

Part 2

Budget Process, Appropriations, and Expenditures

63J-1-201 Governor's proposed budget to Legislature -- Contents -- Preparation -- Appropriations based on current tax laws and not to exceed estimated revenues.

- (1) The governor shall deliver, not later than 30 days before the date the Legislature convenes in the annual general session, a confidential draft copy of the governor's proposed budget recommendations to the Office of the Legislative Fiscal Analyst according to the requirements of this section.
- (2)
 - (a) When submitting a proposed budget, the governor shall, within the first three days of the annual general session of the Legislature, submit to the presiding officer of each house of the Legislature:
 - (i) a proposed budget for the ensuing fiscal year;
 - (ii) a schedule for all of the proposed changes to appropriations in the proposed budget, with each change clearly itemized and classified; and
 - (iii) as applicable, a document showing proposed changes in estimated revenues that are based on changes in state tax laws or rates.
 - (b) The proposed budget shall include:
 - (i) a projection of:
 - (A) estimated revenues by major tax type;
 - (B) 15-year trends for each major tax type;
 - (C) estimated receipts of federal funds;
 - (D) 15-year trends for federal fund receipts; and
 - (E) appropriations for the next fiscal year;
 - (ii) the source of changes to all direct, indirect, and in-kind matching funds for all federal grants or assistance programs included in the budget;
 - (iii) changes to debt service;
 - (iv) a plan of proposed changes to appropriations and estimated revenues for the next fiscal year that is based upon the current fiscal year state tax laws and rates and considers projected changes in federal grants or assistance programs included in the budget;
 - (v) an itemized estimate of the proposed changes to appropriations for:
 - (A) the legislative department as certified to the governor by the president of the Senate and the speaker of the House;
 - (B) the executive department;
 - (C) the judicial department as certified to the governor by the state court administrator;
 - (D) changes to salaries payable by the state under the Utah Constitution or under law for lease agreements planned for the next fiscal year; and
 - (E) all other changes to ongoing or one-time appropriations, including dedicated credits, restricted funds, nonlapsing balances, grants, and federal funds;
 - (vi) for each line item, the average annual dollar amount of staff funding associated with all positions that were vacant during the last fiscal year;
 - (vii) deficits or anticipated deficits;
 - (viii) the recommendations for each state agency for new full-time employees for the next fiscal year, which shall also be provided to the director of the Division of Facilities Construction and Management as required by Subsection 63A-5b-501(3);

- (ix) a written description and itemized report submitted by a state agency to the Governor's Office of Planning and Budget under Section 63J-1-220, including:
 - (A) a written description and an itemized report provided at least annually detailing the expenditure of the state money, or the intended expenditure of any state money that has not been spent; and
 - (B) a final written itemized report when all the state money is spent;
 - (x) any explanation that the governor may desire to make as to the important features of the budget and any suggestion as to methods for the reduction of expenditures or increase of the state's revenue; and
 - (xi) information detailing certain fee increases as required by Section 63J-1-504.
- (3)
- (a) Except as provided in Subsection (3)(b), for the purpose of preparing and reporting the proposed budget, the governor:
 - (i) shall require the proper state officials, including all public and higher education officials, all heads of executive and administrative departments and state institutions, bureaus, boards, commissions, and agencies expending or supervising the expenditure of the state money, and all institutions applying for state money and appropriations, to provide itemized estimates of changes in revenues and appropriations;
 - (ii) may require the persons and entities subject to Subsection (3)(a)(i) to provide other information under these guidelines and at times as the governor may direct, which may include a requirement for program productivity and performance measures, where appropriate, with emphasis on outcome indicators; and
 - (iii) may require representatives of public and higher education, state departments and institutions, and other institutions or individuals applying for state appropriations to attend budget meetings.
 - (b) Subsections (3)(a)(ii) and (iii) do not apply to the judicial department or the legislative department.
- (4)
- (a) The Governor's Office of Planning and Budget shall provide to the Office of the Legislative Fiscal Analyst, as soon as practicable, but no later than 30 days before the day on which the Legislature convenes in the annual general session, data, analysis, or requests used in preparing the governor's budget recommendations, notwithstanding the restrictions imposed on such recommendations by available revenue.
 - (b) The information under Subsection (4)(a) shall include:
 - (i) actual revenues and expenditures for the fiscal year ending the previous June 30;
 - (ii) estimated or authorized revenues and expenditures for the current fiscal year;
 - (iii) requested revenues and expenditures for the next fiscal year;
 - (iv) detailed explanations of any differences between the amounts appropriated by the Legislature in the current fiscal year and the amounts reported under Subsections (4)(b)(ii) and (iii); and
 - (v) other budgetary information required by the Legislature in statute.
 - (c) The budget information under Subsection (4)(a) shall cover:
 - (i) all items of appropriation, funds, and accounts included in appropriations acts for the current and previous fiscal years; and
 - (ii) any new appropriation, fund, or account items requested for the next fiscal year.
 - (d) The information provided under Subsection (4)(a) may be provided as a shared record under Section 63G-2-206 as considered necessary by the Governor's Office of Planning and Budget.

