

**Effective 5/9/2017**

**Superseded 5/5/2021**

**10-6-135.5 Transfer of enterprise fund money to another fund.**

- (1) As used in this section:
  - (a) "Budget hearing" means a public hearing required under Section 10-6-114.
  - (b) "Enterprise fund accounting data" means a detailed overview of the various enterprise funds of the city that includes:
    - (i) a cost accounting breakdown of how money in the enterprise fund is being used to cover, as applicable:
      - (A) administrative and overhead costs of the city attributable to the operation of the enterprise for which the enterprise fund was created; and
      - (B) other costs not associated with the enterprise for which the enterprise fund was created; and
    - (ii) specific enterprise fund information.
  - (c) "Enterprise fund hearing" means the public hearing required under Subsection (3)(d).
  - (d) "Specific enterprise fund information" means:
    - (i) the dollar amount of transfers from an enterprise fund to another fund; and
    - (ii) the percentage of the total enterprise fund expenditures represented by each transfer to another fund.
- (2) Subject to the requirements of this section, a city may transfer money in an enterprise fund to another fund to pay for a good, service, project, venture, or other purpose that is not directly related to the goods or services provided by the enterprise for which the enterprise fund was created.
- (3) The governing body of a city that intends to transfer money in an enterprise fund to another fund shall:
  - (a) provide notice of the intended transfer as required under Subsection (4);
  - (b) clearly identify in a separate section or document accompanying the city's tentative budget or, if an amendment to the city's budget includes or is based on an intended transfer, in a separate section or document accompanying the amendment to the city's budget:
    - (i) the enterprise fund from which money is intended to be transferred; and
    - (ii) the specific enterprise fund information for that enterprise fund;
  - (c) provide notice of an enterprise fund hearing, as required in Subsection (4); and
  - (d) hold an enterprise fund hearing before the adoption of the city's budget or, if applicable, the amendment to the budget.
- (4)
  - (a) At least seven days before holding an enterprise fund hearing, a governing body shall:
    - (i) provide the notice described in Subsection (4)(b) by:
      - (A) mailing a copy of the notice to users of the goods or services provided by the enterprise for which the enterprise fund was created, if the city regularly mails users a periodic billing for the goods or services;
      - (B) emailing a copy of the notice to users of the goods or services provided by the enterprise for which the enterprise fund was created, if the city regularly emails users a periodic billing for the goods or services;
      - (C) posting the notice on the Utah Public Notice Website created in Section 63F-1-701; and
      - (D) if the city has a website, prominently posting the notice on the city's website until the enterprise fund hearing is concluded; and

- (ii) if the city communicates with the public through a social media platform, publish notice of the date, time, place, and purpose of the enterprise fund hearing using the social media platform.
- (b) The notice required under Subsection (4)(a)(i) shall:
  - (i) explain the intended transfer of enterprise fund money to another fund;
  - (ii) include specific enterprise fund information for each enterprise fund from which money is intended to be transferred;
  - (iii) provide the date, time, and place of the enterprise fund hearing; and
  - (iv) explain the purpose of the enterprise fund hearing.
- (5)
  - (a) An enterprise fund hearing shall be separate and independent from a budget hearing and any other public hearing.
  - (b) At an enterprise fund hearing, the governing body shall:
    - (i) explain the intended transfer of enterprise fund money to another fund;
    - (ii) provide enterprise fund accounting data to the public; and
    - (iii) allow members of the public in attendance at the hearing to comment on:
      - (A) the intended transfer of enterprise fund money to another fund; and
      - (B) the enterprise fund accounting data.
- (6)
  - (a) If a governing body adopts a budget or a budget amendment that includes or is based on a transfer of money from an enterprise fund to another fund, the governing body shall:
    - (i) within 60 days after adopting the budget or budget amendment:
      - (A) mail a notice to users of the goods or services provided by the enterprise for which the enterprise fund was created, if the city regularly mails users a periodic billing for the goods or services; and
      - (B) email a notice to users of the goods or services provided by the enterprise for which the enterprise fund was created, if the city regularly emails users a periodic billing for the goods or services;
    - (ii) within seven days after adopting the budget or budget amendment:
      - (A) post enterprise fund accounting data on the city's website, if the city has a website;
      - (B) using the city's social media platform, publish notice of the adoption of a budget or budget amendment that includes or is based on a transfer of money from an enterprise fund to another fund, if the city communicates with the public through a social media platform; and
    - (iii) within 30 days after adopting the budget, submit to the state auditor the specific enterprise fund information for each enterprise fund from which money will be transferred.
  - (b) A notice required under Subsection (6)(a)(i) shall:
    - (i) announce the adoption of a budget or budget amendment that includes or is based on a transfer of money from an enterprise fund to another fund; and
    - (ii) include the specific enterprise fund information.
  - (c) The governing body shall maintain the website posting required under Subsection (6)(a)(ii)(A) continuously until another posting is required under Subsection (4)(a)(i)(C).