

# HB0199S01 compared with HB0199

~~deleted text~~ shows text that was in HB0199 but was deleted in HB0199S01.

inserted text shows text that was not in HB0199 but was inserted into HB0199S01.

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Representative Daniel McCay proposes the following substitute bill:

## FISCAL PERIOD FOR POLITICAL SUBDIVISIONS

2013 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Daniel McCay**

Senate Sponsor: \_\_\_\_\_

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### 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

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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:

None

### Other Special Clauses:

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

### Utah Code Sections Affected:

AMENDS:

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

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

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

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

ENACTS:

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

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

### Utah Code Sections Affected by Revisor Instructions:

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

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

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

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

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

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

**17-36-3.5. Fiscal period -- Annual or biennial -- Fiscal year beginning on July 1, ~~{2015}~~2017.**

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(1) ~~[Except]~~ (a) Before July 1, ~~2015~~2017, and except as provided in Subsection (2) and Section 17-36-3.6, the fiscal period for each county shall be an annual period beginning on January 1 of each year and ending December 31 of the same calendar year.

(b) On and after July 1, ~~2015~~2017, and except as provided in Subsection (2), the fiscal period for each county shall be the period beginning on July 1 of each year and ending on June 30 of the following year.

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

(i) before July 1, ~~2015~~2017, a fiscal period that is a biennial period beginning January 1 and ending December 31 of the following calendar year[-]; and

(ii) on and after July 1, ~~2015~~2017, a fiscal period that is a biennial period beginning July 1 and ending June 30 of the second year immediately following.

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

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

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

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

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

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

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

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

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

(a) for the fiscal period that begins on January 1, ~~2014~~2016, an extended budget for

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the budget period of January 1, ~~{2014}~~2016, through June 30, ~~{2015}~~2017; and

(b) for the fiscal period that begins on July 1, ~~{2015}~~2017, a budget for the budget period of July 1, ~~{2015}~~2017, through June 30, ~~{2016}~~2018.

(3) For a county with a biennial fiscal period of January 1, ~~{2013}~~2015, through December 31, ~~{2014}~~2016, the county shall adopt:

(a) for the fiscal period that begins on January 1, ~~{2015}~~2017, a truncated budget for the budget period of January 1, ~~{2015}~~2017, through June 30, ~~{2015}~~2017; and

(b) for the fiscal period that begins on July 1, ~~{2015}~~2017, a budget for the budget period of July 1, ~~{2015}~~2017, through June 30, ~~{2017}~~2019.

(4) For a county with a biennial fiscal period that expires December 31, ~~{2013}~~2015, the county shall adopt:

(a) for the fiscal period that begins on January 1, ~~{2014}~~2016, a truncated budget for the budget period of January 1, ~~{2014}~~2016, through June 30, ~~{2015}~~2017; and

(b) for the fiscal period that begins on July 1, ~~{2015}~~2017, a budget for the budget period of July 1, ~~{2015}~~2017, through June 30, ~~{2017}~~2019.

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

(6) Notwithstanding the requirements of Subsection 51-2a-202(1)(a), a county that is required to file an audit, review, compilation, or fiscal report in accordance with Title 51, Chapter 2a, Accounting Reports From Political Subdivisions, Interlocal Organizations, and Other Local Entities, shall file the audit, review, compilation, or fiscal report, as appropriate, and within the time period set forth in Subsection 51-2a-202(2)(b):

(a) for a county described in Subsection (2):

(i) for the 18 month budget period of January 1, 2016, through June 30, 2017; and

(ii) for a budget period beginning on or after July 1, 2017, at least annually;

(b) for a county described in Subsection (3):

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(i) for the 12 month budget period of January 1, 2015, through December 31, 2015;

(ii) for the 18 month budget period of January 1, 2016, through June 30, 2017; and

(iii) for a budget period beginning on or after July 1, 2017, at least annually;

(c) for a county described in Subsection (4):

(i) for the 18 month budget period of January 1, 2016, through June 30, 2017; and

(ii) for a budget period beginning on or after July 1, 2017, at least annually.

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

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

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

(a) for a budget period before July 1, ~~{2015}~~2017, held before December 31 of the first year of the biennial period; and

(b) for a budget period on and after July 1, ~~{2015}~~2017, held before June 30 of the first year of the biennial period.

