

Representative Fred R Hunsaker proposes the following substitute bill:

**UNIFORM FISCAL PROCEDURES ACT
AMENDMENTS FOR TOWNS, CITIES, AND
COUNTIES AMENDMENTS**

2010 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Fred R Hunsaker

Senate Sponsor: Peter C. Knudson

LONG TITLE

General Description:

This bill amends the public notice and hearing requirements for the uniform fiscal procedures of towns, cities, and counties.

Highlighted Provisions:

This bill:

- ▶ amends notice requirements;
- ▶ requires a town council to give public notice and hold a hearing before amending a budget or allocating or transferring funds between an enterprise fund and another fund;
- ▶ requires the governing body of a city to give public notice and hold a hearing before allocating or transferring funds between an enterprise fund and another fund;
- ▶ requires the governing body of a county to give public notice and hold a hearing before amending a budgetary fund or increasing a budget appropriation of any budgetary fund;
- ▶ requires the governing body of a county to give public notice and hold a hearing before allocating or transferring funds between an enterprise fund and another fund;



26 and

27 ▶ makes technical corrections.

28 **Monies Appropriated in this Bill:**

29 None

30 **Other Special Clauses:**

31 None

32 **Utah Code Sections Affected:**

33 AMENDS:

34 **10-5-107**, as last amended by Laws of Utah 2006, Chapter 178

35 **10-5-108**, as last amended by Laws of Utah 2009, Chapter 388

36 **10-5-117**, as last amended by Laws of Utah 1986, Chapter 181

37 **10-6-113**, as last amended by Laws of Utah 2009, Chapter 388

38 **10-6-135**, as last amended by Laws of Utah 2006, Chapter 178

39 **17-36-26**, as last amended by Laws of Utah 2009, Chapter 388

40 **17-36-32**, as last amended by Laws of Utah 2006, Chapter 178

41 REPEALS:

42 **17-36-25**, as last amended by Laws of Utah 2009, Chapter 388



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

45 Section 1. Section **10-5-107** is amended to read:

46 **10-5-107. Tentative budgets required for public inspection -- Contents --**

47 **Adoption of tentative budget.**

48 (1) (a) On or before the first regularly scheduled town council meeting of May, the
49 mayor shall:

50 (i) prepare for the ensuing year, on forms provided by the state auditor, a tentative
51 budget for each fund for which a budget is required;

52 (ii) make the tentative budget available for public inspection; and

53 (iii) submit the tentative budget to the town council.

54 (b) The tentative budget of each fund shall set forth in tabular form:

55 (i) actual revenues and expenditures in the last completed fiscal year;

56 (ii) estimated total revenues and expenditures for the current fiscal year; and

- 57 (iii) the mayor's estimates of revenues and expenditures for the budget year.
- 58 (2) (a) The mayor shall:
- 59 (i) estimate the amount of revenue available to serve the needs of each fund;
- 60 (ii) estimate the portion to be derived from all sources other than general property
- 61 taxes; and
- 62 (iii) estimate the portion that must be derived from general property taxes.
- 63 (b) From the estimates required by Subsection (2)(a), the mayor shall compute and
- 64 disclose in the budget the lowest rate of property tax levy that will raise the required amount of
- 65 revenue, calculating the levy on the latest taxable value.
- 66 (3) (a) Before the public hearing required under Section 10-5-108, the town council:
- 67 (i) shall review, consider, and tentatively adopt the tentative budget in any regular
- 68 meeting or special meeting called for that purpose; and
- 69 (ii) may amend or revise the tentative budget.
- 70 (b) At the meeting at which the town council adopts the tentative budget, the council
- 71 shall establish the time and place of the public hearing required under Section 10-5-108.
- 72 (4) (a) ~~[If within any enterprise utility fund, allocations or transfers]~~ If a town council
- 73 includes in a tentative budget, or an amendment to a budget, allocations or transfers from an
- 74 enterprise fund to another fund that are not reasonable allocations of costs between ~~[funds are~~
- 75 ~~included in a tentative budget,]~~ the enterprise fund and the other fund, the governing body
- 76 shall:
- 77 (i) hold a public hearing;
- 78 (ii) prepare a written notice of the date, time, place, and purpose of the hearing ~~[shall~~
- 79 ~~be mailed to utility fund customers]~~ as described in Subsection (4)(b); and
- 80 (iii) subject to Subsection (4)(c), mail the notice to each enterprise fund customer at
- 81 least seven days before the day of the hearing.
- 82 (b) The purpose portion of the written notice shall identify:
- 83 (i) the enterprise ~~[utility]~~ fund from which money is being allocated or transferred;
- 84 (ii) the amount being allocated or transferred; and
- 85 (iii) the fund to which the money is being allocated or transferred.
- 86 (c) The town council:
- 87 (i) may print the written notice required under Subsection (4)(a)(ii) on the enterprise

