

**Effective 2/27/2023**

**Part 6**  
**Fiscal Procedures for Special Districts**

**17B-1-601 Definitions.**

As used in this part:

- (1) "Appropriation" means an allocation of money by the board of trustees for a specific purpose.
- (2) "Budget" means a plan of financial operations for a fiscal year which embodies estimates of proposed expenditures for given purposes and the proposed means of financing them, and may refer to the budget of a particular fund for which a budget is required by law or it may refer collectively to the budgets for all such funds.
- (3) "Budget officer" means the person appointed by the special district board of trustees to prepare the budget for the district.
- (4) "Budget year" means the fiscal year for which a budget is prepared.
- (5) "Calendar year entity" means a special district whose fiscal year begins January 1 and ends December 31 of each calendar year as described in Section 17B-1-602.
- (6) "Current year" means the fiscal year in which a budget is prepared and adopted, which is the fiscal year next preceding the budget year.
- (7) "Deficit" has the meaning given under generally accepted accounting principles as reflected in the Uniform Accounting Manual for Special Districts.
- (8) "Estimated revenue" means the amount of revenue estimated to be received from all sources during the budget year in each fund for which a budget is being prepared.
- (9) "Financial officer" means the official under Section 17B-1-642.
- (10) "Fiscal year" means the annual period for accounting for fiscal operations in each district.
- (11) "Fiscal year entity" means a special district whose fiscal year begins July 1 of each year and ends on June 30 of the following year as described in Section 17B-1-602.
- (12) "Fund" has the meaning given under generally accepted accounting principles as reflected in the Uniform Accounting Manual for Special Districts.
- (13) "Fund balance" has the meaning given under generally accepted accounting principles as reflected in the Uniform Accounting Manual for Special Districts.
- (14) "General fund" is as defined by the Governmental Accounting Standards Board as reflected in the Uniform Accounting Manual for All Local Governments prepared by the Office of the Utah State Auditor.
- (15) "Governmental funds" means the general fund, special revenue fund, debt service fund, and capital projects fund of a special district.
- (16) "Interfund loan" means a loan of cash from one fund to another, subject to future repayment.
- (17) "Last completed fiscal year" means the fiscal year next preceding the current fiscal year.
- (18) "Proprietary funds" means enterprise funds and the internal service funds of a special district.
- (19) "Public funds" means any money or payment collected or received by an officer or employee of a special district acting in an official capacity and includes money or payment to the officer or employee for services or goods provided by the district, or the officer or employee while acting within the scope of employment or duty.
- (20) "Retained earnings" has the meaning given under generally accepted accounting principles as reflected in the Uniform Accounting Manual for Special Districts.
- (21) "Special district general fund" means the general fund used by a special district.
- (22) "Special fund" means any special district fund other than the special district's general fund.

Amended by Chapter 15, 2023 General Session

**17B-1-602 Fiscal year.**

The fiscal year of each special district shall be, as determined by the board of trustees:

- (1) the calendar year; or
- (2) the period from July 1 to the following June 30.

Amended by Chapter 15, 2023 General Session

**17B-1-603 Uniform accounting system.**

The accounting records of each special district shall be established and maintained, and financial statements prepared from those records, in conformance with generally accepted accounting principles promulgated from time to time by authoritative bodies in the United States.

Amended by Chapter 15, 2023 General Session

**17B-1-604 Funds and account groups maintained.**

Each district shall maintain, according to its own accounting needs, some or all of the funds and account groups in its system of accounts, as prescribed in the Uniform Accounting Manual for Special Districts.

Amended by Chapter 15, 2023 General Session

**17B-1-605 Budget required for certain funds -- Capital projects fund.**

- (1) The budget officer of each special district shall prepare for each budget year a budget for each of the following funds:
  - (a) the General Fund;
  - (b) special revenue funds;
  - (c) debt service funds;
  - (d) capital projects funds;
  - (e) proprietary funds, in accordance with Section 17B-1-629;
  - (f) if the special district has a local fund, as defined in Section 53-2a-602, the local fund; and
  - (g) any other fund or funds for which a budget is required by the uniform system of budgeting, accounting, and reporting.
- (2)
  - (a) Major capital improvements financed by general obligation bonds, capital grants, or interfund transfers shall use a capital projects fund budget unless the improvements financed are to be used for proprietary type activities.
  - (b) The special district shall prepare a separate budget for the term of the projects as well as the annual budget required under Subsection (1).

Amended by Chapter 15, 2023 General Session

**17B-1-606 Total of revenues to equal expenditures.**

- (1) The budget for each fund under Section 17B-1-605 shall provide a financial plan for the budget year.
- (2) Each budget shall specify in tabular form:

- (a) estimates of all anticipated revenues, classified by the account titles prescribed in the Uniform Accounting Manual for Special Districts; and
  - (b) all appropriations for expenditures, classified by the account titles prescribed in the Uniform Accounting Manual for Special Districts.
- (3) The total of the anticipated revenues shall equal the total of appropriated expenditures.

