

1 **INCOME TAX FUND AMENDMENTS**

2 2022 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Jerry W. Stevenson**

5 House Sponsor: Val L. Peterson

7 **LONG TITLE**

8 **General Description:**

9 This bill changes the name of the Education Fund to the Income Tax Fund.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ changes the name of the Education Fund to the Income Tax Fund.

13 **Money Appropriated in this Bill:**

14 None

15 **Other Special Clauses:**

16 This bill provides a special effective date.

17 **Utah Code Sections Affected:**

18 AMENDS:

19 **41-1a-422**, as last amended by Laws of Utah 2021, Chapters 219, 280, and 378

20 **51-5-4**, as last amended by Laws of Utah 2013, Chapter 400

21 **53B-7-703**, as last amended by Laws of Utah 2021, Chapter 351

22 **53B-8-112**, as last amended by Laws of Utah 2020, Sixth Special Session, Chapter 13

23 **53B-8-202**, as last amended by Laws of Utah 2018, Chapter 281

24 **53E-3-802**, as last amended by Laws of Utah 2019, Chapter 186

25 **53E-6-505**, as last amended by Laws of Utah 2019, Chapter 186

26 **53E-7-405**, as enacted by Laws of Utah 2020, Fourth Special Session, Chapter 3

27 **53F-2-203**, as last amended by Laws of Utah 2020, Fifth Special Session, Chapter 14

28 **53F-9-201**, as last amended by Laws of Utah 2021, Chapters 336 and 382

29 **53F-9-201.1 (Superseded 07/01/22)**, as last amended by Laws of Utah 2020, Fifth

30 Special Session, Chapter 13

31 **53F-9-201.1 (Effective 07/01/22)**, as last amended by Laws of Utah 2021, Chapter 6

32 **53F-9-204**, as last amended by Laws of Utah 2020, Chapter 207

33 **53F-9-301**, as last amended by Laws of Utah 2019, Chapter 186

34 **53F-9-302**, as last amended by Laws of Utah 2019, Chapter 186

35 **53F-9-303**, as renumbered and amended by Laws of Utah 2018, Chapter 2

36 **53F-9-304**, as last amended by Laws of Utah 2020, Chapter 161

37 **53F-9-305**, as last amended by Laws of Utah 2019, Chapter 186

38 **53F-9-306**, as last amended by Laws of Utah 2019, Chapter 186

39 **53F-9-307**, as enacted by Laws of Utah 2021, Chapter 308

40 **59-7-532**, as last amended by Laws of Utah 2020, Chapter 207

41 **59-7-614.1**, as last amended by Laws of Utah 2016, Chapter 375

42 **59-10-544**, as last amended by Laws of Utah 2020, Chapter 207

43 **59-10-1005**, as last amended by Laws of Utah 2017, Chapter 148

44 **59-10-1105**, as last amended by Laws of Utah 2016, Chapter 375

45 **59-13-202**, as last amended by Laws of Utah 2016, Third Special Session, Chapter 1

46 **63A-5b-406**, as enacted by Laws of Utah 2020, Chapter 152

47 **63J-1-102**, as last amended by Laws of Utah 2019, Chapter 182

48 **63J-1-205**, as last amended by Laws of Utah 2021, Chapter 382

49 **63J-1-217**, as last amended by Laws of Utah 2021, Chapter 382

50 **63J-1-312**, as last amended by Laws of Utah 2019, Chapter 229

51 **63J-1-313**, as last amended by Laws of Utah 2015, Chapter 214

52 **63J-3-103**, as last amended by Laws of Utah 2021, Chapter 382

53 **63J-7-102**, as last amended by Laws of Utah 2018, Chapter 415

54

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

56 Section 1. Section **41-1a-422** is amended to read:

57 **41-1a-422. Support special group license plates -- Contributor -- Voluntary**

58 **contribution collection procedures.**

59 (1) As used in this section:

60 (a) (i) except as provided in Subsection (1)(a)(ii), "contributor" means a person who has
61 donated or in whose name at least \$25 has been donated to:

62 (A) a scholastic scholarship fund of a single named institution;

63 (B) the Department of Veterans and Military Affairs for veterans programs;

64 (C) the Division of Wildlife Resources for the Wildlife Resources Account created in
65 Section 23-14-13, for conservation of wildlife and the enhancement, preservation, protection,
66 access, and management of wildlife habitat;

67 (D) the Department of Agriculture and Food for the benefit of conservation districts;

68 (E) the Division of Recreation for the benefit of snowmobile programs;

69 (F) the Guardian Ad Litem Services Account and the Children's Museum of Utah, with
70 the donation evenly divided between the two;

71 (G) the Boy Scouts of America for the benefit of a Utah Boy Scouts of America
72 council as specified by the contributor;

73 (H) No More Homeless Pets in Utah for distribution to organizations or individuals
74 that provide spay and neuter programs that subsidize the sterilization of domestic animals;

75 (I) the Utah Alliance of Boys and Girls Clubs, Inc. to provide and enhance youth
76 development programs;

77 (J) the Utah Association of Public School Foundations to support public education;

78 (K) the Utah Housing Opportunity Restricted Account created in Section 61-2-204 to
79 assist people who have severe housing needs;

80 (L) the Public Safety Honoring Heroes Restricted Account created in Section 53-1-118
81 to support the families of fallen Utah Highway Patrol troopers and other Department of Public
82 Safety employees;

83 (M) the Division of State Parks for distribution to organizations that provide support
84 for Zion National Park;

85 (N) the Firefighter Support Restricted Account created in Section 53-7-109 to support

86 firefighter organizations;

87 (O) the Share the Road Bicycle Support Restricted Account created in Section
88 [72-2-127](#) to support bicycle operation and safety awareness programs;

89 (P) the Cancer Research Restricted Account created in Section [26-21a-302](#) to support
90 cancer research programs;

91 (Q) Autism Awareness Restricted Account created in Section [53F-9-401](#) to support
92 autism awareness programs;

93 (R) Humanitarian Service and Educational and Cultural Exchange Restricted Account
94 created in Section [9-17-102](#) to support humanitarian service and educational and cultural
95 programs;

96 (S) Upon renewal of a prostate cancer support special group license plate, to the Cancer
97 Research Restricted Account created in Section [26-21a-302](#) to support cancer research
98 programs;

99 (T) the Choose Life Adoption Support Restricted Account created in Section
100 [62A-4a-608](#) to support programs that promote adoption;

101 (U) the National Professional Men's Basketball Team Support of Women and Children
102 Issues Restricted Account created in Section [62A-1-202](#);

103 (V) the Utah Law Enforcement Memorial Support Restricted Account created in
104 Section [53-1-120](#);

105 (W) the Children with Cancer Support Restricted Account created in Section
106 [26-21a-304](#) for programs that provide assistance to children with cancer;

107 (X) the National Professional Men's Soccer Team Support of Building Communities
108 Restricted Account created in Section [9-19-102](#);

109 (Y) the Children with Heart Disease Support Restricted Account created in Section
110 [26-58-102](#);

111 (Z) the Utah Intracurricular Student Organization Support for Agricultural Education
112 and Leadership Restricted Account created in Section [4-42-102](#);

113 (AA) the Division of Wildlife Resources for the Support for State-Owned Shooting

114 Ranges Restricted Account created in Section 23-14-13.5, for the creation of new, and
115 operation and maintenance of existing, state-owned firearm shooting ranges;

116 (BB) the Utah State Historical Society to further the mission and purpose of the Utah
117 State Historical Society;

118 (CC) the Motorcycle Safety Awareness Support Restricted Account created in Section
119 72-2-130;

120 (DD) the Transportation of Veterans to Memorials Support Restricted Account created
121 in Section 71-14-102;

122 (EE) clean air support causes, with half of the donation deposited into the Clean Air
123 Support Restricted Account created in Section 19-1-109, and half of the donation deposited
124 into the Clean Air Fund created in Section 59-10-1319;

125 (FF) the Latino Community Support Restricted Account created in Section 13-1-16;

126 (GG) the Allyson Gamble Organ Donation Contribution Fund created in Section
127 26-18b-101; or

128 (HH) public education on behalf of the Kiwanis International clubs, with the amount of
129 the donation required to cover the costs of issuing, ordering, or reordering Kiwanis support
130 special group plates, as determined by the State Tax Commission, deposited into the Kiwanis
131 Education Support Fund created in Section 53F-9-403, and all remaining donation amounts
132 deposited into the ~~[Education Fund]~~ Uniform School Fund.

133 (ii) (A) For a veterans special group license plate described in Subsection
134 41-1a-421(1)(a)(v) or 41-1a-422(4), "contributor" means a person who has donated or in whose
135 name at least a \$25 donation at the time of application and \$10 annual donation thereafter has
136 been made.

137 (B) For a Utah Housing Opportunity special group license plate, "contributor" means a
138 person who:

139 (I) has donated or in whose name at least \$30 has been donated at the time of
140 application and annually after the time of application; and

141 (II) is a member of a trade organization for real estate licensees that has more than

142 15,000 Utah members.

143 (C) For an Honoring Heroes special group license plate, "contributor" means a person
144 who has donated or in whose name at least \$35 has been donated at the time of application and
145 annually thereafter.

146 (D) For a firefighter support special group license plate, "contributor" means a person
147 who:

148 (I) has donated or in whose name at least \$15 has been donated at the time of
149 application and annually after the time of application; and

150 (II) is a currently employed, volunteer, or retired firefighter.

151 (E) For a cancer research special group license plate, "contributor" means a person who
152 has donated or in whose name at least \$35 has been donated at the time of application and
153 annually after the time of application.

154 (F) For a Utah Law Enforcement Memorial Support special group license plate,
155 "contributor" means a person who has donated or in whose name at least \$35 has been donated
156 at the time of application and annually thereafter.

157 (b) "Institution" means a state institution of higher education as defined under Section
158 [53B-3-102](#) or a private institution of higher education in the state accredited by a regional or
159 national accrediting agency recognized by the United States Department of Education.

160 (2) (a) An applicant for original or renewal collegiate special group license plates under
161 Subsection (1)(a)(i) must be a contributor to the institution named in the application and
162 present the original contribution verification form under Subsection (2)(b) or make a
163 contribution to the division at the time of application under Subsection (3).

164 (b) An institution with a support special group license plate shall issue to a contributor
165 a verification form designed by the commission containing:

166 (i) the name of the contributor;

167 (ii) the institution to which a donation was made;

168 (iii) the date of the donation; and

169 (iv) an attestation that the donation was for a scholastic scholarship.

170 (c) The state auditor may audit each institution to verify that the money collected by the
171 institutions from contributors is used for scholastic scholarships.

172 (d) After an applicant has been issued collegiate license plates or renewal decals, the
173 commission shall charge the institution whose plate was issued, a fee determined in accordance
174 with Section 63J-1-504 for management and administrative expenses incurred in issuing and
175 renewing the collegiate license plates.

176 (e) If the contribution is made at the time of application, the contribution shall be
177 collected, treated, and deposited as provided under Subsection (3).

178 (3) (a) An applicant for original or renewal support special group license plates under
179 this section must be a contributor to the sponsoring organization associated with the license
180 plate.

181 (b) This contribution shall be:

182 (i) unless collected by the named institution under Subsection (2), collected by the
183 division;

184 (ii) considered a voluntary contribution for the funding of the activities specified under
185 this section and not a motor vehicle registration fee;

186 (iii) deposited into the appropriate account less actual administrative costs associated
187 with issuing the license plates; and

188 (iv) for a firefighter special group license plate, deposited into the appropriate account
189 less:

190 (A) the costs of reordering firefighter special group license plate decals; and

191 (B) the costs of replacing recognition special group license plates with new license
192 plates under Subsection 41-1a-1211(13).

193 (c) The donation described in Subsection (1)(a) must be made in the 12 months prior to
194 registration or renewal of registration.

195 (d) The donation described in Subsection (1)(a) shall be a one-time donation made to
196 the division when issuing original:

197 (i) snowmobile license plates; or

198 (ii) conservation license plates.

199 (4) Veterans license plates shall display one of the symbols representing the Army,
200 Navy, Air Force, Marines, Coast Guard, or American Legion.

201 Section 2. Section **51-5-4** is amended to read:

202 **51-5-4. Funds established -- Titles of funds -- Fund functions.**

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

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

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

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

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

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

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

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

220 (2) Major Fund Type Titles:

221 (a) General Fund;

222 (b) Special Revenue Funds;

223 (c) Capital Projects Funds;

224 (d) Debt Service Funds;

225 (e) Permanent Funds;

- 226 (f) Enterprise Funds;
- 227 (g) Internal Service Funds;
- 228 (h) Trust and Agency Funds; and
- 229 (i) Discrete Component Unit Funds.
- 230 (3) The General Fund shall receive all revenues and account for all expenditures not
- 231 otherwise provided for by law in any other fund.
- 232 (4) Special Revenue Funds are used to account for and report proceeds of specific
- 233 revenue sources that are restricted or committed to be expended for a specified purpose.
- 234 (a) The [~~Education Fund~~] Income Tax Fund is a Special Revenue Fund that:
- 235 (i) receives all revenues from taxes on intangible property or from a tax on income; and
- 236 (ii) is designated for public and higher education.
- 237 (b) The Transportation Fund is a Special Revenue Fund that accounts for all revenues
- 238 that are required by law to be expended for highway purposes.
- 239 (c) (i) An Expendable Special Revenue Fund is a Special Revenue Fund created by
- 240 legislation or contractual relationship with parties external to the state that:
- 241 (A) identifies specific revenues collected from fees, taxes, dedicated credits, donations,
- 242 federal funds, or other sources;
- 243 (B) defines the use of the money in the fund for a specific function of government or
- 244 program within an agency; and
- 245 (C) delegates spending authority or authorization to use the fund's assets to a governing
- 246 board, administrative department, or other officials as defined in the enabling legislation or
- 247 contract establishing the fund.
- 248 (ii) An Expendable Special Revenue Fund may only be created by contractual
- 249 relationship with external parties when the sources of revenue for the fund are donated
- 250 revenues or federal revenues.
- 251 (iii) Expendable Special Revenue Funds are subject to annual legislative review by the
- 252 appropriate legislative appropriations subcommittee.
- 253 (5) (a) Capital Projects Funds account for financial resources to be expended for the

254 acquisition or construction of capital outlays, including the acquisition or construction of a
255 capital facility and other capital assets. Capital Projects Funds exclude those types of
256 capital-related outflows financed by proprietary funds or for assets that will be held in trust for
257 individuals, private organizations, or other governments.

