of Health Care Financing created within the
 242 department under Section [26-18-2.1](#).

243 (c) "General Fund revenue surplus" means a situation where actual General Fund
 244 revenues collected in a completed fiscal year exceed the estimated revenues for the General

245 Fund for that fiscal year that were adopted by the Executive Appropriations Committee of the
246 Legislature.

247 (d) "Medicaid growth savings" means the Medicaid growth target minus Medicaid
248 program expenditures, if Medicaid program expenditures are less than the Medicaid growth
249 target.

250 (e) "Medicaid growth target" means Medicaid program expenditures for the previous
251 year multiplied by 1.08.

252 (f) "Medicaid program" is as defined in Section 26-18-2.

253 (g) "Medicaid program expenditures" means total state revenue expended for the
254 Medicaid program from the General Fund, including restricted accounts within the General
255 Fund, during a fiscal year.

256 (h) "Medicaid program expenditures for the previous year" means total state revenue
257 expended for the Medicaid program from the General Fund, including restricted accounts
258 within the General Fund, during the fiscal year immediately preceding a fiscal year for which
259 Medicaid program expenditures are calculated.

260 (i) "Operating deficit" means that, at the end of the fiscal year, the unassigned fund
261 balance in the General Fund is less than zero.

262 (j) "State revenue" means revenue other than federal revenue.

263 (k) "State revenue expended for the Medicaid program" includes money transferred or
264 appropriated to the Medicaid Growth Reduction and Budget Stabilization Account only to the
265 extent the money is appropriated for the Medicaid program by the Legislature.

266 (2) There is created within the General Fund a restricted account to be known as the
267 Medicaid Growth Reduction and Budget Stabilization Account.

268 (3) (a) (i) Except as provided in Subsection (6), if, at the end of a fiscal year, there is a
269 General Fund revenue surplus, the Division of Finance shall transfer an amount equal to
270 Medicaid growth savings from the General Fund to the Medicaid Growth Reduction and
271 Budget Stabilization Account.

272 (ii) If the amount transferred is reduced to prevent an operating deficit, as provided in
273 Subsection (6), the Legislature shall include, to the extent revenue is available, an amount
274 equal to the reduction as an appropriation from the General Fund to the account in the base
275 budget for the second fiscal year following the fiscal year for which the reduction was made.

276 (b) If, at the end of a fiscal year, there is not a General Fund revenue surplus, the
277 Legislature shall include, to the extent revenue is available, an amount equal to Medicaid
278 growth savings as an appropriation from the General Fund to the account in the base budget for
279 the second fiscal year following the fiscal year for which the reduction was made.

280 (c) Subsections (3)(a) and (3)(b) apply only to the fiscal year in which the department
281 implements the proposal developed under Section 26-18-405 to reduce the long-term growth in
282 state expenditures for the Medicaid program, and to each fiscal year after that year.

283 (4) The Division of Finance shall calculate the amount to be transferred under
284 Subsection (3):

285 (a) before transferring revenue from the General Fund revenue surplus to:

286 (i) the General Fund Budget Reserve Account under Section 63J-1-312; [and]

287 (ii) the Wildland Fire Suppression Fund created in Section 65A-8-204, as described in

288 Section 63J-1-314; and

289 [~~(ii)~~] (iii) the State Disaster Recovery Restricted Account under Section 63J-1-314;

290 (b) before earmarking revenue from the General Fund revenue surplus to the Industrial
291 Assistance Account under Section 63N-3-106; and

292 (c) before making any other year-end contingency appropriations, year-end set-asides,
293 or other year-end transfers required by law.

294 (5) (a) If, at the close of any fiscal year, there appears to be insufficient money to pay
295 additional debt service for any bonded debt authorized by the Legislature, the Division of
296 Finance may hold back from any General Fund revenue surplus money sufficient to pay the
297 additional debt service requirements resulting from issuance of bonded debt that was
298 authorized by the Legislature.

