

PUBLIC FUND AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

LONG TITLE

General Description:

This bill addresses reporting requirements for the Public Treasurers' Investment Fund.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ requires the state treasurer to annually report the current balance in the Public Treasurers' Investment Fund for each entity that has transferred money to that fund;
- and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

- 10-5-120**, as last amended by Laws of Utah 2014, Chapter 253
- 10-6-132**, as last amended by Laws of Utah 2014, Chapter 253
- 11-13-523**, as enacted by Laws of Utah 2015, Chapter 265
- 17-36-30**, as last amended by Laws of Utah 2014, Chapter 253
- 17-36-52**, as last amended by Laws of Utah 2014, Chapter 176
- 17B-1-626**, as last amended by Laws of Utah 2023, Chapter 15
- 51-7-3**, as last amended by Laws of Utah 2023, Chapter 16
- 51-7-5**, as last amended by Laws of Utah 1984, Chapter 44
- 51-7-6**, as last amended by Laws of Utah 1989, Chapter 66
- 53-2a-605**, as last amended by Laws of Utah 2023, Chapter 16
- 59-2-1330**, as last amended by Laws of Utah 2015, Chapter 201

32

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

34 Section 1. Section **10-5-120** is amended to read:

35 **10-5-120. Loans between funds -- Bonds purchased by funds.**

36 (1) Subject to this section, restrictions imposed by bond ordinance, or other controlling
37 regulations, the town council may:

38 (a) subject to the restrictions in Section 53-2a-605, authorize an interfund loan from
39 one fund to another; and

40 (b) with available cash in any fund, purchase or otherwise acquire for investment an
41 unmatured bond of the town or of any fund of the town.

42 (2) An interfund loan under Subsection (1)(a) shall be in writing and specify the terms
43 and conditions of the loan, including the:

44 (a) effective date of the loan;

45 (b) name of the fund loaning the money;

46 (c) name of the fund receiving the money;

47 (d) amount of the loan;

48 (e) subject to Subsection (3), term of and repayment schedule for the loan;

49 (f) subject to Subsection (4), interest rate of the loan;

50 (g) method of calculating interest applicable to the loan;

51 (h) procedures for:

52 (i) applying interest to the loan; and

53 (ii) paying interest on the loan; and

54 (i) other terms and conditions the town council determines applicable.

55 (3) The term and repayment schedule specified under Subsection (2)(e) may not exceed
56 10 years.

57 (4) (a) In determining the interest rate of the loan specified under Subsection (2)(f), the
58 town council shall apply an interest rate that reflects the rate of potential gain had the funds
59 been deposited or invested in a comparable investment.

60 (b) Notwithstanding Subsection (4)(a), the interest rate of the loan specified under
61 Subsection (2)(f):

62 (i) if the term of the loan under Subsection (2)(e) is one year or less, may not be less

63 than the rate offered by the Public Treasurers' Investment Fund [~~that was created for public~~
64 ~~funds transferred to the state treasurer in accordance with Section 51-7-5]~~ as defined in Section
65 51-7-3; or

66 (ii) if the term of the loan under Subsection (2)(e) is more than one year, may not be
67 less than the greater of the rate offered by:

68 (A) the Public Treasurers' Investment Fund [~~that was created for public funds~~
69 ~~transferred to the state treasurer in accordance with Section 51-7-5]~~ as defined in Section
70 51-7-3; or

71 (B) a United States Treasury note of a comparable term.

72 (5) (a) For an interfund loan under Subsection (1)(a), the town council shall:

73 (i) hold a public hearing;

74 (ii) prepare a written notice of the date, time, place, and purpose of the hearing, and the
75 proposed terms and conditions of the interfund loan under Subsection (2);

76 (iii) provide notice of the public hearing in the same manner as required under
77 Subsection 10-5-108(2) as if the hearing were a budget hearing; and

78 (iv) authorize the interfund loan by ordinance or resolution in a public meeting.

79 (b) The notice and hearing requirements in Subsection (5)(a) are satisfied if the
80 interfund loan is included in an original budget or in a subsequent budget amendment
81 previously approved by the town council for the current fiscal year.

82 (6) Subsections (2) through (5) do not apply to an interfund loan if the interfund loan
83 is:

84 (a) a loan from the town general fund to any other fund of the town; or

85 (b) a short-term advance from the town's cash and investment pool to individual funds
86 that are repaid by the end of the fiscal year.

87 Section 2. Section **10-6-132** is amended to read:

88 **10-6-132. Loans by one fund to another -- Acquiring bonds for investment.**

89 (1) Subject to this section, restrictions imposed by bond ordinance, or other controlling
90 regulations, the governing body of a city may:

91 (a) subject to the restrictions in Section 53-2a-605, authorize an interfund loan from
92 one fund to another; and

93 (b) with available cash in any fund, purchase or otherwise acquire for investment an

94 unmatured bond of the city or of any fund of the city.

95 (2) An interfund loan under Subsection (1)(a) shall be in writing and specify the terms
96 and conditions of the loan, including the:

97 (a) effective date of the loan;

98 (b) name of the fund loaning the money;

99 (c) name of the fund receiving the money;

100 (d) amount of the loan;

101 (e) subject to Subsection (3), term of and repayment schedule for the loan;

102 (f) subject to Subsection (4), interest rate of the loan;

103 (g) method of calculating interest applicable to the loan;

104 (h) procedures for:

105 (i) applying interest to the loan; and

106 (ii) paying interest on the loan; and

107 (i) other terms and conditions the governing body determines applicable.