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

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

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

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

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

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

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

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

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

277 (10) (a) Trust and Agency Funds account for assets held by the state as trustee or agent
278 for individuals, private organizations, or other governmental units.

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

281 (11) Discrete Component Unit Funds account for the financial resources used to

282 operate the state's colleges and universities and other discrete component units.

283 Section 3. Section **53B-7-703** is amended to read:

284 **53B-7-703. Performance Funding Restricted Account -- Creation -- Deposits into**
285 **account -- Legislative review.**

286 (1) There is created within the [~~Education Fund~~] Income Tax Fund a restricted account
287 known as the "Performance Funding Restricted Account."

288 (2) Money in the account shall be:

289 (a) used for performance funding for:

290 (i) degree-granting institutions; and

291 (ii) technical colleges; and

292 (b) appropriated by the Legislature in accordance with Section **53B-7-705**.

293 (3) (a) Money in the account shall earn interest.

294 (b) All interest earned on account money shall be deposited into the account.

295 (4) (a) Except as provided in Subsection (4)(b), the Division of Finance shall deposit
296 into the account an amount equal to 20% of the estimated revenue growth from targeted jobs
297 upon appropriation by the Legislature for a fiscal year beginning on or after July 1, 2019.

298 (b) (i) As used in this Subsection (4)(b), "total higher education appropriations" means,
299 for the current fiscal year, the total state funded appropriations to:

300 (A) the board;

301 (B) degree-granting institutions; and

302 (C) technical colleges.

303 (ii) If a deposit described in Subsection (4)(a) would exceed 10% of total higher
304 education appropriations, upon appropriation by the Legislature, the Division of Finance shall
305 deposit into the account an amount equal to 10% of total higher education appropriations.

306 (c) The Legislature may appropriate money to the account.

307 (5) (a) As used in this Subsection (5):

308 (i) "Base budget" means the same as that term is defined in legislative rule.

309 (ii) "Remaining available ongoing [~~Education Fund~~] Income Tax Fund revenue" means

310 the difference between:

311 (A) the estimated ongoing [~~Education Fund~~] Income Tax Fund and Uniform School
312 Fund revenue available for the Legislature to appropriate in the next fiscal year; and

313 (B) the amount of ongoing appropriations from the [~~Education Fund~~] Income Tax Fund
314 and Uniform School Fund for the current year plus ongoing appropriations required under
315 Sections [53F-9-201](#) and [53F-9-204](#) for the next fiscal year.

316 (b) Except as described in Subsection (5)(c), for a fiscal year beginning on or after July
317 1, 2023, when preparing the Higher Education Base Budget, the Office of the Legislative Fiscal
318 Analyst shall:

319 (i) include in the base budget the lesser of the amount described in Subsection (4) or
320 the remaining available ongoing [~~Education Fund~~] Income Tax Fund revenue; and

321 (ii) appropriate the funds described in Subsection (5)(b)(i) to the Utah Board of Higher
322 Education to distribute to institutions as described in Section [53B-7-705](#).

323 (c) In a fiscal year beginning on or after July 1, 2023, in which the remaining available
324 ongoing [~~Education Fund~~] Income Tax Fund revenue is less than zero, when preparing the base
325 budget, the Office of the Legislative Fiscal Analyst shall include in the base budget an amount
326 equal to the difference in the amount described in Subsection (4) for the current year and the
327 amount described in Subsection (4) for the prior year, adjusted for any base budget reductions
328 as directed by the Executive Appropriations Committee.

329 (6) During the interim following a legislative general session in which an amount
330 described in Subsection (4)(b) is deposited into the account, the Higher Education
331 Appropriations Subcommittee shall review performance funding described in this part and
332 make recommendations to the Legislature about:

333 (a) the performance levels required for degree-granting institutions and technical
334 colleges to receive performance funding as described in Section [53B-7-705](#);

335 (b) the performance metrics described in Sections [53B-7-706](#) and [53B-7-707](#); and

336 (c) the amount of individual income tax revenue dedicated to higher education
337 performance funding.

338 Section 4. Section **53B-8-112** is amended to read:

339 **53B-8-112. Public Safety Officer Career Advancement Reimbursement Program.**

340 (1) The Public Safety Officer Career Advancement Reimbursement Program is created.

341 (2) Subject to legislative appropriations and Subsection (7) the board shall reimburse
342 an applicant who:

343 (a) is a certified peace officer, currently employed by a law enforcement agency within
344 the state;

345 (b) has been employed as a certified peace officer for three or more consecutive years;

346 (c) is seeking a post-secondary degree in the area of criminal justice from a
347 credit-granting higher education institution within the state system of higher education,
348 described in Section [53B-1-102](#); and

349 (d) is employed as a peace officer for one year following completion of the academic
350 year for which the individual is seeking reimbursement.

351 (3) Individuals who qualify for reimbursement from the Public Safety Officer Career
352 Advancement Reimbursement Program may apply for reimbursement by July 1 one year after
353 each academic year for which they are requesting reimbursement.

354 (4) Subject to Legislative appropriations, of the funds appropriated for the Public
355 Safety Officer Career Advancement Reimbursement Program:

356 (a) 25% of the annual appropriation shall be designated for applicants who are
357 currently employed by a law enforcement agency with jurisdiction in a county of the third or
358 fourth class; and

359 (b) 12% of the annual appropriation shall be designated for applicants who are
360 currently employed by a law enforcement agency with jurisdiction in a county of the fifth or
361 sixth class.

362 (5) (a) A qualified applicant may be reimbursed up to half of the cost of tuition and
363 fees.

364 (b) A reimbursement under Subsection (5)(a) is limited to:

365 (i) a maximum of \$5,000 each academic year; and

366 (ii) a maximum of eight academic years.

367 (6) (a) The board shall make rules in accordance with Title 63G, Chapter 3, Utah
368 Administrative Rulemaking Act, to:

369 (i) set deadlines for receiving reimbursement applications and supporting
370 documentation; and

371 (ii) establish the application process and an appeal process for a reimbursement from
372 the Public Safety Officer Career Advancement Reimbursement Program, including procedures
373 to allow for online application submittals.

374 (b) The board shall include a disclosure on all applications and related materials that
375 the amount of the awarded reimbursements may be subject to funding or be reduced, in
376 accordance with Subsection (7).

377 (7) (a) Subject to future budget constraints, the Legislature shall make an annual
378 appropriation from the ~~[Education Fund]~~ Income Tax Fund to the board for the costs associated
379 with the Public Safety Officer Career Advancement Reimbursement Program authorized under
380 this section.

381 (b) Notwithstanding the provisions of this section, if the appropriation under this
382 section is insufficient to cover the costs associated with the Public Safety Officer Career
383 Advancement Reimbursement Program, the board:

384 (i) may reduce the amount of a reimbursement; and
385 (ii) shall distribute reimbursements on a pro rata basis to all eligible applicants who
386 submitted a complete application before the application deadline.

387 (c) Any individual who is denied reimbursement because of insufficient funds
388 appropriated may re-apply for reimbursement up to two years after the first year of eligibility.

389 Section 5. Section **53B-8-202** is amended to read:

390 **53B-8-202. Regents' Scholarship Program -- General provisions -- Board policies.**

391 (1) This section only applies to a student who graduates from high school on or before
392 July 1, 2018.

393 (2) The Regents' Scholarship Program is created to award merit scholarships to

394 students who complete a rigorous core course of study in high school.

395 (3) (a) A student who is awarded the Base Regents' scholarship established in Section
396 53B-8-203 may also be awarded each of the supplemental awards established in Sections
397 53B-8-204 and 53B-8-205.

398 (b) A student may not receive both a Regents' scholarship and a New Century
399 scholarship established in Section 53B-8-105.

400 (4) A Regents' scholarship may only be used at a:

401 (a) credit-granting higher education institution within the state system of higher
402 education; or

403 (b) private, nonprofit college or university in the state that is accredited by the
404 Northwest Commission on Colleges and Universities.

405 (5) (a) A scholarship holder shall enroll full-time at a higher education institution
406 described in Subsection (4) by no later than the fall term immediately following the student's
407 high school graduation date or receive an approved deferral from the board.

408 (b) The board may grant a deferral or leave of absence to a scholarship holder, but the
409 student may only receive scholarship money within five years of the student's high school
410 graduation date.

411 (6) (a) The board shall annually report on the Regents' Scholarship Program at the
412 beginning of each school year to the Higher Education Appropriations Subcommittee.

413 (b) The board shall ensure that the report includes the number of students in each
414 school district and public high school who meet the academic criteria for the Base Regents'
415 scholarship and for the Exemplary Academic Achievement Scholarship.

416 (c) The State Board of Education, school districts, and public high schools shall
417 cooperate with the board to facilitate the collection and distribution of Regents' Scholarship
418 Program data.

419 (7) The State Board of Education shall annually provide the board a complete list of
420 directory information, including student name and address, for all grade 8 students in the state.

421 (8) The board shall adopt policies establishing:

422 (a) the high school and college course requirements described in Subsection
423 53B-8-203(2)(d)(i);

424 (b) the additional weights assigned to grades earned in certain courses described in
425 Subsections 53B-8-203(5) and 53B-8-205(8);

426 (c) the regional accrediting bodies that may accredit a private high school described in
427 Subsection 53B-8-203(2)(a)(ii);

428 (d) (i) the application process and an appeal process for a Regents' scholarship,
429 including procedures to allow a student to apply for the scholarship on-line; and

430 (ii) a disclosure on all applications and related materials that the amount of the awards
431 is subject to funding and may be reduced, in accordance with Subsection (9)(b); and

432 (e) how college credits correlate to high school units for purposes of Subsection
433 53B-8-203(2)(d)(i).

434 (9) (a) Subject to future budget constraints, the Legislature shall make an annual
435 appropriation from the [~~Education Fund~~] Income Tax Fund to the board for the costs associated
436 with the Regents' Scholarship Program authorized under this section and Sections 53B-8-203,
437 53B-8-204, and 53B-8-205.

438 (b) Notwithstanding the provisions of this section and Sections 53B-8-203, 53B-8-204,
439 and 53B-8-205, if the appropriation under Subsection (9)(a) is insufficient to cover the costs
440 associated with the Regents' Scholarship Program, the board may reduce the amount of the
441 Base Regents' scholarships and supplemental awards.

442 (10) The board may set deadlines for receiving Regents' scholarship applications and
443 supporting documentation.

444 Section 6. Section 53E-3-802 is amended to read:

445 **53E-3-802. Federal programs -- School official duties.**

446 (1) School officials may:

447 (a) apply for, receive, and administer funds made available through programs of the
448 federal government;

449 (b) only expend federal funds for the purposes for which they are received and are

450 accounted for by the state, school district, or charter school; and

451 (c) reduce or eliminate a program created with or expanded by federal funds to the
452 extent allowed by law when federal funds for that program are subsequently reduced or
453 eliminated.

454 (2) School officials shall:

455 (a) prioritize resources, especially to resolve conflicts between federal provisions or
456 between federal and state programs, including:

457 (i) providing first priority to meeting state goals, objectives, program needs, and
458 accountability systems as they relate to federal programs; and

459 (ii) subject to Subsection (4), providing second priority to implementing federal goals,
460 objectives, program needs, and accountability systems that do not directly and simultaneously
461 advance state goals, objectives, program needs, and accountability systems;

462 (b) interpret the provisions of federal programs in the best interest of students in this
463 state;

464 (c) maximize local control and flexibility;

465 (d) minimize additional state resources that are diverted to implement federal programs
466 beyond the federal money that is provided to fund the programs;

467 (e) request changes to federal educational programs, especially programs that are
468 underfunded or provide conflicts with other state or federal programs, including:

469 (i) federal statutes;

470 (ii) federal regulations; and

471 (iii) other federal policies and interpretations of program provisions; and

472 (f) seek waivers from all possible federal statutes, requirements, regulations, and
473 program provisions from federal education officials to:

474 (i) maximize state flexibility in implementing program provisions; and

475 (ii) receive reasonable time to comply with federal program provisions.

476 (3) The requirements of school officials under this part, including the responsibility to
477 lobby federal officials, are not intended to mandate school officials to incur costs or require the

478 hiring of lobbyists, but are intended to be performed in the course of school officials' normal
479 duties.

480 (4) (a) As used in this Subsection (4):

481 (i) "Available [~~Education Fund~~] Income Tax Fund revenue surplus" means the
482 [~~Education Fund~~] Income Tax Fund revenue surplus after the statutory transfers and set-asides
483 described in Section 63J-1-313.

