

**Nonprofit Entities Amendments**

2025 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Ronald M. Winterton**

House Sponsor: Bridger Bolinder

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**LONG TITLE**

**General Description:**

This bill amends provisions relating to nonprofit entities.

**Highlighted Provisions:**

This bill:

- modifies the definition of "governmental nonprofit corporation" to exclude the Utah Association of Special Districts;
- clarifies that a private nonprofit organization that is not a public employees' association is not required to post employee compensation information online; and
- requires a governmental nonprofit corporation to post financial information on the Utah Public Finance Website.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**11-13a-102**, as last amended by Laws of Utah 2024, Chapter 438

**67-3-12**, as last amended by Laws of Utah 2023, Chapters 16, 502

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

Section 1. Section **11-13a-102** is amended to read:

**11-13a-102 . Definitions.**

As used in this chapter:

- (1) "Controlling interest" means that one or more governmental entities collectively represent a majority of the board's voting power as outlined in the nonprofit

corporation's governing documents.

(2)(a) "Governing board" means the body that governs a governmental nonprofit corporation.

(b) "Governing board" includes a board of directors.

(3) "Governmental entity" means the state, a county, a municipality, a special district, a special service district, a school district, a state institution of higher education, or any other political subdivision or administrative unit of the state.

(4)(a) "Governmental nonprofit corporation" means:

(i) a nonprofit corporation that is wholly owned or wholly controlled by one or more governmental entities, unless the nonprofit corporation receives no operating funding or other financial support from any governmental entity; or

(ii) a nonprofit corporation in which one or more governmental entities exercise a controlling interest and:

(A) that exercises taxing authority;

(B) that imposes a mandatory fee for association or participation with the nonprofit corporation where that association or participation is mandated by law; or

(C) that receives a majority of the nonprofit corporation's operating funding from one or more governmental entities under the nonprofit corporation's governing documents, except where voluntary membership fees, dues, or assessments compose the operating funding.

(b) "Governmental nonprofit corporation" does not include[-] :

(i) a water company, as that term is defined in Section 16-4-102, unless the water company is wholly owned by one or more governmental entities[-] ; or

(ii) the Utah Association of Special Districts.

(5) "Municipality" means a city or town.

Section 2. Section **67-3-12** is amended to read:

**67-3-12 . Utah Public Finance Website -- Establishment and administration --  
Records disclosure -- Exceptions.**

(1) As used in this section:

(a)(i) Subject to Subsections (1)(a)(ii) and (iii), "independent entity" means the same as that term is defined in Section 63E-1-102.

(ii) "Independent entity" includes an entity that is part of an independent entity described in Subsection (1)(a)(i), if the entity is considered a component unit of

- 63 the independent entity under the governmental accounting standards issued by the  
64 Governmental Accounting Standards Board.
- 65 (iii) "Independent entity" does not include the Utah State Retirement Office created  
66 in Section 49-11-201.
- 67 (b) "Local education agency" means a school district or charter school.
- 68 (c) "Participating local entity" means:
- 69 (i) a county;
- 70 (ii) a municipality;
- 71 (iii) the State Fair Park Authority, created in Section 11-68-201;
- 72 (iv) a special district under Title 17B, Limited Purpose Local Government Entities -  
73 Special Districts;
- 74 (v) a special service district under Title 17D, Chapter 1, Special Service District Act;
- 75 (vi) a housing authority under Title 35A, Chapter 8, Part 4, Housing Authorities;
- 76 (vii) a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit  
77 District Act;
- 78 (viii) except for a taxed interlocal entity as defined in Section 11-13-602:
- 79 (A) an interlocal entity as defined in Section 11-13-103;
- 80 (B) a joint or cooperative undertaking as defined in Section 11-13-103; or
- 81 (C) any project, program, or undertaking entered into by interlocal agreement in  
82 accordance with Title 11, Chapter 13, Interlocal Cooperation Act;
- 83 (ix) except for a taxed interlocal entity as defined in Section 11-13-602, an entity that  
84 is part of an entity described in Subsections (1)(c)(i) through (viii), if the entity is  
85 considered a component unit of the entity described in Subsections (1)(c)(i)  
86 through (viii) under the governmental accounting standards issued by the  
87 Governmental Accounting Standards Board;~~[-or]~~
- 88 (x) a conservation district under Title 17D, Chapter 3, Conservation District Act~~[-]~~ ; or
- 89 (xi) a governmental nonprofit corporation under Title 11, Chapter 13a, Governmental  
90 Nonprofit Corporations Act.
- 91 (d)(i) "Participating state entity" means the state of Utah, including its executive,  
92 legislative, and judicial branches, its departments, divisions, agencies, boards,  
93 commissions, councils, committees, and institutions.
- 94 (ii) "Participating state entity" includes an entity that is part of an entity described in  
95 Subsection (1)(d)(i), if the entity is considered a component unit of the entity  
96 described in Subsection (1)(d)(i) under the governmental accounting standards

issued by the Governmental Accounting Standards Board.

(e) "Public finance website" or "website" means the website established by the state auditor in accordance with this section.

(f) "Public financial information" means each record that is required under this section or by rule made by the Office of the State Auditor under Subsection (9) to be made available on the public finance website, a participating local entity's website, or an independent entity's website.