88 fund customer's bill; and

89 (ii) shall include the written notice required under Subsection (4)(a)(ii) as separate
90 notification mailed or transmitted with the enterprise fund customer's bill.

91 Section 2. Section **10-5-108** is amended to read:

92 **10-5-108. Budget hearing -- Notice -- Adjustments.**

93 (1) Prior to the adoption of the final budget~~[, each]~~ or an amendment to a budget, a
94 town council shall hold a public hearing to receive public comment.

95 (2) The town council shall provide notice of the place, purpose, and time of the public
96 hearing by publishing notice at least seven days before the hearing:

97 (a) (i) at least once in a newspaper of general circulation in the town; or

98 (ii) if there is no newspaper of general circulation, then by posting the notice in three
99 public places at least 48 hours prior to the hearing; and

100 ~~[(b) as required in Section 45-1-101.]~~

101 (b) on the Utah Public Notice Website created under Section 63F-1-701.

102 (3) After the hearing, the town council, subject to Section 10-5-110, may adjust
103 expenditures and revenues in conformity with this chapter.

104 Section 3. Section **10-5-117** is amended to read:

105 **10-5-117. Increasing budget total of fund.**

106 ~~[Except for enterprise funds, which may be increased without a public hearing, the] A~~
107 town council may not increase the budget total of one or more funds or enterprise funds unless
108 the town council [may increase the budget total of one or more of these funds by following]
109 follows the procedures set forth in Section 10-5-108.

110 Section 4. Section **10-6-113** is amended to read:

111 **10-6-113. Budget -- Notice of hearing to consider adoption.**

112 At the meeting at which each tentative budget is adopted, the governing body shall
113 establish the time and place of a public hearing to consider its adoption and shall order that
114 notice of the public hearing be published at least seven days prior to the hearing:

115 (1) (a) in at least one issue of a newspaper of general circulation published in the
116 county in which the city is located; or

117 (b) if there is not a newspaper as described in Subsection (1)(a), then the notice
118 required by this section may be posted in three public places within the city; and

119 ~~[(2) as required in Section 45-1-101.]~~

120 (2) on the Utah Public Notice Website created under Section 63F-1-701.

121 Section 5. Section **10-6-135** is amended to read:

122 **10-6-135. Operating and capital budgets.**

123 (1) (a) As used in this section, "operating and capital budget" means a plan of financial
124 operation for an enterprise or other required special fund that includes estimates of operating
125 resources, expenses, and other outlays for a fiscal period.

126 (b) Except as otherwise expressly provided, any reference to "budget" or "budgets" and
127 the procedures and controls relating to them in other sections of this chapter do not apply or
128 refer to the operating and capital budgets described in this section.

129 ~~[(1) Or] (2) At or before the time the governing body adopts budgets for the funds [set~~
130 ~~forth] described in Section 10-6-109, [it] the governing body shall adopt [for the ensuing fiscal~~
131 ~~period]:~~

132 (a) an ["operating and capital budget["] for each enterprise fund for the ensuing fiscal
133 period; and [shall adopt]

134 (b) the type of budget for other special funds as required by the Uniform Accounting
135 Manual for Utah Cities.

