

Representative Brad R. Wilson proposes the following substitute bill:

JOINT RULES RESOLUTION ON BUDGET PROCESS AMENDMENTS

2014 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Brad R. Wilson

Senate Sponsor: Jerry W. Stevenson

LONG TITLE

General Description:

This joint resolution of the Legislature modifies provisions related to duties of the Executive Appropriations Committee when preparing base budget recommendations.

Highlighted Provisions:

This resolution:

- ▶ provides that when directing staff on what revenue estimates to use in preparing budget recommendations, the Executive Appropriations Committee shall hear a report on treating above-trend revenue growth as one-time revenue for major tax types;
 - ▶ provides that when deciding whether to set aside special allocations for the end of the session, the Executive Appropriations Committee shall consider the historical, current, and anticipated status of debt, long-term liabilities, General Fund borrowing, reserves, fund balances, nonlapsing appropriation balances, cash funded infrastructure investment and federal funds paid to the state;
 - ▶ amends deadlines within the general session to:
 - prioritize fiscal note- bills;
 - pass or defeat a bill with a fiscal note;
 - pass or defeat a base budget bill;
- 25a **Ŝ→ • complete decisions necessary to draft the final appropriations bill; ←Ŝ**



- 26 • for legislators to receive a copy of any supplemental appropriations bill and
- 27 bond bill; and
- 28 • pass or defeat a bond bill;
- 29 ▶ repeals requirement for the Executive Appropriations Committee to conduct an
- 30 agency in-depth budget review; and
- 31 ▶ makes technical changes.

32 **Special Clauses:**

33 None

34 **Legislative Rules Affected:**

35 AMENDS:

36 **JR3-2-402**

37 **JR4-5-101**

38 **JR4-5-201**

39 **JR4-5-202**

40 **JR4-5-301**

41 REPEALS:

42 **JR3-2-502**

44 *Be it resolved by the Legislature of the state of Utah:*

45 Section 1. **JR3-2-402** is amended to read:

46 **JR3-2-402. Executive appropriations -- Duties -- Base budgets.**

47 (1) As used in this rule:

48 (a) "Base budget" means amounts appropriated by the Legislature for each item of

49 appropriation for the current fiscal year that:

50 (i) are not designated as one-time in an appropriation, regardless of whether the

51 appropriation is covered by ongoing or one-time revenue sources; and

52 (ii) were not vetoed by the governor, unless the Legislature overrode the veto.

53 (b) "Base budget" includes:

54 (i) any changes to those amounts approved by the Executive Appropriations

55 Committee; and

56 (ii) amounts appropriated for debt service.

- 57 (2) (a) The Executive Appropriations Committee shall meet no later than the third
58 Wednesday in December to:
- 59 (i) direct staff as to what revenue estimate to use in preparing budget
60 recommendations, to include a forecast for federal fund receipts[;]
- 61 (ii) consider treating above-trend revenue growth as one-time revenue for major tax
62 types;
- 63 (iii) hear a report on the historical, current, and anticipated status of the following:
- 64 (A) debt;
65 (B) long term liabilities;
66 (C) contingent liabilities;
67 (D) General Fund borrowing;
68 (E) reserves;
69 (F) fund balances;
70 (G) nonlapsing appropriation balances;
71 (H) cash funded infrastructure investment; and
72 (I) changes in federal funds paid to the state;
- 73 ~~[(ii)]~~ (iv) decide whether to set aside special allocations for the end of the session,
74 including ~~[any special]~~ allocations ~~[resulting from an anticipated reduction in the amount of~~
75 ~~federal funds paid to the state;]~~;
- 76 (A) to address any anticipated reduction in the amount of federal funds paid to the
77 state; and
- 78 (B) of one-time revenue to pay down debt and other liabilities;
- 79 ~~[(iii)]~~ (v) approve the appropriate amount for each subcommittee to use in preparing its
80 budget;
- 81 ~~[(iv)]~~ (vi) set a budget figure; and
- 82 ~~[(v)]~~ (vii) adopt a base budget in accordance with Subsection (2)(b) and direct the
83 legislative fiscal analyst to prepare one or more appropriations acts appropriating one or more
84 base budgets for the next fiscal year.
- 85 (b) In a base budget adopted under Subsection (2)(a), appropriations from the General
86 Fund, the Education Fund, and the Uniform School Fund shall be set as follows:
- 87 (i) if the next fiscal year ongoing revenue estimates set under Subsection (2)(a)(i) are