Amended by Chapter 15, 2023 General Session

**17B-1-607 Tentative budget to be prepared -- Review by governing body.**

- (1) On or before the first regularly scheduled meeting of the board of trustees in November for a calendar year entity and May for a fiscal year entity, the budget officer of each special district shall prepare for the ensuing year, in a format prescribed by the state auditor, and file with the board of trustees a tentative budget for each fund for which a budget is required.
- (2)
- (a) Each tentative budget under Subsection (1) shall provide in tabular form:
    - (i) actual revenues and expenditures for the last completed fiscal year;
    - (ii) estimated total revenues and expenditures for the current fiscal year; and
    - (iii) the budget officer's estimates of revenues and expenditures for the budget year.
  - (b) The budget officer shall estimate the amount of revenue available to serve the needs of each fund, estimate the portion to be derived from all sources other than general property taxes, and estimate the portion that shall be derived from general property taxes.
- (3) The tentative budget, when filed by the budget officer with the board of trustees, shall contain the estimates of expenditures together with specific work programs and any other supporting data required by this part or requested by the board.
- (4) The board of trustees shall review, consider, and tentatively adopt the tentative budget in any regular meeting or special meeting called for that purpose and may amend or revise the tentative budget in any manner that the board considers advisable prior to public hearings, but no appropriation required for debt retirement and interest or reduction of any existing deficits under Section 17B-1-613, or otherwise required by law, may be reduced below the minimums so required.
- (5) When a new district is created, the board of trustees shall:
- (a) prepare a budget covering the period from the date of incorporation to the end of the fiscal year;
  - (b) substantially comply with all other provisions of this part with respect to notices and hearings; and
  - (c) pass the budget as soon after incorporation as feasible.

Amended by Chapter 15, 2023 General Session

**17B-1-608 Tentative budget and data -- Public records -- Notice.**

- (1) The tentative budget adopted by the board of trustees and all supporting schedules and data are public records.
- (2) At least seven days before adopting a final budget in a public meeting, the special district shall:
- (a) make the tentative budget available for public inspection at the special district's principal place of business during regular business hours;
  - (b) except to the extent provided in Subsection (3), publish the tentative budget, as a class A notice under Section 63G-30-102, for at least seven days.

- (3) The notice described in this section is exempt from the physical posting requirement described in Subsection 63G-30-102(1)(c).

Amended by Chapter 15, 2023 General Session  
Amended by Chapter 435, 2023 General Session

**17B-1-609 Hearing to consider adoption -- Notice.**

- (1) At the meeting at which the tentative budget is adopted, the board of trustees shall:
- (a) establish the time and place of a public hearing to consider its adoption; and
  - (b) except as provided in Subsection (6) or (7), order that notice of the hearing be published for the district, as a class A notice under Section 63G-30-102, for at least seven days before the day of the hearing.
- (2) If the budget hearing is held in conjunction with a tax increase hearing, the notice required in Subsection (1)(b):
- (a) may be combined with the notice required under Section 59-2-919; and
  - (b) shall be published in accordance with the advertisement provisions of Section 59-2-919.
- (3) If the budget hearing is to be held in conjunction with a fee increase hearing, the notice required in Subsection (1)(b):
- (a) may be combined with the notice required under Section 17B-1-643; and
  - (b) shall be published or mailed in accordance with the notice provisions of Section 17B-1-643.
- (4) Proof that notice was given in accordance with Subsection (1)(b), (2), (3), or (6) is prima facie evidence that notice was properly given.
- (5) If a notice required under Subsection (1)(b), (2), (3), or (6) is not challenged within 30 days after the day on which the hearing is held, the notice is adequate and proper.
- (6) A board of trustees of a special district with an annual operating budget of less than \$250,000 may satisfy the notice requirements in Subsection (1)(b) by:
- (a) mailing a written notice, postage prepaid, to each voter in the special district; and
  - (b) posting the notice in three public places within the district.
- (7) The notice described in this section is exempt from the physical posting requirement described in Subsection 63G-30-102(1)(c).

Amended by Chapter 15, 2023 General Session  
Amended by Chapter 435, 2023 General Session

**17B-1-610 Public hearing on tentatively adopted budget.**

At the time and place advertised, or at any time or any place to which the public hearing may be adjourned, the board of trustees shall:

- (1) hold a public hearing on the budgets tentatively adopted; and
- (2) give all interested persons in attendance an opportunity to be heard on the estimates of revenues and expenditures or any item in the tentative budget of any fund.

