

**Effective 2/27/2023**

**Effective until 5/1/2024**

**51-7-3 Definitions.**

As used in this chapter:

- (1) "Agent" means "agent" as defined in Section 61-1-13.
- (2) "Certified dealer" means:
  - (a) a primary reporting dealer recognized by the Federal Reserve Bank of New York who is certified by the director as having met the applicable criteria of council rule; or
  - (b) a broker dealer who:
    - (i) has and maintains an office and a resident registered principal in the state;
    - (ii) meets the capital requirements established by council rules;
    - (iii) meets the requirements for good standing established by council rule; and
    - (iv) is certified by the director as meeting quality criteria established by council rule.
- (3) "Certified investment adviser" means a federal covered adviser, as defined in Section 61-1-13, or an investment adviser, as defined in Section 61-1-13, who is certified by the director as having met the applicable criteria of council rule.
- (4) "Commissioner" means the commissioner of financial institutions.
- (5) "Council" means the State Money Management Council created by Section 51-7-16.
- (6) "Covered bond" means a publicly placed debt security issued by a bank, other regulated financial institution, or a subsidiary of either that is secured by a pool of loans that remain on the balance sheet of the issuer or its subsidiary.
- (7) "Director" means the director of the Utah State Division of Securities of the Department of Commerce.
- (8)
  - (a) "Endowment funds" means gifts, devises, or bequests of property of any kind donated to a higher education institution from any source.
  - (b) "Endowment funds" does not mean money used for the general operation of a higher education institution that is received by the higher education institution from:
    - (i) state appropriations;
    - (ii) federal contracts;
    - (iii) federal grants;
    - (iv) private research grants; and
    - (v) tuition and fees collected from students.
- (9) "First tier commercial paper" means commercial paper rated by at least two nationally recognized statistical rating organizations in the highest short-term rating category.
- (10) "Funds functioning as endowments" means funds, regardless of source, whose corpus is intended to be held in perpetuity by formal institutional designation according to the institution's policy for designating those funds.
- (11) "GASB" or "Governmental Accounting Standards Board" means the Governmental Accounting Standards Board that is responsible for accounting standards used by public entities.
- (12) "Hard put" means an unconditional sell-back provision or a redemption provision applicable at issue to a note or bond, allowing holders to sell their holdings back to the issuer or to an equal or higher-rated third party provider at specific intervals and specific prices determined at the time of issuance.
- (13) "Higher education institution" means the institutions specified in Section 53B-1-102.
- (14) "Investment adviser representative" is as defined in Section 61-1-13.
- (15)

- (a) "Investment agreement" means any written agreement that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate.
- (b) "Investment agreement" includes any agreement to supply investments on one or more future dates.
- (16) "Local government" means a county, municipality, school district, special district under Title 17B, Limited Purpose Local Government Entities - Special Districts, special service district under Title 17D, Chapter 1, Special Service District Act, or any other political subdivision of the state.
- (17) "Market value" means market value as defined in the Master Repurchase Agreement.
- (18) "Master Repurchase Agreement" means the current standard Master Repurchase Agreement approved by the Public Securities Association or by any successor organization.
- (19) "Maximum amount" means, with respect to qualified depositories, the total amount of:
  - (a) deposits in excess of the federal deposit insurance limit; and
  - (b) nonqualifying repurchase agreements.
- (20) "Money market mutual fund" means an open-end managed investment fund:
  - (a) that complies with the diversification, quality, and maturity requirements of Rule 2a-7 or any successor rule of the Securities and Exchange Commission applicable to money market mutual funds; and
  - (b) that assesses no sales load on the purchase of shares and no contingent deferred sales charge or other similar charges, however designated.
- (21) "Nationally recognized statistical rating organization" means an organization that has been designated as a nationally recognized statistical rating organization by the Securities and Exchange Commission's Division of Market Regulation.
- (22) "Nonqualifying repurchase agreement" means a repurchase agreement evidencing indebtedness of a qualified depository arising from the transfer of obligations of the United States Treasury or other authorized investments to public treasurers that is:
  - (a) evidenced by a safekeeping receipt issued by the qualified depository;
  - (b) included in the depository's maximum amount of public funds; and
  - (c) valued and maintained at market value plus an appropriate margin collateral requirement based upon the term of the agreement and the type of securities acquired.
- (23) "Operating funds" means current balances and other funds that are to be disbursed for operation of the state government or any of its boards, commissions, institutions, departments, divisions, agencies, or other similar instrumentalities, or any county, city, school district, political subdivision, or other public body.
- (24) "Permanent funds" means funds whose principal may not be expended, the earnings from which are to be used for purposes designated by law.
- (25) "Permitted depository" means any out-of-state financial institution that meets quality criteria established by rule of the council.
- (26) "Public funds" means money, funds, and accounts, regardless of the source from which the money, funds, and accounts are derived, that are owned, held, or administered by the state or any of its boards, commissions, institutions, departments, divisions, agencies, bureaus, laboratories, or other similar instrumentalities, or any county, city, school district, political subdivision, or other public body.
- (27)
  - (a) "Public money" means "public funds."
  - (b) "Public money," as used in Article VII, Sec. 15, Utah Constitution, means the same as "state funds."

- (28) "Public treasurer" includes the state treasurer and the official of any state board, commission, institution, department, division, agency, or other similar instrumentality, or of any county, city, school district, charter school, political subdivision, or other public body who has the responsibility for the safekeeping and investment of any public funds.
- (29) "Qualified depository" means a Utah depository institution or an out-of-state depository institution, as those terms are defined in Section 7-1-103, that is authorized to conduct business in this state under Section 7-1-702 or Title 7, Chapter 19, Acquisition of Failing Depository Institutions or Holding Companies, whose deposits are insured by an agency of the federal government and that has been certified by the commissioner of financial institutions as having met the requirements established under this chapter and the rules of the council to be eligible to receive deposits of public funds.
- (30) "Qualifying repurchase agreement" means a repurchase agreement evidencing indebtedness of a financial institution or government securities dealer acting as principal arising from the transfer of obligations of the United States Treasury or other authorized investments to public treasurers only if purchased securities are:
- (a) delivered to the public treasurer's safekeeping agent or custodian as contemplated by Section 7 of the Master Repurchase Agreement; and
  - (b) valued and maintained at market value plus an appropriate margin collateral requirement based upon the term of the agreement and the type of securities acquired.
- (31) "Reciprocal deposits" means deposits that are initially deposited into a qualified depository and are then redeposited through a deposit account registry service:
- (a) in one or more FDIC-insured depository institutions in amounts up to the relevant FDIC-insured deposit limit for a depositor in each depository institution; and
  - (b) in exchange for reciprocal FDIC-insured deposits made through the deposit account registry service to the qualified depository.
- (32) "Securities division" means Utah's Division of Securities created within the Department of Commerce by Section 13-1-2.
- (33) "State funds" means:
- (a) public money raised by operation of law for the support and operation of the state government; and
  - (b) all other money, funds, and accounts, regardless of the source from which the money, funds, or accounts are derived, that are owned, held, or administered by the state or any of its boards, commissions, institutions, departments, divisions, agencies, bureaus, laboratories, or other similar instrumentalities.