

1 **Governmental Nonprofit Corporations Act Amendments**

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ronald M. Winterton

House Sponsor: Bridger Bolinder

3 **LONG TITLE**

4 **General Description:**

5 This bill amends provisions relating to governmental nonprofit corporations.

6 **Highlighted Provisions:**

7 This bill:

8 ▶ modifies the definition of "governmental nonprofit corporation" to exclude the Utah
9 Association of Special Districts; and

10 ▶ requires a governmental nonprofit corporation to post financial information on the Utah
11 Public Finance Website.

12 **Money Appropriated in this Bill:**

13 None

14 **Other Special Clauses:**

15 None

16 **Utah Code Sections Affected:**

17 AMENDS:

18 **11-13a-102**, as last amended by Laws of Utah 2024, Chapter 438

19 **67-3-12**, as last amended by Laws of Utah 2023, Chapters 16, 502

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

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

23 **11-13a-102 . Definitions.**

24 As used in this chapter:

25 (1) "Controlling interest" means that one or more governmental entities collectively
26 represent a majority of the board's voting power as outlined in the nonprofit
27 corporation's governing documents.

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

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

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

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

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

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

40 (A) that exercises taxing authority;

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

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

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

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

51 (ii) the Utah Association of Special Districts.

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

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

54 **67-3-12 . Utah Public Finance Website -- Establishment and administration --**

55 **Records disclosure -- Exceptions.**

56 (1) As used in this section:

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

59 (ii) "Independent entity" includes an entity that is part of an independent entity
60 described in Subsection (1)(a)(i), if the entity is considered a component unit of
61 the independent entity under the governmental accounting standards issued by the
62 Governmental Accounting Standards Board.

63 (iii) "Independent entity" does not include the Utah State Retirement Office created
64 in Section 49-11-201.

- 65 (b) "Local education agency" means a school district or charter school.
- 66 (c) "Participating local entity" means:
- 67 (i) a county;
- 68 (ii) a municipality;
- 69 (iii) the State Fair Park Authority, created in Section 11-68-201;
- 70 (iv) a special district under Title 17B, Limited Purpose Local Government Entities -
- 71 Special Districts;
- 72 (v) a special service district under Title 17D, Chapter 1, Special Service District Act;
- 73 (vi) a housing authority under Title 35A, Chapter 8, Part 4, Housing Authorities;
- 74 (vii) a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit
- 75 District Act;
- 76 (viii) except for a taxed interlocal entity as defined in Section 11-13-602:
- 77 (A) an interlocal entity as defined in Section 11-13-103;
- 78 (B) a joint or cooperative undertaking as defined in Section 11-13-103; or
- 79 (C) any project, program, or undertaking entered into by interlocal agreement in
- 80 accordance with Title 11, Chapter 13, Interlocal Cooperation Act;
- 81 (ix) except for a taxed interlocal entity as defined in Section 11-13-602, an entity that
- 82 is part of an entity described in Subsections (1)(c)(i) through (viii), if the entity is
- 83 considered a component unit of the entity described in Subsections (1)(c)(i)
- 84 through (viii) under the governmental accounting standards issued by the
- 85 Governmental Accounting Standards Board;~~[-or]~~
- 86 (x) a conservation district under Title 17D, Chapter 3, Conservation District Act~~[-]~~ ; or
- 87 (xi) a governmental nonprofit corporation under Title 11, Chapter 13a, Governmental
- 88 Nonprofit Corporations Act.
- 89 (d)(i) "Participating state entity" means the state of Utah, including its executive,
- 90 legislative, and judicial branches, its departments, divisions, agencies, boards,
- 91 commissions, councils, committees, and institutions.
- 92 (ii) "Participating state entity" includes an entity that is part of an entity described in
- 93 Subsection (1)(d)(i), if the entity is considered a component unit of the entity
- 94 described in Subsection (1)(d)(i) under the governmental accounting standards
- 95 issued by the Governmental Accounting Standards Board.
- 96 (e) "Public finance website" or "website" means the website established by the state
- 97 auditor in accordance with this section.
- 98 (f) "Public financial information" means each record that is required under this section

99 or by rule made by the Office of the State Auditor under Subsection (9) to be made
 100 available on the public finance website, a participating local entity's website, or an
 101 independent entity's website.