88 equal to or greater than the current fiscal year ongoing appropriations, the new fiscal year base
89 budget is not changed;

90 (ii) if the next fiscal year ongoing revenue estimates set under Subsection (2)(a)(i) are
91 less than the current fiscal year ongoing appropriations, the new fiscal year base budget is
92 reduced by the same percentage that projected next fiscal year ongoing revenue estimates are
93 lower than the total of current fiscal year ongoing appropriations; and

94 (iii) in making a reduction under Subsection (2)(b)(ii), appropriated debt service shall
95 not be reduced, and other ongoing appropriations shall be reduced, in an amount sufficient to
96 make the total ongoing appropriations, including the unadjusted debt service, equal to the
97 percentage calculated under Subsection (2)(b)(ii).

98 (c) The chairs of each appropriation subcommittee are invited to attend this meeting.

99 (3) Appropriations subcommittees may not meet while the Senate or House is in
100 session without special leave from the speaker of the House and the president of the Senate.

101 (4) All proposed items of expenditure to be included in the appropriations bills shall be
102 submitted to one of the subcommittees named in [JR3-2-302](#) for consideration and
103 recommendation.

104 (5) (a) After receiving and reviewing subcommittee reports, the Executive
105 Appropriations Committee may refer the report back to an appropriations subcommittee with
106 any guidelines the Executive Appropriations Committee considers necessary to assist the
107 subcommittee in producing a balanced budget.

108 (b) The subcommittee shall meet to review the new guidelines and report the
109 adjustments to the chairs of the Executive Appropriations Committee as soon as possible.

110 (6) (a) After receiving the reports, the Executive Appropriations Committee chairs will
111 report them to the Executive Appropriations Committee.

112 (b) That committee shall:

113 (i) make any further adjustments necessary to balance the budget; and

114 (ii) complete all decisions necessary to draft the final appropriations bill no later than
115 the ~~§→ [38th]~~ 39th ~~←§~~ day of the annual general session.

116 Section 2. **JR4-5-101** is amended to read:

117 **JR4-5-101. Deadline for passing certain fiscal note bills.**

118 (1) (a) The House shall refer any Senate bill with a fiscal note of \$10,000 or more to

119 the House Rules Committee before giving that bill a third reading.

120 (b) The Senate shall table on third reading each House bill with a fiscal note of \$10,000
121 or more.

122 (2) (a) Before adjourning on the [~~32nd~~] 43rd day of the annual general session, each
123 legislator shall prioritize fiscal note bills and identify other projects or programs for new or
124 one-time funding according to the process established by leadership.

125 (b) Before adjourning on the [~~39th~~] 44th day of the annual general session, the
126 Legislature shall either pass or defeat each bill with a fiscal note of \$10,000 or more except
127 constitutional amendment resolutions.

128 Section 3. **JR4-5-201** is amended to read:

129 **JR4-5-201. Deadline for passing base budget bills.**

130 (1) Each legislator shall receive a copy of each base budget bill for the next fiscal year
131 by calendared floor time on the first day of the annual general session.

132 (2) By noon on the [~~tenth~~] 16th day, but not before the third day, of the annual general
133 session, the Legislature shall either pass or defeat each base budget bill.

134 Section 4. **JR4-5-202** is amended to read:

135 **JR4-5-202. Deadline for passing certain appropriations bills and school finance**
136 **bills.**

137 (1) Each legislator shall receive a copy of any general appropriations bills, any
138 supplemental appropriations bills, and any school finance bills by calendared floor time on the
139 [~~43rd~~] 42nd day of the annual general session.

140 (2) Before the calendared closing time of the 43rd day of the annual general session,
141 the Legislature shall either pass or defeat those general appropriations bills, supplemental
142 appropriations bills, and school finance bills.

143 Section 5. **JR4-5-301** is amended to read:

144 **Part 3. Bond Bills**

145 **JR4-5-301. Deadline for passing bond bills.**

146 (1) Each legislator shall receive a copy of any bond bill by noon on the [~~39th~~] 42nd day
147 of the annual general session.

148 (2) Before the calendared closing time of the [~~39th~~] 43rd day of the annual general
149 session, the Legislature shall either pass or defeat each bond bill.

150 Section 6. **Repealer.**
151 This resolution repeals:
152 **JR3-2-502, In-depth budget review.**