136 ~~[(2)(a) An "operating and capital budget," for purposes of this section, means a plan of~~
137 ~~financial operation for an enterprise or other required special fund, embodying estimates of~~
138 ~~operating resources and expenses and other outlays for a fiscal period.]~~

139 ~~[(b) Except as otherwise expressly provided, the reference to "budget" or "budgets" and~~
140 ~~the procedures and controls relating to them in other sections of this chapter do not apply or~~
141 ~~refer to the "operating and capital budgets" provided for in this section.]~~

142 ~~[(3) "Operating and capital budgets" shall be adopted and administered in the following~~
143 ~~manner:]~~

144 (3) (a) The governing body shall adopt and administer an operating and capital budget
145 in accordance with this Subsection (3).

146 ~~[(a) Or] (b) At or before the first regularly scheduled meeting of the governing body in~~
147 ~~the last May of the current fiscal period, the budget officer shall;~~

148 (i) prepare for the ensuing fiscal period and file with the governing body a tentative
149 operating and capital budget for;

- 150 (A) each enterprise fund; and ~~[for]~~
- 151 (B) other required special funds~~[-together with];~~
- 152 (ii) include with the tentative operating and capital budget described in Subsection
- 153 (3)(b)(i) specific work programs as submitted by [the] each department head; and
- 154 (iii) include any other supporting data required by the governing body.
- 155 ~~[(b)]~~ (c) Each city of the first or second class shall, and ~~[a]~~ each city of the third, fourth,
- 156 or fifth class may, submit a supplementary estimate of all capital projects which ~~[the] a~~
- 157 department head believes should be undertaken within the three next succeeding fiscal periods.
- 158 ~~[(c) (i) The budget officer shall prepare estimates in cooperation with the appropriate~~
- 159 ~~department heads.]~~
- 160 ~~[(ii) Each department head shall be heard by the budget officer before making final~~
- 161 ~~estimates, but thereafter the officer may revise any department's estimate for the purpose of~~
- 162 ~~presenting the budget to the governing body.]~~
- 163 ~~[(d) (i) If within any enterprise fund,]~~
- 164 (d) (i) Subject to Subsection (3)(d)(ii), the budget officer shall prepare all estimates
- 165 after review and consultation with each department head described in Subsection (3)(c).
- 166 (ii) After complying with Subsection (3)(d)(i), the budget officer may revise any
- 167 departmental estimate before it is filed with the governing body.
- 168 (e) (i) If the governing body includes in a tentative budget or an amendment to a budget
- 169 allocations or transfers from an enterprise fund to another fund that are not reasonable
- 170 allocations of costs between [funds are included in a tentative budget,] the enterprise fund and
- 171 the other fund, the governing body shall:
- 172 (A) hold a public hearing;
- 173 (B) prepare a written notice of the date, time, place, and purpose of the hearing [shall
- 174 be mailed to utility fund customers], as described in Subsection (3)(e)(ii); and
- 175 (C) subject to Subsection (3)(e)(iii), mail the written notice to each enterprise fund
- 176 customer at least seven days [prior to the hearing] before the day of the hearing.
- 177 (ii) The purpose portion of the written notice required under Subsection ~~[(3)(d)(i)]~~
- 178 (3)(e)(i)(B) shall identify:
- 179 (A) the enterprise ~~[utility]~~ fund from which money is being transferred;
- 180 (B) the amount being transferred; and