102 (g) "Qualifying entity" means:

- 103 (i) an independent entity;
- 104 (ii) a participating local entity;
- 105 (iii) a participating state entity;
- 106 (iv) a local education agency;
- 107 (v) a state institution of higher education as defined in Section 53B-3-102;
- 108 (vi) the Utah Educational Savings Plan created in Section 53B-8a-103;
- 109 (vii) the Utah Housing Corporation created in Section 63H-8-201;
- 110 (viii) the School and Institutional Trust Lands Administration created in Section
 111 53C-1-201;
- 112 (ix) the Utah Capital Investment Corporation created in Section 63N-6-301; or
- 113 (x) a URS-participating employer.

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

- 115 (A) is a participating employer, as that term is defined in Section 49-11-102; and
- 116 (B) is not required to report public financial information under this section as a
 117 qualifying entity described in Subsections (1)(g)(i) through (ix).

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

- 119 (A) the Utah State Retirement Office created in Section 49-11-201;
- 120 (B) an insurer that is subject to the disclosure requirements of Section 31A-4-113;
- 121 or
- 122 (C) a withdrawing entity.

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

- 124 (A) an entity that elects to withdraw from participation in a system or plan under
 125 Title 49, Chapter 11, Part 6, Procedures and Records;
- 126 (B) until the date determined under Subsection 49-11-626(2)(a), a public
 127 employees' association that provides the notice of intent described in
 128 Subsection 49-11-626(2)(b); and
- 129 (C) beginning on the date determined under Subsection 49-11-626(2)(a), a public
 130 employees' association that makes an election described in Subsection
 131 49-11-626(3).

132 (ii) "Withdrawing entity" includes a withdrawing entity, as that term is defined in

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

- 167 financial information by posting the public financial information to the public finance
168 website in accordance with rules made under Subsection (9).
- 169 (6) The content of the public financial information posted to the public finance website is
170 the responsibility of the qualifying entity posting the public financial information.
- 171 (7) A URS-participating employer shall provide employee compensation information for
172 each fiscal year ending on or after June 30, 2022:
- 173 (a) to the state auditor for posting on the Utah Public Finance Website; or
174 (b)(i) through the URS-participating employer's own website; and
175 (ii) via a link to the website described in Subsection (7)(b)(i), submitted to the state
176 auditor for posting on the Utah Public Finance Website.
- 177 (8)(a) A qualifying entity may not post financial information that is classified as private,
178 controlled, or protected under Title 63G, Chapter 2, Government Records Access and
179 Management Act, to the public finance website.
- 180 (b) An individual who negligently discloses financial information that is classified as
181 private, protected, or controlled by Title 63G, Chapter 2, Government Records
182 Access and Management Act, is not criminally or civilly liable for an improper
183 disclosure of the financial information if the financial information is disclosed solely
184 as a result of the preparation or publication of the website.
- 185 (9) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
186 Office of the State Auditor:
- 187 (a) shall make rules to:
- 188 (i) establish which records a qualifying entity is required to post to the public finance
189 website; and
190 (ii) establish procedures for obtaining, submitting, reporting, storing, and posting
191 public financial information on the public finance website; and
- 192 (b) may make rules governing when a qualifying entity is required to disclose an
193 expenditure made by a person under contract with the qualifying entity, including the
194 form and content of the disclosure.
- 195 (10) The rules made under Subsection (9) shall only require a URS-participating employer
196 to provide employee compensation information for each fiscal year ending on or after
197 June 30, 2022:
- 198 (a) to the state auditor for posting on the public finance website; or
199 (b)(i) through the URS-participating employer's own website; and
200 (ii) via a link to the website described in Subsection (10)(b)(i), submitted to the state

201 auditor for posting on the public finance website.

202 Section 3. **Effective Date.**

203 This bill takes effect on May 7, 2025.