- (5)
 - (a) In submitting the budget for the Department of Public Safety, the governor shall include a separate recommendation in the governor's budget for maintaining a sufficient number of alcohol-related law enforcement officers to maintain the enforcement ratio equal to or below the number specified in Subsection 32B-1-201(2).
 - (b) If the governor does not include in the governor's budget an amount sufficient to maintain the number of alcohol-related law enforcement officers described in Subsection (5)(a), the governor shall include a message to the Legislature regarding the governor's reason for not including that amount.
- (6)
 - (a) The governor may revise all estimates, except those relating to the legislative department, the judicial department, and those providing for the payment of principal and interest to the state debt and for the salaries and expenditures specified by the Utah Constitution or under the laws of the state.
 - (b) The estimate for the judicial department, as certified by the state court administrator, shall also be included in the budget without revision, but the governor may make separate recommendations on the estimate.
- (7) The total appropriations requested for expenditures authorized by the budget may not exceed the estimated revenues from taxes, fees, and all other sources for the next ensuing fiscal year.
- (8) If any item of the budget as enacted is held invalid upon any ground, the invalidity does not affect the budget itself or any other item in the budget.

Amended by Chapter 382, 2021 General Session

Amended by Chapter 421, 2021 General Session

63J-1-201.5 Financial statement to be submitted annually.

The governor shall submit an audited financial statement no later than December 31 of each year that shows:

- (1) the revenues and expenditures for the last fiscal year;
- (2) payment and discharge of the principal and interest of the indebtedness of the state;
- (3) the current assets, liabilities, and reserves, surplus or deficit, and the debts and funds of the state;
- (4) an estimate of the state's financial condition as of the beginning and the end of the period covered by the budget; and
- (5) a complete analysis of lease with an option to purchase arrangements entered into by state agencies.

Amended by Chapter 12, 2020 Special Session 6

63J-1-205 Revenue volatility report.

- (1) Beginning in 2011 and continuing every three years after 2011, the Legislative Fiscal Analyst and the Governor's Office of Planning and Budget shall submit a joint revenue volatility report to the Executive Appropriations Committee prior to the committee's December meeting.
- (2) The Legislative Fiscal Analyst and the Governor's Office of Planning and Budget shall ensure that the report:
 - (a) discusses the tax base and the tax revenue volatility of the revenue streams that provide the source of funding for the state budget;