299 (b) The Division of Finance may not spend the hold back amount for debt service
300 under Subsection (5)(a) unless and until it is appropriated by the Legislature.

301 (c) If, after calculating the amount for transfer under Subsection (3), the remaining
302 General Fund revenue surplus is insufficient to cover the hold back for debt service required by
303 Subsection (5)(a), the Division of Finance shall reduce the transfer to the Medicaid Growth
304 Reduction and Budget Stabilization Account by the amount necessary to cover the debt service
305 hold back.

306 (d) Notwithstanding Subsections (3) and (4), the Division of Finance shall hold back

307 the General Fund balance for debt service authorized by this Subsection (5) before making any
308 transfers to the Medicaid Growth Reduction and Budget Stabilization Account or any other
309 designation or allocation of General Fund revenue surplus.

310 (6) Notwithstanding Subsections (3) and (4), if, at the end of a fiscal year, the Division
311 of Finance determines that an operating deficit exists and that holding back earmarks to the
312 Industrial Assistance Account under Section 63N-3-106, transfers to the Wildland Fire
313 Suppression Fund and State Disaster Recovery Restricted Account under Section 63J-1-314,
314 transfers to the General Fund Budget Reserve Account under Section 63J-1-312, or earmarks
315 and transfers to more than one of those accounts, in that order, does not eliminate the operating
316 deficit, the Division of Finance may reduce the transfer to the Medicaid Growth Reduction and
317 Budget Stabilization Account by the amount necessary to eliminate the operating deficit.

318 (7) The Legislature may appropriate money from the Medicaid Growth Reduction and
319 Budget Stabilization Account only:

320 (a) if Medicaid program expenditures for the fiscal year for which the appropriation is
321 made are estimated to be 108% or more of Medicaid program expenditures for the previous
322 year; and

323 (b) for the Medicaid program.

324 (8) The Division of Finance shall deposit interest or other earnings derived from
325 investment of Medicaid Growth Reduction and Budget Stabilization Account money into the
326 General Fund.

327 Section 4. Section 63J-3-103 is amended to read:

328 **63J-3-103. Definitions.**

329 As used in this chapter:

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

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

334 (c) "Appropriations" does not mean:

335 (i) public education expenditures;

336 (ii) Utah Education and Telehealth Network expenditures in support of public
337 education;

- 338 (iii) Utah College of Applied Technology expenditures in support of public education;
- 339 (iv) Tax Commission expenditures related to collection of income taxes in support of
- 340 public education;
- 341 (v) debt service expenditures;
- 342 (vi) emergency expenditures;
- 343 (vii) expenditures from all other fund or subfund sources;
- 344 (viii) transfers or appropriations from the Education Fund to the Uniform School Fund;
- 345 (ix) transfers into, or appropriations made to, the General Fund Budget Reserve
- 346 Account established in Section [63J-1-312](#);
- 347 (x) transfers into, or appropriations made to, the Education Budget Reserve Account
- 348 established in Section [63J-1-313](#);
- 349 (xi) transfers in accordance with Section [63J-1-314](#) into, or appropriations made to the
- 350 Wildland Fire Suppression Fund created in Section [65A-8-204](#) or the State Disaster Recovery
- 351 Restricted Account created in Section [53-2a-603](#);
- 352 (xii) money appropriated to fund the total one-time project costs for the construction of
- 353 capital developments as defined in Section [63A-5-104](#);
- 354 (xiii) transfers or deposits into or appropriations made to the Centennial Highway Fund
- 355 created by Section [72-2-118](#);
- 356 (xiv) transfers or deposits into or appropriations made to the Transportation Investment
- 357 Fund of 2005 created by Section [72-2-124](#);
- 358 (xv) transfers or deposits into or appropriations made to:
- 359 (A) the Department of Transportation from any source; or
- 360 (B) any transportation-related account or fund from any source; or
- 361 (xvi) supplemental appropriations from the General Fund to the Division of Forestry,
- 362 Fire, and State Lands to provide money for wildland fire control expenses incurred during the
- 363 current or previous fire years.
- 364 (2) "Base year real per capita appropriations" means the result obtained for the state by
- 365 dividing the fiscal year 1985 actual appropriations of the state less debt money by:
- 366 (a) the state's July 1, 1983 population; and
- 367 (b) the fiscal year 1983 inflation index divided by 100.
- 368 (3) "Calendar year" means the time period beginning on January 1 of any given year

369 and ending on December 31 of the same year.