- 181 (C) the fund to which the money is being transferred.
- 182 (iii) The governing body:
- 183 (A) may print the written notice required under Subsection (3)(e)(i) on the enterprise
- 184 fund customer's bill; and
- 185 (B) shall include the written notice required under Subsection (3)(e)(i) as a separate
- 186 notification mailed or transmitted with the enterprise fund customer's bill.
- 187 (4) (a) [~~The~~ Each tentative budget [~~or budgets~~], amendment to a budget, or budget
- 188 shall be reviewed and considered by the governing body at any regular meeting or special
- 189 meeting called for that purpose.
- 190 (b) The governing body may make changes in the tentative budgets.
- 191 (5) Budgets for enterprise or other required special funds shall comply with the public
- 192 hearing requirements established in Sections 10-6-113 and 10-6-114.
- 193 (6) (a) Before the last June 30 of each fiscal period, or, in the case of a property tax
- 194 increase under Sections 59-2-919 through 59-2-923, before August 31 of the year for which a
- 195 property tax increase is proposed, the governing body shall adopt an operating and capital
- 196 budget for each applicable fund for the ensuing fiscal period.
- 197 (b) A copy of the budget as finally adopted for each fund shall be:
- 198 (i) certified by the budget officer;
- 199 (ii) filed by the budget officer in the office of the city auditor or city recorder;
- 200 (iii) available to the public during regular business hours; and
- 201 (iv) filed with the state auditor within 30 days after [~~adoption~~] the day on which the
- 202 budget is adopted.
- 203 (7) (a) Upon final adoption, the operating and capital budget is in effect for the budget
- 204 period, subject to later amendment.
- 205 (b) During the budget period the governing body may, in any regular meeting or special
- 206 meeting called for that purpose, review any one or more of the operating and capital budgets
- 207 for the purpose of determining if the total of any of them should be increased.
- 208 (c) If the governing body decides that the budget total of one or more of the funds
- 209 should be increased under Subsection (7)(b), the governing body shall follow the procedures
- 210 set forth in Section 10-6-136 [~~shall be followed~~].
- 211 (8) Expenditures from operating and capital budgets shall conform to the requirements

212 relating to budgets specified in Sections 10-6-121 through 10-6-126.

213 Section 6. Section **17-36-26** is amended to read:

214 **17-36-26. Increase in budgetary fund or general fund -- Public hearing.**

215 (1) ~~[(a) The]~~ Before the governing body may, by resolution, increase a budget
 216 appropriation of any budgetary fund, increase the budget of the general fund ~~[may be increased~~
 217 by resolution of the governing body, only after a duly called hearing shall have been held and
 218 and], or make an amendment to a budgetary fund or the general fund, the governing body shall
 219 hold a public hearing giving all interested parties ~~[shall have been given]~~ an opportunity to be
 220 heard.

221 ~~[(b)]~~ (2) Notice of ~~[such]~~ the public hearing described in Subsection (1) shall be
 222 published at least five days before ~~[such]~~ the day of the hearing:

223 (a) (i) ~~[(A)]~~ in at least one issue of a newspaper generally circulated in the county; or

224 ~~[(B)]~~ (ii) if there is not a newspaper generally circulated in the county, the hearing may
 225 be published by posting notice in three conspicuous places within the county; and

226 ~~[(ii) as required in Section 45-1-101.]~~

227 ~~[(2) After such public hearing the governing body may amend the general fund budget~~
 228 ~~as it deems appropriate with due consideration to matters discussed at the public hearing and to~~
 229 ~~revised estimates of revenues.]~~

230 (b) on the Utah Public Notice Website created under Section 63F-1-701.

231 Section 7. Section **17-36-32** is amended to read:

232 **17-36-32. Operating and capital budget -- Expenditures.**

233 (1) (a) ~~["Operating and capital budget," for purposes of this section;]~~ As used in this
 234 section, "operating and capital budget" means a plan of financial operation for an enterprise or
 235 other special fund embodying estimates of operating and nonoperating resources and expenses
 236 and other outlays for a fiscal period.

237 (b) Except as otherwise expressly provided, "budget" or "budgets" and the procedures
 238 and controls relating ~~[thereto]~~ to them in other sections of this act are not applicable to the
 239 ~~["operating and capital budgets"]~~ provided in this section.

240 (2) ~~[Before or at]~~ At or before the time that the governing body adopts budgets for the
 241 budgetary funds specified in Section 17-36-8, ~~[it]~~ the governing body shall adopt an
 242 ~~["operating and capital budget"]~~ for the next fiscal period for:

243 (a) each enterprise fund; and [for]

244 (b) any other special nonbudgetary fund for which operating and capital budgets are
245 prescribed by the uniform system of budgeting, accounting, and reporting.