- (b) considers federal funding included in the state budget and any projected changes in the amount or value of federal funding;
- (c) identifies the balances in the General Fund Budget Reserve Account and the Income Tax Fund Budget Reserve Account;
- (d) analyzes the adequacy of the balances in the General Fund Budget Reserve Account and the Income Tax Fund Budget Reserve Account in relation to the volatility of the revenue streams and the risk of a reduction in the amount or value of federal funding;
- (e) recommends changes to the deposit amounts or transfer limits established in Sections 63J-1-312 and 63J-1-313, if the Legislative Fiscal Analyst and Governor's Office of Planning and Budget consider it appropriate to recommend changes; and
- (f) presents options for a deposit mechanism linked to one or more tax sources on the basis of each tax source's observed volatility, including:
 - (i) an analysis of how the options would have performed historically within the state;
 - (ii) an analysis of how the options will perform based on the most recent revenue forecast; and
 - (iii) recommendations for deposit mechanisms considered likely to meet the budget reserve account targets established in Sections 63J-1-312 and 63J-1-313.

Amended by Chapter 456, 2022 General Session

63J-1-205.1 Legislature to pay debt service first.

The Legislature shall appropriate money each fiscal year sufficient to pay the principal, premium, and interest due on the state's outstanding general obligation bonds before making any other appropriation in the fiscal year.

Amended by Chapter 366, 2020 General Session

63J-1-206 Appropriations governed by chapter -- Restrictions on expenditures -- Transfer of funds -- Exclusion.

- (1)
 - (a) Except as provided in Subsections (1)(b) and (2)(e), or where expressly exempted in the appropriating act:
 - (i) all money appropriated by the Legislature is appropriated upon the terms and conditions set forth in this chapter; and
 - (ii) any department, agency, or institution that accepts money appropriated by the Legislature does so subject to the requirements of this chapter.
 - (b) This section does not apply to:
 - (i) the Legislature and its committees; and
 - (ii) the Investigation Account of the Water Resources Construction Fund, which is governed by Section 73-10-8.
- (2)
 - (a) Each item of appropriation is to be expended subject to any schedule of programs and any restriction attached to the item of appropriation, as designated by the Legislature.
 - (b) Each schedule of programs or restriction attached to an appropriation item:
 - (i) is a restriction or limitation upon the expenditure of the respective appropriation made;
 - (ii) does not itself appropriate any money; and
 - (iii) is not itself an item of appropriation.
 - (c)

- (i) An appropriation or any surplus of any appropriation may not be diverted from any department, agency, institution, division, or line item to any other department, agency, institution, division, or line item.
- (ii) If the money appropriated to an agency to pay lease payments under the program established in Section 63A-5b-703 exceeds the amount required for the agency's lease payments to the Division of Facilities Construction and Management, the agency may:
 - (A) transfer money from the lease payments line item to other line items within the agency; and
 - (B) retain and use the excess money for other purposes.
- (d) The money appropriated subject to a schedule of programs or restriction may be used only for the purposes authorized.
- (e) In order for a department, agency, or institution to transfer money appropriated to it from one program to another program, the department, agency, or institution shall revise its budget execution plan as provided in Section 63J-1-209.
- (f)
 - (i) The procedures for transferring money between programs within a line item as provided by Subsection (2)(e) do not apply to money appropriated to the State Board of Education for the Minimum School Program or capital outlay programs created in Title 53F, Chapter 3, State Funding -- Capital Outlay Programs.
 - (ii) The state superintendent may transfer money appropriated for the programs specified in Subsection (2)(f)(i) only as provided by Section 53F-2-205.
- (3) Notwithstanding Subsection (2)(c)(i):
 - (a) the state superintendent may transfer money appropriated for the Minimum School Program between line items in accordance with Section 53F-2-205; and
 - (b) the Department of Government Operations may transfer money appropriated for the purpose of paying the costs of paid employee parental leave and postpartum recovery leave under Section 63A-17-511 to another department, agency, institution, or division.

Amended by Chapter 40, 2022 General Session

Amended by Chapter 425, 2022 General Session

63J-1-207 Uniform School Fund -- Appropriations.