108 (3) The term and repayment schedule specified under Subsection (2)(e) may not exceed
109 10 years.

110 (4) (a) In determining the interest rate of the loan specified under Subsection (2)(f), the
111 governing body shall apply an interest rate that reflects the rate of potential gain had the funds
112 been deposited or invested in a comparable investment.

113 (b) Notwithstanding Subsection (4)(a), the interest rate of the loan specified under
114 Subsection (2)(f):

115 (i) if the term of the loan under Subsection (2)(e) is one year or less, may not be less
116 than the rate offered by the Public Treasurers' Investment Fund [~~that was created for public~~
117 ~~funds transferred to the state treasurer in accordance with Section 51-7-5]~~ as defined in Section
118 51-7-3; or

119 (ii) if the term of the loan under Subsection (2)(e) is more than one year, may not be
120 less than the greater of the rate offered by:

121 (A) the Public Treasurers' Investment Fund [~~that was created for public funds~~
122 ~~transferred to the state treasurer in accordance with Section 51-7-5]~~ as defined in Section
123 51-7-3; or

124 (B) a United States Treasury note of a comparable term.

- 125 (5) (a) For an interfund loan under Subsection (1)(a), the governing body shall:
- 126 (i) hold a public hearing;
- 127 (ii) prepare a written notice of the date, time, place, and purpose of the hearing, and the
- 128 proposed terms and conditions of the interfund loan under Subsection (2);
- 129 (iii) provide notice of the public hearing in the same manner as required under Section
- 130 10-6-113 as if the hearing were a budget hearing; and
- 131 (iv) authorize the interfund loan by ordinance or resolution in a public meeting.
- 132 (b) The notice and hearing requirements in Subsection (5)(a) are satisfied if the
- 133 interfund loan is included in an original budget or in a subsequent budget amendment
- 134 previously approved by the governing body for the current fiscal year.
- 135 (6) Subsections (2) through (5) do not apply to an interfund loan if the interfund loan
- 136 is:
- 137 (a) a loan from the city general fund to any other fund of the city; or
- 138 (b) a short-term advance from the city's cash and investment pool to individual funds
- 139 that are repaid by the end of the fiscal year.
- 140 Section 3. Section **11-13-523** is amended to read:
- 141 **11-13-523. Loans by one fund to another.**
- 142 (1) Subject to this section, restrictions imposed by bond covenants, restrictions in
- 143 Section 53-2a-605, or other controlling regulations, the governing board of an interlocal entity
- 144 may authorize an interfund loan from one fund to another.
- 145 (2) An interfund loan under Subsection (1) shall be in writing and specify the terms
- 146 and conditions of the loan, including the:
- 147 (a) effective date of the loan;
- 148 (b) name of the fund loaning the money;
- 149 (c) name of the fund receiving the money;
- 150 (d) amount of the loan;
- 151 (e) subject to Subsection (3), term of and repayment schedule for the loan;
- 152 (f) subject to Subsection (4), interest rate of the loan;
- 153 (g) method of calculating interest applicable to the loan;
- 154 (h) procedures for:
- 155 (i) applying interest to the loan; and

- 156 (ii) paying interest on the loan; and
- 157 (i) other terms and conditions the governing board determines applicable.
- 158 (3) The term and repayment schedule specified under Subsection (2)(e) may not exceed
- 159 10 years.
- 160 (4) (a) In determining the interest rate of the loan specified under Subsection (2)(f), the
- 161 governing board shall apply an interest rate that reflects the rate of potential gain had the funds
- 162 been deposited or invested in a comparable investment.
- 163 (b) Notwithstanding Subsection (4)(a), the interest rate of the loan specified under
- 164 Subsection (2)(f):
- 165 (i) if the term of the loan under Subsection (2)(e) is one year or less, may not be less
- 166 than the rate offered by the Public Treasurers' Investment Fund [~~that was created for public~~
- 167 ~~funds transferred to the state treasurer in accordance with Section 51-7-5]~~ as defined in Section
- 168 51-7-3; or
- 169 (ii) if the term of the loan under Subsection (2)(e) is more than one year, may not be
- 170 less than the greater of the rate offered by:
- 171 (A) the Public Treasurers' Investment Fund [~~that was created for public funds~~
- 172 ~~transferred to the state treasurer in accordance with Section 51-7-5]~~ as defined in Section
- 173 51-7-3; or
- 174 (B) a United States Treasury note of a comparable term.
- 175 (5) (a) For an interfund loan under Subsection (1), the governing board shall:
- 176 (i) hold a public hearing;
- 177 (ii) prepare a written notice of the date, time, place, and purpose of the hearing, and the
- 178 proposed terms and conditions of the interfund loan under Subsection (2);
- 179 (iii) provide notice of the public hearing in the same manner as required under Section
- 180 11-13-509 as if the hearing were a budget hearing; and
- 181 (iv) authorize the interfund loan by resolution in a public meeting.
- 182 (b) The notice and hearing requirements in Subsection (5)(a) are satisfied if the
- 183 interfund loan is included in an original budget or in a subsequent budget amendment
- 184 previously approved by the governing board for the current fiscal year.
- 185 (6) Subsections (2) through (5) do not apply to an interfund loan if the interfund loan
- 186 is:

187 (a) a loan from the interlocal entity general fund to any other fund of the interlocal
188 entity; or

189 (b) a short-term advance from the interlocal entity's cash and investment pool to an
190 individual fund that is repaid by the end of the fiscal year.

