

**Representative Daniel McCay** proposes the following substitute bill:

**FISCAL PERIOD FOR POLITICAL SUBDIVISIONS**

2013 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Daniel McCay**

Senate Sponsor: \_\_\_\_\_

---

**LONG TITLE**

**General Description:**

This bill amends provisions related to the fiscal period for a county, local district, and community development and renewal agency.

**Highlighted Provisions:**

This bill:

- ▶ requires that a county adopt a budget for an annual fiscal period that begins on July 1 of each year and ends on June 30 of the following year or a biennial fiscal period that begins on July 1 and ends on June 30 of the second year immediately following;
- ▶ provides language related to the transition of a county from a calendar fiscal period;
- ▶ requires that a local district adopt a budget for a fiscal period that begins on July 1 of each year and ends on June 30 of the following year;
- ▶ provides language related to the transition of a local district calendar year entity to a fiscal year entity;
- ▶ requires that a community development and renewal agency adopt a budget for a fiscal period that begins on July 1 of each year and ends on June 30 of the following year;
- ▶ provides language related to the transition of an agency from a calendar fiscal period; and



26           ▶ makes technical corrections.

27 **Money Appropriated in this Bill:**

28           None

29 **Other Special Clauses:**

30           This bill provides revisor instructions to create future versions for Sections 17-36-3.5,  
31 17-36-26.5, 17B-1-602, and 17C-1-601.

32 **Utah Code Sections Affected:**

33 AMENDS:

34           **17-36-3.5**, as enacted by Laws of Utah 1999, Chapter 300

35           **17-36-26.5**, as enacted by Laws of Utah 1999, Chapter 300

36           **17B-1-602**, as renumbered and amended by Laws of Utah 2007, Chapter 329

37           **17C-1-601**, as last amended by Laws of Utah 2010, Chapter 90

38 ENACTS:

39           **17-36-3.6**, Utah Code Annotated 1953

40           **17B-1-602.5**, Utah Code Annotated 1953

41 **Utah Code Sections Affected by Revisor Instructions:**

42           **17-36-3.5**, as enacted by Laws of Utah 1999, Chapter 300

43           **17-36-26.5**, as enacted by Laws of Utah 1999, Chapter 300

44           **17B-1-602**, as renumbered and amended by Laws of Utah 2007, Chapter 329

45           **17C-1-601**, as last amended by Laws of Utah 2010, Chapter 90



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

48           Section 1. Section **17-36-3.5** is amended to read:

49           **17-36-3.5. Fiscal period -- Annual or biennial -- Fiscal year beginning on July 1,**  
50 **2017.**

51           (1) [Except] (a) Before July 1, 2017, and except as provided in Subsection (2) and  
52 Section 17-36-3.6, the fiscal period for each county shall be an annual period beginning on  
53 January 1 of each year and ending December 31 of the same calendar year.

54           (b) On and after July 1, 2017, and except as provided in Subsection (2), the fiscal  
55 period for each county shall be the period beginning on July 1 of each year and ending on June  
56 30 of the following year.

57 (2) (a) Notwithstanding Subsection (1), the legislative body of a county may, by  
58 ordinance, adopt for the county:

59 (i) before July 1, 2017, a fiscal period that is a biennial period beginning January 1 and  
60 ending December 31 of the following calendar year[-]; and

61 (ii) on and after July 1, 2017, a fiscal period that is a biennial period beginning July 1  
62 and ending June 30 of the second year immediately following.

63 (b) Each county adopting an ordinance under Subsection (2)(a) shall separately specify  
64 in its budget the amount of ad valorem property tax it intends to levy and collect during both  
65 the first half and the second half of the budget period.

66 (c) Each county that adopts a fiscal period that is a biennial period under Subsection  
67 (2)(a) shall:

68 (i) comply with Sections 59-2-912 through 59-2-926 as if it had adopted a fiscal period  
69 that is an annual period; and

70 (ii) allocate budgeted revenues and expenditures to each of the two annual periods in  
71 the biennial budget.

