

# The Vermont Statutes Online

## Title 32: Taxation And Finance

### Chapter 7: The Public Monies

#### *Subchapter 5: Special Funds*

#### **§ 585. Definitions**

(a) As used in this subchapter:

(1) "Commissioner" means the Commissioner of Finance and Management.

(2) A "special fund" is a fund created to account for specific revenues earmarked to finance particular or restricted programs and activities, or created by expressed enactment of the General Assembly or created by the Commissioner of Finance and Management to account for and manage such proceeds as those of court settlements or private bequests, transfers between State and local governments, monies of State institution inmate or patient operations, monies resulting from the disposal of State property, grants and other awards accepted by the General Assembly or in accordance with section 5 of this title, transfers of a general services nature between State agencies, or financial transactions by State government on behalf of nonstate entities.

(b) The Commissioner shall fully utilize the fund and account structure in the State finance system to manage efficiently dedicated revenues, with the intended result of reducing and limiting the number of separate special funds, while maintaining accountability and segregation of revenues dedicated by statute for specific purposes. (Added 1991, No. 226 (Adj. Sess.), § 2, eff. May 28, 1992; amended 1997, No. 59, § 79, eff. June 30, 1997; 2005, No. 215 (Adj. Sess.), § 283.)

#### **§ 586. Application**

The provisions of this subchapter shall not apply to funds established to account for proceeds from the sale of bonds, to the General Fund, the Transportation Fund, the Fish and Wildlife Fund, the Tobacco Litigation Settlement Fund, or to any federal revenue funds, trust funds, enterprise funds, internal service funds, or agency funds, or to public service enterprise funds established to implement provisions of 30 V.S.A. §§ 211 and 212a through 212f; the budget stabilization reserves created by sections 308 and 308a of this title; the Low-Level Radioactive Waste Fund created by 10 V.S.A. § 7013; the Lands and Facilities Trust Fund created by 3 V.S.A. § 2807; the Education Fund created by 16 V.S.A. § 4025; or the Vermont Housing and Conservation Trust Fund created by 10 V.S.A. § 312. (Added 1991, No. 226 (Adj. Sess.), § 2, eff. May 28, 1992; amended 1993, No. 25, § 76, eff. May 18, 1993; 1997, No. 59, § 80, eff. June 30, 1997; 1997, No. 60, §

20, eff. July 1, 1998; 1997, No. 64, § 19, eff. Jan. 1, 1998; 1999, No. 62, § 275b; 2001, No. 61, § 54, eff. June 16, 2001; 2001, No. 63, § 230a; 2013, No. 1, § 86.)

### **§ 587. Special funds; creation and termination**

(a) Creation of special funds. The creation of all special funds shall be in accordance with the provisions of this subchapter.

(b) Termination of special funds. All special funds shall be terminated at a time specified as a condition of the fund's creation, when the revenue source of the fund ceases to exist, or when the purpose of the fund has been fulfilled as determined by the General Assembly. (Added 1991, No. 226 (Adj. Sess.), § 2, eff. May 28, 1992; amended 1997, No. 59, § 81, eff. June 30, 1997.)

### **§ 588. Special funds; organization and management**

All special funds shall be organized and managed in accordance with the provisions of this section.

(1) Purpose and identification. Each special fund shall be established for a specific purpose, identified by a unique name, and managed on the State Central Accounting System under the control of the Commissioner with the actual monies held under the authority and responsibility of the State Treasurer.

(2) Receipts. Each special fund shall consist of receipts specified upon its creation and of transfers from other funds as authorized by the General Assembly or by the Secretary of Administration or the Emergency Board pursuant to section 706 of this title.

(3) Interest. All interest earned by a special fund shall be credited to the General Fund, and not to the special fund concerned, except for the interest earned on proceeds of court settlements or private bequests, grants and other awards accepted in accordance with section 5 of this title which specify that interest shall be retained with the principal amount, and except where otherwise expressly provided by law.

(4) Appropriations and expenditures.

(A) All monies to be expended from a special fund shall be appropriated annually by the General Assembly, or allocated pursuant to the authority granted by the General Assembly to the Commissioner of Finance and Management with regard to excess receipts, except when the State responsibility relative to the special fund is solely for the transference of monies between nonstate entities as determined by the Commissioner. No appropriation authorization shall carry forward beyond the fiscal year for which it was granted, except for properly encumbered payments and refunds of prior year expenditures.

(B) Individual amounts expended from a special fund shall be upon the warrant of and in accordance with practices approved by the Commissioner, and shall be in compliance with the purpose of the fund and of any provisions of law or other conditions of the fund's creation.

(C) Special fund expenditures shall not exceed available revenues, except that the Commissioner may anticipate receipts to each special fund and issue warrants based thereon, and in so doing may establish limits on expenditures in anticipation of receipts for any special fund.

(5) Balances.

(A) All cash balances in a special fund at the end of the fiscal year shall be carried forward and remain in the fund unspent until authorized for expenditure in accordance with subdivision (4)(A) of this section or transferred to another fund by the General Assembly or by the Secretary of Administration or the Emergency Board pursuant to section 706 of this title.

(B) Any negative cash balance in a special fund at the end of a fiscal year shall be carried forward and applied against that fund's receipts for the next fiscal year.

(6) Accounting and reporting.

(A) Each special fund shall be accounted for under the direction of the Commissioner, and the balance at the end of the prior fiscal year shall be reported to the Joint Fiscal Committee on or before December 1 of each year.

(B) In addition, the Commissioner shall annually report a list of any special funds created during the fiscal year. The list shall furnish for each fund: its name; authorization; and revenue source or sources. The report for the prior fiscal year shall be submitted to the General Assembly through the Joint Fiscal Committee on or before December 1 of each year. (Added 1991, No. 226 (Adj. Sess.), § 2, eff. May 28, 1992; amended 1997, No. 59, § 82, eff. June 30, 1997; 2005, No. 71, § 270; 2007, No. 65, § 392, eff. June 4, 2007; 2009, No. 67 (Adj. Sess.), § 84, eff. Feb. 25, 2010.)

**§§ 589 Repealed. 1997, No. 59, § 83(1), eff. June 30, 1997.**

**§ 590. Repealed. 1997, No. 59, § 83(2), eff. June 30, 1997.**