

29 As used in this chapter:

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

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

34 (c) "Appropriations" does not mean:

35 (i) public education expenditures;

36 (ii) Utah Education Network expenditures in support of public education;

37 (iii) Utah College of Applied Technology expenditures in support of public education;

38 (iv) Tax Commission expenditures related to collection of income taxes in support of
39 public education;

40 (v) debt service expenditures;

41 (vi) emergency expenditures;

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

43 (viii) transfers or appropriations from the Education Fund to the Uniform School Fund;

44 (ix) transfers into, or appropriations made to, the General Fund Budget Reserve

45 Account established in Section [63J-1-312](#);

46 (x) transfers into, or appropriations made to, the Education Budget Reserve Account
47 established in Section [63J-1-313](#);

48 (xi) transfers in accordance with Section [63J-1-314](#) into, or appropriations made to the
49 State Disaster Recovery Restricted Account created in Section [53-2a-603](#);

50 (xii) money appropriated to fund the total one-time project costs for the construction of
51 capital developments as defined in Section [63A-5-104](#);

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

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

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

57 (A) the Department of Transportation from any source; or

58 (B) any transportation-related account or fund from any source; or

59 (xvi) supplemental appropriations from the General Fund to the Division of Forestry,

60 Fire, and State Lands to provide money for wildland fire control expenses incurred during the
61 current or previous fire years.

62 ~~[(2) "Base year real per capita appropriations" means the result obtained for the state by~~
63 ~~dividing the fiscal year 1985 actual appropriations of the state less debt money by:]~~

64 ~~[(a) the state's July 1, 1983 population; and]~~

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

66 ~~[(3)]~~ (2) "Calendar year" means the time period beginning on January 1 of any given
67 year and ending on December 31 of the same year.

68 ~~[(4)]~~ (3) "Fiscal emergency" means an extraordinary occurrence requiring immediate
69 expenditures and includes the settlement under Laws of Utah 1988, Fourth Special Session,
70 Chapter 4.

71 ~~[(5)]~~ (4) "Fiscal year" means the time period beginning on July 1 of any given year and
72 ending on June 30 of the subsequent year.

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

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

79 ~~[(8)]~~ (5) (a) "Maximum allowable appropriations limit" means the appropriations that
80 could be, or could have been, spent in any given year under the limitations of this chapter.

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

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

86 ~~[(10) "Most recent fiscal year's population" means the fiscal year population two fiscal~~
87 ~~years previous to the fiscal year for which the maximum allowable inflation and population~~

88 ~~appropriations limit is being computed under this chapter.]~~

89 ~~[(11)]~~ (6) "Population" means the number of residents of the state as of July 1 of each
90 year as calculated by the Governor's Office of Management and Budget according to the
91 procedures and requirements of Section 63J-3-202.

92 ~~[(12)]~~ (7) "Revenues" means the revenues of the state from every tax, penalty, receipt,
93 and other monetary exaction and interest connected with it that are recorded as unrestricted
94 revenue of the General Fund and from non-Uniform School Fund income tax revenues, except
95 as specifically exempted by this chapter.

96 ~~[(13)]~~ (8) "Security" means any bond, note, warrant, or other evidence of indebtedness,
97 whether or not the bond, note, warrant, or other evidence of indebtedness is or constitutes an
98 "indebtedness" within the meaning of any provision of the constitution or laws of this state.

99 Section 2. Section 63J-3-201 is amended to read:

100 **63J-3-201. Appropriations limit -- Formula.**

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

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

106 ~~[(a) "B" equals the base year real per capita appropriations for the state, its agencies,
107 departments, and institutions;]~~

108 ~~[(b) "P" equals the most recent fiscal year's population; and]~~

109 ~~[(c) "I" equals the most recent fiscal year's inflation index adjusted to reflect fiscal year
110 1989 as having an index value of 100.]~~

111 (2) For each fiscal year, the Legislature's appropriations may not exceed the state
112 appropriations limit that is calculated using the formula in Subsection (4).

113 (3) The revenues specified in Section 63J-3-205 are not subject to the limitation in this
114 section.

115 (4) The state appropriations limit for each fiscal year shall be calculated by:

116 (a) (f.1a)

117 where:

118 (i)
$$Base_{1985} = \frac{Appropriations_{1985} - Debt_{1985}}{Pop_{1983} \times Inflate_{Base}} = \frac{734,333,000 - 52,273,100}{1,594,943 \times \left(\frac{102.075}{123.900}\right)}$$

119 (ii)
$$Inflate_{Base} = \frac{GNP\ Index_{vintage,1983}}{GNP\ Index_{vintage,1989}} = \frac{(100.8+101.7+102.5+103.3)/4}{(121.9+123.3+124.5+125.9)/4} = \frac{102.075}{123.900}$$

120 (iii)
$$Inflate_{FY-2} = \frac{GNP\ Index_{FY-2}}{GNP\ Index_{1983}} \times Inflate_{Base}$$

121 (iv)
$$Chain_i = \left(\frac{Inflate_{FY-2}}{Inflate_{i-2}}\right) \times \left(\frac{Pop_{FY-2}}{Pop_{i-2}}\right)$$

122 (b) and:

123 (i) $Base_{1985}$, is the real per capita appropriations for fiscal year 1985;

124 (ii) $Appropriations_{1985}$, is the fiscal year 1985 capital and operations from Gener
 125 Fund and non-Uniform School Fund;

126 (iii) $Debt_{1985}$, is the amount of debt payments made in fiscal year 1985;

127 (iv) Pop_{FY-2} , is:

128 (A) if available, the fiscal year population as of July 1 from two fiscal years prior to the
 129 fiscal year for which the appropriations limit is being calculated as estimated by the United
 130 States Census Bureau by January 31 of each year; or

131 (B) if the estimate in Subsection (4)(b)(iv)(A) is not available, the April 1 decennial
 132 census count within the fiscal year, adjusted to align with the fiscal year end, calculated by
 133 multiplying the census count by the sum of a quarter of the prior period population growth and
 134 one;

135 (v) $Inflate_{Base}$, is the change in the general price level of goods and services as
 136 measured by the Gross National Product: Implicit Price Deflator from the 1990 vintage series
 137 for fiscal year 1983 to fiscal year 1989 such that the inflation index is based in fiscal year 1989
 138 at 100;

139 (vi) $Inflate_{FY-2}$, is the change in the general price level of goods and services as

140 measured by the Gross National Product: Implicit Price Deflator current series since 1983 up to
 141 two fiscal years prior to the fiscal year for which the appropriations limit is being calculated, as
 142 estimated by the United States Department of Commerce;

143 (vii) *GNP Index*_[year], is the average of the quarterly values of the Gross National
 144 Product: Implicit Price Deflator over the course of a fiscal year as released by January 31 of
 145 each year;

146 (viii) *Adjust*, is a program or service adjustment for a given fiscal year published by
 147 the Governor's Office of Management and Budget each year, in which the state transfers partial
 148 or total responsibility for funding a program or service to another unit of government as
 149 described in Section [63J-3-203](#); and

150 (ix) *Chain*, is a calculation to place historical program and service adjustments on the
 151 same basis as the rest of the appropriations limit formula, and is calculated as a chain of the
 152 product of the inflation and population growth rates from the initial year of adjustment.

153 Section 3. **Repealer.**

154 This bill repeals:

155 Section [63J-3-202](#), **Computing formula elements.**

Legislative Review Note
 as of 2-25-14 3:25 PM

Office of Legislative Research and General Counsel