

FISCAL PERIOD FOR POLITICAL SUBDIVISIONS

2013 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Daniel McCay

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends provisions related to the fiscal period for a county, local district, and community development and renewal agency.

Highlighted Provisions:

This bill:

▶ requires that a county adopt a budget for an annual fiscal period that begins on July 1 of each year and ends on June 30 of the following year or a biennial fiscal period that begins on July 1 and ends on June 30 of the second year immediately following;

▶ provides language related to the transition of a county from a calendar fiscal period;

▶ requires that a local district adopt a budget for a fiscal period that begins on July 1 of each year and ends on June 30 of the following year;

▶ provides language related to the transition of a local district calendar year entity to a fiscal year entity;

▶ requires that a community development and renewal agency adopt a budget for a fiscal period that begins on July 1 of each year and ends on June 30 of the following year;

▶ provides language related to the transition of an agency from a calendar fiscal period; and

▶ makes technical corrections.

Money Appropriated in this Bill:



28 None

29 **Other Special Clauses:**

30 This bill provides revisor instructions to create future versions for Sections 17-36-3.5,
31 17-36-26.5, 17B-1-602, and 17C-1-601.

32 **Utah Code Sections Affected:**

33 AMENDS:

34 **17-36-3.5**, as enacted by Laws of Utah 1999, Chapter 300

35 **17-36-26.5**, as enacted by Laws of Utah 1999, Chapter 300

36 **17B-1-602**, as renumbered and amended by Laws of Utah 2007, Chapter 329

37 **17C-1-601**, as last amended by Laws of Utah 2010, Chapter 90

38 ENACTS:

39 **17-36-3.6**, Utah Code Annotated 1953

40 **17B-1-602.5**, Utah Code Annotated 1953

41 **Utah Code Sections Affected by Revisor Instructions:**

42 **17-36-3.5**, as enacted by Laws of Utah 1999, Chapter 300

43 **17-36-26.5**, as enacted by Laws of Utah 1999, Chapter 300

44 **17B-1-602**, as renumbered and amended by Laws of Utah 2007, Chapter 329

45 **17C-1-601**, as last amended by Laws of Utah 2010, Chapter 90



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

48 Section 1. Section **17-36-3.5** is amended to read:

49 **17-36-3.5. Fiscal period -- Annual or biennial -- Fiscal year beginning on July 1,**
50 **2015.**

51 (1) ~~Except~~ (a) Before July 1, 2015, and except as provided in Subsection (2) and
52 Section 17-36-3.6, the fiscal period for each county shall be an annual period beginning on
53 January 1 of each year and ending December 31 of the same calendar year.

54 (b) On and after July 1, 2015, and except as provided in Subsection (2), the fiscal
55 period for each county shall be the period beginning on July 1 of each year and ending on June
56 30 of the following year.

57 (2) (a) Notwithstanding Subsection (1), the legislative body of a county may, by
58 ordinance, adopt for the county:

59 (i) before July 1, 2015, a fiscal period that is a biennial period beginning January 1 and
60 ending December 31 of the following calendar year[-]; and

61 (ii) on and after July 1, 2015, a fiscal period that is a biennial period beginning July 1
62 and ending June 30 of the second year immediately following.

63 (b) Each county adopting an ordinance under Subsection (2)(a) shall separately specify
64 in its budget the amount of ad valorem property tax it intends to levy and collect during both
65 the first half and the second half of the budget period.

66 (c) Each county that adopts a fiscal period that is a biennial period under Subsection
67 (2)(a) shall:

68 (i) comply with Sections 59-2-912 through 59-2-926 as if it had adopted a fiscal period
69 that is an annual period; and

70 (ii) allocate budgeted revenues and expenditures to each of the two annual periods in
71 the biennial budget.

72 (d) The legislative body of each county that adopts a fiscal period that is a biennial
73 period under Subsection (2)(a) shall, within 10 days after the adoption of the ordinance
74 adopting the biennial period, deliver a copy of the ordinance to the state auditor.

75 Section 2. Section **17-36-3.6** is enacted to read:

76 **17-36-3.6. Transition from calendar fiscal period.**

77 (1) Notwithstanding any other provision of law, a county shall comply, as appropriate,
78 with the following provisions to transition from a calendar year to a fiscal year budget period in
79 accordance with Section 17-36-3.5.