Renumbered and Amended by Chapter 329, 2007 General Session

**17B-1-611 Continuing authority of governing body.**

After the conclusion of the public hearing, the board of trustees:

- (1) may:
  - (a) continue to review the tentative budget;
  - (b) insert any new items; or

- (c) increase or decrease items of expenditure that were the proper subject of consideration at the public hearing;
- (2) may not decrease the amount appropriated for debt retirement and interest or reduction of any existing deficits, as provided by Section 17B-1-613; and
- (3) shall increase or decrease the total anticipated revenue to equal the net change in proposed expenditures in the budget of each fund.

Renumbered and Amended by Chapter 329, 2007 General Session

**17B-1-612 Accumulated fund balances -- Limitations -- Excess balances -- Unanticipated excess of revenues -- Reserves for capital projects.**

- (1)
  - (a) A special district may accumulate retained earnings or fund balances, as appropriate, in any fund.
  - (b) For the general fund only, a special district may only use an accumulated fund balance to:
    - (i) provide working capital to finance expenditures from the beginning of the budget year until general property taxes or other applicable revenues are collected, subject to Subsection (1)(c);
    - (ii) provide a resource to meet emergency expenditures under Section 17B-1-623; and
    - (iii) cover a pending year-end excess of expenditures over revenues from an unavoidable shortfall in revenues, subject to Subsection (1)(d).
  - (c) Subsection (1)(b)(i) does not authorize a special district to appropriate a fund balance for budgeting purposes, except as provided in Subsection (4).
  - (d) Subsection (1)(b)(iii) does not authorize a special district to appropriate a fund balance to avoid an operating deficit during a budget year except:
    - (i) as provided under Subsection (4); or
    - (ii) for emergency purposes under Section 17B-1-623.
- (2)
  - (a) Except as provided in Subsection (2)(b), the accumulation of a fund balance in the general fund may not exceed the most recently adopted general fund budget, plus 100% of the current year's property tax.
  - (b) Notwithstanding Subsection (2)(a), a special district may accumulate in the general fund mineral lease revenue that the special district receives from the United States under the Mineral Lands Leasing Act, 30 U.S.C. Sec. 181 et seq., through a distribution under:
    - (i) Title 35A, Chapter 8, Part 3, Community Impact Fund Act; or
    - (ii) Title 59, Chapter 21, Mineral Lease Funds.
- (3) If the fund balance at the close of any fiscal year exceeds the amount permitted under Subsection (2), the district shall appropriate the excess in accordance with Section 17B-1-613.
- (4) A special district may utilize any fund balance in excess of 5% of the total revenues of the general fund for budget purposes.
- (5)
  - (a) Within a capital projects fund, the board of trustees may, in any budget year, appropriate from estimated revenue or fund balance to a reserve for capital projects for the purpose of financing future specific capital projects, including new construction, capital repairs, replacement, and maintenance, under a formal long-range capital plan that the board of trustees adopts.

- (b) A special district may allow a reserve amount under Subsection (5)(a) to accumulate from year to year until the accumulated total is sufficient to permit economical expenditure for the specified purposes.
- (c) A special district may disburse from a reserve account under Subsection (5)(a) only by a budget appropriation that the special district adopts in accordance with this part.
- (d) A special district shall ensure that the expenditures from the appropriation budget accounts described in this Subsection (5) conform to all requirements of this part relating to execution and control of budgets.

Amended by Chapter 15, 2023 General Session

**17B-1-613 Appropriations not to exceed estimated expendable revenue -- Appropriations for existing deficits.**

- (1) The board of trustees of a special district may not make any appropriation in the final budget of any fund in excess of the estimated expendable revenue for the budget year of the fund.
- (2) If there is a deficit fund balance in a fund at the close of the last completed fiscal year, the board of trustees of a special district shall include an item of appropriation for the deficit in the current budget of the fund equal to:
  - (a) at least 5% of the total revenue of the fund in the last completed fiscal year; or
  - (b) if the deficit is equal to less than 5% of the total revenue of the fund in the last completed fiscal year, the entire amount of the deficit.
- (3) The provisions of this section do not require a special district to add revenue to a fund that is used for debt service of a limited obligation, unless the revenue is pledged toward the limited obligation.

Amended by Chapter 15, 2023 General Session

**17B-1-614 Adoption of final budget -- Certification and filing.**

- (1) The board of trustees of each special district shall by resolution adopt a budget for the ensuing fiscal year for each fund for which a budget is required under this part prior to the beginning of the fiscal year, except as provided in Sections 59-2-919 through 59-2-923.
- (2) The special district's budget officer shall certify a copy of the final budget for each fund and file it with the state auditor within 30 days after adoption.

Amended by Chapter 15, 2023 General Session

**17B-1-615 Budgets in effect for budget year.**

- (1) Upon final adoption, each budget shall be in effect for the budget year, subject to amendment as provided in this part.
- (2) A certified copy of the adopted budgets shall be filed in the special district office and shall be available to the public during regular business hours.