484 (ii) "[~~Education Fund~~] Income Tax Fund revenue surplus" means the same as that term
485 is defined in Section 63J-1-313.

486 (b) Before prioritizing the implementation of a future federal goal, objective, program
487 need, or accountability system that does not directly and simultaneously advance a state goal,
488 objective, program need, or accountability system, the state board may:

489 (i) determine the financial impact of failure to implement the federal goal, objective,
490 program need, or accountability system; and

491 (ii) if the state board determines that failure to implement the federal goal, objective,
492 program need, or accountability system may result in a financial loss, request that the
493 Legislature mitigate the financial loss.

494 (c) A mitigation requested under Subsection (4)(b)(ii) may include appropriating
495 available [~~Education Fund~~] Income Tax Fund revenue surplus through an appropriations act,
496 including an appropriations act passed during a special session called by the governor or a
497 general session.

498 (d) This mitigation option is in addition to and does not restrict or conflict with the
499 state's authority provided in this part.

500 Section 7. Section **53E-6-505** is amended to read:

501 **53E-6-505. Meetings and expenses of UPPAC members.**

502 (1) UPPAC shall meet at least quarterly and at the call of the chair or of a majority of
503 the members.

504 (2) Members of UPPAC serve without compensation but are allowed reimbursement
505 for actual and necessary expenses under the rules of the Division of Finance.

506 (3) The state board shall pay reimbursement to UPPAC members out of the [Education
507 Fund] Income Tax Fund.

508 Section 8. Section **53E-7-405** is amended to read:

509 **53E-7-405. Program donations -- Scholarship granting organization**
510 **requirements.**

511 (1) A person that makes a donation to a scholarship granting organization to help fund
512 scholarships through the program may be eligible to receive a nonrefundable tax credit as
513 described in Sections [59-7-625](#) and [59-10-1041](#).

514 (2) In accordance with Section [53E-7-404](#), an organization may enter into an
515 agreement with the state board to be a scholarship granting organization.

516 (3) A scholarship granting organization shall:

517 (a) accept program donations;

518 (b) adopt an application process in accordance with Subsection (5);

519 (c) review scholarship applications and determine scholarship awards;

520 (d) allocate scholarship money to a scholarship student's parent or, on the parent's
521 behalf, to a qualifying school in which the scholarship student is enrolled;

522 (e) adopt a process, with state board approval, that allows a parent to use a scholarship
523 to pay for a nontuition scholarship expense for the scholarship student;

524 (f) ensure that:

525 (i) at least 92% of the scholarship granting organization's revenue from program
526 donations is spent on scholarships;

527 (ii) up to 5% of the scholarship granting organization's revenue from program
528 donations is spent on administration of the program;

529 (iii) up to 3% of the scholarship granting organization's revenue from program
530 donations is spent on marketing and fundraising costs; and

531 (iv) all revenue from program donations' interest or investments is spent on
532 scholarships;

533 (g) carry forward no more than 40% of the scholarship granting organization's program

534 donations from the state fiscal year in which the scholarship granting organization received the
535 program donations to the following state fiscal year;

536 (h) at the end of a fiscal year, remit to the state treasurer donation amounts greater than
537 the amount described in Subsection (3)(g);

538 (i) prohibit a scholarship granting organization employee or officer from handling,
539 managing, or processing program donations, if, based on a criminal background check
540 conducted by the state board in accordance with Section 53E-7-404, the state board identifies
541 the employee or officer as posing a risk to the appropriate use of program donations;

542 (j) ensure that a scholarship can be transferred during the school year to a different
543 qualifying school that accepts the scholarship student;

544 (k) report to the state board on or before June 1 of each year the following information,
545 prepared by a certified public accountant:

546 (i) the name and address of the scholarship granting organization;

547 (ii) the total number and total dollar amount of program donations that the scholarship
548 granting organization received during the previous calendar year;

549 (iii) the total number and total dollar amount of scholarships the scholarship granting
550 organization awarded during the previous calendar year; and

551 (iv) the percentage of first-time scholarship recipients who were enrolled in a public
552 school during the previous school year or who entered kindergarten or a higher grade for the
553 first time in Utah;

554 (l) issue tax credit certificates as described in Section 53E-7-407; and

555 (m) require a parent to notify a scholarship granting organization if the parent's
556 scholarship recipient:

557 (i) receives scholarship money for tuition expenses; and

558 (ii) does not have continuing enrollment and attendance at a qualifying school.

559 (4) The state treasurer shall deposit the money described in Subsection (3)(h) into the
560 ~~[Education Fund]~~ Income Tax Fund.

561 (5) (a) An application for a scholarship shall contain an acknowledgment by the

562 applicant's parent that the qualifying school selected by the parent for the applicant to attend
563 using a scholarship is capable of providing the level of disability services required for the
564 student.

565 (b) A scholarship application form shall contain the following statement:

566 "I acknowledge that:

567 (1) A private school may not provide the same level of disability services that are
568 provided in a public school;

569 (2) I will assume full financial responsibility for the education of my scholarship
570 recipient if I accept this scholarship;

571 (3) Acceptance of this scholarship has the same effect as a parental refusal to consent
572 to services as described in 24 C.F.R. Sec. 300.300, issued under the Individuals with
573 Disabilities Education Act, 20 U.S.C. Sec. 1400 et seq.; and

574 (4) My child may return to a public school at any time."

575 (c) Upon acceptance of a scholarship, the parent assumes full financial responsibility
576 for the education of the scholarship recipient.

577 (d) Acceptance of a scholarship has the same effect as a parental refusal to consent to
578 services as described in 24 C.F.R. Sec. 300.300, issued under the Individuals with Disabilities
579 Education Act, 20 U.S.C. Sec. 1400 et seq.

580 (e) The creation of the program or granting of a scholarship does not:

581 (i) imply that a public school did not provide a free and appropriate public education
582 for a student; or

583 (ii) constitute a waiver or admission by the state.

584 (6) A scholarship granting organization shall demonstrate the scholarship granting
585 organization's financial accountability by annually submitting to the state board a financial
586 information report that:

587 (a) complies with the uniform financial accounting standards described in Section
588 [53E-7-404](#); and

589 (b) is prepared by a certified public accountant.

590 (7) (a) If a scholarship granting organization allocates \$500,000 or more in
591 scholarships annually through the program, the scholarship granting organization shall:

592 (i) contract for an annual audit, conducted by a certified public accountant who is
593 independent from:

594 (A) the scholarship granting organization; and

595 (B) the scholarship granting organization's accounts and records pertaining to program
596 donations; and

597 (ii) in accordance with Subsection (7)(b), report the results of the audit to the state
598 board for review.

599 (b) For the report described in Subsection (7)(a)(ii), the scholarship granting
600 organization shall:

601 (i) include the scholarship granting organization's financial statements in a format that
602 meets generally accepted accounting standards; and

603 (ii) submit the report to the state board no later than 180 days after the last day of a
604 scholarship granting organization's fiscal year.

605 (c) The certified public accountant shall conduct an audit described in Subsection
606 (7)(a)(i) in accordance with generally accepted auditing standards and rules made by the state
607 board.

608 (d) (i) The state board shall review a report submitted under this section and may
609 request that the scholarship granting organization revise or supplement the report if the report
610 is not in compliance with the provisions of this Subsection (7) or rules adopted by the state
611 board.

612 (ii) A scholarship granting organization shall provide a revised report or supplement to
613 the report no later than 45 days after the day on which the state board makes a request
614 described in Subsection (7)(d)(i).

615 (8) (a) A scholarship granting organization may not allocate scholarship money to a
616 qualifying school if:

617 (i) the scholarship granting organization determines that the qualifying school

- 618 intentionally or substantially misrepresented information on overpayment;
- 619 (ii) the qualifying school fails to refund an overpayment in a timely manner; or
- 620 (iii) the qualifying school routinely fails to provide scholarship recipients with
- 621 promised educational goods or services.
- 622 (b) A scholarship granting organization shall notify a scholarship recipient if the
- 623 scholarship granting organization stops allocation of the recipient's scholarship money to a
- 624 qualifying school under Subsection (8)(a).
- 625 (9) If a scholarship recipient transfers to another qualifying school during the school
- 626 year, the scholarship granting organization may prorate scholarship money between the
- 627 qualifying schools according to the time the scholarship recipient spends at each school.
- 628 (10) A scholarship granting organization may not:
- 629 (a) award a scholarship to a relative of the scholarship granting organization's officer or
- 630 employee; or
- 631 (b) allocate scholarship money to a qualifying school at which the scholarship recipient
- 632 has a relative who is an officer or an employee of the qualifying school.

633 Section 9. Section **53F-2-203** is amended to read:

634 **53F-2-203. Reduction of LEA governing board allocation based on insufficient**

635 **revenues.**

636 (1) As used in this section, "Minimum School Program funds" means the total of state

637 and local funds appropriated for the Minimum School Program, excluding:

- 638 (a) an appropriation for a state guaranteed local levy increment as described in Section
- 639 [53F-2-601](#); and
- 640 (b) the appropriation to charter schools to replace local property tax revenues pursuant
- 641 to Section [53F-2-704](#).

642 (2) If the Legislature reduces appropriations made to support public schools under this

643 chapter because an [~~Education Fund~~] Income Tax Fund budget deficit, as defined in Section

644 [63J-1-312](#), exists, the state board, after consultation with each LEA governing board, shall

645 allocate the reduction among school districts and charter schools in proportion to each school

646 district's or charter school's percentage share of Minimum School Program funds.

647 (3) Except as provided in Subsection (5) and subject to the requirements of Subsection
648 (7), an LEA governing board shall determine which programs are affected by a reduction
649 pursuant to Subsection (2) and the amount each program is reduced.

650 (4) Except as provided in Subsections (5) and (6), the requirement to spend a specified
651 amount in any particular program is waived if reductions are made pursuant to Subsection (2).

652 (5) An LEA governing board may not reduce or reallocate spending of funds
653 distributed to the school district or charter school for the following programs:

- 654 (a) educator salary adjustments provided in Section 53F-2-405;
- 655 (b) the Teacher Salary Supplement Program provided in Section 53F-2-504;
- 656 (c) the extended year for special educators provided in Section 53F-2-310;
- 657 (d) the School LAND Trust Program described in Sections 53F-2-404 and
658 53G-7-1206; or

659 (e) a special education program within the basic school program.

660 (6) An LEA governing board may not reallocate spending of funds distributed to the
661 school district or charter school to a reserve account.

662 (7) An LEA governing board that reduces or reallocates funds in accordance with this
663 section shall report all transfers into, or out of, Minimum School Program programs to the state
664 board as part of the school district or charter school's Annual Financial and Program report.

665 Section 10. Section 53F-9-201 is amended to read:

666 **53F-9-201. Uniform School Fund -- Contents -- Trust Distribution Account.**

667 (1) As used in this section:

668 (a) "Annual distribution calculation" means, for a given fiscal year, the average of:

669 (i) 4% of the average market value of the State School Fund for that fiscal year; and

670 (ii) the distribution amount for the prior fiscal year, multiplied by the sum of:

671 (A) one;

672 (B) the percent change in student enrollment from the school year two years prior to
673 the prior school year; and

674 (C) the actual total percent change of the consumer price index during the last 12
675 months as measured in June of the prior fiscal year.

676 (b) "Average market value of the State School Fund" means the results of a calculation
677 completed by the SITFO director each fiscal year that averages the value of the State School
678 Fund for the past 20 consecutive quarters ending in the prior fiscal year.

679 (c) "Consumer price index" means the Consumer Price Index for All Urban
680 Consumers: All Items Less Food & Energy, as published by the Bureau of Labor Statistics of
681 the United States Department of Labor.

682 (d) "SITFO director" means the director of the School and Institutional Trust Fund
683 Office appointed under Section 53D-1-401.

684 (e) "State School Fund investment earnings distribution amount" or "distribution
685 amount" means, for a fiscal year, the lesser of:

686 (i) the annual distribution calculation; or

687 (ii) 4% of the average market value of the State School Fund.

688 (2) The Uniform School Fund, a special revenue fund [~~within the Education Fund~~],
689 established by Utah Constitution, Article X, Section 5, consists of:

690 (a) distributions derived from the investment of money in the permanent State School
691 Fund established by Utah Constitution, Article X, Section 5;

692 (b) money transferred to the fund pursuant to Title 67, Chapter 4a, Revised Uniform
693 Unclaimed Property Act; and

694 (c) all other constitutional or legislative allocations to the fund, including:

695 (i) appropriations for the Minimum School Program, enrollment growth, and inflation
696 under Section 53F-9-201.1; and

697 (ii) revenues received by donation.

698 (3) (a) There is created within the Uniform School Fund a restricted account known as
699 the Trust Distribution Account.

700 (b) The Trust Distribution Account consists of:

701 (i) in accordance with Subsection (4), quarterly deposits of the State School Fund

702 investment earnings distribution amount from the prior fiscal year;

703 (ii) all interest earned on the Trust Distribution Account in the prior fiscal year; and

704 (iii) any unused appropriation for the administration of the School LAND Trust

705 Program, as described in Subsection 53F-2-404(1)(c).

706 (4) If, at the end of a fiscal year, the Trust Distribution Account has a balance
707 remaining after subtracting the appropriation amount described in Subsection 53F-2-404(1)(a)
708 for the next fiscal year, the SITFO director shall, during the next fiscal year, apply the amount
709 of the remaining balance from the prior fiscal year toward the current fiscal year's distribution
710 amount by reducing a quarterly deposit to the Trust Distribution Account by the amount of the
711 remaining balance from the prior fiscal year.