- (1) Appropriations made from the General Fund to the Uniform School Fund to assist in financing the state's portion of the minimum school program, as provided by law, shall be conditioned upon available revenue.
- (2) If revenues to the General Fund are not sufficient to permit transfers to the Uniform School Fund as provided by appropriation, the state fiscal officers shall withhold transfers from the General Fund to the Uniform School Fund during the fiscal period, as in their judgment the available revenues justify until:
 - (a) all other appropriations made by law have been provided for;
 - (b) any modifications to department and agency work programs have been made; and
 - (c) the governor has approved the transfer.
- (3) Transfers from the General Fund to the Uniform School Fund shall be made at such times as required to equalize the property levy for each fiscal year.

Renumbered and Amended by Chapter 183, 2009 General Session

63J-1-208 Conditions on appropriations binding.

A condition that is attached to an item of appropriation that is not inconsistent with law is binding upon the recipient of the appropriation.

Renumbered and Amended by Chapter 183, 2009 General Session

63J-1-209 Director of finance to exercise accounting control -- Budget execution plans -- Allotments and expenditures.

- (1) The director of finance shall exercise accounting control over all state departments, institutions, and agencies other than the Legislature and legislative committees.
- (2)
 - (a) The director shall require the head of each department to submit, by May 15 of each year, a budget execution plan for the next fiscal year.
 - (b) The director may require any department to submit a budget execution plan for any other period.
- (3) The budget execution plan shall include appropriations and all other funds from any source made available to the department for its operation and maintenance for the period and program authorized by legislation that appropriates funds.
- (4)
 - (a) In order to revise a budget execution plan, the department, agency, or institution seeking to revise the budget execution plan shall:
 - (i) develop a new budget execution plan that consists of the currently approved budget execution plan and the revision sought to be made;
 - (ii) prepare a written justification for the new budget execution plan that sets forth the purpose and necessity of the revision; and
 - (iii) submit the new budget execution plan and the written justification for the new budget execution plan to the Division of Finance.
 - (b) The Division of Finance shall process the new budget execution plan with written justification and make this information available to the Governor's Office of Planning and Budget and the legislative fiscal analyst.
- (5) Upon request from the Governor's Office of Planning and Budget, the Division of Finance shall revise budget execution plans.
- (6) Notwithstanding the requirements of Title 63J, Chapter 2, Revenue Procedures and Control Act, the aggregate of the budget execution plan revisions may not exceed the total appropriations or other funds from any source that are available to the agency line item for the fiscal year in question.
- (7) Upon transmittal of the new budget execution plan to the entities in Subsection (4), the Division of Finance shall permit all expenditures to be made from the appropriations or other funds from any source on the basis of those budget execution plans.
- (8) The Division of Finance shall, through statistical sampling methods or other means, audit all claims against the state for which an appropriation has been made.

Amended by Chapter 382, 2021 General Session

63J-1-209.5 Reporting requirements for budget execution plans for fiscal year 2021.

- (1) Notwithstanding Subsection 63J-1-209(2), for the fiscal year beginning July 1, 2020, and ending June 30, 2021, the director of the Division of Finance may extend the deadline described in Subsection 63J-1-209(2)(a) for up to 45 days after the date described in Subsection 63J-1-209(2)(a).

(2) This section supersedes any conflicting provisions of Utah law.

Enacted by Chapter 3, 2020 Special Session 3

63J-1-210 Restrictions on agency expenditures of money -- Lobbyists.

(1) As used in this section:

(a)

(i) "Agency" means:

(A) a department, commission, board, council, agency, institution, officer, corporation, fund, division, office, committee, authority, laboratory, library, unit, bureau, panel, or other administrative unit of the state; or

(B) a school, a school district, or a charter school.

(ii) "Agency" includes the legislative branch, the judicial branch, the Utah Board of Higher Education, the board of trustees of each higher education institution, or a higher education institution.

(b) "Contract lobbyist" means a person who is not an employee of an agency who is hired as an independent contractor by the agency to communicate with legislators or the governor for the purpose of influencing the passage, defeat, amendment, or postponement of a legislative action or an executive action.

(c) "Executive action" means action undertaken by the governor, including signing or vetoing legislation, and action undertaken by any official in the executive branch of state government.