Amended by Chapter 15, 2023 General Session

**17B-1-616 Property tax levy -- Amount in budget as basis for determining.**

From the effective date of the budget or of any amendment enacted prior to the date on which property taxes are levied, the amount stated as the amount of estimated revenue from property

taxes shall constitute the basis for determining the property tax levy to be set by the board of trustees for the corresponding tax year, subject to the applicable limitations imposed by law.

Renumbered and Amended by Chapter 329, 2007 General Session

**17B-1-617 Fund expenditures -- Budget officer's duties.**

- (1) The budget officer of each special district shall require all expenditures within each fund to conform with the fund budget.
- (2) No appropriation may be encumbered and no expenditure may be made against any fund appropriation unless there is sufficient unencumbered balance in the fund's appropriation, except in cases of emergency as provided in Section 17B-1-623.

Amended by Chapter 15, 2023 General Session

**17B-1-618 Purchasing procedures.**

All purchases or encumbrances by a special district shall be made or incurred according to the purchasing procedures established for each district by the district's rulemaking authority, as that term is defined in Section 63G-6a-103, and only on an order or approval of the person or persons duly authorized.

Amended by Chapter 15, 2023 General Session

**17B-1-619 Expenditures or encumbrances in excess of appropriations prohibited -- Processing claims.**

- (1) A special district may not make or incur expenditures or encumbrances in excess of total appropriations in the budget as adopted or as subsequently amended.
- (2) An obligation contracted by any officer in excess of total appropriations in the budget is not enforceable against the district.
- (3) No check or warrant to cover a claim against an appropriation may be drawn until the claim has been processed as provided by this part.

Amended by Chapter 15, 2023 General Session

**17B-1-620 Transfer of appropriation balance between accounts in same fund.**

- (1) The board of trustees of each special district shall establish policies for the transfer of any unencumbered or unexpended appropriation balance or portion of the balance from one account in a fund to another account within the same fund, subject to Subsection (2).
- (2) An appropriation for debt retirement and interest, reduction of deficit, or other appropriation required by law or covenant may not be reduced below the minimums required.

Amended by Chapter 15, 2023 General Session

**17B-1-621 Review of individual governmental fund budgets -- Hearing.**

- (1) The board of trustees of a special district may, at any time during the budget year, review the individual budgets of the governmental funds for the purpose of determining if the total of any of them should be increased.

- (2) If the board of trustees decides that the budget total of one or more of these funds should be increased, it shall follow the procedures established in Sections 17B-1-609 and 17B-1-610 for holding a public hearing.

Amended by Chapter 15, 2023 General Session

**17B-1-622 Amendment and increase of individual fund budgets.**

- (1) After holding the hearing referred to in Section 17B-1-621, the board of trustees may, by resolution, amend the budgets of the funds proposed to be increased, so as to make all or part of the increases, both estimated revenues and appropriations, which were the proper subject of consideration at the hearing.
- (2) The board of trustees may not adopt an amendment to the current year budgets of any of the funds established in Section 17B-1-605 after the last day of the fiscal year.

Renumbered and Amended by Chapter 329, 2007 General Session

**17B-1-623 Emergency expenditures.**

The board of trustees of a special district may, by resolution, amend a budget and authorize an expenditure of money that results in a deficit in the district's general fund balance if:

- (1) the board determines that:
  - (a) an emergency exists; and
  - (b) the expenditure is reasonably necessary to meet the emergency; and
- (2) the expenditure is used to meet the emergency.

Amended by Chapter 15, 2023 General Session

**17B-1-624 Lapse of appropriations -- Exceptions.**

All unexpended or unencumbered appropriations, except capital projects fund appropriations, lapse at the end of the budget year to the respective fund balance.

Renumbered and Amended by Chapter 329, 2007 General Session

**17B-1-625 Transfer of balances in special funds.**

If the necessity for maintaining any special fund of a district ceases to exist and a balance remains in the fund, the board of trustees shall authorize the transfer of the balance to the fund balance in the general fund of the district, subject to the following:

- (1) Any balance remaining in a special assessment fund and not required in its guaranty fund shall be treated in the manner provided in Sections 11-42-413 and 11-42-701.
- (2) Any balance remaining in a capital projects fund shall be transferred to the appropriate debt service fund or other fund as the bond covenants may require and otherwise to the fund balance account in the general fund.
- (3) If any balance held in a trust fund for a specific purpose, other than a cemetery perpetual care trust fund, is to be transferred because its original purpose or restriction has ceased to exist, a public hearing shall be held in the manner provided in Sections 17B-1-609 and 17B-1-610. The published notice shall invite those persons who contributed to the fund to appear at the hearing. If the board of trustees determines the fund balance amounts are refundable to the original contributors, a 30-day period following the hearing shall be allowed for persons having an interest in the fund to file with the board of trustees a verified claim only for the amount of

each claimant's contributions. Any claim not so filed shall be barred. Any balance remaining, after refunds to eligible contributors, shall be transferred to the fund balance account in the general fund of the district.