80 (2) For a county with an annual fiscal period, the county shall adopt:

81 (a) for the fiscal period that begins on January 1, 2014, an extended budget for the
82 budget period of January 1, 2014, through June 30, 2015; and

83 (b) for the fiscal period that begins on July 1, 2015, a budget for the budget period of
84 July 1, 2015, through June 30, 2016.

85 (3) For a county with a biennial fiscal period of January 1, 2013, through December 31,
86 2014, the county shall adopt:

87 (a) for the fiscal period that begins on January 1, 2015, a truncated budget for the
88 budget period of January 1, 2015, through June 30, 2015; and

89 (b) for the fiscal period that begins on July 1, 2015, a budget for the budget period of

90 July 1, 2015, through June 30, 2017.

91 (4) For a county with a biennial fiscal period that expires December 31, 2013, the
92 county shall adopt:

93 (a) for the fiscal period that begins on January 1, 2014, a truncated budget for the
94 budget period of January 1, 2014, through June 30, 2015; and

95 (b) for the fiscal period that begins on July 1, 2015, a budget for the budget period of
96 July 1, 2015, through June 30, 2017.

97 (5) A county transitioning from a calendar to a fiscal year fiscal period shall comply
98 with a date or time period established in this chapter, including a date or time period for the
99 preparation of a tentative budget under Section 17-36-10, the notice of a budget hearing under
100 Section 17-36-12, the scheduling of a hearing on a tentative budget under Section 17-36-13, a
101 meeting or hearing to adopt a resolution to adopt the budget under Section 17-36-15, and other
102 applicable dates or time periods in a manner that complies with the fiscal and budget periods
103 described in this section and Section 17-36-3.5.

104 Section 3. Section **17-36-26.5** is amended to read:

105 **17-36-26.5. Review of second year's budget for biennial budgets.**

106 (1) In a county that has adopted a fiscal period that is a biennial period under
107 Subsection 17-36-3.5(2), the governing body shall ~~[in a public hearing before December 31 of~~
108 ~~the first year of the biennial period;]~~ review the individual budgets of the funds set forth in
109 Sections 17-36-8 and 17-36-32 for the second year of the biennial period at a public hearing:

110 (a) for a budget period before July 1, 2015, held before December 31 of the first year of
111 the biennial period; and

112 (b) for a budget period on and after July 1, 2015, held before June 30 of the first year of
113 the biennial period.

114 (2) In each review under Subsection (1), the governing body shall follow the
115 procedures of Sections 17-36-12 and 17-36-13 for holding a public hearing.

116 Section 4. Section **17B-1-602** is amended to read:

117 **17B-1-602. Fiscal year.**

118 The fiscal year of each local district shall be~~[;]~~:

119 (1) before July 1, 2015, as determined by the board of trustees:

120 ~~[(+)]~~ (a) the calendar year; or

121 ~~[(2)]~~ (b) the period from July 1 to the following June 30~~[-]; and~~
122 (2) on and after July 1, 2015, the period from July 1 to the following June 30.

123 Section 5. Section 17B-1-602.5 is enacted to read:

124 **17B-1-602.5. Transition from calendar year entity to fiscal year entity.**

125 (1) Notwithstanding any other provision of law, a local district shall comply with the
126 following provisions to transition from a calendar year entity to a fiscal year entity in
127 accordance with Section 17B-1-602.

128 (2) (a) For a local district that is a calendar year entity on January 1, 2014, the local
129 district shall adopt:

130 (i) for the fiscal year that begins on January 1, 2014, an extended budget for the budget
131 year of January 1, 2014, through June 30, 2015; and

132 (ii) for the fiscal year that begins on July 1, 2015, a budget for the budget year of July
133 1, 2015, through June 30, 2016.

134 (b) A local district that is a calendar year entity before July 1, 2015, shall comply with
135 the provisions in this part applicable to:

136 (i) a calendar year entity during the duration of the budget year described in Subsection
137 (2)(a)(i); and

138 (ii) a fiscal year entity in preparation for the budget year described in Subsection
139 (2)(a)(ii) and after the adoption of the budget for that year.