72 (d) The legislative body of each county that adopts a fiscal period that is a biennial  
73 period under Subsection (2)(a) shall, within 10 days after the adoption of the ordinance  
74 adopting the biennial period, deliver a copy of the ordinance to the state auditor.

75 Section 2. Section **17-36-3.6** is enacted to read:

76 **17-36-3.6. Transition from calendar fiscal period.**

77 (1) Notwithstanding any other provision of law, a county shall comply, as appropriate,  
78 with the following provisions to transition from a calendar year to a fiscal year budget period in  
79 accordance with Section 17-36-3.5.

80 (2) For a county with an annual fiscal period, the county shall adopt:

81 (a) for the fiscal period that begins on January 1, 2016, an extended budget for the  
82 budget period of January 1, 2016, through June 30, 2017; and

83 (b) for the fiscal period that begins on July 1, 2017, a budget for the budget period of  
84 July 1, 2017, through June 30, 2018.

85 (3) For a county with a biennial fiscal period of January 1, 2015, through December 31,  
86 2016, the county shall adopt:

87 (a) for the fiscal period that begins on January 1, 2017, a truncated budget for the

88 budget period of January 1, 2017, through June 30, 2017; and

89 (b) for the fiscal period that begins on July 1, 2017, a budget for the budget period of  
90 July 1, 2017, through June 30, 2019.

91 (4) For a county with a biennial fiscal period that expires December 31, 2015, the  
92 county shall adopt:

93 (a) for the fiscal period that begins on January 1, 2016, a truncated budget for the  
94 budget period of January 1, 2016, through June 30, 2017; and

95 (b) for the fiscal period that begins on July 1, 2017, a budget for the budget period of  
96 July 1, 2017, through June 30, 2019.

97 (5) A county transitioning from a calendar to a fiscal year fiscal period shall comply  
98 with a date or time period established in this chapter, including a date or time period for the  
99 preparation of a tentative budget under Section 17-36-10, the notice of a budget hearing under  
100 Section 17-36-12, the scheduling of a hearing on a tentative budget under Section 17-36-13, a  
101 meeting or hearing to adopt a resolution to adopt the budget under Section 17-36-15, and other  
102 applicable dates or time periods in a manner that complies with the fiscal and budget periods  
103 described in this section and Section 17-36-3.5.

104 (6) Notwithstanding the requirements of Subsection 51-2a-202(1)(a), a county that is  
105 required to file an audit, review, compilation, or fiscal report in accordance with Title 51,  
106 Chapter 2a, Accounting Reports From Political Subdivisions, Interlocal Organizations, and  
107 Other Local Entities, shall file the audit, review, compilation, or fiscal report, as appropriate,  
108 and within the time period set forth in Subsection 51-2a-202(2)(b):

109 (a) for a county described in Subsection (2):

110 (i) for the 18 month budget period of January 1, 2016, through June 30, 2017; and

111 (ii) for a budget period beginning on or after July 1, 2017, at least annually;

112 (b) for a county described in Subsection (3):

113 (i) for the 12 month budget period of January 1, 2015, through December 31, 2015;

114 (ii) for the 18 month budget period of January 1, 2016, through June 30, 2017; and

115 (iii) for a budget period beginning on or after July 1, 2017, at least annually;

116 (c) for a county described in Subsection (4):

117 (i) for the 18 month budget period of January 1, 2016, through June 30, 2017; and

118 (ii) for a budget period beginning on or after July 1, 2017, at least annually.

119 Section 3. Section **17-36-26.5** is amended to read:

120 **17-36-26.5. Review of second year's budget for biennial budgets.**

121 (1) In a county that has adopted a fiscal period that is a biennial period under  
122 Subsection 17-36-3.5(2), the governing body shall~~[, in a public hearing before December 31 of~~  
123 ~~the first year of the biennial period,]~~ review the individual budgets of the funds set forth in  
124 Sections 17-36-8 and 17-36-32 for the second year of the biennial period~~[:]~~ at a public hearing:

125 (a) for a budget period before July 1, 2017, held before December 31 of the first year of  
126 the biennial period; and

127 (b) for a budget period on and after July 1, 2017, held before June 30 of the first year of  
128 the biennial period.