- (4) If the board of trustees decides, in conformity with applicable laws, that the need for continuing maintenance of its cemetery perpetual care trust fund no longer exists, it may transfer the balance in the fund to the capital projects fund for expenditure for land, buildings, and major improvements to be used exclusively for cemetery purposes.

Renumbered and Amended by Chapter 329, 2007 General Session

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

- (1) Subject to this section, restrictions imposed by bond covenants, restrictions in Section 53-2a-605, or other controlling regulations, the board of trustees of a special district may authorize an interfund loan from one fund to another.
- (2) An interfund loan under Subsection (1) shall be in writing and specify the terms and conditions of the loan, including the:
  - (a) effective date of the loan;
  - (b) name of the fund loaning the money;
  - (c) name of the fund receiving the money;
  - (d) amount of the loan;
  - (e) subject to Subsection (3), term of and repayment schedule for the loan;
  - (f) subject to Subsection (4), interest rate of the loan;
  - (g) method of calculating interest applicable to the loan;
  - (h) procedures for:
    - (i) applying interest to the loan; and
    - (ii) paying interest on the loan; and
  - (i) other terms and conditions the board of trustees determines applicable.
- (3) The term and repayment schedule specified under Subsection (2)(e) may not exceed 10 years.
- (4)
  - (a) In determining the interest rate of the loan specified under Subsection (2)(f), the board of trustees shall apply an interest rate that reflects the rate of potential gain had the funds been deposited or invested in a comparable investment.
  - (b) Notwithstanding Subsection (4)(a), the interest rate of the loan specified under Subsection (2)(f):
    - (i) if the term of the loan under Subsection (2)(e) is one year or less, may not be less than the rate offered by the Public Treasurers' Investment Fund as defined in Section 51-7-3; or
    - (ii) if the term of the loan under Subsection (2)(e) is more than one year, may not be less than the greater of the rate offered by:
      - (A) the Public Treasurers' Investment Fund as defined in Section 51-7-3; or
      - (B) a United States Treasury note of a comparable term.
- (5)
  - (a) For an interfund loan under Subsection (1), the board of trustees shall:
    - (i) hold a public hearing;
    - (ii) prepare a written notice of the date, time, place, and purpose of the hearing, and the proposed terms and conditions of the interfund loan under Subsection (2);
    - (iii) provide notice of the public hearing in the same manner as required under Section 17B-1-609 as if the hearing were a budget hearing; and
    - (iv) authorize the interfund loan by resolution in a public meeting.

- (b) The notice and hearing requirements in Subsection (5)(a) are satisfied if the interfund loan is included in an original budget or in a subsequent budget amendment previously approved by the board of trustees for the current fiscal year.
- (6) Subsections (2) through (5) do not apply to an interfund loan if the interfund loan is:
  - (a) a loan from the special district general fund to any other fund of the special district; or
  - (b) a short-term advance from the special district's cash and investment pool to individual funds that are repaid by the end of the fiscal year.

Amended by Chapter 387, 2024 General Session

**17B-1-627 Property tax levy -- Time for setting -- Computation of total levy -- Apportionment of proceeds -- Maximum levy.**

- (1) The board of trustees of each special district authorized to levy a property tax, at a regular meeting or special meeting called for that purpose, shall, by resolution, set the real and personal property tax rate for various district purposes by the date set under Section 59-2-912, but the rate may be set at an appropriate later date in accordance with Sections 59-2-919 through 59-2-923.
- (2) In its computation of the total levy, the board of trustees shall determine the requirements of each fund for which property taxes are to be levied and shall specify in its resolution adopting the tax rate the amount apportioned to each fund.
- (3) The proceeds of the levy apportioned for general fund purposes shall be credited as revenue in the general fund.
- (4) The proceeds of the levy apportioned for special fund purposes shall be credited to the appropriate accounts in the applicable special funds.
- (5) The combined levies for each district for all purposes in any year, excluding the retirement of general obligation bonds and the payment of any interest on the bonds, and any taxes expressly authorized by law to be levied in addition, may not exceed the limit enumerated by the laws governing each district.

Amended by Chapter 15, 2023 General Session

**17B-1-628 Certification of resolution setting levy.**

The district clerk, as appointed under Section 17B-1-631, shall certify the resolution setting the levy to the county auditor, or auditors if the district is located in more than one county, in accordance with Section 59-2-912, or in the case of a tax rate increase in excess of the certified rate, in accordance with Section 59-2-920.

Renumbered and Amended by Chapter 329, 2007 General Session

**17B-1-629 Operating and capital budgets.**

- (1)
  - (a) As used in this section, "operating and capital budget" means a plan of financial operation for a proprietary or other required special fund, embodying estimates of operating resources and expenses and other outlays for a fiscal year.
  - (b) Except as otherwise expressly provided, the reference to "budget" or "budgets" and the procedures and controls relating to them in other sections of this part do not apply or refer to the "operating and capital budgets" provided for in this section.