(d) "Legislative action" means action undertaken by the Utah Legislature or any part of it.

(2) An agency to which money is appropriated by the Legislature may not expend any money to pay a contract lobbyist.

(3) This section does not affect the provisions of Title 36, Chapter 11, Lobbyist Disclosure and Regulation Act.

Amended by Chapter 365, 2020 General Session

63J-1-211 Appropriating from restricted accounts.

(1) As used in this section, "operating deficit" means that estimated General Fund or Uniform School Fund revenues are less than budgeted for the current or next fiscal year.

(2) Notwithstanding any other statute that limits the Legislature's power to appropriate from a restricted account, if the Legislature determines that an operating deficit exists, unless prohibited by federal law or court order, the Legislature may, in eliminating the deficit, appropriate money from a restricted account into the General Fund.

Renumbered and Amended by Chapter 183, 2009 General Session

63J-1-212 Duplicate payment of claims prohibited.

No claim against the state, the payment of which is provided for, shall be duplicated, and the amount of any appropriation for the payment of any such claim shall be withheld if it is covered by any other appropriation.

Renumbered and Amended by Chapter 183, 2009 General Session

63J-1-213 Appropriations from special funds or accounts -- Transfer by proper official only.

Whenever appropriations are made from special funds, or a fund account, the transfer of money from those funds, or accounts, to the General Fund or any other fund for budgetary purposes shall be made by the proper state fiscal officer.

Renumbered and Amended by Chapter 183, 2009 General Session

63J-1-214 Warrants -- Not to be drawn until claim processed -- Redemption.

- (1) No warrant to cover any claim against any appropriation or fund shall be drawn until such claim has been processed as provided by law.
- (2) The state treasurer shall return all redeemed warrants to the state fiscal officer for purposes of reconciliation, post-audit and verification of the state treasurer's fund balances.

Renumbered and Amended by Chapter 183, 2009 General Session

63J-1-215 Cash funds -- Application for account -- Preference for purchasing card accounts -- Cash advances -- Revolving fund established by law excepted -- Elimination of cash funds.

- (1) Before any new petty cash funds may be established, the commission, department, or agency requesting the fund or funds shall apply in writing to the Division of Finance and provide:
 - (a) the reasons why the cash fund is needed;
 - (b) the amount requested; and
 - (c) the reasons why a purchasing card account is not sufficient to meet the needs of the commission, department, or agency.
- (2)
 - (a) The Division of Finance shall review the application and make a determination that:
 - (i) no cash fund or purchasing card account should be established;
 - (ii) a purchasing card account should be established; or
 - (iii) a cash fund should be established using money in the state treasury.
 - (b) When making a determination under Subsection (2)(a), the Division of Finance shall recommend a purchasing card account in lieu of a cash fund unless there is significant evidence that a purchasing account is not sufficient to meet the needs of the commission, department, or agency.
- (3) Revolving funds established by law are not subject to the provisions of this section.
- (4) The Division of Finance is authorized to review and close cash funds if the division determines that a purchasing card account will adequately meet the needs of the commission, department, or agency.

Renumbered and Amended by Chapter 183, 2009 General Session

Renumbered and Amended by Chapter 368, 2009 General Session

63J-1-216 Allotment of funds to higher education.

- (1) The state fiscal officer may permit advances to be made from allotments to state institutions of higher education in sufficient amounts to provide necessary working bank balances to facilitate an orderly management of institutional affairs.
- (2) State institutions of higher education shall make reports, as required by the state fiscal officer, for the expenditure of funds included in any advances.

Enacted by Chapter 183, 2009 General Session

63J-1-217 Overexpenditure of budget by agency -- Prorating budget income shortfall.

