

**INTERLOCAL ACT AMENDMENTS**

2014 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Johnny Anderson**

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

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**LONG TITLE**

**Committee Note:**

The Political Subdivisions Interim Committee recommended this bill.

**General Description:**

This bill enacts language related to the governance of an interlocal entity.

**Highlighted Provisions:**

This bill:

▸ requires parties entering into an interlocal agreement to identify with specificity the rules, policies, and procedures that will govern the interlocal entity;

▸ amends provisions governing an interlocal entity's compliance with public meeting requirements;

▸ requires an interlocal entity to adopt certain budget and fiscal procedures;

**⚡→ ▸ amends the definition of taxed interlocal entity; ←⚡**

▸ exempts a taxed interlocal entity from certain provisions; and

▸ makes technical corrections.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

**⚡→ [None] This bill takes effect on May 12, 2015. ←⚡**

**Utah Code Sections Affected:**

AMENDS:

**11-13-204**, as last amended by Laws of Utah 2010, Chapter 173



307 (c) comply with the budget adoption and fiscal procedures.

308 Section 5. Section **11-13-315** is amended to read:

309 **11-13-315. Taxed interlocal entity.**

310 (1) As used in this section:

311 (a) "Asset" means funds, money, an account, real or personal property, or personnel.

312 (b) "Public asset" means:

313 (i) an asset used by a public entity;

314 (ii) tax revenue;

315 (iii) state funds; or

316 (iv) public funds.

317 (c) (i) "Taxed interlocal entity" means a project entity that:

318 (A) is not exempt from a tax or fee in lieu of taxes imposed in accordance with Part 3,

319 Project Entity Provisions;

320 (B) does not receive a payment of funds from a federal agency or office, state agency or

321 office, political subdivision, or other public agency or office other than a payment that does not

322 materially exceed the greater of the fair market value and the cost of a service provided or

323 property conveyed by the project entity; and

324 (C) does not receive, expend, or have the authority to compel payment from tax

325 revenue.

326 (ii) ~~H→ [Before and on May 1, 2014, "taxed]~~ **"Taxed** ~~←H~~ interlocal entity" includes an

326a interlocal entity

327 that:

328 (A) ~~H→ [(H)] ←H~~ was created before 1981 for the purpose of providing power supply

328a at wholesale

329 to its members; ~~H→ [or~~

330 ~~—(H) is described in Subsection 11-13-204(7);] ←H~~

331 (B) does not receive a payment of funds from a federal agency or office, state agency or

332 office, political subdivision, or other public agency or office other than a payment that does not

333 materially exceed the greater of the fair market value and the cost of a service provided or

334 property conveyed by the interlocal entity; and

335 (C) does not receive, expend, or have the authority to compel payment from tax

336 revenue.

337 (d) (i) "Use" means to use, own, manage, hold, keep safe, maintain, invest, deposit,

369 (ii) within a reasonable time after the taxed interlocal entity's independent auditor  
370 delivers to the taxed interlocal entity's governing body the auditor's report with respect to the  
371 financial statements for and as of the end of the fiscal year.

372 (d) Notwithstanding Subsections (7)(b) and (c) or a taxed interlocal entity's compliance  
373 with one or more of the requirements of Title 63A, Chapter 3, Division of Finance:

374 (i) the taxed interlocal entity is not subject to Title 63A, Chapter 3, Division of  
375 Finance; and

376 (ii) the information described in Subsection (7)(b)(i) or (ii) does not constitute public  
377 financial information as defined in Section 63A-3-401.

378 (8) (a) A taxed interlocal entity's governing body is not a governing board as defined in  
379 Section 51-2a-102.

380 (b) A taxed interlocal entity is not subject to the provisions of Title 51, Chapter 2a,  
381 Accounting Reports from Political Subdivisions, Interlocal Organizations, and Other Local  
382 Entities Act.

383 (9) (a) A taxed interlocal entity is not subject to the provisions of Subsections  
384 11-13-204(1)(a)(i), 11-13-204(1)(c), or Section 11-13-225.

385 (b) In addition to the powers provided in Subsection 11-13-204(1)(a)(ii), a taxed  
386 interlocal entity may, for the regulation of the entity's affairs and conduct of its business, adopt,  
387 amend, or repeal bylaws, policies, or procedures.

387a **Ĥ→ Section 6. Effective date.**

387b **This bill takes effect on May 12, 2015. ←Ĥ**

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**Legislative Review Note**  
**as of 10-1-13 6:45 AM**

**Office of Legislative Research and General Counsel**