191 Section 4. Section **17-36-30** is amended to read:

192 **17-36-30. Interfund loans -- Acquisition of issued unmatured bonds.**

193 (1) Subject to this section, restrictions imposed by bond covenants, or other controlling
194 regulations, the governing body may:

195 (a) subject to the restrictions in Section 53-2a-605, authorize an interfund loan from
196 one fund to another; and

197 (b) with available cash in any fund, purchase or otherwise acquire for investment an
198 unmatured bond of the county or of any county fund.

199 (2) An interfund loan under Subsection (1)(a) shall be in writing and specify the terms
200 and conditions of the loan, including the:

201 (a) effective date of the loan;

202 (b) name of the fund loaning the money;

203 (c) name of the fund receiving the money;

204 (d) amount of the loan;

205 (e) subject to Subsection (3), term of and repayment schedule for the loan;

206 (f) subject to Subsection (4), interest rate of the loan;

207 (g) method of calculating interest applicable to the loan;

208 (h) procedures for:

209 (i) applying interest to the loan; and

210 (ii) paying interest on the loan; and

211 (i) other terms and conditions the governing body determines applicable.

212 (3) The term and repayment schedule specified under Subsection (2)(e) may not exceed
213 10 years.

214 (4) (a) In determining the interest rate of the loan specified under Subsection (2)(f), the
215 governing body shall apply an interest rate that reflects the rate of potential gain had the funds
216 been deposited or invested in a comparable investment.

217 (b) Notwithstanding Subsection (4)(a), the interest rate of the loan specified under

218 Subsection (2)(f):

219 (i) if the term of the loan under Subsection (2)(e) is one year or less, may not be less
220 than the rate offered by the Public Treasurers' Investment Fund [~~that was created for public~~
221 ~~funds transferred to the state treasurer in accordance with Section 51-7-5]~~ as defined in Section
222 51-7-3; or

223 (ii) if the term of the loan under Subsection (2)(e) is more than one year, may not be
224 less than the greater of the rate offered by:

225 (A) the Public Treasurers' Investment Fund [~~that was created for public funds~~
226 ~~transferred to the state treasurer in accordance with Section 51-7-5]~~ as defined in Section
227 51-7-3; or

228 (B) a United States Treasury note of a comparable term.

229 (5) (a) For an interfund loan under Subsection (1)(a), the governing body shall:

230 (i) hold a public hearing;

231 (ii) prepare a written notice of the date, time, place, and purpose of the hearing, and the
232 proposed terms and conditions of the interfund loan under Subsection (2);

233 (iii) provide notice of the public hearing in the same manner as required under Section
234 17-36-12 as if the hearing were a budget hearing; and

235 (iv) authorize the interfund loan by ordinance or resolution in a public meeting.

236 (b) The notice and hearing requirements in Subsection (5)(a) are satisfied if the
237 interfund loan is included in an original budget or in a subsequent budget amendment
238 previously approved by the governing body for the current fiscal year.

239 (6) Subsections (2) through (5) do not apply to an interfund loan if the interfund loan
240 is:

241 (a) a loan from the county general fund to any other fund of the county; or

242 (b) a short-term advance from the county's cash and investment pool to individual
243 funds that are repaid by the end of the fiscal year.

244 Section 5. Section **17-36-52** is amended to read:

245 **17-36-52. Tax stability and trust fund -- Deposit or investment of funds -- Use of**
246 **interest or other income.**

247 (1) (a) All amounts in the tax stability and trust fund established by a county under
248 Section 17-36-51 may be deposited or invested as provided in Section 51-7-11.

249 (b) The amounts described in Subsection (1)(a) may also be transferred by the county
250 treasurer to the [~~state treasurer under Section 51-7-5~~] Public Treasurers' Investment Fund, as
251 defined in Section 51-7-3, for the treasurer's management and control under Title 51, Chapter
252 7, State Money Management Act.

253 (2) (a) The interest or other income realized from amounts in the tax stability and trust
254 fund shall be returned to the county general fund during the fiscal year in which the income or
255 interest is paid to the extent the interest or income is required by the county to provide for its
256 purposes during that fiscal year.

257 (b) An amount returned in accordance with Subsection (2)(a) may be used for all
258 purposes as other amounts in the county general fund.

259 (c) Any interest or income that is not returned to the county general fund in accordance
260 with Subsection (2)(a) shall be added to the principal of that county's tax stability and trust
261 fund.

262 Section 6. Section **17B-1-626** is amended to read:

263 **17B-1-626. Loans by one fund to another.**

264 (1) Subject to this section, restrictions imposed by bond covenants, restrictions in
265 Section 53-2a-605, or other controlling regulations, the board of trustees of a special district
266 may authorize an interfund loan from one fund to another.

267 (2) An interfund loan under Subsection (1) shall be in writing and specify the terms
268 and conditions of the loan, including the:

269 (a) effective date of the loan;

270 (b) name of the fund loaning the money;

271 (c) name of the fund receiving the money;

272 (d) amount of the loan;

273 (e) subject to Subsection (3), term of and repayment schedule for the loan;

274 (f) subject to Subsection (4), interest rate of the loan;

275 (g) method of calculating interest applicable to the loan;

276 (h) procedures for:

277 (i) applying interest to the loan; and

278 (ii) paying interest on the loan; and

279 (i) other terms and conditions the board of trustees determines applicable.