129 (2) In each review under Subsection (1), the governing body shall follow the  
130 procedures of Sections 17-36-12 and 17-36-13 for holding a public hearing.

131 Section 4. Section **17B-1-602** is amended to read:

132 **17B-1-602. Fiscal year.**

133 The fiscal year of each local district shall be~~[:]~~:

134 (1) before July 1, 2017, as determined by the board of trustees:

135 ~~[(+)]~~ (a) the calendar year; or

136 ~~[(2)]~~ (b) the period from July 1 to the following June 30~~[:]~~; and

137 (2) on and after July 1, 2017, the period from July 1 to the following June 30.

138 Section 5. Section **17B-1-602.5** is enacted to read:

139 **17B-1-602.5. Transition from calendar year entity to fiscal year entity.**

140 (1) Notwithstanding any other provision of law, a local district shall comply with the  
141 following provisions to transition from a calendar year entity to a fiscal year entity in  
142 accordance with Section 17B-1-602.

143 (2) (a) For a local district that is a calendar year entity on January 1, 2016, the local  
144 district shall adopt:

145 (i) for the fiscal year that begins on January 1, 2016, an extended budget for the budget  
146 year of January 1, 2016, through June 30, 2017; and

147 (ii) for the fiscal year that begins on July 1, 2017, a budget for the budget year of July  
148 1, 2017, through June 30, 2018.

149 (b) A local district that is a calendar year entity before July 1, 2017, shall comply with

150 the provisions in this part applicable to:

151 (i) a calendar year entity during the duration of the budget year described in Subsection  
152 (2)(a)(i); and

153 (ii) a fiscal year entity in preparation for the budget year described in Subsection  
154 (2)(a)(ii) and after the adoption of the budget for that year.

155 (c) Notwithstanding the requirements of Subsection 51-2a-202(1)(a), a local district  
156 that is required to file an audit, review, compilation, or fiscal report in accordance with Title  
157 51, Chapter 2a, Accounting Reports From Political Subdivisions, Interlocal Organizations, and  
158 Other Local Entities, shall file the audit, review, compilation, or fiscal report, as appropriate,  
159 and within the time period set forth in Subsection 51-2a-202(2)(b):

160 (i) for the 18 month budget period of January 1, 2016, through June 30, 2017; and

161 (ii) for a budget period beginning on or after July 1, 2017, at least annually.

162 (3) A local district transitioning from a calendar year entity to a fiscal year entity shall  
163 comply with a date or time period established in this chapter, including a date or time period  
164 applicable to the preparation of a tentative budget under Section 17B-1-607, a meeting to  
165 review a tentative budget under Section 17B-1-607, the notice requirements for a public  
166 hearing under Section 17B-1-609, the public hearing on a tentative budget under Section  
167 17B-1-610, the public hearing to consider adoption of the budget under Section 17B-1-614, and  
168 other applicable dates or time periods in a manner that complies with a fiscal year and budget  
169 year described in this section and Section 17B-1-602.

170 Section 6. Section **17C-1-601** is amended to read:

171 **17C-1-601. Annual agency budget -- Fiscal year -- Public hearing required --**  
172 **Auditor forms -- Requirement to file form.**

173 (1) (a) Each agency shall prepare and its board adopt an annual budget of revenues and  
174 expenditures for the agency for each fiscal year.

175 (b) Notwithstanding Subsection (1)(a), an agency that is created by a county that  
176 transitions from a calendar year to a fiscal period that begins on July 1 and ends on June 30, in  
177 accordance with Sections 17-36-3.5 and 17-36-3.6, shall:

178 (i) for the fiscal year that begins on January 1, 2016, adopt an extended budget for the  
179 budget period of January 1, 2016, through June 30, 2017;

180 (ii) for the fiscal year that begins on July 1, 2017, adopt a budget for the budget period

181 of July 1, 2017, through June 30, 2018; and

182 (iii) adopt a budget for the fiscal period that begins on July 1 and ends on June 30 for  
183 each subsequent fiscal period.