370 (4) "Fiscal emergency" means an extraordinary occurrence requiring immediate
371 expenditures and includes the settlement under Laws of Utah 1988, Fourth Special Session,
372 Chapter 4.

373 (5) "Fiscal year" means the time period beginning on July 1 of any given year and
374 ending on June 30 of the subsequent year.

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

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

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

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

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

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

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

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

398 (13) "Security" means any bond, note, warrant, or other evidence of indebtedness,
399 whether or not the bond, note, warrant, or other evidence of indebtedness is or constitutes an

400 "indebtedness" within the meaning of any provision of the constitution or laws of this state.

401 Section 5. Section **63N-3-106** is amended to read:

402 **63N-3-106. Loans, grants, and assistance -- Repayment -- Earned credits.**

403 (1) (a) A company that qualifies under Section **63N-3-105** may receive loans, grants, or
404 other financial assistance from the Industrial Assistance Account for expenses related to
405 establishment, relocation, or development of industry in Utah.

406 (b) A company creating an economic impediment that qualifies under Section
407 **63N-3-108** may in accordance with this part receive loans, grants, or other financial assistance
408 from the restricted account for the expenses of the company creating an economic impediment
409 related to:

410 (i) relocation to a rural area in Utah of the company creating an economic impediment;

411 and

412 (ii) the siting of a replacement company.

413 (c) An entity offering an economic opportunity that qualifies under Section **63N-3-109**

414 may:

415 (i) receive loans, grants, or other financial assistance from the restricted account for
416 expenses related to the establishment, relocation, retention, or development of industry in the
417 state; and

418 (ii) include infrastructure or other economic development precursor activities that act
419 as a catalyst and stimulus for economic activity likely to lead to the maintenance or
420 enlargement of the state's tax base.

421 (2) (a) Subject to Subsection (2)(b), the administrator has authority to determine the
422 structure, amount, and nature of any loan, grant, or other financial assistance from the restricted
423 account.

424 (b) Loans made under Subsection (2)(a) shall be structured so the intended repayment
425 or return to the state, including cash or credit, equals at least the amount of the assistance
426 together with an annual interest charge as negotiated by the administrator.

427 (c) Payments resulting from grants awarded from the restricted account shall be made
428 only after the administrator has determined that the company has satisfied the conditions upon
429 which the payment or earned credit was based.

430 (3) (a) (i) Except as provided in Subsection (3)(b), the administrator may provide for a

431 system of earned credits that may be used to support grant payments or in lieu of cash
432 repayment of a restricted account loan obligation.

433 (ii) The value of the credits described in Subsection (3)(a)(i) shall be based on factors
434 determined by the administrator, including:

435 (A) the number of Utah jobs created;

436 (B) the increased economic activity in Utah; or

437 (C) other events and activities that occur as a result of the restricted account assistance.

438 (b) (i) The administrator shall provide for a system of credits to be used to support
439 grant payments or in lieu of cash repayment of a restricted account loan when loans are made to
440 a company creating an economic impediment.

441 (ii) The value of the credits described in Subsection (3)(b)(i) shall be based on factors
442 determined by the administrator, including:

443 (A) the number of Utah jobs created;

444 (B) the increased economic activity in Utah; or

445 (C) other events and activities that occur as a result of the restricted account assistance.

446 (4) (a) A cash loan repayment or other cash recovery from a company receiving
447 assistance under this section, including interest, shall be deposited into the restricted account.

