

Senator Wayne L. Niederhauser proposes the following substitute bill:

TRANSPARENCY IN GOVERNMENT FINANCE

2008 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne L. Niederhauser

House Sponsor: John Dougall

LONG TITLE

General Description:

This bill modifies the Utah Administrative Services Code by providing that certain public financial information be made available on the Internet.

Highlighted Provisions:

This bill:

- ▶ provides for definitions;
- ▶ creates a website for the purpose of providing public financial information which shall be administered by the Division of Finance;
- ▶ requires that state entities provide public financial information for the website;
- ▶ requires that certain local entities provide public financial information on their own websites and provide a link to their website on the website established under this part;
- ▶ provides that the website shall be searchable, specifies the required capabilities of the website, and provides for website accessibility;
- ▶ provides that the Division of Finance may make rules to require specific reporting obligations for participating entities;
- ▶ creates the Utah Transparency Advisory Board to advise the division on website implementation and administration, to determine what public financial information



26 must be made available on the Internet, and to develop plans, make recommendations, and
27 evaluate the cost effectiveness of implementing certain information resources on the website;
28 and

29 ▶ provides for board membership and other duties.

30 **Monies Appropriated in this Bill:**

31 None

32 **Other Special Clauses:**

33 None

34 **Utah Code Sections Affected:**

35 ENACTS:

36 **63A-3-401**, Utah Code Annotated 1953

37 **63A-3-402**, Utah Code Annotated 1953



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

40 Section 1. Section **63A-3-401** is enacted to read:

41 **Part 4. Utah Transparency Advisory Board**

42 **63A-3-401. Definitions -- Website -- Establishment and administration.**

43 (1) As used in this part:

44 (a) "Board" means the Utah Transparency Advisory Board created under Section
45 63A-3-402.

46 (b) "Division" means the Division of Finance;

47 (c) "Participating state entity" means the state of Utah, including its executive,
48 legislative, and judicial branches, its departments, divisions, agencies, boards, commissions,
49 councils, committees, and institutions.

50 (d) "Participating local entity" means:

51 (i) a county of the first, second, third, or fourth class, as defined by Section 17-50-501;

52 (ii) a city of the first, second, third, or fourth class, as defined by Section 10-2-301;

53 (iii) a local district under Title 17B, Limited Purpose Local Government Entities -
54 Local Districts, that has an annual budget of \$1 million or more;

55 (iv) a special service district under Title 17A, Chapter 2, Part 13, Utah Special Service
56 District Act, that has an annual budget of \$1 million or more;

- 57 (v) a state institution of higher education as defined under Section 53B-3-102;
- 58 (vi) a school district that has an annual budget of \$1 million or more; and
- 59 (vii) a charter school that has an annual budget of \$1 million or more.
- 60 (e) "Public financial information" means records that:
- 61 (i) are classified as public under Title 63, Chapter 2, Government Records Access and
- 62 Management Act;
- 63 (ii) are an accounting of monies, funds, accounts, bonds, loans, expenditures, or
- 64 revenues, regardless of the source;
- 65 (iii) are owned, held, or administered by a participating government agency; and
- 66 (iv) are designated for inclusion on the website as determined by the board.
- 67 (f) "Website" means the Utah Public Finance Website created under this part.
- 68 (2) There is created the Utah Public Finance Website to be administered by the
- 69 Division of Finance and established with the technical assistance of the Department of
- 70 Technology Services.
- 71 (3) The Utah Public Finance Website shall:
- 72 (a) permit Utah taxpayers to view, understand, and track the use of taxpayer dollars by
- 73 making public revenue and expenditures available on the Internet;
- 74 (b) allow a person, who has Internet access, to use the website without paying a fee;
- 75 (c) subject to the provisions of Title 63, Chapter 2, Government Records Access and
- 76 Management Act, allow the public to view public financial information beginning with
- 77 information not later than the fiscal year that begins July 1, 2008;
- 78 (d) allow the public to search the website data by fiscal year, expenditure type, name of
- 79 the agency, payee, date, amount, and any other criteria approved by the advisory committee;
- 80 (e) as determined by the advisory committee, provide access to financial reports,
- 81 financial audits, budgets, and other financial documents that are used to allocate, appropriate,
- 82 spend, and account for the government funds;
- 83 (f) as determined by the advisory committee, list expenditures made by a participating
- 84 state entity or a participating local entity to a person under a contract by:
- 85 (i) the name of the participating state entity or a participating local entity making the
- 86 expenditure;
- 87 (ii) the name of the person receiving the expenditure;