280 (3) The term and repayment schedule specified under Subsection (2)(e) may not exceed
281 10 years.

282 (4) (a) In determining the interest rate of the loan specified under Subsection (2)(f), the
283 board of trustees shall apply an interest rate that reflects the rate of potential gain had the funds
284 been deposited or invested in a comparable investment.

285 (b) Notwithstanding Subsection (4)(a), the interest rate of the loan specified under
286 Subsection (2)(f):

287 (i) if the term of the loan under Subsection (2)(e) is one year or less, may not be less
288 than the rate offered by the Public Treasurers' Investment Fund [~~that was created for public~~
289 ~~funds transferred to the state treasurer in accordance with Section 51-7-5]~~ as defined in Section
290 51-7-3; or

291 (ii) if the term of the loan under Subsection (2)(e) is more than one year, may not be
292 less than the greater of the rate offered by:

293 (A) the Public Treasurers' Investment Fund [~~that was created for public funds~~
294 ~~transferred to the state treasurer in accordance with Section 51-7-5]~~ as defined in Section
295 51-7-3; or

296 (B) a United States Treasury note of a comparable term.

297 (5) (a) For an interfund loan under Subsection (1), the board of trustees shall:

298 (i) hold a public hearing;

299 (ii) prepare a written notice of the date, time, place, and purpose of the hearing, and the
300 proposed terms and conditions of the interfund loan under Subsection (2);

301 (iii) provide notice of the public hearing in the same manner as required under Section
302 17B-1-609 as if the hearing were a budget hearing; and

303 (iv) authorize the interfund loan by resolution in a public meeting.

304 (b) The notice and hearing requirements in Subsection (5)(a) are satisfied if the
305 interfund loan is included in an original budget or in a subsequent budget amendment
306 previously approved by the board of trustees for the current fiscal year.

307 (6) Subsections (2) through (5) do not apply to an interfund loan if the interfund loan
308 is:

309 (a) a loan from the special district general fund to any other fund of the special district;

310 or

311 (b) a short-term advance from the special district's cash and investment pool to
312 individual funds that are repaid by the end of the fiscal year.

313 Section 7. Section **51-7-3** is amended to read:

314 **51-7-3. Definitions.**

315 As used in this chapter:

316 (1) "Agent" means [~~"agent" as~~] the same as that term is defined in Section 61-1-13.

317 (2) "Certified dealer" means:

318 (a) a primary reporting dealer recognized by the Federal Reserve Bank of New York
319 who is certified by the director as having met the applicable criteria of council rule; or

320 (b) a broker dealer who:

321 (i) has and maintains an office and a resident registered principal in the state;

322 (ii) meets the capital requirements established by council rules;

323 (iii) meets the requirements for good standing established by council rule; and

324 (iv) is certified by the director as meeting quality criteria established by council rule.

325 (3) "Certified investment adviser" means a federal covered adviser, as defined in
326 Section 61-1-13, or an investment adviser, as defined in Section 61-1-13, who is certified by
327 the director as having met the applicable criteria of council rule.

328 (4) "Commissioner" means the commissioner of financial institutions.

329 (5) "Council" means the State Money Management Council created by Section
330 51-7-16.

331 (6) "Covered bond" means a publicly placed debt security issued by a bank, other
332 regulated financial institution, or a subsidiary of either that is secured by a pool of loans that
333 remain on the balance sheet of the issuer or its subsidiary.

334 (7) "Director" means the director of the Utah State Division of Securities of the
335 Department of Commerce.

336 (8) (a) "Endowment funds" means gifts, devises, or bequests of property of any kind
337 donated to a higher education institution from any source.

338 (b) "Endowment funds" does not mean money used for the general operation of a
339 higher education institution that is received by the higher education institution from:

340 (i) state appropriations;

341 (ii) federal contracts;

342 (iii) federal grants;

343 (iv) private research grants; and

344 (v) tuition and fees collected from students.

345 (9) "First tier commercial paper" means commercial paper rated by at least two
346 nationally recognized statistical rating organizations in the highest short-term rating category.

347 (10) "Funds functioning as endowments" means funds, regardless of source, whose
348 corpus is intended to be held in perpetuity by formal institutional designation according to the
349 institution's policy for designating those funds.

350 (11) "GASB" or "Governmental Accounting Standards Board" means the
351 Governmental Accounting Standards Board that is responsible for accounting standards used
352 by public entities.

353 (12) "Hard put" means an unconditional sell-back provision or a redemption provision
354 applicable at issue to a note or bond, allowing holders to sell their holdings back to the issuer
355 or to an equal or higher-rated third party provider at specific intervals and specific prices
356 determined at the time of issuance.

357 (13) "Higher education institution" means the institutions specified in Section
358 53B-1-102.

359 (14) "Investment adviser representative" [~~is as defined~~] means the same as that term is
360 defined in Section 61-1-13.

361 (15) (a) "Investment agreement" means any written agreement that has specifically
362 negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate.

363 (b) "Investment agreement" includes any agreement to supply investments on one or
364 more future dates.

365 (16) "Local government" means a county, municipality, school district, special district
366 under Title 17B, Limited Purpose Local Government Entities - Special Districts, special
367 service district under Title 17D, Chapter 1, Special Service District Act, or any other political
368 subdivision of the state.

369 (17) "Market value" means market value as defined in the Master Repurchase
370 Agreement.