712 (5) On or before October 1 of each year, the SITFO director shall:

713 (a) in accordance with this section, determine the distribution amount for the following
714 fiscal year; and

715 (b) report the amount described in Subsection (5)(a) as the funding amount, described
716 in Subsection 53F-2-404(1)(c), for the School LAND Trust Program, to:

717 (i) the State Treasurer;

718 (ii) the Legislative Fiscal Analyst;

719 (iii) the Division of Finance;

720 (iv) the director of the Land Trusts Protection and Advocacy Office, appointed under
721 Section 53D-2-203;

722 (v) the School and Institutional Trust Lands Administration created in Section
723 53C-1-201;

724 (vi) the state board; and

725 (vii) the Governor's Office of Planning and Budget.

726 (6) The School and Institutional Trust Fund Board of Trustees created in Section
727 53D-1-301 shall:

728 (a) annually review the distribution amount; and

729 (b) make recommendations, if necessary, to the Legislature for changes to the formula

730 for calculating the distribution amount.

731 (7) Upon appropriation by the Legislature, the SITFO director shall place in the Trust
732 Distribution Account funds for the School LAND Trust Program as described in Subsections
733 [53F-2-404](#)(1)(a) and (c).

734 Section 11. Section **53F-9-201.1 (Superseded 07/01/22)** is amended to read:

735 **53F-9-201.1 (Superseded 07/01/22). Appropriations to the Minimum School**
736 **Program from the Uniform School Fund.**

737 (1) As used in this section:

738 (a) "Base budget" means the same as that term is defined in legislative rule.

739 (b) "Enrollment growth and inflation estimates" means the cost estimates regarding
740 enrollment growth and inflation described in Section [53F-2-208](#).

741 (2) Except as provided in Subsection [53F-9-204](#)(3), for a fiscal year beginning on or
742 after July 1, 2021, when preparing the Public Education Base Budget, the Office of the
743 Legislative Fiscal Analyst shall:

744 (a) include appropriations to the Minimum School Program from the Uniform School
745 Fund, and, subject to Subsection [53F-9-204](#)(3), the Public Education Economic Stabilization
746 Restricted Account, in an amount that is greater than or equal to the sum of:

747 (i) the ongoing [~~Education Fund~~] Income Tax Fund and Uniform School Fund
748 appropriations to the Minimum School Program in the current fiscal year; and

749 (ii) subject to Subsection [53F-9-204](#)(3)(b), enrollment growth and inflation estimates;
750 and

751 (b) except as provided in Subsection (4), an appropriation to increase the value of the
752 weighted pupil unit that is greater than or equal to 10% of the difference between, as
753 determined by the Office of the Legislative Fiscal Analyst:

754 (i) the estimated amount of ongoing [~~Education Fund~~] Income Tax Fund and Uniform
755 School Fund revenue available for the Legislature to appropriate for the next fiscal year; and

756 (ii) the amount of ongoing appropriations from the [~~Education Fund~~] Income Tax Fund
757 and Uniform School Fund in the current fiscal year.

758 (3) The total annual amount deposited into the Uniform School Fund, including the
759 deposits through the distributions described in Sections 59-7-532 and 59-10-544, for a given
760 fiscal year may not exceed the amount appropriated from the Uniform School Fund for that
761 fiscal year.

762 (4) (a) If an appropriation to increase the value of the weighted pupil unit described in
763 Subsection (2)(b) would cause the cumulative amount of increases to the value of the weighted
764 pupil unit, beginning for fiscal year 2022, to exceed \$140,500,000, the Office of the Legislative
765 Fiscal Analyst:

766 (i) shall include in the Public Education Base Budget an appropriation to increase the
767 value of the weighted pupil unit that would cause the cumulative amount of increases to equal
768 \$140,500,000; and

769 (ii) is exempt from future application of Subsection (2)(b).

770 (b) Nothing in this section limits the Legislature's ability to appropriate additional
771 amounts to increase the value of the weighted pupil unit.

772 Section 12. Section 53F-9-201.1 (Effective 07/01/22) is amended to read:

773 **53F-9-201.1 (Effective 07/01/22). Appropriations to the Minimum School**
774 **Program from the Uniform School Fund.**

775 (1) As used in this section:

776 (a) "Base budget" means the same as that term is defined in legislative rule.

777 (b) "Enrollment growth and inflation estimates" means the cost estimates regarding
778 enrollment growth and inflation described in Section 53F-2-208.

779 (2) Except as provided in Subsection 53F-9-204(3), for a fiscal year beginning on or
780 after July 1, 2021, when preparing the Public Education Base Budget, the Office of the
781 Legislative Fiscal Analyst shall include appropriations to the Minimum School Program from
782 the Uniform School Fund, and, subject to Subsection 53F-9-204(3), the Public Education
783 Economic Stabilization Restricted Account, in an amount that is greater than or equal to the
784 sum of:

785 (a) the ongoing [~~Education Fund~~] Income Tax Fund and Uniform School Fund

786 appropriations to the Minimum School Program in the current fiscal year; and
787 (b) subject to Subsection 53F-9-204(3)(b), enrollment growth and inflation estimates.
788 (3) The total annual amount deposited into the Uniform School Fund, including the
789 deposits through the distributions described in Sections 59-7-532 and 59-10-544, for a given
790 fiscal year may not exceed the amount appropriated from the Uniform School Fund for that
791 fiscal year.

792 Section 13. Section 53F-9-204 is amended to read:

793 **53F-9-204. Public Education Economic Stabilization Restricted Account.**

794 (1) There is created within the Uniform School Fund a restricted account known as the
795 "Public Education Economic Stabilization Restricted Account."

796 (2) (a) Except as provided in Subsection (2)(b), the account shall be funded from the
797 following revenue sources:

798 (i) 15% of the difference between, as determined by the Office of the Legislative Fiscal
799 Analyst:

800 (A) the estimated amount of ongoing [~~Education Fund~~] Income Tax Fund and Uniform
801 School Fund revenue available for the Legislature to appropriate for the next fiscal year; and

802 (B) the amount of ongoing appropriations from the [~~Education Fund~~] Income Tax Fund
803 and Uniform School Fund in the current fiscal year; and

804 (ii) other appropriations as the Legislature may designate.

805 (b) If the appropriation described in Subsection (2)(a) would cause the ongoing
806 appropriations to the account to exceed 11% of Uniform School Fund appropriations described
807 in Section 53F-9-201.1 for the same fiscal year, the Legislature shall appropriate only those
808 funds necessary to ensure that the ongoing appropriations to the account equal 11% of Uniform
809 School Fund appropriations for that fiscal year.

810 (3) Subject to the availability of ongoing appropriations to the account, in accordance
811 with Utah Constitution, Article X, Section 5, Subsection (4), the ongoing appropriation to the
812 account shall be used to fund:

813 (a) except for a year described in Subsection (3)(b), one-time appropriations to the

814 public education system; and

815 (b) the Minimum School Program for a year in which [~~Education Fund~~] Income Tax
816 Fund revenue and Uniform School Fund revenue are insufficient to fund:

817 (i) ongoing appropriations to the public education system; and

818 (ii) enrollment growth and inflation estimates, as defined in Section 53F-9-201.1.

819 (4) (a) The account shall earn interest.

820 (b) All interest earned on account money shall be deposited in the account.

821 (5) On or before December 31, 2023, and every three years thereafter, the Office of the
822 Legislative Fiscal Analyst shall:

823 (a) review the percentages described in Subsections (2)(a)(i) and (2)(b); and

824 (b) recommend to the Executive Appropriations Subcommittee any changes based on
825 the review described in Subsection (5)(a).

826 Section 14. Section 53F-9-301 is amended to read:

827 **53F-9-301. Charter School Levy Account.**

828 (1) (a) The terms defined in Section 53G-5-102 apply to this section.

829 (b) As used in this section, "account" means the Charter School Levy Account created
830 in this section.

831 (2) There is created within the [~~Education Fund~~] Income Tax Fund a restricted account
832 known as the "Charter School Levy Account."

833 (3) The account shall be funded by amounts deposited into the account in accordance
834 with Section 53F-2-703.

835 (4) Upon appropriation from the Legislature, the state board shall distribute funds from
836 the account as described in Section 53F-2-703.

837 (5) The account shall earn interest.

838 (6) Interest earned on the account shall be deposited into the account.

839 (7) Funds in the account are nonlapsing.

840 Section 15. Section 53F-9-302 is amended to read:

841 **53F-9-302. Minimum Basic Growth Account.**

842 (1) As used in this section, "account" means the Minimum Basic Growth Account
843 created in this section.

844 (2) There is created within the [~~Education Fund~~] Income Tax Fund a restricted account
845 known as the "Minimum Basic Growth Account."

846 (3) The account shall be funded by amounts deposited into the account in accordance
847 with Section [53F-2-301](#) or [53F-2-301.5](#), as applicable.

848 (4) The account shall earn interest.

849 (5) Interest earned on the account shall be deposited into the account.

850 (6) Upon appropriation by the Legislature:

851 (a) 75% of the money from the account shall be used to fund the state's contribution to
852 the voted local levy guarantee described in Section [53F-2-601](#);

853 (b) 20% of the money from the account shall be used to fund the Capital Outlay
854 Foundation Program as provided in Section [53F-3-202](#); and

855 (c) 5% of the money from the account shall be used to fund the Capital Outlay
856 Enrollment Growth Program as provided in Section [53F-3-203](#).

857 Section 16. Section **53F-9-303** is amended to read:

858 **53F-9-303. Charter School Reserve Account.**

859 (1) The terms defined in Section [53G-5-601](#) apply to this section.

860 (2) There is created within the [~~Education Fund~~] Income Tax Fund a restricted account
861 known as the "Charter School Reserve Account."

862 (3) The reserve account consists of:

863 (a) money credited to the account pursuant to Section [53G-5-607](#);

864 (b) money appropriated to the account by the Legislature;

865 (c) all income and interest derived from the deposit and investment of money in the
866 account;

867 (d) federal grants; and

868 (e) private donations.

869 (4) Money in the reserve account may be appropriated by the Legislature to:

- 870 (a) restore amounts on deposit in a debt service reserve fund of a qualifying charter
- 871 school to the debt service reserve fund requirement;
- 872 (b) pay fees and expenses of the authority;
- 873 (c) pay the principal of and interest on bonds issued for a qualifying charter school; or
- 874 (d) otherwise provide financial assistance to a qualifying charter school.

875 Section 17. Section **53F-9-304** is amended to read:

876 **53F-9-304. Underage Drinking and Substance Abuse Prevention Program**

877 **Restricted Account.**

878 (1) As used in this section, "account" means the Underage Drinking and Substance
879 Abuse Prevention Program Restricted Account created in this section.

880 (2) There is created within the [~~Education Fund~~] Income Tax Fund a restricted account
881 known as the "Underage Drinking and Substance Abuse Prevention Program Restricted
882 Account."

883 (3) (a) Before the Department of Alcoholic Beverage Control deposits any portion of
884 the markup collected under Section **32B-2-304** into the Liquor Control Fund in accordance
885 with Section **32B-2-301**, the Department of Alcoholic Beverage Control shall deposit into the
886 account:

- 887 (i) for the fiscal year that begins July 1, 2017, \$1,750,000; or
- 888 (ii) for each fiscal year that begins on or after July 1, 2018, an amount equal to the
889 amount that the Department of Alcoholic Beverage Control deposited into the account during
890 the preceding fiscal year increased or decreased by a percentage equal to the percentage
891 difference between the Consumer Price Index for the second preceding calendar year and the
892 Consumer Price Index for the preceding calendar year.

893 (b) For purposes of this Subsection (3), the Department of Alcoholic Beverage Control
894 shall calculate the Consumer Price Index in accordance with 26 U.S.C. Secs. 1(f)(4) and
895 1(f)(5).

896 (4) The account shall be funded:

- 897 (a) in accordance with Subsection (3);

- 898 (b) by appropriations made to the account by the Legislature; and
899 (c) by interest earned on money in the account.
- 900 (5) The state board shall use money in the account for the Underage Drinking and
901 Substance Abuse Prevention Program described in Section [53G-10-406](#).
- 902 Section 18. Section **53F-9-305** is amended to read:
- 903 **53F-9-305. Local Levy Growth Account.**
- 904 (1) As used in this section, "account" means the Local Levy Growth Account created in
905 this section.
- 906 (2) There is created within the [~~Education Fund~~] Income Tax Fund a restricted account
907 known as the "Local Levy Growth Account."
- 908 (3) The account shall be funded by:
- 909 (a) amounts deposited into the account in accordance with Section [53F-2-301](#) or
910 [53F-2-301.5](#), as applicable; and
- 911 (b) other legislative appropriations.
- 912 (4) The account shall earn interest.
- 913 (5) Interest earned on the account shall be deposited into the account.
- 914 (6) The Legislature shall appropriate money in the account to the state board.
- 915 Section 19. Section **53F-9-306** is amended to read:
- 916 **53F-9-306. Teacher and Student Success Account.**
- 917 (1) As used in this section, "account" means the Teacher and Student Success Account
918 created in this section.
- 919 (2) There is created within the [~~Education Fund~~] Income Tax Fund a restricted account
920 known as the "Teacher and Student Success Account."
- 921 (3) The account shall be funded by:
- 922 (a) amounts deposited into the account in accordance with Section [53F-2-301](#) or
923 [53F-2-301.5](#), as applicable; and
- 924 (b) other legislative appropriations.
- 925 (4) The account shall earn interest.