184 (c) Notwithstanding the requirements of Subsection 51-2a-202(1)(a), an agency that is  
185 required to file an audit, review, compilation, or fiscal report in accordance with Title 51,  
186 Chapter 2a, Accounting Reports From Political Subdivisions, Interlocal Organizations, and  
187 Other Local Entities, shall file the audit, review, compilation, or fiscal report, as appropriate,  
188 and within the time period set forth in Subsection 51-2a-202(2)(b):

189 (i) for the 18 month budget period of January 1, 2016, through June 30, 2017; and

190 (ii) for a budget period beginning on or after July 1, 2017, at least annually.

191 (2) Each annual agency budget shall be adopted:

192 (a) for an agency created by a city or town, before June 22; or

193 (b) for an agency created by a county[~~, before December 15;~~];

194 (i) for a budget described in Subsection (1)(b)(i), before December 15, 2015;

195 (ii) for a budget described in Subsection (1)(b)(ii), before June 22, 2017; and

196 (iii) for each fiscal period subsequent to June 30, 2018, before June 22.

197 (3) The agency's fiscal year shall be the same as the fiscal year of the community that  
198 created the agency.

199 (4) (a) Before adopting an annual budget, each agency board shall hold a public hearing  
200 on the annual budget.

201 (b) Each agency shall provide notice of the public hearing on the annual budget by:

202 (i) (A) publishing at least one notice in a newspaper of general circulation within the  
203 agency boundaries, one week before the public hearing; or

204 (B) if there is no newspaper of general circulation within the agency boundaries,  
205 posting a notice of the public hearing in at least three public places within the agency  
206 boundaries; and

207 (ii) publishing notice on the Utah Public Notice Website created in Section 63F-1-701,  
208 at least one week before the public hearing.

209 (c) Each agency shall make the annual budget available for public inspection at least  
210 three days before the date of the public hearing.

211 (5) The state auditor shall prescribe the budget forms and the categories to be contained

212 in each agency budget, including:

213 (a) revenues and expenditures for the budget year;

214 (b) legal fees; and

215 (c) administrative costs, including rent, supplies, and other materials, and salaries of  
216 agency personnel.

217 (6) (a) Within 90 days after adopting an annual budget, each agency board shall file a  
218 copy of the annual budget with the auditor of the county in which the agency is located, the  
219 State Tax Commission, the state auditor, the State Board of Education, and each taxing entity  
220 that levies a tax on property from which the agency collects tax increment.

221 (b) The requirement of Subsection (6)(a) to file a copy of the annual budget with the  
222 state as a taxing entity is met if the agency files a copy with the State Tax Commission and the  
223 state auditor.

224 Section 7. **Revisor instructions to create future versions of Sections 17-36-3.5,  
225 17-36-26.5, 17B-1-602, and 17C-1-601.**

226 The Legislature intends that the Office of Legislative Research and General Counsel, in  
227 preparing the Utah Code database for publication, prepare a future version of the following  
228 sections to take effect on July 1, 2017:

229 (1) Section 17-36-3.5 to read:

230 **"17-36-3.5. Fiscal period -- Annual or biennial.**

231 (1) Except as provided in Subsection (2), the fiscal period for each county shall be [~~an~~  
232 ~~annual period beginning on January 1 of each year and ending December 31 of the same~~  
233 ~~calendar year]~~ the period beginning on July 1 of each year and ending on June 30 of the  
234 following year.

235 (2) (a) Notwithstanding Subsection (1), the legislative body of a county may, by  
236 ordinance, adopt for the county [~~a fiscal period that is a biennial period beginning January 1~~  
237 ~~and ending December 31 of the following calendar year.] a fiscal period that is a biennial  
238 period beginning July 1 and ending June 30 of the second year immediately following.~~

239 (b) Each county adopting an ordinance under Subsection (2)(a) shall separately specify  
240 in its budget the amount of ad valorem property tax it intends to levy and collect during both  
241 the first half and the second half of the budget period.