- (2) On or before the time the board of trustees adopts budgets for the governmental funds under Section 17B-1-605, it shall adopt for the ensuing year an operating and capital budget for each proprietary fund and shall adopt the type of budget for other special funds which is required by the Uniform Accounting Manual for Special Districts.
- (3) Operating and capital budgets shall be adopted and administered in the following manner:
  - (a)
    - (i) On or before the first regularly scheduled meeting of the board of trustees, in November for calendar year entities and May for fiscal year entities, the budget officer shall prepare for the ensuing fiscal year, and file with the board of trustees, a tentative operating and capital budget for each proprietary fund and for other required special funds, together with specific work programs and any other supporting data required by the board.
    - (ii) If, within any proprietary fund, allocations or transfers that are not reasonable allocations of costs between funds are included in a tentative budget, a written notice of the date, time, place, and purpose of the hearing shall be mailed to utility fund customers at least seven days before the hearing.
    - (iii) The purpose portion of the notice required under Subsection (3)(a)(ii) shall identify:
      - (A) the enterprise utility fund from which money is being transferred;
      - (B) the amount being transferred; and
      - (C) the fund to which the money is being transferred.
  - (b)
    - (i) The board of trustees shall review and consider the tentative budgets at any regular meeting or special meeting called for that purpose.
    - (ii) The board of trustees may make any changes in the tentative budgets that it considers advisable.
  - (c) Budgets for proprietary or other required special funds shall comply with the public hearing requirements established in Sections 17B-1-609 and 17B-1-610.
  - (d)
    - (i) The board of trustees shall adopt an operating and capital budget for each proprietary fund for the ensuing fiscal year before the beginning of each fiscal year, except as provided in Sections 59-2-919 through 59-2-923.
    - (ii) A copy of the budget as finally adopted for each proprietary fund shall be certified by the budget officer and filed by the officer in the district office and shall be available to the public during regular business hours.
    - (iii) A copy of the budget shall also be filed with the state auditor within 30 days after adoption.
  - (e)
    - (i) Upon final adoption, the operating and capital budget is in effect for the budget year, subject to later amendment.
    - (ii) During the budget year, the board of trustees may, in any regular meeting or special meeting called for that purpose, review any one or more of the operating and capital budgets for the purpose of determining if the total of any of them should be increased.
    - (iii) If the board of trustees decides that the budget total of one or more of these proprietary funds should be increased, the board shall follow the procedures established in Section 17B-1-630.
  - (f) Expenditures from operating and capital budgets shall conform to the requirements relating to budgets specified in Sections 17B-1-617 through 17B-1-620.

Amended by Chapter 15, 2023 General Session

**17B-1-630 Increase in appropriations for operating and capital budget funds -- Notice.**

The total budget appropriation of any fund described in Section 17B-1-629 may be increased by resolution of the board of trustees at any regular meeting, or special meeting called for that purpose, if written notice of the time, place, and purpose of the meeting has been mailed or delivered to all members of the board of trustees at least five days prior to the meeting. The notice may be waived in writing or orally during attendance at the meeting by any member of the board of trustees.

Renumbered and Amended by Chapter 329, 2007 General Session

**17B-1-631 District clerk -- Meetings and records.**

- (1) The board of trustees of each special district shall appoint a district clerk.
- (2) If required, the clerk may be chosen from among the members of the board of trustees, except the chair.
- (3) The district clerk or other appointed person shall attend the meetings and keep a record of the proceedings of the board of trustees.

Amended by Chapter 15, 2023 General Session

**17B-1-632 District clerk -- Bookkeeping duties.**

The district clerk or other designated person not performing treasurer duties shall maintain the financial records for each fund of the special district and all related subsidiary records, including a list of the outstanding bonds, their purpose, amount, terms, date, and place payable.

Amended by Chapter 15, 2023 General Session

**17B-1-633 District treasurer -- Duties generally.**

- (1)
  - (a) The board of trustees of each special district shall appoint a district treasurer.
  - (b)
    - (i) If required, the treasurer may be chosen from among the members of the board of trustees, except that the board chair may not be district treasurer.
    - (ii) The district clerk may not also be the district treasurer.
- (2) The district treasurer is custodian of all money, bonds, or other securities of the district.
- (3) The district treasurer shall:
  - (a) determine the cash requirements of the district and provide for the deposit and investment of all money by following the procedures and requirements of Title 51, Chapter 7, State Money Management Act;
  - (b) receive all public funds and money payable to the district within three business days after collection, including all taxes, licenses, fines, and intergovernmental revenue;
  - (c) keep an accurate detailed account of all money received under Subsection (3)(b) in the manner provided in this part and as directed by the district's board of trustees by resolution; and
  - (d) collect all special taxes and assessments as provided by law and ordinance.