371 (18) "Master Repurchase Agreement" means the current standard Master Repurchase
372 Agreement approved by the Public Securities Association or by any successor organization.

373 (19) "Maximum amount" means, with respect to qualified depositories, the total
374 amount of:

375 (a) deposits in excess of the federal deposit insurance limit; and

376 (b) nonqualifying repurchase agreements.

377 (20) "Money market mutual fund" means an open-end managed investment fund:

378 (a) that complies with the diversification, quality, and maturity requirements of Rule
379 2a-7 or any successor rule of the Securities and Exchange Commission applicable to money
380 market mutual funds; and

381 (b) that assesses no sales load on the purchase of shares and no contingent deferred
382 sales charge or other similar charges, however designated.

383 (21) "Nationally recognized statistical rating organization" means an organization that
384 has been designated as a nationally recognized statistical rating organization by the Securities
385 and Exchange Commission's Division of Market Regulation.

386 (22) "Nonqualifying repurchase agreement" means a repurchase agreement evidencing
387 indebtedness of a qualified depository arising from the transfer of obligations of the United
388 States Treasury or other authorized investments to public treasurers that is:

389 (a) evidenced by a safekeeping receipt issued by the qualified depository;

390 (b) included in the depository's maximum amount of public funds; and

391 (c) valued and maintained at market value plus an appropriate margin collateral
392 requirement based upon the term of the agreement and the type of securities acquired.

393 (23) "Operating funds" means current balances and other funds that are to be disbursed
394 for operation of the state government or any of its boards, commissions, institutions,
395 departments, divisions, agencies, or other similar instrumentalities, or any county, city, school
396 district, political subdivision, or other public body.

397 (24) "Permanent funds" means funds whose principal may not be expended, the
398 earnings from which are to be used for purposes designated by law.

399 (25) "Permitted depository" means any out-of-state financial institution that meets
400 quality criteria established by rule of the council.

401 (26) "Public funds" means money, funds, and accounts, regardless of the source from
402 which the money, funds, and accounts are derived, that are owned, held, or administered by the
403 state or any of its boards, commissions, institutions, departments, divisions, agencies, bureaus,

404 laboratories, or other similar instrumentalities, or any county, city, school district, political
405 subdivision, or other public body.

406 (27) (a) "Public money" means "public funds."

407 (b) "Public money," as used in Article VII, Sec. 15, Utah Constitution, means the same
408 as "state funds."

409 (28) "Public treasurer" includes the state treasurer and the official of any state board,
410 commission, institution, department, division, agency, or other similar instrumentality, or of
411 any county, city, school district, charter school, political subdivision, or other public body who
412 has the responsibility for the safekeeping and investment of any public funds.

413 (29) "Public Treasurers' Investment Fund" means the public fund created for any public
414 funds transferred by a public treasurer to the state treasurer in accordance with Section 51-7-5.

415 ~~[(29)]~~ (30) "Qualified depository" means a Utah depository institution or an
416 out-of-state depository institution, as those terms are defined in Section 7-1-103, that is
417 authorized to conduct business in this state under Section 7-1-702 or Title 7, Chapter 19,
418 Acquisition of Failing Depository Institutions or Holding Companies, whose deposits are
419 insured by an agency of the federal government and that has been certified by the commissioner
420 of financial institutions as having met the requirements established under this chapter and the
421 rules of the council to be eligible to receive deposits of public funds.

422 ~~[(30)]~~ (31) "Qualifying repurchase agreement" means a repurchase agreement
423 evidencing indebtedness of a financial institution or government securities dealer acting as
424 principal arising from the transfer of obligations of the United States Treasury or other
425 authorized investments to public treasurers only if purchased securities are:

426 (a) delivered to the public treasurer's safekeeping agent or custodian as contemplated
427 by Section 7 of the Master Repurchase Agreement; and

428 (b) valued and maintained at market value plus an appropriate margin collateral
429 requirement based upon the term of the agreement and the type of securities acquired.

430 ~~[(31)]~~ (32) "Reciprocal deposits" means deposits that are initially deposited into a
431 qualified depository and are then redeposited through a deposit account registry service:

432 (a) in one or more FDIC-insured depository institutions in amounts up to the relevant
433 FDIC-insured deposit limit for a depositor in each depository institution; and

434 (b) in exchange for reciprocal FDIC-insured deposits made through the deposit account

435 registry service to the qualified depository.

436 [(32)] (33) "Securities division" means Utah's Division of Securities created within the
437 Department of Commerce by Section 13-1-2.

438 [(33)] (34) "State funds" means:

439 (a) public money raised by operation of law for the support and operation of the state
440 government; and

441 (b) all other money, funds, and accounts, regardless of the source from which the
442 money, funds, or accounts are derived, that are owned, held, or administered by the state or any
443 of its boards, commissions, institutions, departments, divisions, agencies, bureaus, laboratories,
444 or other similar instrumentalities.

445 Section 8. Section 51-7-5 is amended to read:

446 **51-7-5. Public Treasurers' Investment Fund -- Transfer of public funds not**
447 **otherwise required to be transferred to state treasurer -- Duties of public treasurers --**
448 **Withdrawals of transferred funds -- Reporting.**

449 (1) Any public funds as to which the deposit, investment, or reinvestment is not
450 transferred to the state treasurer by Section 51-7-4, may be transferred to the [state treasurer]
451 Public Treasurers' Investment Fund by the public treasurer having responsibility for the control
452 or management of these public funds.