242 (c) Each county that adopts a fiscal period that is a biennial period under Subsection



243 (2)(a) shall:

244 (i) comply with Sections 59-2-912 through 59-2-926 as if it had adopted a fiscal period  
245 that is an annual period; and

246 (ii) allocate budgeted revenues and expenditures to each of the two annual periods in  
247 the biennial budget.

248 (d) The legislative body of each county that adopts a fiscal period that is a biennial  
249 period under Subsection (2)(a) shall, within 10 days after the adoption of the ordinance  
250 adopting the biennial period, deliver a copy of the ordinance to the state auditor.";

251 (2) Section 17-36-26.5 to read:

252 **"17-36-26.5. Review of second year's budget for biennial budgets.**

253 (1) In a county that has adopted a fiscal period that is a biennial period under  
254 Subsection 17-36-3.5(2), the governing body shall~~[-, in a public hearing before December 31 of~~  
255 ~~the first year of the biennial period,]~~ review the individual budgets of the funds set forth in  
256 Sections 17-36-8 and 17-36-32 for the second year of the biennial period~~[-]~~ at a public hearing  
257 held before June 30 of the first year of the biennial period.

258 (2) In each review under Subsection (1), the governing body shall follow the  
259 procedures of Sections 17-36-12 and 17-36-13 for holding a public hearing.";

260 (3) Section 17B-1-602 to read:

261 **"17B-1-602. Fiscal year.**

262 The fiscal year of each local district shall be~~[-, as determined by the board of trustees:]~~  
263 the period from July 1 to the following June 30.

264 ~~[(1) the calendar year; or]~~

265 ~~[(2) the period from July 1 to the following June 30.];~~ and

266 (4) Section 17C-1-601 to read:

267 **"17C-1-601. Annual agency budget -- Fiscal year -- Public hearing required --**  
268 **Auditor forms -- Requirement to file form.**

269 (1) Each agency shall prepare and its board adopt an annual budget of revenues and  
270 expenditures for the agency for each fiscal year.

271 (2) Each annual agency budget shall be adopted:

272 (a) for an agency created by a city or town, before June 22; or

273 (b) for an agency created by a county, ~~[before December 15.]~~ before June 22.

274 (3) The agency's fiscal year shall be the same as the fiscal year of the community that  
275 created the agency.

276 (4) (a) Before adopting an annual budget, each agency board shall hold a public hearing  
277 on the annual budget.

278 (b) Each agency shall provide notice of the public hearing on the annual budget by:

279 (i) (A) publishing at least one notice in a newspaper of general circulation within the  
280 agency boundaries, one week before the public hearing; or

281 (B) if there is no newspaper of general circulation within the agency boundaries,  
282 posting a notice of the public hearing in at least three public places within the agency  
283 boundaries; and

284 (ii) publishing notice on the Utah Public Notice Website created in Section 63F-1-701,  
285 at least one week before the public hearing.

286 (c) Each agency shall make the annual budget available for public inspection at least  
287 three days before the date of the public hearing.

288 (5) The state auditor shall prescribe the budget forms and the categories to be contained  
289 in each agency budget, including:

290 (a) revenues and expenditures for the budget year;

291 (b) legal fees; and

292 (c) administrative costs, including rent, supplies, and other materials, and salaries of  
293 agency personnel.

294 (6) (a) Within 90 days after adopting an annual budget, each agency board shall file a  
295 copy of the annual budget with the auditor of the county in which the agency is located, the  
296 State Tax Commission, the state auditor, the State Board of Education, and each taxing entity  
297 that levies a tax on property from which the agency collects tax increment.

298 (b) The requirement of Subsection (6)(a) to file a copy of the annual budget with the  
299 state as a taxing entity is met if the agency files a copy with the State Tax Commission and the  
300 state auditor."