246 [~~(3) Operating and capital budgets shall be adopted and administered in the following~~
247 ~~manner:~~]

248 (3) (a) The governing body shall adopt and administer the operating and capital budget
249 in accordance with this Subsection (3).

250 [~~(a) On~~] (b) At or before the first day of the next to last month of each fiscal period,
251 the budget officer shall prepare for the next fiscal period on forms provided pursuant to Section
252 17-36-4, and file with the governing body a tentative operating and capital budget for:

253 (i) each enterprise fund; and [for]

254 (ii) any other special fund that requires an operating and capital budget.

255 [~~(b)~~] (c) The tentative operating and capital budget shall be accompanied by a
256 supplementary estimate of all capital projects or planned capital projects:

257 (i) within the next fiscal period; and

258 (ii) within the [~~next succeeding~~] fiscal period immediately following the fiscal period
259 described in Subsection (3)(c)(i).

260 [~~(c) The~~] (d) (i) Subject to Subsection (3)(d)(ii), the budget officer shall prepare all
261 [the] estimates after review and consultation, if requested, with [the concerned] a department[;
262 but thereafter] proposing a capital project.

263 (ii) After complying with Subsection (3)(d)(i), the budget officer [has authority to] may
264 revise any departmental estimate before it is filed with the governing body.

265 [~~(d) (i) If within any enterprise utility fund;~~]

266 (e) (i) If a governing body includes in a tentative budget, or an amendment to a budget,
267 allocations or transfers between an enterprise fund and another fund that are not reasonable
268 allocations of costs between [funds are included in a tentative budget,] the enterprise fund and
269 the other fund, the governing body shall:

270 (A) hold a public hearing;

271 (B) prepare a written notice of the date, time, place, and purpose of the hearing [shall
272 be mailed to utility fund customers], in accordance with Subsection (3)(e)(ii); and

273 (C) subject to Subsection (3)(e)(iii), mail the notice to each enterprise fund customer at

274 least seven days before the day of the hearing.

275 (ii) The purpose portion of the written notice described in Subsection (3)(e)(i)(B) shall
276 identify:

277 (A) the enterprise [~~utility~~] fund from which money is being transferred;

278 (B) the amount being transferred; and

279 (C) the fund to which the money is being transferred.

280 (iii) The governing body:

281 (A) may print the written notice required under Subsection (3)(e)(i) on the enterprise
282 fund customer's bill; and

283 (B) shall include the written notice required under Subsection (3)(e)(i) as a separate
284 notification mailed or transmitted with the enterprise fund customer's bill.

285 [~~(e)(i) The~~] (f) (i) The governing body shall review the tentative operating and capital
286 budget [~~shall be reviewed by the governing body~~] at any regular or special meeting called for
287 that purpose.

288 (ii) [~~The~~] In accordance with Subsection (3)(f)(i), the governing body may make any
289 changes [it] to the tentative operating and capital budget that the governing body considers
290 advisable.

291 (iii) Before the close of the fiscal period, the governing body shall adopt an operating
292 and capital budget for the next fiscal period.

293 [~~(f)~~] (g) (i) Upon final adoption by the governing body, the operating and capital
294 budget shall be in effect for the budget period subject to amendment.

295 (ii) The governing body shall:

296 [~~(ii) A~~] (A) certify a copy of the operating and capital budget for each fund [shall be
297 certified by] with the budget officer; and [made]

298 (B) make a copy available to the public during business hours in the offices of the
299 county auditor.

300 (iii) [~~A~~] The governing body shall file a copy of the operating and capital budget [shall
301 be filed] with the state auditor within 30 days after [its adoption] the day on which the
302 operating and capital budget is adopted.

303 (iv) The governing body may during the budget period amend the operating and capital
304 budget of an enterprise or other special fund by resolution.

305 (v) A copy of the operating and capital budget as amended shall be filed with the state
306 auditor.

307 (4) Any expenditure from an operating and capital budget shall conform to the
308 requirements for budgets specified by Sections 17-36-20, 17-36-22, 17-36-23, and 17-36-24.

309 Section 8. **Repealer.**

310 This bill repeals:

311 Section **17-36-25, Budget appropriation increase.**