453 (2) Notwithstanding the transfer, the public treasurer shall retain sufficient funds to
454 cover the cash requirements of the body owning or having control or management of these
455 funds and shall continue to be responsible for the proper collection, deposit, and disbursement
456 of these funds in the manner provided by law.

457 (3) The public funds transferred or placed under the control or supervision of the state
458 treasurer under this section are subject to all applicable provisions of this chapter and are under
459 the jurisdiction of the state treasurer until the public treasurer withdraws these public funds
460 from the state treasurer.

461 (4) Withdrawals may be made from time to time on such reasonable notice as the state
462 treasurer may prescribe.

463 (5) The public treasurer may withdraw all or any part of the public funds originally
464 transferred to the state treasurer, subject to any rules as to the maximum amounts which may be
465 withdrawn at any one time as the state treasurer may reasonably prescribe.

466 (6) On or before October 31 of each calendar year, the state treasurer shall report to the
467 Political Subdivisions Interim Committee the current balance as of June 30 for each entity that
468 has transferred money to the Public Treasurers' Investment Fund.

469 Section 9. Section **51-7-6** is amended to read:

470 **51-7-6. Public Treasurers' Investment Fund -- Calculation of shares of**
471 **participating funds -- Allocations of income to participating funds.**

472 (1) The share of public funds of each participating public treasurer who has transferred
473 public funds to the [~~state treasurer for investment under Section 51-7-5~~] Public Treasurers'
474 Investment Fund, including trust funds invested by the state treasurer under this chapter, shall
475 be calculated not less than quarterly.

476 (2) Income from investment of these public funds by the state treasurer, including gains
477 or losses from the sale or exchange of investments or other properties, and net of investment
478 fees and other charges assessed according to the schedule established by the state treasurer,
479 shall be allocated to each participating fund on the ratio of each fund's share to the total public
480 funds in the custody of the state treasurer determined on the basis of the average daily balance
481 of each fund.

482 Section 10. Section **53-2a-605** is amended to read:

483 **53-2a-605. Local government disaster funds.**

484 (1) (a) Subject to this section and notwithstanding anything to the contrary contained in
485 Title 10, Utah Municipal Code, or Title 17, Counties, Title 17B, Limited Purpose Local
486 Government Entities - Special Districts, or Title 17D, Chapter 1, Special Service District Act,
487 the governing body of a local government may create and maintain by ordinance a special fund
488 known as a local government disaster fund.

489 (b) The local fund shall consist of:

490 (i) subject to the limitations of this section, money transferred to it in accordance with
491 Subsection (2);

492 (ii) any other public or private money received by the local government that is:

493 (A) given to the local government for purposes consistent with this section; and

494 (B) deposited into the local fund at the request of:

495 (I) the governing body of the local government; or

496 (II) the person giving the money; and

- 497 (iii) interest or income realized from the local fund.
- 498 (c) Interest or income realized from the local fund shall be deposited into the local
499 fund.
- 500 (d) Money in a local fund may be:
- 501 (i) deposited or invested as provided in Section 51-7-11; or
- 502 (ii) transferred by the local government treasurer to the ~~[state treasurer under Section~~
503 ~~51-7-5 for the state treasurer's management and control under Title 51, Chapter 7, State Money~~
504 ~~Management Act]~~ Public Treasurers' Investment Fund as defined in Section 51-7-3.
- 505 (e) (i) The money in a local fund may accumulate from year to year until the local
506 government governing body determines to spend any money in the local fund for one or more
507 of the purposes specified in Subsection (3).
- 508 (ii) Money in a local fund at the end of a fiscal year:
- 509 (A) shall remain in the local fund for future use; and
- 510 (B) may not be transferred to any other fund or used for any other purpose.
- 511 (2) The amounts transferred to a local fund may not exceed 10% of the total estimated
512 revenues of the local government for the current fiscal period that are not restricted or
513 otherwise obligated.
- 514 (3) Money in the fund may only be used to fund the services and activities of the local
515 government creating the local fund in response to:
- 516 (a) a declared disaster within the boundaries of the local government;
- 517 (b) the aftermath of the disaster that gave rise to a declared disaster within the
518 boundaries of the local government; and
- 519 (c) subject to Subsection (5), emergency preparedness.
- 520 (4) (a) A local fund is subject to this part and:
- 521 (i) in the case of a town, Title 10, Chapter 5, Uniform Fiscal Procedures Act for Utah
522 Towns, except that:
- 523 (A) in addition to the funds listed in Section 10-5-106, the mayor shall prepare a
524 budget for the local fund;
- 525 (B) Section 10-5-119 addressing termination of special funds does not apply to a local
526 fund; and
- 527 (C) the council of the town may not authorize an interfund loan under Section

528 10-5-120 from the local fund;

529 (ii) in the case of a city, Title 10, Chapter 6, Uniform Fiscal Procedures Act for Utah

530 Cities, except that:

531 (A) in addition to the funds listed in Section 10-6-109, the mayor shall prepare a

532 budget for the local fund;

533 (B) Section 10-6-131 addressing termination of special funds does not apply to a local

534 fund; and

535 (C) the governing body of the city may not authorize an interfund loan under Section

536 10-6-132 from the local fund; ~~and~~

537 (iii) in the case of a county, Title 17, Chapter 36, Uniform Fiscal Procedures Act for

538 Counties, except that:

539 (A) Section 17-36-29 addressing termination of special funds does not apply to a local