Amended by Chapter 15, 2023 General Session

**17B-1-634 Receipts for payment.**

The district treasurer shall give or cause to be given to every person paying money to the district treasury, a receipt or other evidence of payment, specifying, as appropriate, the date of payment and upon which account paid and shall file the duplicate of the receipt.

Renumbered and Amended by Chapter 329, 2007 General Session

**17B-1-635 Duties with respect to checks and other payment mechanisms.**

- (1) The district clerk or other designated person not performing treasurer duties shall prepare the necessary checks or make the necessary arrangements for direct deposit, wire transfer, or other electronic payment mechanism after having determined that:
  - (a) the claim was authorized by:
    - (i) the board of trustees; or
    - (ii) the special district financial officer, if the financial officer is not the clerk, in accordance with Section 17B-1-642;
  - (b) the claim does not overexpend the appropriate departmental budget established by the board of trustees; and
  - (c) the expenditure was approved in advance by the board of trustees or its designee.
- (2)
  - (a)
    - (i) The treasurer or any other person appointed by the board of trustees shall sign all checks or review and authorize all direct deposits, wire transfers, or other electronic payments.
    - (ii) The person maintaining the financial records may not sign any single signature check or unilaterally authorize any direct deposit, wire transfer, or other electronic payment.
  - (b) In a special district with an expenditure budget of less than \$50,000 per year, a member of the board of trustees shall also sign all checks and review and authorize all direct deposits, wire transfers, or other electronic payments.
  - (c) Before affixing a signature or other authorization, the treasurer or other designated person shall determine that a sufficient amount is on deposit in the appropriate bank account of the district to honor the check.

Amended by Chapter 382, 2024 General Session

**17B-1-636 Special assessments -- Application of proceeds.**

All money received by the treasurer on any special assessment shall be applied to the payment of the improvement for which the assessment was made. The money shall be used for the payment of interest and principal on bonds or other indebtedness issued in settlement, and may not be used for any other purpose except as provided in Section 17B-1-625.

Renumbered and Amended by Chapter 329, 2007 General Session

**17B-1-637 Deposit of district funds -- Commingling with personal funds unlawful -- Suspension from office.**

The treasurer shall promptly deposit all district funds in the appropriate bank accounts of the district. It shall be unlawful for any person to commingle district funds with the person's own money. If it appears that the treasurer or any other officer is making a profit out of public money, or is using the same for any purpose not authorized by law, the treasurer or officer shall be suspended from office.

Renumbered and Amended by Chapter 329, 2007 General Session

**17B-1-638 Quarterly financial reports required.**

The district clerk or other delegated person shall prepare and present to the board of trustees detailed quarterly financial reports showing the financial position and operations of the district for that quarter and the year to date status.

Renumbered and Amended by Chapter 329, 2007 General Session

**17B-1-639 Annual financial reports -- Audit reports.**

- (1) Within 180 days after the close of each fiscal year, the district shall prepare an annual financial report in conformity with generally accepted accounting principles as prescribed in the Uniform Accounting Manual for Special Districts.
- (2) The requirement under Subsection (1) to prepare an annual financial report may be satisfied by presentation of the audit report furnished by the auditor.
- (3) Copies of the annual financial report or the audit report furnished by the auditor shall be filed with the state auditor and shall be filed as a public document in the district office.

Amended by Chapter 15, 2023 General Session

**17B-1-640 Audits required.**

- (1) An audit of each special district is required to be performed in conformity with Title 51, Chapter 2a, Accounting Reports from Political Subdivisions, Interlocal Organizations, and Other Local Entities Act.
- (2) The board of trustees shall appoint an auditor for the purpose of complying with the requirements of this section and with Title 51, Chapter 2a, Accounting Reports from Political Subdivisions, Interlocal Organizations, and Other Local Entities Act.

Amended by Chapter 15, 2023 General Session

**17B-1-641 Special district may expand uniform procedures -- Limitation.**

- (1) Subject to Subsection (2), a special district may expand the uniform accounting, budgeting, and reporting procedure prescribed in the Uniform Accounting Manual for Special Districts prepared by the state auditor under Subsection 67-3-1(16), to better serve the needs of the district.
- (2) A special district may not deviate from or alter the basic prescribed classification systems for the identity of funds and accounts set forth in the Uniform Accounting Manual for Special Districts.

Amended by Chapter 15, 2023 General Session

**17B-1-642 Approval of district expenditures.**

- (1) The board of trustees of each special district shall approve all expenditures of the district except as otherwise provided in this section.
- (2) The board of trustees may authorize the district manager or other official approved by the board to act as the financial officer for the purpose of approving:
  - (a) payroll checks, if the checks are prepared in accordance with a schedule approved by the board; and
  - (b) routine expenditures, such as utility bills, payroll-related expenses, supplies, and materials.