926 (5) Interest earned on the account shall be deposited into the account.

927 (6) The Legislature shall appropriate money in the account to the state board.

928 Section 20. Section **53F-9-307** is amended to read:

929 **53F-9-307. Charter School Closure Reserve Account.**

930 (1) As used in this section:

931 (a) "Account" means the Charter School Closure Reserve Account created in this
932 section.

933 (b) "Charter school authorizer" or "authorizer" means an entity listed in Section
934 **53G-5-205** that authorizes a charter school.

935 (2) There is created within the [~~Education Fund~~] Income Tax Fund a special revenue
936 fund known as the "Charter School Closure Reserve Account."

937 (3) The account consists of:

938 (a) appropriations of the Legislature;

939 (b) amounts deposited into the account in accordance with this section; and

940 (c) interest earned on money in the account.

941 (4) (a) The account shall earn interest.

942 (b) Interest earned on the account shall be deposited into the account.

943 (5) (a) In a fiscal year that begins on or after July 1, 2021, a charter school shall
944 annually contribute to the account \$2 per student enrolled in the charter school until the
945 account balance reaches \$3,000,000.

946 (b) (i) Beginning with the fiscal year following the first fiscal year in which the account
947 balance reaches \$3,000,000, except as provided in Subsections (5)(b)(ii) and (iii), in any fiscal
948 year in which the account balance is less than \$3,000,000, a charter school shall contribute to
949 the account a prorated amount, not to exceed \$2 per student enrolled in a charter school, in
950 accordance with Subsection (6).

951 (ii) Except as provided in Subsection (5)(b)(iii), if no funds have been withdrawn from
952 the account due to a charter school closure, in a fiscal year that begins on or after July 1, 2024,
953 in which the account balance is less than \$2,500,000, a charter school shall contribute to the

954 account a prorated amount, not to exceed \$2 per student enrolled in a charter school, in
955 accordance with Subsection (6).

956 (iii) If no funds have been withdrawn from the account due to a charter school closure,
957 in a fiscal year that begins on or after July 1, 2026, in which the account balance is less than
958 \$2,000,000, a charter school shall contribute to the account a prorated amount, not to exceed \$2
959 per student enrolled in a charter school, in accordance with Subsection (6).

960 (c) The state board shall ensure that the total contribution from charter schools
961 described in Subsection (5)(b) equals the lesser of:

962 (i) (A) in a fiscal year after the first fiscal year in which the account balance reaches
963 \$3,000,000, an amount sufficient to maintain an account balance of \$3,000,000;

964 (B) in a fiscal year that begins on or after July 1, 2024, if no funds have been
965 withdrawn from the account due to charter school closure, an amount sufficient to maintain an
966 account balance of \$2,500,000; or

967 (C) in a fiscal year that begins on or after July 1, 2026, if no funds have been
968 withdrawn from the account due to charter school closure, an amount sufficient to maintain an
969 account balance of \$2,000,000; and

970 (ii) \$2 per student enrolled in a charter school.

971 (6) The state board of education shall make rules in accordance with Title 63G,
972 Chapter 3, Utah Administrative Rulemaking Act, for:

973 (a) calculating the amounts described in Subsections (5)(b) and (c);

974 (b) a process for collecting charter school contributions to the account described in this
975 section; and

976 (c) a process for depositing charter school contributions to the account described in this
977 section into the account.

978 (7) Money in the account may only be used upon closure of a charter school that closes
979 on or after January 1, 2021:

980 (a) to pay debts that the charter school owes to:

981 (i) the state board; or

982 (ii) the state or federal government;

983 (b) after the charter school has made other reasonable attempts to resolve debts the
984 charter school owes to:

985 (i) the state board; or

986 (ii) the state or federal government; and

987 (c) after a charter school liquidates all of the charter school's assets.

988 (8) Money in the account may not be used to pay bond debt.

989 (9) The state board, in partnership with a charter school authorizer:

990 (a) may authorize the use of money in the account, subject to the restrictions described
991 in Subsections (7) and (8); and

992 (b) before authorizing the use of funds in the account as described in Subsection (9)(a),
993 shall investigate all reasonable alternatives for a charter school to pay debt that the charter
994 school owes to:

995 (i) the state board; and

996 (ii) the state or federal government.

997 Section 21. Section 59-7-532 is amended to read:

998 **59-7-532. Revenue received by commission -- Deposit with state treasurer --**
999 **Distribution or crediting to Income Tax Fund -- Refund claim payments.**

1000 (1) (a) The commission shall deposit at least quarterly all revenue collected or received
1001 by the commission under this chapter with the state treasurer.

1002 (b) The commission shall, subject to the refund provisions of this section, distribute or
1003 credit, at least quarterly and based on a pro rata share of [~~Education Fund~~] Income Tax Fund
1004 and Uniform School Fund appropriations for the current fiscal year, the revenue described in
1005 Subsection (1)(a) to:

1006 (i) the [~~Education Fund~~] Income Tax Fund; and

1007 (ii) the Uniform School Fund in accordance with Section 53F-9-201.1.

1008 (c) The commission may credit to or draw from the [~~Education Fund~~] Income Tax
1009 Fund and the Uniform School Fund:

1010 (i) annually to adjust for differences between estimates and actual amounts; or
1011 (ii) in the proportion described in Subsection (1)(b) to issue a refund.
1012 (2) The commission shall from time to time certify to the state auditor the amount of
1013 any refund authorized by it, the amount of interest computed on it under the provisions of
1014 Section 59-7-533, from whom the tax to be refunded was collected, or by whom it was paid,
1015 and such refund claims shall be paid in order out of the funds first accruing to the [Education
1016 Fund] Income Tax Fund from the provisions of this section.

1017 Section 22. Section 59-7-614.1 is amended to read:

1018 **59-7-614.1. Refundable tax credit for hand tools used in farming operations --**
1019 **Procedures for refund -- Transfers from General Fund to Income Tax Fund --**
1020 **Rulemaking authority.**

1021 (1) For a taxable year beginning on or after January 1, 2004, a taxpayer may claim a
1022 refundable tax credit:

1023 (a) as provided in this section;

1024 (b) against taxes otherwise due under this chapter; and

1025 (c) in an amount equal to the amount of tax the taxpayer pays:

1026 (i) on a purchase of a hand tool:

1027 (A) if the purchase is made on or after July 1, 2004;

1028 (B) if the hand tool is used or consumed primarily and directly in a farming operation
1029 in the state; and

1030 (C) if the unit purchase price of the hand tool is more than \$250; and

1031 (ii) under Chapter 12, Sales and Use Tax Act, on the purchase described in Subsection
1032 (1)(c)(i).

1033 (2) A taxpayer:

1034 (a) shall retain the following to establish the amount of tax the resident or nonresident
1035 individual paid under Chapter 12, Sales and Use Tax Act, on the purchase described in
1036 Subsection (1)(c)(i):

1037 (i) a receipt;

- 1038 (ii) an invoice; or
- 1039 (iii) a document similar to a document described in Subsection (2)(a)(i) or (ii); and
- 1040 (b) may not carry forward or carry back a tax credit under this section.

1041 (3) (a) In accordance with any rules prescribed by the commission under Subsection
 1042 (3)(b):

1043 (i) the commission shall make a refund to a taxpayer that claims a tax credit under this
 1044 section if the amount of the tax credit exceeds the taxpayer's tax liability under this chapter;
 1045 and

1046 (ii) the Division of Finance shall transfer at least annually from the General Fund into
 1047 the [~~Education Fund~~] Income Tax Fund an amount equal to the amount of tax credit claimed
 1048 under this section.

1049 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 1050 commission may make rules providing procedures for making:

- 1051 (i) a refund to a taxpayer as required by Subsection (3)(a)(i); or
- 1052 (ii) transfers from the General Fund into the [~~Education Fund~~] Income Tax Fund as
 1053 required by Subsection (3)(a)(ii).

1054 Section 23. Section **59-10-544** is amended to read:

1055 **59-10-544. General powers and duties of the commission -- Deposit, distribution,**
 1056 **or credit of revenues -- Refund reverts to state under certain circumstances.**

1057 (1) (a) The commission shall administer and enforce a tax imposed under this chapter
 1058 for which purpose it may divide the state into districts in each of which a branch office of the
 1059 commission may be maintained.

1060 (b) A county may not be divided in forming a district.

1061 (2) (a) The commission shall deposit at least quarterly all revenue collected or received
 1062 by the commission under this chapter with the state treasurer.

1063 (b) Subject to Sections **59-10-529** and **59-10-531**, the commission shall distribute and
 1064 credit, at least quarterly and based on a pro rata share of [~~Education Fund~~] Income Tax Fund
 1065 and Uniform School Fund appropriations for the current fiscal year, the revenue described in

1066 Subsection (2)(a) to:

1067 (i) the ~~[Education Fund]~~ Income Tax Fund; and

1068 (ii) the Uniform School Fund in accordance with Section 53F-9-201.1.

1069 (c) The commission may credit to or draw from the ~~[Education Fund]~~ Income Tax
1070 Fund and the Uniform School Fund:

1071 (i) annually to adjust for differences between estimates and actual amounts; or

1072 (ii) in the proportion described in Subsection (2)(b) to issue a refund.

1073 (d) If a refund the commission makes is not claimed within two years from the date the
1074 commission issues the refund:

1075 (i) the refund reverts to the state to be credited to the ~~[Education Fund]~~ Income Tax
1076 Fund; and

1077 (ii) no further claim may be made on the commission for the amount of the refund.

1078 Section 24. Section **59-10-1005** is amended to read:

1079 **59-10-1005. Tax credit for at-home parent.**

1080 (1) As used in this section:

1081 (a) "At-home parent" means a parent:

1082 (i) who provides full-time care at the parent's residence for one or more of the parent's
1083 own qualifying children;

1084 (ii) who claims the qualifying child as a dependent on the parent's individual income
1085 tax return for the taxable year for which the parent claims the credit; and

1086 (iii) if the sum of the following amounts are \$3,000 or less for the taxable year for
1087 which the parent claims the credit:

1088 (A) the total wages, tips, and other compensation listed on all of the parent's federal
1089 Forms W-2; and

1090 (B) the gross income listed on the parent's federal Form 1040 Schedule C, Profit or
1091 Loss From Business.

1092 (b) "Parent" means an individual who:

1093 (i) is the biological mother or father of a qualifying child;

1094 (ii) is the stepfather or stepmother of a qualifying child;
1095 (iii) (A) legally adopts a qualifying child; or
1096 (B) has a qualifying child placed in the individual's home:
1097 (I) by a child-placing agency, as defined in Section 62A-2-101; and
1098 (II) for the purpose of legally adopting the child;
1099 (iv) is a foster parent of a qualifying child; or
1100 (v) is a legal guardian of a qualifying child.
1101 (c) "Qualifying child" means a child who is no more than 12 months of age on the last
1102 day of the taxable year for which the tax credit is claimed.

1103 (2) For a taxable year beginning on or after January 1, 2000, a claimant may claim on
1104 the claimant's individual income tax return a nonrefundable tax credit of \$100 for each
1105 qualifying child if:

1106 (a) the claimant or another claimant filing a joint individual income tax return with the
1107 claimant is an at-home parent; and

1108 (b) the adjusted gross income of all of the claimants filing the individual income tax
1109 return is less than or equal to \$50,000.

1110 (3) A claimant may not carry forward or carry back a tax credit authorized by this
1111 section.

1112 (4) (a) In accordance with any rules prescribed by the commission under Subsection
1113 (4)(b), the Division of Finance shall transfer at least annually from the General Fund into the
1114 [~~Education Fund~~] Income Tax Fund the aggregate amount of all tax credits claimed under this
1115 section.

1116 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1117 commission may make rules for making a transfer from the General Fund into the [~~Education~~
1118 ~~Fund~~] Income Tax Fund as required by Subsection (4)(a).

1119 Section 25. Section 59-10-1105 is amended to read:

1120 **59-10-1105. Tax credit for hand tools used in farming operations -- Procedures**
1121 **for refund -- Transfers from General Fund to Income Tax Fund -- Rulemaking authority.**

1122 (1) For a taxable year beginning on or after January 1, 2004, a claimant, estate, or trust
1123 may claim a refundable tax credit:

1124 (a) as provided in this section;

1125 (b) against taxes otherwise due under this chapter; and

1126 (c) in an amount equal to the amount of tax the claimant, estate, or trust pays:

1127 (i) on a purchase of a hand tool:

1128 (A) if the purchase is made on or after July 1, 2004;

1129 (B) if the hand tool is used or consumed primarily and directly in a farming operation
1130 in the state; and

1131 (C) if the unit purchase price of the hand tool is more than \$250; and

1132 (ii) under Chapter 12, Sales and Use Tax Act, on the purchase described in Subsection
1133 (1)(c)(i).

1134 (2) A claimant, estate, or trust:

1135 (a) shall retain the following to establish the amount of tax the claimant, estate, or trust
1136 paid under Chapter 12, Sales and Use Tax Act, on the purchase described in Subsection

1137 (1)(c)(i):

1138 (i) a receipt;

1139 (ii) an invoice; or

1140 (iii) a document similar to a document described in Subsection (2)(a)(i) or (ii); and

1141 (b) may not carry forward or carry back a tax credit under this section.