(g) "Qualifying entity" means:

(i) an independent entity;

(ii) a participating local entity;

(iii) a participating state entity;

(iv) a local education agency;

(v) a state institution of higher education as defined in Section 53B-3-102;

(vi) the Utah Educational Savings Plan created in Section 53B-8a-103;

(vii) the Utah Housing Corporation created in Section 63H-8-201;

(viii) the School and Institutional Trust Lands Administration created in Section 53C-1-201;

(ix) the Utah Capital Investment Corporation created in Section 63N-6-301; or

(x) a URS-participating employer.

(h)(i) "URS-participating employer" means an entity that:

(A) is a participating employer, as that term is defined in Section 49-11-102; and

(B) is not required to report public financial information under this section as a qualifying entity described in Subsections (1)(g)(i) through (ix).

(ii) "URS-participating employer" does not include:

(A) the Utah State Retirement Office created in Section 49-11-201;

(B) an insurer that is subject to the disclosure requirements of Section 31A-4-113;[  
or]

(C) a private nonprofit organization that is not a public employees' association; or

~~[(C)]~~ (D) a withdrawing entity.

(i)(i) "Withdrawing entity" means:

(A) an entity that elects to withdraw from participation in a system or plan under Title 49, Chapter 11, Part 6, Procedures and Records;

(B) until the date determined under Subsection 49-11-626(2)(a), a public employees' association that provides the notice of intent described in

- 131 Subsection 49-11-626(2)(b); and  
132 (C) beginning on the date determined under Subsection 49-11-626(2)(a), a public  
133 employees' association that makes an election described in Subsection  
134 49-11-626(3).
- 135 (ii) "Withdrawing entity" includes a withdrawing entity, as that term is defined in  
136 Sections 49-11-623 and 49-11-624.
- 137 (2) The state auditor shall establish and maintain a public finance website in accordance  
138 with this section.
- 139 (3) The website shall:
- 140 (a) permit Utah taxpayers to:
- 141 (i) view, understand, and track the use of taxpayer dollars by making public financial  
142 information available on the Internet for participating state entities, independent  
143 entities, participating local entities, and URS-participating employers, using the  
144 website; and
- 145 (ii) link to websites administered by participating local entities, independent entities,  
146 or URS-participating employers that do not use the website for the purpose of  
147 providing public financial information as required by this section and by rule  
148 made under Subsection (9);
- 149 (b) allow a person that has Internet access to use the website without paying a fee;
- 150 (c) allow the public to search public financial information on the website;
- 151 (d) provide access to financial reports, financial audits, budgets, or other financial  
152 documents that are used to allocate, appropriate, spend, and account for government  
153 funds, as may be established by rule made in accordance with Subsection (9);
- 154 (e) have a unique and simplified website address;
- 155 (f) be guided by the principles described in Subsection 63A-16-202(2);
- 156 (g) include other links, features, or functionality that will assist the public in obtaining  
157 and reviewing public financial information, as may be established by rule made under  
158 Subsection (9); and
- 159 (h) include a link to school report cards published on the State Board of Education's  
160 website under Section 53E-5-211.
- 161 (4) The state auditor shall:
- 162 (a) establish and maintain the website, including the provision of equipment, resources,  
163 and personnel as necessary;
- 164 (b) maintain an archive of all information posted to the website;

(c) coordinate and process the receipt and posting of public financial information from participating state entities; and

(d) coordinate and regulate the posting of public financial information by participating local entities and independent entities.

(5) A qualifying entity shall permit the public to view the qualifying entity's public financial information by posting the public financial information to the public finance website in accordance with rules made under Subsection (9).

(6) The content of the public financial information posted to the public finance website is the responsibility of the qualifying entity posting the public financial information.

(7) A URS-participating employer shall provide employee compensation information for each fiscal year ending on or after June 30, 2022:

(a) to the state auditor for posting on the Utah Public Finance Website; or

(b)(i) through the URS-participating employer's own website; and

(ii) via a link to the website described in Subsection (7)(b)(i), submitted to the state auditor for posting on the Utah Public Finance Website.

(8)(a) A qualifying entity may not post financial information that is classified as private, controlled, or protected under Title 63G, Chapter 2, Government Records Access and Management Act, to the public finance website.

(b) An individual who negligently discloses financial information that is classified as private, protected, or controlled by Title 63G, Chapter 2, Government Records Access and Management Act, is not criminally or civilly liable for an improper disclosure of the financial information if the financial information is disclosed solely as a result of the preparation or publication of the website.

(9) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the Office of the State Auditor:

(a) shall make rules to:

(i) establish which records a qualifying entity is required to post to the public finance website; and

(ii) establish procedures for obtaining, submitting, reporting, storing, and posting public financial information on the public finance website; and

(b) may make rules governing when a qualifying entity is required to disclose an expenditure made by a person under contract with the qualifying entity, including the form and content of the disclosure.

(10) The rules made under Subsection (9) shall only require a URS-participating employer

199 to provide employee compensation information for each fiscal year ending on or after  
200 June 30, 2022:  
201 (a) to the state auditor for posting on the public finance website; or  
202 (b)(i) through the URS-participating employer's own website; and  
203 (ii) via a link to the website described in Subsection (10)(b)(i), submitted to the state  
204 auditor for posting on the public finance website.  
205 Section 3. **Effective Date.**  
206 This bill takes effect on May 7, 2025.