- (1) Expenditures of departments, agencies, and institutions of state government shall be kept within revenues available for such expenditures.
- (2)
 - (a) Line items of appropriation shall not be overexpended.
 - (b) Notwithstanding Subsection (2)(a), if an agency's line item is overexpended at the close of a fiscal year:
 - (i) the director of the Division of Finance may make payments from the line item to vendors for goods or services that were received on or before June 30; and
 - (ii) the director of the Division of Finance shall immediately reduce the agency's line item budget in the current year by the amount of the overexpenditure.
 - (c) Each agency with an overexpended line item shall:
 - (i) prepare a written report explaining the reasons for the overexpenditure; and
 - (ii) present the report to:
 - (A) the Board of Examiners as required by Section 63G-9-301; and
 - (B) the Office of the Legislative Fiscal Analyst.
- (3)
 - (a) As used in this Subsection (3):
 - (i) " Income Tax Fund budget deficit" has the same meaning as in Section 63J-1-312; and
 - (ii) "General Fund budget deficit" has the same meaning as in Section 63J-1-312.
 - (b) If an Income Tax Fund budget deficit or a General Fund budget deficit exists and the adopted estimated revenues were prepared in consensus with the Governor's Office of Planning and Budget, the governor shall:
 - (i) direct state agencies to reduce commitments and expenditures by an amount proportionate to the amount of the deficiency; and
 - (ii) direct the Division of Finance to reduce allotments to institutions of higher education by an amount proportionate to the amount of the deficiency.
 - (c) The governor's directions under Subsection (3)(b) are rescinded when the Legislature rectifies the Income Tax Fund budget deficit and the General Fund budget deficit.
- (4)
 - (a) A department may not receive an advance of funds that cannot be covered by anticipated revenue within the budget execution plan of the fiscal year, unless the governor allocates money from the governor's emergency appropriations.
 - (b) All allocations made from the governor's emergency appropriations shall be reported to the budget subcommittee of the Legislative Management Committee by notifying the Office of the Legislative Fiscal Analyst at least 15 days before the effective date of the allocation.
 - (c) Emergency appropriations shall be allocated only to support activities having existing legislative approval and appropriation, and may not be allocated to any activity or function rejected directly or indirectly by the Legislature.

Amended by Chapter 456, 2022 General Session

63J-1-218 Reduction in federal funds -- Agencies to reduce budgets.

In any fiscal year in which federal grants to be received by state agencies, departments, divisions, or institutions are reduced below the level estimated in the appropriations acts for that year, the programs supported by those grants must be reduced commensurate with the amount

of the federal reduction unless the Legislature appropriates state funds to offset the loss in federal funding.

Amended by Chapter 222, 2016 General Session

63J-1-219 Definitions -- Federal receipts reporting requirements.

(1) As used in this section:

(a)

- (i) "Designated state agency" means the Department of Government Operations, the Department of Agriculture and Food, the Department of Alcoholic Beverage Services, the Department of Commerce, the Department of Cultural and Community Engagement, the Department of Corrections, the Department of Environmental Quality, the Department of Financial Institutions, the Department of Health, the Department of Human Services, the Department of Insurance, the Department of Natural Resources, the Department of Public Safety, the Department of Transportation, the Department of Veterans and Military Affairs, the Department of Workforce Services, the Labor Commission, the Office of Economic Opportunity, the Public Service Commission, the Utah Board of Higher Education, the State Board of Education, the State Tax Commission, or the Utah National Guard.
- (ii) "Designated state agency" does not include the judicial branch, the legislative branch, or an office or other entity within the judicial branch or the legislative branch.
- (b) "Federal receipts" means the federal financial assistance, as defined in 31 U.S.C. Sec. 7501, that is reported as part of a single audit.
- (c) "Single audit" is as defined in 31 U.S.C. Sec. 7501.

(2) Subject to Subsections (3) and (4), a designated state agency shall each year, on or before October 31, prepare a report that:

- (a) reports the aggregate value of federal receipts the designated state agency received for the preceding fiscal year;
- (b) reports the aggregate amount of federal funds appropriated by the Legislature to the designated state agency for the preceding fiscal year;
- (c) calculates the percentage of the designated state agency's total budget for the preceding fiscal year that constitutes federal receipts that the designated state agency received for that fiscal year; and
- (d) develops plans for operating the designated state agency if there is a reduction of:
 - (i) 5% or more in the federal receipts that the designated state agency receives; and
 - (ii) 25% or more in the federal receipts that the designated state agency receives.