448 (b) The administrator and the Division of Finance shall determine the manner of
449 recognizing and accounting for the earned credits used in lieu of loan repayments or to support
450 grant payments as provided in Subsection (3).

451 (5) (a) (i) At the end of each fiscal year, the Division of Finance shall set aside the
452 balance of the General Fund revenue surplus as defined in Section [63J-1-312](#) after the transfers
453 of General Fund revenue surplus described in Subsection (5)(b) to the Industrial Assistance
454 Account in an amount equal to any credit that has accrued under this part.

455 (ii) The set aside under Subsection (5)(a)(i) shall be capped at \$50,000,000, at which
456 time no subsequent contributions may be made and any interest accrued above the \$50,000,000
457 cap shall be deposited into the General Fund.

458 (b) The set aside required by Subsection (5)(a) shall be made after the transfer of
459 surplus General Fund revenue surplus is made:

460 (i) to the Medicaid Growth Reduction and Budget Stabilization Restricted Account, as
461 provided in Section [63J-1-315](#);

462 (ii) to the General Fund Budget Reserve Account, as provided in Section [63J-1-312](#);
463 and

464 (iii) to the Wildland Fire Suppression Fund or State Disaster Recovery Restricted
465 Account, as provided in Section [63J-1-314](#).

466 (c) These credit amounts may not be used for purposes of the restricted account as
467 provided in this part until appropriated by the Legislature.

468 Section 6. Section **65A-8-204** is amended to read:

469 **65A-8-204. Wildland Fire Suppression Fund created.**

470 (1) There is created [~~a private-purpose trust~~] an expendable special revenue fund
471 known as the "Wildland Fire Suppression Fund."

472 (2) The fund shall be administered by the division to pay [~~fire~~] wildfire suppression
473 [~~and presuppression~~] costs on eligible lands [~~within unincorporated areas of counties~~].

474 (3) The contents of the fund shall include:

475 [~~(a) payments by counties pursuant to written agreements made under Section~~
476 [65A-8-205](#)];

477 (a) the balance of the fund as of July 1, 2016;

478 (b) money deposited by the Division of Finance, pursuant to Section [59-21-2](#);

479 (c) money transferred by the Division of Finance, pursuant to Section [63J-1-312](#);

480 (d) costs recovered from successful investigations;

481 (e) federal funds received by the division for wildfire management costs;

482 (f) suppression costs paid to the division from another state agency;

483 (g) costs recovered from settlements and civil actions related to wildfire suppression;

484 [~~(b)~~] (h) interest and earnings from the investment of fund money; and

485 [~~(c)~~] (i) money appropriated by the Legislature.

486 (4) Fund money shall be invested by the state treasurer with the earnings and interest
487 accruing to the fund.

488 (5) [~~(a)~~] A maximum level of [~~\$8,000,000~~] \$12,000,000 is established for the fund.

489 [~~(b)(i) Except as provided in Subsection (5)(b)(ii), if the amount of money in the fund~~
490 ~~equals or exceeds \$8,000,000 on March 31, no assessments may be charged for the following~~
491 ~~year.~~]

492 [~~(ii) The waiver of assessments provided in Subsection (5)(b)(i) does not apply to any~~]

493 equity payment required by Section ~~65A-8-205~~.]

494 Section 7. **Appropriation.**

495 Under the terms and conditions of Utah Code Title 63J Chapter 1, Budgetary
496 Procedures Act, for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the
497 following sums of money are appropriated from resources not otherwise appropriated, or
498 reduced from amounts previously appropriated, out of the funds or accounts indicated. These
499 are additions to amounts previously appropriated for fiscal year 2017.

500 To Wildland Fire Suppression Fund

501 From Mineral Bonus Account -- One-time \$2,000,000

502 Schedule of Programs:

503 Wildland Fire Suppression Fund \$2,000,000

Legislative Review Note
Office of Legislative Research and General Counsel