1142 (3) (a) In accordance with any rules prescribed by the commission under Subsection

1143 (3)(b):

1144 (i) the commission shall make a refund to a claimant, estate, or trust that claims a tax
1145 credit under this section if the amount of the tax credit exceeds the claimant's, estate's, or trust's
1146 tax liability under this chapter; and

1147 (ii) the Division of Finance shall transfer at least annually from the General Fund into
1148 the ~~[Education Fund]~~ Income Tax Fund an amount equal to the aggregate amount of all tax
1149 credits claimed under this section.

1150 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1151 commission may make rules providing procedures for making:

- 1152 (i) a refund to a claimant, estate, or trust as required by Subsection (3)(a)(i); or
- 1153 (ii) transfers from the General Fund into the [~~Education Fund~~] Income Tax Fund as
1154 required by Subsection (3)(a)(ii).

1155 Section 26. Section **59-13-202** is amended to read:

1156 **59-13-202. Refund of tax for agricultural uses on individual income and**
1157 **corporate franchise and income tax returns -- Application for permit for refund --**
1158 **Division of Finance to pay claims -- Rules permitted to enforce part -- Penalties --**
1159 **Revenue and Taxation Interim Committee study.**

1160 (1) As used in this section:

1161 (a) (i) Except as provided in Subsection (1)(a)(ii), "claimant" means a resident or
1162 nonresident person.

1163 (ii) "Claimant" does not include an estate or trust.

1164 (b) "Estate" means a nonresident estate or a resident estate.

1165 (c) "Refundable tax credit" or "tax credit" means a tax credit that a claimant, estate, or
1166 trust may claim:

1167 (i) as provided by statute; and

1168 (ii) regardless of whether, for the taxable year for which the claimant, estate, or trust
1169 claims the tax credit, the claimant, estate, or trust has a tax liability under:

1170 (A) Chapter 7, Corporate Franchise and Income Taxes; or

1171 (B) Chapter 10, Individual Income Tax Act.

1172 (d) "Trust" means a nonresident trust or a resident trust.

1173 (2) Any claimant, estate, or trust that purchases and uses any motor fuel within the state
1174 for the purpose of operating or propelling stationary farm engines and self-propelled farm
1175 machinery used for nonhighway agricultural uses, and that has paid the tax on the motor fuel as
1176 provided by this part, is entitled to a refund of the tax subject to the conditions and limitations
1177 provided under this part.

1178 (3) (a) A claimant, estate, or trust desiring a nonhighway agricultural use refund under
1179 this part shall claim the refund as a refundable tax credit on the tax return the claimant, estate,
1180 or trust files under:

1181 (i) Chapter 7, Corporate Franchise and Income Taxes; or

1182 (ii) Chapter 10, Individual Income Tax Act.

1183 (b) A claimant, estate, or trust not subject to filing a tax return described in Subsection
1184 (3)(a) shall obtain a permit and file claims on a calendar year basis.

1185 (c) Any claimant, estate, or trust claiming a refundable tax credit under this section is
1186 required to furnish any or all of the information outlined in this section upon request of the
1187 commission.

1188 (d) A refundable tax credit under this section is allowed only on purchases on which
1189 tax is paid during the taxable year covered by the tax return.

1190 (4) In order to obtain a permit for a refund of motor fuel tax paid, an application shall
1191 be filed containing:

1192 (a) the name of the claimant, estate, or trust;

1193 (b) the claimant's, estate's, or trust's address;

1194 (c) location and number of acres owned and operated, location and number of acres
1195 rented and operated, the latter of which shall be verified by a signed statement from the legal
1196 owner;

1197 (d) number of acres planted to each crop, type of soil, and whether irrigated or dry; and

1198 (e) make, size, and type of fuel used and power rating of each piece of equipment using
1199 fuel. If the claimant, estate, or trust is an operator of self-propelled or tractor-pulled farm
1200 machinery with which the claimant, estate, or trust works for hire doing custom jobs for other
1201 farmers, the application shall include information the commission requires and shall all be
1202 contained in, and be considered part of, the original application. The claimant, estate, or trust
1203 shall also file with the application a certificate from the county assessor showing each piece of
1204 equipment using fuel. This original application and all information contained in it constitutes a
1205 permanent file with the commission in the name of the claimant, estate, or trust.

1206 (5) A claimant, estate, or trust claiming the right to a refund of motor fuel tax paid shall
1207 file a claim with the commission by April 15 of each year for the refund for the previous
1208 calendar year. The claim shall state the name and address of the claimant, estate, or trust, the
1209 number of gallons of motor fuel purchased for nonhighway agricultural uses, and the amount
1210 paid for the motor fuel. The claimant, estate, or trust shall retain the original invoice to support
1211 the claim. No more than one claim for a tax refund may be filed annually by each user of
1212 motor fuel purchased for nonhighway agricultural uses.

1213 (6) Upon commission approval of the claim for a refund, the Division of Finance shall
1214 pay the amount found due to the claimant, estate, or trust. The total amount of claims for
1215 refunds shall be paid from motor fuel taxes.

1216 (7) The commission may refuse to accept as evidence of purchase or payment any
1217 instruments that show alteration or that fail to indicate the quantity of the purchase, the price of
1218 the motor fuel, a statement that the motor fuel is purchased for purposes other than
1219 transportation, and the date of purchase and delivery. If the commission is not satisfied with
1220 the evidence submitted in connection with the claim, the commission may reject the claim or
1221 require additional evidence.

1222 (8) A claimant, estate, or trust aggrieved by the decision of the commission with
1223 respect to a refundable tax credit or refund may file a request for agency action, requesting a
1224 hearing before the commission.

1225 (9) A claimant, estate, or trust that makes any false claim, report, or statement, as
1226 claimant, estate, trust, agent, or creditor, with intent to defraud or secure a refund to which the
1227 claimant, estate, or trust is not entitled, is subject to the criminal penalties provided under
1228 Section [59-1-401](#), and the commission shall initiate the filing of a complaint for alleged
1229 violations of this part. In addition to these penalties, the claimant, estate, or trust may not
1230 receive any refund as a claimant, estate, or trust or as a creditor of a claimant, estate, or trust for
1231 refund for a period of five years.

1232 (10) (a) In accordance with any rules prescribed by the commission under Subsection
1233 (10)(b), the Division of Finance shall transfer at least annually from the Transportation Fund

1234 into the [~~Education Fund~~] Income Tax Fund an amount equal to the amount of the refund
1235 claimed under this section.

1236 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1237 commission may make rules providing procedures for:

1238 (i) making a refund to a claimant, estate, or trust as required by Subsection (3)(a)(i);

1239 (ii) making a transfer from the Transportation Fund into the [~~Education Fund~~] Income
1240 Tax Fund as required by Subsection (10)(a); or

1241 (iii) enforcing this part.

1242 (11) (a) On or before November 30, 2017, and every three years after 2017, the
1243 Revenue and Taxation Interim Committee shall review the tax credit provided by this section
1244 and make recommendations concerning whether the tax credit should be continued, modified,
1245 or repealed.

1246 (b) In conducting the review required by Subsection (11)(a), the Revenue and Taxation
1247 Interim Committee shall:

1248 (i) schedule time on at least one committee agenda to conduct the review;

1249 (ii) invite state agencies, individuals, and organizations concerned with the credit under
1250 review to provide testimony;

1251 (iii) ensure that the recommendations described in this section include an evaluation of:

1252 (A) the cost of the tax credit to the state;

1253 (B) the purpose and effectiveness of the tax credit; and

1254 (C) the extent to which the state benefits from the tax credit; and

1255 (iv) undertake other review efforts as determined by the chairs of the Revenue and
1256 Taxation Interim Committee.

1257 Section 27. Section **63A-5b-406** is amended to read:

1258 **63A-5b-406. Limitations on new projects.**

1259 (1) The Legislature may authorize:

1260 (a) the total square footage to be occupied by each agency; and

1261 (b) the total square footage and total cost of lease space for each agency.

1262 (2) If construction of a new building or facility will require an immediate or future
1263 increase in state funding for operations and maintenance or for capital improvements, the
1264 Legislature may not authorize the new building or facility until the Legislature appropriates
1265 funds for:

1266 (a) the portion of operations and maintenance, if any, that will require an immediate or
1267 future increase in state funding; and

1268 (b) the portion of capital improvements, if any, that will require an immediate or future
1269 increase in state funding.

1270 (3) (a) Except as provided in Subsections (3)(b) and (c), the Legislature may not fund
1271 the design or construction of any new capital development project, except to complete the
1272 funding of a project for which partial funding has been previously provided, until the
1273 Legislature has appropriated 1.1% of the replacement cost of existing state facilities and
1274 infrastructure to capital improvements.

1275 (b) If the Legislature determines that there exists an [~~Education Fund~~] Income Tax
1276 Fund budget deficit, as defined in Section 63J-1-312, or a General Fund budget deficit, as
1277 defined in Section 63J-1-312, the Legislature may, in eliminating the deficit, reduce the amount
1278 appropriated to capital improvements to 0.9% of the replacement cost of state buildings and
1279 infrastructure.

1280 (c) Subsection (3)(a) does not apply to a dedicated project as defined in Section
1281 63A-5b-403.

1282 (4) (a) (i) Except as provided in Subsection (4)(a)(ii), the Legislature may not fund the
1283 design and construction of a new facility in phases over more than one year unless the
1284 Legislature approves the funding for both the design and construction by a vote of two-thirds of
1285 all the members elected to each house.

1286 (ii) Subsection (4)(a)(i) does not apply to a dedicated project as defined in Section
1287 63A-5b-403.

1288 (b) An agency shall receive approval from the director before the agency begins
1289 programming for a new facility:

1290 (i) that requires legislative approval; or
1291 (ii) to be built under Subsection 63A-5b-404(2).
1292 (c) The division or an agency may fund the programming of a new facility before the
1293 Legislature makes an appropriation for the new facility under Subsection (4)(a).
1294 (5) (a) The director, with the approval of the Office of the Legislative Fiscal Analyst,
1295 shall develop standard forms to present capital development project and capital improvement
1296 project cost summary data.
1297 (b) The director shall:
1298 (i) within 30 days after the completion of each capital development project, submit cost
1299 summary data for the project on the standard form to the Office of the Legislative Fiscal
1300 Analyst; and
1301 (ii) upon request, submit cost summary data for a capital improvement project to the
1302 Office of the Legislative Fiscal Analyst on the standard form.
1303 (6) (a) After the Legislature approves capital development project priorities under
1304 Section 63A-5b-402 and capital improvement project priorities under Section 63A-5b-405, the
1305 director may reallocate capital development project or capital improvement project funds to
1306 address a critical need for a capital improvement project:
1307 (i) if an emergency arises that creates an unforeseen and critical need for the capital
1308 improvement project; and
1309 (ii) notwithstanding the requirements of Title 63J, Chapter 1, Budgetary Procedures
1310 Act.
1311 (b) The director shall report any changes the director makes in capital development
1312 project or capital improvement project allocations approved by the Legislature to:
1313 (i) the Office of the Legislative Fiscal Analyst within 30 days after the reallocation; and
1314 (ii) the Legislature at the Legislature's next annual general session.
1315 Section 28. Section 63J-1-102 is amended to read:
1316 **63J-1-102. Definitions.**
1317 As used in this chapter:

1318 (1) "Agency" means a unit of accounting, typically associated with a department,
1319 division, board, council, committee, institution, office, bureau, or other similar administrative
1320 unit of state government, that includes line items and programs.

1321 (2) "Budget execution plan" means a proposal submitted by an administrative unit of
1322 state government to the Division of Finance enumerating expected revenues and authorized
1323 expenditures within line items and among programs.

1324 (3) "Debt service" means the money that is required annually to cover the repayment of
1325 interest and principal on state debt.

1326 (4) (a) "Dedicated credits" means collections by an agency that fund agency operations.

1327 (b) "Dedicated credits" includes:

1328 (i) assessments;

1329 (ii) sales of goods and materials;

1330 (iii) sales of services;

1331 (iv) permits, licenses, and other fees;

1332 (v) fines, penalties, and forfeitures; and

1333 (vi) rental revenue.

1334 (c) "Dedicated credits" does not include:

1335 (i) expendable receipts;

1336 (ii) revenues otherwise designated by law for deposit into another fund or account;

1337 (iii) federal revenues and the related pass through; or

1338 (iv) revenues that are not deposited in governmental funds.

1339 (5) (a) "Expendable receipts" means collections by an agency for expenditures that are
1340 limited by a nonstate entity that provides the funds.

1341 (b) "Expendable receipts" includes:

1342 (i) grants;

1343 (ii) state matches for federal revenues paid by a nonstate entity; and

1344 (iii) rebates, including pharmacy rebates, that have similar restrictions on expenditures
1345 as the original program.