- (3) Notwithstanding Subsection (2), the board of trustees shall, at least quarterly, review all expenditures authorized by the financial officer.
- (4) The board of trustees shall set a maximum sum over which all purchases may not be made without the board's approval.

Amended by Chapter 15, 2023 General Session

**17B-1-643 Imposing or increasing a fee for service provided by special district.**

- (1)
  - (a) Before imposing a new fee or increasing an existing fee for a service provided by a special district, each special district board of trustees shall first hold a public hearing at which:
    - (i) the special district shall demonstrate its need to impose or increase the fee; and
    - (ii) any interested person may speak for or against the proposal to impose a fee or to increase an existing fee.
  - (b) Each public hearing under Subsection (1)(a) shall be held in the evening beginning no earlier than 6 p.m.
  - (c) A public hearing required under this Subsection (1) may be combined with a public hearing on a tentative budget required under Section 17B-1-610.
  - (d) Except to the extent that this section imposes more stringent notice requirements, the special district board shall comply with Title 52, Chapter 4, Open and Public Meetings Act, in holding the public hearing under Subsection (1)(a).
- (2)
  - (a) Each special district board shall give notice of a hearing under Subsection (1) as provided in Subsections (2)(b) and (c) or Subsection (2)(d).
  - (b) The special district board shall publish the notice described in Subsection (2)(a) for the special district, as a class A notice under Section 63G-30-102, for at least 30 days.
  - (c) The notice described in Subsection (2)(b) shall state that the special district board intends to impose or increase a fee for a service provided by the special district and will hold a public hearing on a certain day, time, and place fixed in the notice, which shall be not less than seven days after the day the notice is first posted as provided in Subsection (2)(b) for the purpose of hearing comments regarding the proposed imposition or increase of a fee and to explain the reasons for the proposed imposition or increase.
- (d)
  - (i) In lieu of providing notice under Subsection (2)(b), the special district board of trustees may give the notice required under Subsection (2)(a) by mailing the notice to those within the district who:
    - (A) will be charged the fee for a district service, if the fee is being imposed for the first time; or
    - (B) are being charged a fee, if the fee is proposed to be increased.
  - (ii) Each notice under Subsection (2)(d)(i) shall comply with Subsection (2)(c).
  - (iii) A notice under Subsection (2)(d)(i) may accompany a district bill for an existing fee.
- (e) If the hearing required under this section is combined with the public hearing required under Section 17B-1-610, the notice required under this Subsection (2):
  - (i) may be combined with the notice required under Section 17B-1-609; and
  - (ii) shall be posted or mailed in accordance with the notice provisions of this section.
- (f) Proof that notice was given as provided in Subsection (2)(b) or (d) is prima facie evidence that notice was properly given.
- (g) If no challenge is made to the notice given of a hearing required by Subsection (1) within 30 days after the date of the hearing, the notice is considered adequate and proper.

- (h) After holding a public hearing under Subsection (1), a special district board may:
  - (i) impose the new fee or increase the existing fee as proposed;
  - (ii) adjust the amount of the proposed new fee or the increase of the existing fee and then impose the new fee or increase the existing fee as adjusted; or
  - (iii) decline to impose the new fee or increase the existing fee.
- (i) This section applies to each new fee imposed and each increase of an existing fee that occurs on or after July 1, 1998.
- (j)
  - (i) This section does not apply to an impact fee.
  - (ii) The imposition or increase of an impact fee is governed by Title 11, Chapter 36a, Impact Fees Act.

Amended by Chapter 382, 2024 General Session

**17B-1-644 Definitions -- Electronic payments -- Fee.**

- (1) As used in this section:
  - (a) "Electronic payment" means the payment of money to a special district by electronic means, including by means of a credit card, charge card, debit card, prepaid or stored value card or similar device, or automatic clearinghouse transaction.
  - (b) "Electronic payment fee" means an amount of money to defray the discount fee, processing fee, or other fee charged by a credit card company or processing agent to process an electronic payment.
  - (c) "Processing agent" means a bank, transaction clearinghouse, or other third party that charges a fee to process an electronic payment.
- (2) A special district may accept an electronic payment for the payment of funds which the special district could have received through another payment method.
- (3) A special district that accepts an electronic payment may charge an electronic payment fee.

Amended by Chapter 15, 2023 General Session

**17B-1-645 Residential fee credit.**

- (1) A special district may create a fee structure under this title that permits:
  - (a) a home owner or residential tenant to file for a fee credit for a fee charged by the special district, if the credit is based on:
    - (i) the home owner's annual income; or
    - (ii) the residential tenant's annual income; or
  - (b) an owner of federally subsidized housing to file for a credit for a fee charged by the special district.
- (2) If a special district permits a person to file for a fee credit under Subsection (1)(a), the special district shall make the credit available to:
  - (a) a home owner; and
  - (b) a residential tenant.

Amended by Chapter 15, 2023 General Session