140 (3) A local district transitioning from a calendar year entity to a fiscal year entity shall
141 comply with a date or time period established in this chapter, including a date or time period
142 applicable to the preparation of a tentative budget under Section 17B-1-607, a meeting to
143 review a tentative budget under Section 17B-1-607, the notice requirements for a public
144 hearing under Section 17B-1-609, the public hearing on a tentative budget under Section
145 17B-1-610, the public hearing to consider adoption of the budget under Section 17B-1-614, and
146 other applicable dates or time periods in a manner that complies with a fiscal year and budget
147 year described in this section and Section 17B-1-602.

148 Section 6. Section 17C-1-601 is amended to read:

149 **17C-1-601. Annual agency budget -- Fiscal year -- Public hearing required --**
150 **Auditor forms -- Requirement to file form.**

151 (1) (a) Each agency shall prepare and its board adopt an annual budget of revenues and

152 expenditures for the agency for each fiscal year.

153 (b) Notwithstanding Subsection (1)(a), an agency that is created by a county that
154 transitions from a calendar year to a fiscal period that begins on July 1 and ends on June 30, in
155 accordance with Sections 17-36-3.5 and 17-36-3.6, shall:

156 (i) for the fiscal year that begins on January 1, 2014, adopt an extended budget for the
157 budget period of January 1, 2014, through June 30, 2015;

158 (ii) for the fiscal year that begins on July 1, 2015, adopt a budget for the budget period
159 of July 1, 2015, through June 30, 2016; and

160 (iii) adopt a budget for the fiscal period that begins on July 1 and ends on June 30 for
161 each subsequent fiscal period.

162 (2) Each annual agency budget shall be adopted:

163 (a) for an agency created by a city or town, before June 22; or

164 (b) for an agency created by a county[~~, before December 15;~~];

165 (i) for a budget described in Subsection (1)(b)(i), before December 15, 2013;

166 (ii) for a budget described in Subsection (1)(b)(ii), before June 22, 2015; and

167 (iii) for each fiscal period subsequent to June 30, 2016, before June 22.

168 (3) The agency's fiscal year shall be the same as the fiscal year of the community that
169 created the agency.

170 (4) (a) Before adopting an annual budget, each agency board shall hold a public hearing
171 on the annual budget.

172 (b) Each agency shall provide notice of the public hearing on the annual budget by:

173 (i) (A) publishing at least one notice in a newspaper of general circulation within the
174 agency boundaries, one week before the public hearing; or

175 (B) if there is no newspaper of general circulation within the agency boundaries,
176 posting a notice of the public hearing in at least three public places within the agency
177 boundaries; and

178 (ii) publishing notice on the Utah Public Notice Website created in Section 63F-1-701,
179 at least one week before the public hearing.

180 (c) Each agency shall make the annual budget available for public inspection at least
181 three days before the date of the public hearing.

182 (5) The state auditor shall prescribe the budget forms and the categories to be contained

183 in each agency budget, including:

184 (a) revenues and expenditures for the budget year;

185 (b) legal fees; and

186 (c) administrative costs, including rent, supplies, and other materials, and salaries of
187 agency personnel.

188 (6) (a) Within 90 days after adopting an annual budget, each agency board shall file a
189 copy of the annual budget with the auditor of the county in which the agency is located, the
190 State Tax Commission, the state auditor, the State Board of Education, and each taxing entity
191 that levies a tax on property from which the agency collects tax increment.

192 (b) The requirement of Subsection (6)(a) to file a copy of the annual budget with the
193 state as a taxing entity is met if the agency files a copy with the State Tax Commission and the
194 state auditor.

195 Section 7. **Revisor instructions to create future versions of Sections 17-36-3.5,
196 17-36-26.5, 17B-1-602, and 17C-1-601.**

197 The Legislature intends that the Office of Legislative Research and General Counsel, in
198 preparing the Utah Code database for publication, prepare a future version of the following
199 sections to take effect on July 1, 2015:

200 (1) Section 17-36-3.5 to read:

201 **"17-36-3.5. Fiscal period -- Annual or biennial.**

202 (1) Except as provided in Subsection (2), the fiscal period for each county shall be [~~an~~
203 ~~annual period beginning on January 1 of each year and ending December 31 of the same~~
204 ~~calendar year]~~ the period beginning on July 1 of each year and ending on June 30 of the
205 following year.