- 1346 (c) "Expendable receipts" does not include:
- 1347 (i) dedicated credits;
- 1348 (ii) revenues otherwise designated by law for deposit into another fund or account;
- 1349 (iii) federal revenues and the related pass through; or
- 1350 (iv) revenues that are not deposited into governmental funds.
- 1351 (6) "Federal revenues" means collections by an agency from a federal source that are
- 1352 deposited into an account for expenditure by the agency.
- 1353 (7) "Free revenue" includes:
- 1354 (a) collections that are required by law to be deposited in:
- 1355 (i) the General Fund;
- 1356 (ii) the [~~Education Fund~~] Income Tax Fund;
- 1357 (iii) the Uniform School Fund; or
- 1358 (iv) the Transportation Fund;
- 1359 (b) collections that are not otherwise designated by law;
- 1360 (c) collections that are not externally restricted; and
- 1361 (d) collections that are not included in an approved budget execution plan.
- 1362 (8) "Grant" means the same as that term is defined in Section [63J-7-101](#).
- 1363 (9) (a) "Item of appropriation" means an authorization of expenditure contained in
- 1364 legislation that appropriates funds and includes the following:
- 1365 (i) the name of the agency and line item to which authorization is granted; and
- 1366 (ii) sources of finance from which authorization is granted and associated amounts
- 1367 authorized.
- 1368 (b) "Item of appropriation" also includes:
- 1369 (i) a schedule of programs;
- 1370 (ii) intent language;
- 1371 (iii) approved full-time equivalent employment;
- 1372 (iv) authorized capital outlay; and
- 1373 (v) other conditions of appropriation.

1374 (10) "Line item" means a unit of accounting, typically representing an administrative
1375 unit of state government within an agency, that contains one or more programs.

1376 (11) "Major revenue types" means:

1377 (a) free revenue;

1378 (b) federal revenue;

1379 (c) restricted revenue;

1380 (d) dedicated credits; and

1381 (e) expendable receipts.

1382 (12) "Program" means a unit of accounting included on a schedule of programs within
1383 a line item used to track budget authorizations, collections, and expenditures on specific
1384 purposes or functions.

1385 (13) "Restricted revenue" means collections that are:

1386 (a) deposited, by law, into a separate fund, subfund, or account; and

1387 (b) designated for a specific program or purpose.

1388 (14) "Schedule of programs" means a list of programs and associated authorization
1389 amounts within an item of appropriation.

1390 Section 29. Section **63J-1-205** is amended to read:

1391 **63J-1-205. Revenue volatility report.**

1392 (1) Beginning in 2011 and continuing every three years after 2011, the Legislative
1393 Fiscal Analyst and the Governor's Office of Planning and Budget shall submit a joint revenue
1394 volatility report to the Executive Appropriations Committee prior to the committee's December
1395 meeting.

1396 (2) The Legislative Fiscal Analyst and the Governor's Office of Planning and Budget
1397 shall ensure that the report:

1398 (a) discusses the tax base and the tax revenue volatility of the revenue streams that
1399 provide the source of funding for the state budget;

1400 (b) considers federal funding included in the state budget and any projected changes in
1401 the amount or value of federal funding;

1402 (c) identifies the balances in the General Fund Budget Reserve Account and the
1403 [~~Education Fund~~] Income Tax Fund Budget Reserve Account;

1404 (d) analyzes the adequacy of the balances in the General Fund Budget Reserve Account
1405 and the [~~Education Fund~~] Income Tax Fund Budget Reserve Account in relation to the
1406 volatility of the revenue streams and the risk of a reduction in the amount or value of federal
1407 funding;

1408 (e) recommends changes to the deposit amounts or transfer limits established in
1409 Sections 63J-1-312 and 63J-1-313, if the Legislative Fiscal Analyst and Governor's Office of
1410 Planning and Budget consider it appropriate to recommend changes; and

1411 (f) presents options for a deposit mechanism linked to one or more tax sources on the
1412 basis of each tax source's observed volatility, including:

1413 (i) an analysis of how the options would have performed historically within the state;

1414 (ii) an analysis of how the options will perform based on the most recent revenue
1415 forecast; and

1416 (iii) recommendations for deposit mechanisms considered likely to meet the budget
1417 reserve account targets established in Sections 63J-1-312 and 63J-1-313.

1418 Section 30. Section 63J-1-217 is amended to read:

1419 **63J-1-217. Overexpenditure of budget by agency -- Prorating budget income**
1420 **shortfall.**

1421 (1) Expenditures of departments, agencies, and institutions of state government shall be
1422 kept within revenues available for such expenditures.

1423 (2) (a) Line items of appropriation shall not be overexpended.

1424 (b) Notwithstanding Subsection (2)(a), if an agency's line item is overexpended at the
1425 close of a fiscal year:

1426 (i) the director of the Division of Finance may make payments from the line item to
1427 vendors for goods or services that were received on or before June 30; and

1428 (ii) the director of the Division of Finance shall immediately reduce the agency's line
1429 item budget in the current year by the amount of the overexpenditure.

- 1430 (c) Each agency with an overexpended line item shall:
- 1431 (i) prepare a written report explaining the reasons for the overexpenditure; and
- 1432 (ii) present the report to:
- 1433 (A) the Board of Examiners as required by Section [63G-9-301](#); and
- 1434 (B) the Office of the Legislative Fiscal Analyst.
- 1435 (3) (a) As used in this Subsection (3):
- 1436 (i) "~~Education Fund~~ Income Tax Fund budget deficit" has the same meaning as in
- 1437 Section [63J-1-312](#); and
- 1438 (ii) "General Fund budget deficit" has the same meaning as in Section [63J-1-312](#).
- 1439 (b) If an ~~Education Fund~~ Income Tax Fund budget deficit or a General Fund budget
- 1440 deficit exists and the adopted estimated revenues were prepared in consensus with the
- 1441 Governor's Office of Planning and Budget, the governor shall:
- 1442 (i) direct state agencies to reduce commitments and expenditures by an amount
- 1443 proportionate to the amount of the deficiency; and
- 1444 (ii) direct the Division of Finance to reduce allotments to institutions of higher
- 1445 education by an amount proportionate to the amount of the deficiency.
- 1446 (c) The governor's directions under Subsection (3)(b) are rescinded when the
- 1447 Legislature rectifies the ~~Education Fund~~ Income Tax Fund budget deficit and the General
- 1448 Fund budget deficit.
- 1449 (4) (a) A department may not receive an advance of funds that cannot be covered by
- 1450 anticipated revenue within the budget execution plan of the fiscal year, unless the governor
- 1451 allocates money from the governor's emergency appropriations.
- 1452 (b) All allocations made from the governor's emergency appropriations shall be
- 1453 reported to the budget subcommittee of the Legislative Management Committee by notifying
- 1454 the Office of the Legislative Fiscal Analyst at least 15 days before the effective date of the
- 1455 allocation.
- 1456 (c) Emergency appropriations shall be allocated only to support activities having
- 1457 existing legislative approval and appropriation, and may not be allocated to any activity or

1458 function rejected directly or indirectly by the Legislature.

1459 Section 31. Section **63J-1-312** is amended to read:

1460 **63J-1-312. Establishing a General Fund Budget Reserve Account -- Providing for**
1461 **deposits and expenditures from the account -- Providing for interest generated by the**
1462 **account.**

1463 (1) As used in this section:

1464 (a) "~~[Education Fund]~~ Income Tax Fund budget deficit" means a situation where
1465 appropriations made by the Legislature from the ~~[Education Fund]~~ Income Tax Fund for a
1466 fiscal year exceed the estimated revenues adopted by the Executive Appropriations Committee
1467 of the Legislature for the ~~[Education Fund]~~ Income Tax Fund in that fiscal year.

1468 (b) "General Fund appropriations" means the sum of the spending authority for a fiscal
1469 year that is:

1470 (i) granted by the Legislature in all appropriation acts and bills; and

1471 (ii) identified as coming from the General Fund.

1472 (c) "General Fund budget deficit" means a situation where General Fund appropriations
1473 made by the Legislature for a fiscal year exceed the estimated revenues adopted by the
1474 Executive Appropriations Committee of the Legislature for the General Fund in that fiscal year.

1475 (d) "General Fund revenue surplus" means a situation where actual General Fund
1476 revenues collected in a completed fiscal year exceed the estimated revenues for the General
1477 Fund for that fiscal year that were adopted by the Executive Appropriations Committee of the
1478 Legislature.

1479 (e) "Operating deficit" means that, at the end of the fiscal year, the unassigned fund
1480 balance in the General Fund is less than zero.

1481 (2) There is created within the General Fund a restricted account to be known as the
1482 General Fund Budget Reserve Account, which is designated to receive the legislative
1483 appropriations and the surplus revenue required to be deposited into the account by this section.

1484 (3) (a) (i) Except as provided in Subsection (3)(a)(ii), at the end of any fiscal year in
1485 which the Division of Finance, in consultation with the Legislative Fiscal Analyst and in

1486 conjunction with the completion of the annual audit by the state auditor, determines that there
1487 is a General Fund revenue surplus, the Division of Finance shall transfer 25% of the General
1488 Fund revenue surplus to the General Fund Budget Reserve Account.

1489 (ii) If the transfer of 25% of the General Fund revenue surplus to the General Fund
1490 Budget Reserve Account would cause the balance in the account to exceed 9% of General Fund
1491 appropriations for the fiscal year in which the revenue surplus occurred, the Division of
1492 Finance shall transfer only those funds necessary to ensure that the balance in the account
1493 equals 9% of General Fund appropriations for the fiscal year in which the General Fund
1494 revenue surplus occurred.

1495 (iii) The Division of Finance shall calculate the amount to be transferred under this
1496 Subsection (3)(a):

1497 (A) after making the transfer of General Fund revenue surplus to the Medicaid Growth
1498 Reduction and Budget Stabilization Account, as provided in Section [63J-1-315](#);

1499 (B) before transferring from the General Fund revenue surplus any other year-end
1500 contingency appropriations, year-end set-asides, or other year-end transfers required by law;
1501 and

1502 (C) excluding any direct legislative appropriation made to the General Fund Budget
1503 Reserve Account for the fiscal year.

1504 (b) (i) Except as provided in Subsection (3)(b)(ii), in addition to Subsection (3)(a)(i), if
1505 a General Fund revenue surplus exists and if, within the last 10 years, the Legislature has
1506 appropriated any money from the General Fund Budget Reserve Account that has not been
1507 replaced by appropriation or as provided in this Subsection (3)(b), the Division of Finance shall
1508 transfer up to 25% more of the General Fund revenue surplus to the General Fund Budget
1509 Reserve Account to replace the amounts appropriated, until direct legislative appropriations, if
1510 any, and transfers from the General Fund revenue surplus under this Subsection (3)(b) have
1511 replaced the appropriations from the account.

1512 (ii) If the transfer under Subsection (3)(b)(i) would cause the balance in the account to
1513 exceed 9% of General Fund appropriations for the fiscal year in which the revenue surplus

1514 occurred, the Division of Finance shall transfer only those funds necessary to ensure that the
1515 balance in the account equals 9% of General Fund appropriations for the fiscal year in which
1516 the revenue surplus occurred.

1517 (iii) The Division of Finance shall calculate the amount to be transferred under this
1518 Subsection (3)(b):

1519 (A) after making the transfer of General Fund revenue surplus to the Medicaid Growth
1520 Reduction and Budget Stabilization Account, as provided in Section [63J-1-315](#);

1521 (B) before transferring from the General Fund revenue surplus any other year-end
1522 contingency appropriations, year-end set-asides, or other year-end transfers required by law;
1523 and

1524 (C) excluding any direct legislative appropriation made to the General Fund Budget
1525 Reserve Account for the fiscal year.

1526 (c) For appropriations made by the Legislature to the General Fund Budget Reserve
1527 Account, the Division of Finance shall treat those appropriations, unless otherwise specified in
1528 the appropriation, as replacement funds for appropriations made from the account if funds were
1529 appropriated from the General Fund Budget Reserve Account within the past 10 years and have
1530 not yet been replaced.

1531 (4) The Legislature may appropriate money from the General Fund Budget Reserve
1532 Account only to:

1533 (a) resolve a General Fund budget deficit, for the fiscal year in which the General Fund
1534 budget deficit occurs;

1535 (b) pay some or all of state settlement agreements approved under Title 63G, Chapter
1536 10, State Settlement Agreements Act;

1537 (c) pay claims approved under Section [63G-9-304](#);

1538 (d) pay retroactive tax refunds;

1539 (e) resolve an [~~Education Fund~~] Income Tax Fund budget deficit; or

1540 (f) finance an existing federally funded program or activity when:

1541 (i) the federal funds expected to fund the federal program or activity are not available

1542 to fund the program or activity; and

1543 (ii) the Legislature and governor concurrently determine that the program or activity is
1544 essential.

1545 (5) Interest generated from investments of money in the General Fund Budget Reserve
1546 Account shall be deposited into the General Fund.

1547 Section 32. Section **63J-1-313** is amended to read:

1548 **63J-1-313. Establishing an Income Tax Fund Budget Reserve Account --**
1549 **Providing for deposits and expenditures from the account -- Providing for interest**
1550 **generated by the account.**

1551 (1) As used in this section:

1552 (a) "~~[Education Fund]~~ Income Tax Fund appropriations" means the sum of the
1553 spending authority for a fiscal year that is:

1554 (i) granted by the Legislature in all appropriation acts and bills; and

1555 (ii) identified as coming from the ~~[Education Fund]~~ Income Tax Fund.

1556 (b) "~~[Education Fund]~~ Income Tax Fund budget deficit" means a situation where
1557 appropriations made by the Legislature from the ~~[Education Fund]~~ Income Tax Fund for a
1558 fiscal year exceed the estimated revenues adopted by the Executive Appropriations Committee
1559 of the Legislature for the ~~[Education Fund]~~ Income Tax Fund in that fiscal year.

1560 (c) "~~[Education Fund]~~ Income Tax Fund revenue surplus" means a situation where
1561 actual ~~[Education Fund]~~ Income Tax Fund revenues collected in a completed fiscal year exceed
1562 the estimated revenues for the ~~[Education Fund]~~ Income Tax Fund in that fiscal year that were
1563 adopted by the Executive Appropriations Committee of the Legislature.