88 (iii) the date of the expenditure;
89 (iv) the amount of the expenditure; and
90 (v) the purpose of the expenditure;
91 (g) as determined by the advisory committee, provide the name of each party to a
92 contract for which the website lists an expenditure and provide an electronic copy of the
93 contract;
94 (h) have a unique and simplified website address;
95 (i) be directly accessible via a link from the main page of the official state website;
96 (j) provide a listing of links to the websites for those participating local entities
97 reporting under Subsection (5)(b); and
98 (k) include other links, features, or functionality that will assist the public in obtaining
99 and reviewing information in relation to public finance posted on the website, as may be
100 approved by the advisory committee or the division.
101 (4) The division shall be responsible for:
102 (a) establishing and maintaining the website, including the provision of equipment,
103 resources, and personnel as is necessary;
104 (b) maintaining an archive of all information posted to the website;
105 (c) coordinating and processing the receipt and posting of public financial information
106 from participating state entities;
107 (d) coordinating and regulating the posting of public financial information by
108 participating local entities; and
109 (e) providing staff support for the advisory committee.
110 (5) After consultation with the board, the Division of Finance may make rules to
111 require:
112 (a) participating state entities to provide public financial information for inclusion on
113 the Utah Public Finance Website, with a specified content, reporting frequency, and form; or
114 (b) (i) participating local entities to provide public financial information via the
115 participating local entity's own website, with a specified content, reporting frequency and form;
116 and
117 (ii) the participating local entity's website to be accessible by link or other direct route
118 from the Utah Public Finance Website.

119 Section 2. Section **63A-3-402** is enacted to read:

120 **63A-3-402. Utah Transparency Advisory Board -- Creation -- Membership --**

121 **Duties.**

122 (1) There is created within the division the Utah Transparency Advisory Board
123 comprising of up to nine members knowledgeable about public finance or providing public
124 access to public financial information as follows:

125 (a) one member designated by the director of the Division of Finance;

126 (b) one member designated by the director of the Governor's Office of Planning and

127 Budget;

128 (c) one member designated by the director of the Department of Information

129 Technology;

130 (d) one member designated by the Judicial Council;

131 (e) one member designated by the Legislative Fiscal Analyst;

132 (f) one member of the Senate, appointed by the president of the Senate;

133 (g) one member of the House of Representatives, appointed by the speaker of the

134 House of Representatives; and

135 (h) two additional members who shall each:

136 (i) serve one-year terms;

137 (ii) be designated by a majority of the board members appointed under Subsections

138 (1)(a) through (e); and

139 (iii) be a representative of a participating state entity or a participating local entity.

140 (2) The board shall:

141 (a) advise the division on matters related to the implementation and administration of

142 this part;

143 (b) develop plans, make recommendations, and assist in implementing the provisions

144 of this part;

145 (c) determine what public financial information shall be provided on the website based

146 on considerations of:

147 (i) the cost effectiveness of providing the information;

148 (ii) the value of providing the information to the public; and

149 (iii) privacy and security considerations; and

150 (d) evaluate the cost effectiveness of implementing specific information resources on
151 the website.

152 (3) The committee shall annually elect a chair and a vice chair from its members.

153 (4) When a vacancy occurs in the membership for any reason, the replacement shall be
154 appointed.

155 (5) The committee shall meet as it determines necessary to accomplish its duties.

156 (6) Reasonable notice shall be given to each member of the committee prior to any
157 meeting.

158 (7) A majority of the committee constitutes a quorum for the transaction of business.

159 (8) (a) (i) Members who are not government employees shall receive no compensation
160 or benefits for their services, but may receive per diem and expenses incurred in the
161 performance of the member's official duties at the rates established by the Division of Finance
162 under Sections 63A-3-106 and 63A-3-107.

163 (ii) Members may decline to receive per diem and expenses for their service.

164 (b) (i) State government officer and employee members who do not receive salary, per
165 diem, or expenses from their agency for their service may receive per diem and expenses
166 incurred in the performance of their official duties from the committee at the rates established
167 by the Division of Finance under Sections 63A-3-106 and 63A-3-107.

168 (ii) State government officer and employee members may decline to receive per diem
169 and expenses for their service.

170 (c) (i) Local government members who do not receive salary, per diem, or expenses
171 from the entity that they represent for their service may receive per diem and expenses incurred
172 in the performance of their official duties at the rates established by the Division of Finance
173 under Sections 63A-3-106 and 63A-3-107.

174 (ii) Local government members, if any, may decline to receive per diem and expenses
175 for their service.

S.B. 38 1st Sub. (Green) - Transparency in Government Finance

Fiscal Note

2008 General Session
State of Utah

State Impact

Implementation of this bill will require \$250,800 ongoing and \$480,400 one-time for additional hardware, software, and personnel hours to develop and maintain a public facing financial data warehouse for state agencies.

	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2009</u> <u>Approp.</u>	<u>FY 2010</u> <u>Approp.</u>	<u>FY 2008</u> <u>Revenue</u>	<u>FY 2009</u> <u>Revenue</u>	<u>FY 2010</u> <u>Revenue</u>
General Fund	\$0	\$250,800	\$250,800	\$0	\$0	\$0
General Fund, One-Time	\$480,400	\$0	\$0	\$0	\$0	\$0
Total	\$480,400	\$250,800	\$250,800	\$0	\$0	\$0

Individual, Business and/or Local Impact

Specific costs will depend on what information cities, towns, counties, school districts, and special service districts currently keep and whether that information is currently available to the public. Businesses and individuals may receive certain benefits from the ability to view state and local government financial and contractual data online.