540 fund; and

541 (B) the governing body of the county may not authorize an interfund loan under

542 Section 17-36-30 from the local fund;

543 (iv) in the case of a special district or special service district, Title 17B, Chapter 1, Part

544 6, Fiscal Procedures for Special Districts, except that:

545 (A) Section 17B-1-625, addressing termination of a special fund, does not apply to a

546 local fund; and

547 (B) the governing body of the special district or special service district may not

548 authorize an interfund loan under Section 17B-1-626 from the local fund; and

549 (v) in the case of an interlocal entity, Title 11, Chapter 13, Part 5, Fiscal Procedures for

550 Interlocal Entities, except for the following provisions:

551 (A) Section 11-13-522 addressing termination of a special fund does not apply to a

552 local fund; and

553 (B) the governing board of the interlocal entity may not authorize an interfund loan

554 under Section 11-13-523 from the local fund.

555 (b) Notwithstanding Subsection (4)(a), transfers of money to a local fund or the

556 accumulation of money in a local fund do not affect any limits on fund balances, net assets, or

557 the accumulation of retained earnings in any of the following of a local government:

558 (i) a general fund;

- 559 (ii) an enterprise fund;
560 (iii) an internal service fund; or
561 (iv) any other fund.

562 (5) (a) A local government may not expend during a fiscal year more than 10% of the
563 money budgeted to be deposited into a local fund during that fiscal year for emergency
564 preparedness.

565 (b) The amount described in Subsection (5)(a) shall be determined before the adoption
566 of the tentative budget.

567 Section 11. Section **59-2-1330** is amended to read:

568 **59-2-1330. Payment of property taxes -- Payments to taxpayer by state or taxing**
569 **entity -- Refund of penalties paid by taxpayer -- Refund of interest paid by taxpayer --**
570 **Payment of interest to taxpayer -- Judgment levy -- Objections to assessments by the**
571 **commission -- Time periods for making payments to taxpayer.**

572 (1) Unless otherwise specifically provided by statute, property taxes shall be paid
573 directly to the county assessor or the county treasurer:

- 574 (a) on the date that the property taxes are due; and
575 (b) as provided in this chapter.

576 (2) A taxpayer shall receive payment as provided in this section if a reduction in the
577 amount of any tax levied against any property for which the taxpayer paid a tax or any portion
578 of a tax under this chapter for a calendar year is required by a final and unappealable judgment
579 or order described in Subsection (3) issued by:

- 580 (a) a county board of equalization;
581 (b) the commission; or
582 (c) a court of competent jurisdiction.

583 (3) (a) For purposes of Subsection (2), the state or any taxing entity that has received
584 property taxes or any portion of property taxes from a taxpayer described in Subsection (2)
585 shall pay the taxpayer if:

586 (i) the taxes the taxpayer paid in accordance with Subsection (2) are collected by an
587 authorized officer of the:

- 588 (A) county; or
589 (B) state; and

- 590 (ii) the taxpayer obtains a final and unappealable judgment or order:
591 (A) from:
592 (I) a county board of equalization;
593 (II) the commission; or
594 (III) a court of competent jurisdiction;
595 (B) against:
596 (I) the taxing entity or an authorized officer of the taxing entity; or
597 (II) the state or an authorized officer of the state; and
598 (C) ordering a reduction in the amount of any tax levied against any property for which
599 a taxpayer paid a tax or any portion of a tax under this chapter for the calendar year.
600 (b) The amount that the state or a taxing entity shall pay a taxpayer shall be determined
601 in accordance with Subsections (4) through (7).
602 (4) For purposes of Subsections (2) and (3), the amount the state shall pay to a taxpayer
603 is equal to the sum of:
604 (a) if the difference described in this Subsection (4)(a) is greater than \$0, the difference
605 between:
606 (i) the tax the taxpayer paid to the state in accordance with Subsection (2); and
607 (ii) the amount of the taxpayer's tax liability to the state after the reduction in the
608 amount of tax levied against the property in accordance with the final and unappealable
609 judgment or order described in Subsection (3);
610 (b) if the difference described in this Subsection (4)(b) is greater than \$0, the difference
611 between:
612 (i) any penalties the taxpayer paid to the state in accordance with Section 59-2-1331;
613 and
614 (ii) the amount of penalties the taxpayer is liable to pay to the state in accordance with
615 Section 59-2-1331 after the reduction in the amount of tax levied against the property in
616 accordance with the final and unappealable judgment or order described in Subsection (3);
617 (c) as provided in Subsection (6)(a), interest the taxpayer paid in accordance with
618 Section 59-2-1331 on the amounts described in Subsections (4)(a) and (4)(b); and
619 (d) as provided in Subsection (6)(b), interest on the sum of the amounts described in:
620 (i) Subsection (4)(a);