1564 (d) "Operating deficit" means that, at the end of the fiscal year, the unassigned fund
1565 balance in the ~~[Education Fund]~~ Income Tax Fund is less than zero.

1566 (2) There is created within the ~~[Education Fund]~~ Income Tax Fund a restricted account
1567 to be known as the ~~[Education Fund]~~ Income Tax Fund Budget Reserve Account, which is
1568 designated to receive the legislative appropriations and the surplus revenue required to be
1569 deposited into the account by this section.

1570 (3) (a) (i) Except as provided in Subsection (3)(a)(ii), at the end of any fiscal year in
1571 which the Division of Finance, in consultation with the Legislative Fiscal Analyst and in
1572 conjunction with the completion of the annual audit by the state auditor, determines that there
1573 is an [~~Education Fund~~] Income Tax Fund revenue surplus, the Division of Finance shall
1574 transfer 25% of the [~~Education Fund~~] Income Tax Fund revenue surplus to the [~~Education~~
1575 ~~Fund~~] Income Tax Fund Budget Reserve Account.

1576 (ii) If the transfer of 25% of the [~~Education Fund~~] Income Tax Fund revenue surplus to
1577 the [~~Education Fund~~] Income Tax Fund Budget Reserve Account under Subsection (3)(a)(i)
1578 would cause the balance in the account to exceed 11% of [~~Education Fund~~] Income Tax Fund
1579 appropriations for the fiscal year in which the [~~Education Fund~~] Income Tax Fund revenue
1580 surplus occurred, the Division of Finance shall transfer only those funds necessary to ensure
1581 that the balance in the account equals 11% of the [~~Education Fund~~] Income Tax Fund
1582 appropriations for the fiscal year in which the [~~Education Fund~~] Income Tax Fund revenue
1583 surplus occurred.

1584 (iii) The Division of Finance shall calculate the amount to be transferred under this
1585 Subsection (3)(a):

1586 (A) before transferring from the [~~Education Fund~~] Income Tax Fund revenue surplus
1587 any other year-end contingency appropriations, year-end set-asides, or other year-end transfers
1588 required by law; and

1589 (B) excluding any direct legislative appropriation made to the [~~Education Fund~~]
1590 Income Tax Fund Budget Reserve Account for the fiscal year.

1591 (b) (i) Except as provided in Subsection (3)(b)(ii), in addition to Subsection (3)(a)(i), if
1592 an [~~Education Fund~~] Income Tax Fund revenue surplus exists and if, within the last 10 years,
1593 the Legislature has appropriated any money from the [~~Education Fund~~] Income Tax Fund
1594 Budget Reserve Account that has not been replaced by appropriation or as provided in this
1595 Subsection (3)(b), the Division of Finance shall transfer up to 25% more of the [~~Education~~
1596 ~~Fund~~] Income Tax Fund revenue surplus to the [~~Education Fund~~] Income Tax Fund Budget
1597 Reserve Account to replace the amounts appropriated, until direct legislative appropriations, if

1598 any, and transfers from the [~~Education Fund~~] Income Tax Fund revenue surplus under this
1599 Subsection (3)(b) have replaced the appropriations from the account.

1600 (ii) If the transfer under Subsection (3)(b)(i) would cause the balance in the account to
1601 exceed 11% of [~~Education Fund~~] Income Tax Fund appropriations for the fiscal year in which
1602 the [~~Education Fund~~] Income Tax Fund revenue surplus occurred, the Division of Finance shall
1603 transfer only those funds necessary to ensure that the balance in the account equals 11% of
1604 [~~Education Fund~~] Income Tax Fund appropriations for the fiscal year in which the revenue
1605 surplus occurred.

1606 (iii) The Division of Finance shall calculate the amount to be transferred under this
1607 Subsection (3)(b):

1608 (A) before transferring from the [~~Education Fund~~] Income Tax Fund revenue surplus
1609 any other year-end contingency appropriations, year-end set-asides, or other year-end transfers
1610 required by law; and

1611 (B) excluding any direct legislative appropriation made to the [~~Education Fund~~]
1612 Income Tax Fund Budget Reserve Account for the fiscal year.

1613 (c) For appropriations made by the Legislature to the [~~Education Fund~~] Income Tax
1614 Fund Budget Reserve Account, the Division of Finance shall treat those appropriations, unless
1615 specified otherwise in the appropriation, as replacement funds for appropriations made from
1616 the account if funds were appropriated from the account within the past 10 years and have not
1617 yet been replaced.

1618 (4) Notwithstanding Subsection (3), if, at the end of a fiscal year, the Division of
1619 Finance determines that an operating deficit exists, the Division of Finance may reduce the
1620 transfer to the [~~Education Fund~~] Income Tax Fund Budget Reserve Account by the amount
1621 necessary to eliminate the operating deficit.

1622 (5) The Legislature may appropriate money from the [~~Education Fund~~] Income Tax
1623 Fund Budget Reserve Account only to resolve an [~~Education Fund~~] Income Tax Fund budget
1624 deficit.

1625 (6) Interest generated from investments of money in the [~~Education Fund~~] Income Tax

1626 Fund Budget Reserve Account shall be deposited into the [~~Education Fund~~] Income Tax Fund.

1627 Section 33. Section **63J-3-103** is amended to read:

1628 **63J-3-103. Definitions.**

1629 As used in this chapter:

1630 (1) (a) "Appropriations" means actual unrestricted capital and operating appropriations
1631 from unrestricted General Fund and [~~Education Fund~~] Income Tax Fund sources.

1632 (b) "Appropriations" includes appropriations that are contingent upon available
1633 surpluses in the General Fund and [~~Education Fund~~] Income Tax Fund.

1634 (c) "Appropriations" does not mean:

1635 (i) public education expenditures;

1636 (ii) Utah Education and Telehealth Network expenditures in support of public
1637 education;

1638 (iii) Utah Board of Higher Education expenditures in support of public education;

1639 (iv) State Tax Commission expenditures related to collection of income taxes in
1640 support of public education;

1641 (v) debt service expenditures;

1642 (vi) emergency expenditures;

1643 (vii) expenditures from all other fund or subfund sources;

1644 (viii) transfers or appropriations from the [~~Education Fund~~] Income Tax Fund to the
1645 Uniform School Fund;

1646 (ix) transfers into, or appropriations made to, the General Fund Budget Reserve
1647 Account established in Section **63J-1-312**;

1648 (x) transfers into, or appropriations made to, the [~~Education~~] Income Tax Fund Budget
1649 Reserve Account established in Section **63J-1-313**;

1650 (xi) transfers in accordance with Section **63J-1-314** into, or appropriations made to the
1651 Wildland Fire Suppression Fund created in Section **65A-8-204** or the State Disaster Recovery
1652 Restricted Account created in Section **53-2a-603**;

1653 (xii) money appropriated to fund the total one-time project costs for the construction of

1654 capital development projects as defined in Section [63A-5b-401](#);

1655 (xiii) transfers or deposits into or appropriations made to the Centennial Highway Fund
1656 created by Section [72-2-118](#);

1657 (xiv) transfers or deposits into or appropriations made to the Transportation Investment
1658 Fund of 2005 created by Section [72-2-124](#);

1659 (xv) transfers or deposits into or appropriations made to:

1660 (A) the Department of Transportation from any source; or
1661 (B) any transportation-related account or fund from any source; or

1662 (xvi) supplemental appropriations from the General Fund to the Division of Forestry,
1663 Fire, and State Lands to provide money for wildland fire control expenses incurred during the
1664 current or previous fire years.

1665 (2) "Base year real per capita appropriations" means the result obtained for the state by
1666 dividing the fiscal year 1985 actual appropriations of the state less debt money by:

1667 (a) the state's July 1, 1983 population; and
1668 (b) the fiscal year 1983 inflation index divided by 100.

1669 (3) "Calendar year" means the time period beginning on January 1 of any given year
1670 and ending on December 31 of the same year.

1671 (4) "Fiscal emergency" means an extraordinary occurrence requiring immediate
1672 expenditures and includes the settlement under Laws of Utah 1988, Fourth Special Session,
1673 Chapter 4.

1674 (5) "Fiscal year" means the time period beginning on July 1 of any given year and
1675 ending on June 30 of the subsequent year.

1676 (6) "Fiscal year 1985 actual base year appropriations" means fiscal year 1985 actual
1677 capital and operations appropriations from General Fund and non-Uniform School Fund
1678 income tax revenue sources, less debt money.

1679 (7) "Inflation index" means the change in the general price level of goods and services
1680 as measured by the Gross National Product Implicit Price Deflator of the Bureau of Economic
1681 Analysis, U.S. Department of Commerce calculated as provided in Section [63J-3-202](#).

1682 (8) (a) "Maximum allowable appropriations limit" means the appropriations that could
1683 be, or could have been, spent in any given year under the limitations of this chapter.

1684 (b) "Maximum allowable appropriations limit" does not mean actual appropriations
1685 spent or actual expenditures.

1686 (9) "Most recent fiscal year's inflation index" means the fiscal year inflation index two
1687 fiscal years previous to the fiscal year for which the maximum allowable inflation and
1688 population appropriations limit is being computed under this chapter.

1689 (10) "Most recent fiscal year's population" means the fiscal year population two fiscal
1690 years previous to the fiscal year for which the maximum allowable inflation and population
1691 appropriations limit is being computed under this chapter.

1692 (11) "Population" means the number of residents of the state as of July 1 of each year
1693 as calculated by the Governor's Office of Planning and Budget according to the procedures and
1694 requirements of Section [63J-3-202](#).

1695 (12) "Revenues" means the revenues of the state from every tax, penalty, receipt, and
1696 other monetary exaction and interest connected with it that are recorded as unrestricted revenue
1697 of the General Fund and from non-Uniform School Fund income tax revenues, except as
1698 specifically exempted by this chapter.

1699 (13) "Security" means any bond, note, warrant, or other evidence of indebtedness,
1700 whether or not the bond, note, warrant, or other evidence of indebtedness is or constitutes an
1701 "indebtedness" within the meaning of any provision of the constitution or laws of this state.

1702 Section 34. Section **63J-7-102** is amended to read:

1703 **63J-7-102. Scope and applicability of chapter.**

1704 (1) Except as provided in Subsection (2), and except as otherwise provided by a statute
1705 superseding provisions of this chapter by explicit reference to this chapter, the provisions of
1706 this chapter apply to each agency and govern each grant received on or after May 5, 2008.

1707 (2) This chapter does not govern:

1708 (a) a grant deposited into a General Fund restricted account;

1709 (b) a grant deposited into a Trust and Agency Fund as defined in Section [51-5-4](#);

- 1710 (c) a grant deposited into an Enterprise Fund as defined in Section 51-5-4;
- 1711 (d) a grant made to the state without a restriction or other designated purpose that is
- 1712 deposited into the General Fund as free revenue;
- 1713 (e) a grant made to the state that is restricted only to "education" and that is deposited
- 1714 into the [~~Education Fund~~] Income Tax Fund or Uniform School Fund as free revenue;
- 1715 (f) in-kind donations;
- 1716 (g) a tax, fees, penalty, fine, surcharge, money judgment, or other money due the state
- 1717 when required by state law or application of state law;
- 1718 (h) a contribution made under Title 59, Chapter 10, Part 13, Individual Income Tax
- 1719 Contribution Act;
- 1720 (i) a grant received by an agency from another agency or political subdivision;
- 1721 (j) a grant to the Utah Dairy Commission created in Section 4-22-103;
- 1722 (k) a grant to the Heber Valley Historic Railroad Authority created in Section
- 1723 63H-4-102;
- 1724 (l) a grant to the Utah State Railroad Museum Authority created in Section 63H-5-102;
- 1725 (m) a grant to the Utah Housing Corporation created in Section 63H-8-201;
- 1726 (n) a grant to the Utah State Fair Corporation created in Section 63H-6-103;
- 1727 (o) a grant to the Utah State Retirement Office created in Section 49-11-201;
- 1728 (p) a grant to the School and Institutional Trust Lands Administration created in
- 1729 Section 53C-1-201;
- 1730 (q) a grant to the Utah Communications Authority created in Section 63H-7a-201;
- 1731 (r) a grant to the Medical Education Program created in Section 53B-24-202;
- 1732 (s) a grant to the Utah Capital Investment Corporation created in Section 63N-6-301;
- 1733 (t) a grant to the Utah Charter School Finance Authority created in Section 53G-5-602;
- 1734 (u) a grant to the State Building Ownership Authority created in Section 63B-1-304; or
- 1735 (v) a grant to the Military Installation Development Authority created in Section
- 1736 63H-1-201.
- 1737 (3) An agency need not seek legislative review or approval of grants under Part 2,

1738 Grant Approval Requirements, if:

1739 (a) the governor has declared a state of emergency; and

1740 (b) the grant is donated to the agency to assist victims of the state of emergency under

1741 Subsection [53-2a-204](#)(1).

1742 Section 35. **Effective date.**

1743 (1) Except as provided in Subsection (2), if approved by two-thirds of all the members
1744 elected to each house, this bill takes effect upon approval by the governor, or the day following
1745 the constitutional time limit of Utah Constitution, Article VII, Section 8, without the governor's
1746 signature, or in the case of a veto, the date of veto override.

1747 (2) The amendments to Section [53F-9-201.1](#) (Effective 07/01/22) take effect on July 1,
1748 2022.