206 (2) (a) Notwithstanding Subsection (1), the legislative body of a county may, by
207 ordinance, adopt for the county [~~a fiscal period that is a biennial period beginning January 1~~
208 ~~and ending December 31 of the following calendar year.] a fiscal period that is a biennial
209 period beginning July 1 and ending June 30 of the second year immediately following.~~

210 (b) Each county adopting an ordinance under Subsection (2)(a) shall separately specify
211 in its budget the amount of ad valorem property tax it intends to levy and collect during both
212 the first half and the second half of the budget period.

213 (c) Each county that adopts a fiscal period that is a biennial period under Subsection

214 (2)(a) shall:

215 (i) comply with Sections 59-2-912 through 59-2-926 as if it had adopted a fiscal period
216 that is an annual period; and

217 (ii) allocate budgeted revenues and expenditures to each of the two annual periods in
218 the biennial budget.

219 (d) The legislative body of each county that adopts a fiscal period that is a biennial
220 period under Subsection (2)(a) shall, within 10 days after the adoption of the ordinance
221 adopting the biennial period, deliver a copy of the ordinance to the state auditor.";

222 (2) Section 17-36-26.5 to read:

223 **"17-36-26.5. Review of second year's budget for biennial budgets.**

224 (1) In a county that has adopted a fiscal period that is a biennial period under
225 Subsection 17-36-3.5(2), the governing body shall~~[, in a public hearing before December 31 of~~
226 ~~the first year of the biennial period,]~~ review the individual budgets of the funds set forth in
227 Sections 17-36-8 and 17-36-32 for the second year of the biennial period~~[,]~~ at a public hearing
228 held before June 30 of the first year of the biennial period.

229 (2) In each review under Subsection (1), the governing body shall follow the
230 procedures of Sections 17-36-12 and 17-36-13 for holding a public hearing.";

231 (3) Section 17B-1-602 to read:

232 **"17B-1-602. Fiscal year.**

233 The fiscal year of each local district shall be~~[, as determined by the board of trustees,]~~
234 the period from July 1 to the following June 30.

235 ~~[(1) the calendar year, or]~~

236 ~~[(2) the period from July 1 to the following June 30.];~~ and

237 (4) Section 17C-1-601 to read:

238 **"17C-1-601. Annual agency budget -- Fiscal year -- Public hearing required --**
239 **Auditor forms -- Requirement to file form.**

240 (1) Each agency shall prepare and its board adopt an annual budget of revenues and
241 expenditures for the agency for each fiscal year.

242 (2) Each annual agency budget shall be adopted:

243 (a) for an agency created by a city or town, before June 22; or

244 (b) for an agency created by a county, ~~[before December 15.]~~ before June 22.

245 (3) The agency's fiscal year shall be the same as the fiscal year of the community that
246 created the agency.

247 (4) (a) Before adopting an annual budget, each agency board shall hold a public hearing
248 on the annual budget.

249 (b) Each agency shall provide notice of the public hearing on the annual budget by:

250 (i) (A) publishing at least one notice in a newspaper of general circulation within the
251 agency boundaries, one week before the public hearing; or

252 (B) if there is no newspaper of general circulation within the agency boundaries,
253 posting a notice of the public hearing in at least three public places within the agency
254 boundaries; and

255 (ii) publishing notice on the Utah Public Notice Website created in Section 63F-1-701,
256 at least one week before the public hearing.

257 (c) Each agency shall make the annual budget available for public inspection at least
258 three days before the date of the public hearing.

259 (5) The state auditor shall prescribe the budget forms and the categories to be contained
260 in each agency budget, including:

261 (a) revenues and expenditures for the budget year;

262 (b) legal fees; and

263 (c) administrative costs, including rent, supplies, and other materials, and salaries of
264 agency personnel.

265 (6) (a) Within 90 days after adopting an annual budget, each agency board shall file a
266 copy of the annual budget with the auditor of the county in which the agency is located, the
267 State Tax Commission, the state auditor, the State Board of Education, and each taxing entity
268 that levies a tax on property from which the agency collects tax increment.

269 (b) The requirement of Subsection (6)(a) to file a copy of the annual budget with the
270 state as a taxing entity is met if the agency files a copy with the State Tax Commission and the
271 state auditor."

Legislative Review Note
as of 2-7-13 10:01 AM

Office of Legislative Research and General Counsel