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

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

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

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

(1) before July 1, ~~{2015}~~2017, as determined by the board of trustees:

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

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

(2) on and after July 1, ~~{2015}~~2017, the period from July 1 to the following June 30.

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

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

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

(2) (a) For a local district that is a calendar year entity on January 1, ~~{2014}~~2016, the

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local district shall adopt:

(i) for the fiscal year that begins on January 1, ~~2014~~2016, an extended budget for the budget year of January 1, ~~2014~~2016, through June 30, ~~2015~~2017; and

(ii) for the fiscal year that begins on July 1, ~~2015~~2017, a budget for the budget year of July 1, ~~2015~~2017, through June 30, ~~2016~~2018.

(b) A local district that is a calendar year entity before July 1, ~~2015~~2017, shall comply with the provisions in this part applicable to:

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

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

(c) Notwithstanding the requirements of Subsection 51-2a-202(1)(a), a local district that is required to file an audit, review, compilation, or fiscal report in accordance with Title 51, Chapter 2a, Accounting Reports From Political Subdivisions, Interlocal Organizations, and Other Local Entities, shall file the audit, review, compilation, or fiscal report, as appropriate, and within the time period set forth in Subsection 51-2a-202(2)(b):

(i) for the 18 month budget period of January 1, 2016, through June 30, 2017; and

(ii) for a budget period beginning on or after July 1, 2017, at least annually.

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

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

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

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

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

(i) for the fiscal year that begins on January 1, ~~2014~~2016, adopt an extended budget for the budget period of January 1, ~~2014~~2016, through June 30, ~~2015~~2017;

(ii) for the fiscal year that begins on July 1, ~~2015~~2017, adopt a budget for the budget period of July 1, ~~2015~~2017, through June 30, ~~2016~~2018; and

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

(c) Notwithstanding the requirements of Subsection 51-2a-202(1)(a), an agency that is required to file an audit, review, compilation, or fiscal report in accordance with Title 51, Chapter 2a, Accounting Reports From Political Subdivisions, Interlocal Organizations, and Other Local Entities, shall file the audit, review, compilation, or fiscal report, as appropriate, and within the time period set forth in Subsection 51-2a-202(2)(b):

(i) for the 18 month budget period of January 1, 2016, through June 30, 2017; and

(ii) for a budget period beginning on or after July 1, 2017, at least annually.

(2) Each annual agency budget shall be adopted:

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

(b) for an agency created by a county~~[- before December 15.]:~~

(i) for a budget described in Subsection (1)(b)(i), before December 15, ~~2013~~2015;

(ii) for a budget described in Subsection (1)(b)(ii), before June 22, ~~2015~~2017; and

(iii) for each fiscal period subsequent to June 30, ~~2016~~2018, before June 22.

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

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

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

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

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

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boundaries; and

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

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

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

(a) revenues and expenditures for the budget year;

(b) legal fees; and

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

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

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

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

The Legislature intends that the Office of Legislative Research and General Counsel, in preparing the Utah Code database for publication, prepare a future version of the following sections to take effect on July 1, ~~2015~~2017:

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

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

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

(2) (a) Notwithstanding Subsection (1), the legislative body of a county may, by ordinance, adopt for the county [~~a fiscal period that is a biennial period beginning January 1~~



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~~and ending December 31 of the following calendar year.]~~ a fiscal period that is a biennial period beginning July 1 and ending June 30 of the second year immediately following.

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

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

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

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

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

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

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

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

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

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

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

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

~~[(1) the calendar year; or]~~

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

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

**"17C-1-601. Annual agency budget -- Fiscal year -- Public hearing required --**

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### Auditor forms -- Requirement to file form.

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

(2) Each annual agency budget shall be adopted:

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

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

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

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

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

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

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

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

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

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

(a) revenues and expenditures for the budget year;

(b) legal fees; and

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

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

(b) The requirement of Subsection (6)(a) to file a copy of the annual budget with the

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state as a taxing entity is met if the agency files a copy with the State Tax Commission and the state auditor."

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~~Legislative Review Note~~

~~as of 2-7-13 10:01 AM~~

~~Office of Legislative Research and General Counsel}~~