- 621 (ii) Subsection (4)(b); and
- 622 (iii) Subsection (4)(c).
- 623 (5) For purposes of Subsections (2) and (3), the amount a taxing entity shall pay to a
- 624 taxpayer is equal to the sum of:
- 625 (a) if the difference described in this Subsection (5)(a) is greater than \$0, the difference
- 626 between:
- 627 (i) the tax the taxpayer paid to the taxing entity in accordance with Subsection (2); and
- 628 (ii) the amount of the taxpayer's tax liability to the taxing entity after the reduction in
- 629 the amount of tax levied against the property in accordance with the final and unappealable
- 630 judgment or order described in Subsection (3);
- 631 (b) if the difference described in this Subsection (5)(b) is greater than \$0, the difference
- 632 between:
- 633 (i) any penalties the taxpayer paid to the taxing entity in accordance with Section
- 634 59-2-1331; and
- 635 (ii) the amount of penalties the taxpayer is liable to pay to the taxing entity in
- 636 accordance with Section 59-2-1331 after the reduction in the amount of tax levied against the
- 637 property in accordance with the final and unappealable judgment or order described in
- 638 Subsection (3);
- 639 (c) as provided in Subsection (6)(a), interest the taxpayer paid in accordance with
- 640 Section 59-2-1331 on the amounts described in Subsections (5)(a) and (5)(b); and
- 641 (d) as provided in Subsection (6)(b), interest on the sum of the amounts described in:
- 642 (i) Subsection (5)(a);
- 643 (ii) Subsection (5)(b); and
- 644 (iii) Subsection (5)(c).
- 645 (6) Except as provided in Subsection (7):
- 646 (a) interest shall be refunded to a taxpayer on the amount described in Subsection
- 647 (4)(c) or (5)(c) in an amount equal to the amount of interest the taxpayer paid in accordance
- 648 with Section 59-2-1331; and
- 649 (b) interest shall be paid to a taxpayer on the amount described in Subsection (4)(d) or
- 650 (5)(d):
- 651 (i) beginning on the later of:

652 (A) the day on which the taxpayer paid the tax in accordance with Subsection (2); or
653 (B) January 1 of the calendar year immediately following the calendar year for which

654 the tax was due;

655 (ii) ending on the day on which the state or a taxing entity pays to the taxpayer the
656 amount required by Subsection (4) or (5); and

657 (iii) at the interest rate earned by the state treasurer on public funds transferred to the
658 [~~state treasurer in accordance with Section 51-7-5~~] Public Treasurers' Investment Fund as
659 defined in Section 51-7-3.

660 (7) Notwithstanding Subsection (6):

661 (a) the state may not pay or refund interest to a taxpayer under Subsection (6) on any
662 tax the taxpayer paid in accordance with Subsection (2) that exceeds the amount of tax levied
663 by the state for that calendar year as stated on the notice required by Section 59-2-1317; and

664 (b) a taxing entity may not pay or refund interest to a taxpayer under Subsection (6) on
665 any tax the taxpayer paid in accordance with Subsection (2) that exceeds the amount of tax
666 levied by the taxing entity for that calendar year as stated on the notice required by Section
667 59-2-1317.

668 (8) (a) Each taxing entity may levy a tax to pay its share of the final and unappealable
669 judgment or order described in Subsection (3) if:

670 (i) the final and unappealable judgment or order is issued no later than 15 days prior to
671 the date the certified tax rate is set under Section 59-2-924;

672 (ii) the amount of the judgment levy is included on the notice under Section
673 59-2-919.1; and

674 (iii) the final and unappealable judgment or order is an eligible judgment, as defined in
675 Section 59-2-102.

676 (b) The levy under Subsection (8)(a) is in addition to, and exempt from, the maximum
677 levy established for the taxing entity.

678 (9) (a) A taxpayer that objects to the assessment of property assessed by the
679 commission shall pay, on or before the property tax due date established under Subsection
680 59-2-1331(1) or Section 59-2-1332, the full amount of taxes stated on the notice required by
681 Section 59-2-1317 if:

682 (i) the taxpayer has applied to the commission for a hearing in accordance with Section

683 59-2-1007 on the objection to the assessment; and

684 (ii) the commission has not issued a written decision on the objection to the assessment
685 in accordance with Section 59-2-1007.

686 (b) A taxpayer that pays the full amount of taxes due under Subsection (9)(a) is not
687 required to pay penalties or interest on an assessment described in Subsection (9)(a) unless:

688 (i) a final and unappealable judgment or order establishing that the property described
689 in Subsection (9)(a) has a value greater than the value stated on the notice required by Section
690 59-2-1317 is issued by:

691 (A) the commission; or

692 (B) a court of competent jurisdiction; and

693 (ii) the taxpayer fails to pay the additional tax liability resulting from the final and
694 unappealable judgment or order described in Subsection (9)(b)(i) within a 45-day period after
695 the county bills the taxpayer for the additional tax liability.

696 (10) (a) Except as provided in Subsection (10)(b), a payment that is required by this
697 section shall be paid to a taxpayer:

698 (i) within 60 days after the day on which the final and unappealable judgment or order
699 is issued in accordance with Subsection (3); or

700 (ii) if a judgment levy is imposed in accordance with Subsection (8):

701 (A) if the payment to the taxpayer required by this section is \$5,000 or more, no later
702 than December 31 of the year in which the judgment levy is imposed; and

703 (B) if the payment to the taxpayer required by this section is less than \$5,000, within
704 60 days after the date the final and unappealable judgment or order is issued in accordance with
705 Subsection (3).

706 (b) Notwithstanding Subsection (10)(a), a taxpayer may enter into an agreement:

707 (i) that establishes a time period other than a time period described in Subsection
708 (10)(a) for making a payment to the taxpayer that is required by this section; and

709 (ii) with:

710 (A) an authorized officer of a taxing entity for a tax imposed by a taxing entity; or

711 (B) an authorized officer of the state for a tax imposed by the state.

712 Section 12. **Effective date.**

713 This bill takes effect on May 1, 2024.