(3)

- (a) The report required by Subsection (2) that the Utah Board of Higher Education prepares shall include the information required by Subsections (2)(a) through (c) for each state institution of higher education listed in Section 53B-2-101.
- (b) The report required by Subsection (2) that the State Board of Education prepares shall include the information required by Subsections (2)(a) through (c) for each school district and each charter school within the public education system.

(4) A designated state agency that prepares a report in accordance with Subsection (2) shall submit the report to the Division of Finance on or before November 1 of each year.

(5)

- (a) The Division of Finance shall, on or before November 30 of each year, prepare a report that:
 - (i) compiles and summarizes the reports the Division of Finance receives in accordance with Subsection (4); and

- (ii) compares the aggregate value of federal receipts each designated state agency received for the previous fiscal year to the aggregate amount of federal funds appropriated by the Legislature to that designated state agency for that fiscal year.
- (b) The Division of Finance shall, as part of the report required by Subsection (5)(a), compile a list of designated state agencies that do not submit a report as required by this section.
- (6) The Division of Finance shall submit the report required by Subsection (5) to the Executive Appropriations Committee on or before December 1 of each year.
- (7) Upon receipt of the report required by Subsection (5), the chairs of the Executive Appropriations Committee shall place the report on the agenda for review and consideration at the next Executive Appropriations Committee meeting.
- (8) When considering the report required by Subsection (5), the Executive Appropriations Committee may elect to:
 - (a) recommend that the Legislature reduce or eliminate appropriations for a designated state agency;
 - (b) take no action; or
 - (c) take another action that a majority of the committee approves.

Amended by Chapter 447, 2022 General Session

63J-1-220 Reporting related to pass through money distributed by state agencies.

- (1) As used in this section:
 - (a) "Local government entity" 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.
 - (b)
 - (i) "Pass through funding" means money appropriated by the Legislature to a state agency that is intended to be passed through the state agency to one or more:
 - (A) local government entities;
 - (B) private organizations, including not-for-profit organizations; or
 - (C) persons in the form of a loan or grant.
 - (ii) "Pass through funding" may be:
 - (A) general funds, dedicated credits, or any combination of state funding sources; and
 - (B) ongoing or one-time.
 - (c) "Recipient entity" means a local government entity or private entity, including a nonprofit entity, that receives money by way of pass through funding from a state agency.
 - (d) "State agency" means a department, commission, board, council, agency, institution, officer, corporation, fund, division, office, committee, authority, laboratory, library, unit, bureau, panel, or other administrative unit of the executive branch of the state.
 - (e)
 - (i) "State money" means money that is owned, held, or administered by a state agency and derived from state fees or tax revenues.
 - (ii) "State money" does not include contributions or donations received by a state agency.
- (2) A state agency may not provide a recipient entity state money through pass through funding unless:
 - (a) the state agency enters into a written agreement with the recipient entity; and
 - (b) the written agreement described in Subsection (2)(a) requires the recipient entity to provide the state agency:

- (i) a written description and an itemized report at least annually detailing the expenditure of the state money, or the intended expenditure of any state money that has not been spent; and
 - (ii) a final written itemized report when all the state money is spent.
- (3) A state agency shall provide to the Governor's Office of Planning and Budget a copy of a written description or itemized report received by the state agency under Subsection (2).
- (4) Notwithstanding Subsection (2), a state agency is not required to comply with this section to the extent that the pass through funding is issued:
- (a) under a competitive award process;
 - (b) in accordance with a formula enacted in statute;
 - (c) in accordance with a state program under parameters in statute or rule that guides the distribution of the pass through funding; or
 - (d) under the authority of the Minimum School Program, as defined in Section 53F-2-102.

Amended by Chapter 16, 2023 General Session