

- 28 **10-5-107**, as last amended by Laws of Utah 2014, Chapter 377
- 29 **10-5-114**, as last amended by Laws of Utah 2010, Chapter 378
- 30 **10-5-129**, as last amended by Laws of Utah 2009, Chapter 323
- 31 **10-6-111**, as last amended by Laws of Utah 2015, Chapter 352
- 32 **10-6-117**, as last amended by Laws of Utah 2014, Chapter 176
- 33 **10-6-135**, as last amended by Laws of Utah 2014, Chapter 377
- 34 **10-6-139**, as last amended by Laws of Utah 2003, Chapter 292
- 35 **11-13-513**, as enacted by Laws of Utah 2015, Chapter 265
- 36 **17-31-5.5**, as last amended by Laws of Utah 2008, Chapter 286
- 37 **17B-1-613**, as renumbered and amended by Laws of Utah 2007, Chapter 329

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

40 Section 1. Section **10-5-107** is amended to read:

41 **10-5-107. Tentative budgets required for public inspection -- Contents --**

42 **Adoption of tentative budget.**

43 (1) (a) On or before the first regularly scheduled town council meeting of May, the
 44 mayor shall:

45 (i) in accordance with Subsection (1)(b), prepare for the ensuing year~~[, on forms~~
 46 ~~provided by the state auditor,]~~ a tentative budget for each fund for which a budget is required;

47 (ii) make the tentative budget available for public inspection; and

48 (iii) submit the tentative budget to the town council.

49 (b) The tentative budget ~~[of]~~ for each fund shall set forth in tabular form:

50 (i) actual revenues and expenditures in the last completed fiscal year;

51 (ii) estimated total revenues and expenditures for the current fiscal year; and

52 (iii) the mayor's estimates of revenues and expenditures for the budget year.

53 (2) (a) The mayor shall:

54 (i) estimate the amount of revenue available to serve the needs of each fund;

55 (ii) estimate the portion to be derived from all sources other than general property
 56 taxes; and

57 (iii) estimate the portion that shall be derived from general property taxes.

58 (b) From the estimates required by Subsection (2)(a), the mayor shall compute and

59 disclose in the budget the lowest rate of property tax levy that will raise the required amount of
60 revenue, calculating the levy on the latest taxable value.

61 (3) A governing body may spend or transfer money deposited in an enterprise fund for
62 a good, service, project, venture, or other purpose that is not directly related to the goods or
63 services provided by the enterprise for which the enterprise fund was created, if the governing
64 body:

- 65 (a) transfers the money from the enterprise fund to another fund; and
- 66 (b) complies with the hearing and notice requirements of Subsections (5)(a), (b), and
- 67 (c).

68 (4) (a) Before the public hearing required under Section 10-5-108, the town council:

- 69 (i) shall review, consider, and tentatively adopt the tentative budget in any regular
- 70 meeting or special meeting called for that purpose; and
- 71 (ii) may amend or revise the tentative budget.

72 (b) At the meeting at which the town council adopts the tentative budget, the council
73 shall establish the time and place of the public hearing required under Section 10-5-108.

74 (5) (a) Except as provided in Subsection (5)(d), if a town council includes in a tentative
75 budget, or an amendment to a budget, allocations or transfers from an enterprise fund to
76 another fund for a good, service, project, venture, or purpose other than reasonable allocations
77 of costs between the enterprise fund and the other fund, the governing body shall:

- 78 (i) hold a public hearing;
- 79 (ii) prepare a written notice of the date, time, place, and purpose of the hearing as
- 80 described in Subsection (5)(b); and
- 81 (iii) subject to Subsection (5)(c), mail the notice to each enterprise fund customer at
- 82 least seven days before the day of the hearing.

- 83 (b) The purpose portion of the written notice shall identify:
 - 84 (i) the enterprise fund from which money is being allocated or transferred;
 - 85 (ii) the amount being allocated or transferred; and
 - 86 (iii) the fund to which the money is being allocated or transferred.

- 87 (c) The town council:
 - 88 (i) may print the written notice required under Subsection (5)(a)(ii) on the enterprise
 - 89 fund customer's bill; and

90 (ii) shall include the written notice required under Subsection (5)(a)(ii) as separate
91 notification mailed or transmitted with the enterprise fund customer's bill.

92 (d) A governing body is not required to repeat the notice and hearing requirements in
93 this Subsection (5) if the funds to be allocated or transferred for the current year were
94 previously approved by the governing body during the current year and at a public hearing that
95 complies with the notice and hearing requirements of this Subsection (5).

96 Section 2. Section **10-5-114** is amended to read:

97 **10-5-114. Appropriations limited to estimated revenue.**

98 (1) The council may not make any appropriation in the final budget of any fund in
99 excess of the estimated expendable revenue for the budget year of such fund.

100 (2) If there is a deficit fund balance in a fund at the close of the last completed fiscal
101 year, the council shall include an item of appropriation for the deficit in the current budget of
102 the fund equal to:

103 (a) at least 5% of the total revenue of the fund in the last completed fiscal year; or

104 (b) if the deficit is equal to less than 5% of the total revenue of the fund in the last
105 completed fiscal year, the entire amount of the deficit.

106 Section 3. Section **10-5-129** is amended to read:

107 **10-5-129. Financial reports.**

108 (1) ~~[Within]~~ The town clerk or other delegated person shall prepare and present:

109 (a) to the governing body, monthly summary financial reports and quarterly detailed
110 financial reports, prepared in accordance with the Uniform Accounting Manual; and

111 (b) within 180 days after the close of each fiscal year ~~[the town clerk or other delegated~~
112 ~~person shall present]~~, to the council, an annual financial report.

113 (2) The requirement ~~[under]~~ described in Subsection (1)(b) ~~[to present an annual~~
114 ~~financial report]~~ may be satisfied by an audit report or annual financial report of an independent
115 auditor.

116 Section 4. Section **10-6-111** is amended to read:

117 **10-6-111. Tentative budget to be prepared -- Contents -- Estimate of expenditures**
118 **-- Budget message -- Review by governing body.**

119 (1) (a) On or before the first regularly scheduled meeting of the governing body in the
120 last May of the current period, the budget officer shall, in accordance with Subsection (1)(b),

121 prepare for the ensuing fiscal period, [~~on forms provided by the state auditor,~~] and file with the
 122 governing body, a tentative budget for each fund for which a budget is required.

123 (b) The tentative budget of each fund shall set forth in tabular form:

124 (i) the actual revenues and expenditures in the last completed fiscal period;

125 [~~(ii) the budget estimates for the current fiscal period;~~]

126 [~~(iii) the actual revenues and expenditures for a period of 6 to 21 months, as
 127 appropriate, of the current fiscal period;~~]

128 [~~(iv)~~] (ii) the estimated total revenues and expenditures for the current fiscal period;

129 [~~(v)~~] (iii) the budget officer's estimates of revenues and expenditures for the budget
 130 period, computed as provided in Subsection (1)(c); and

131 [~~(vi)~~] (iv) if the governing body elects, the actual performance experience to the extent
 132 established by Section 10-6-154 and available in work units, unit costs, man hours, or man
 133 years for each budgeted fund on an actual basis for the last completed fiscal period, and
 134 estimated for the current fiscal period and for the ensuing budget period.

135 (c) (i) In making estimates of revenues and expenditures under Subsection
 136 (1)(b)[~~(v)~~](iii), the budget officer shall estimate:

137 (A) on the basis of demonstrated need, the expenditures for the budget period, after:

138 (I) hearing each department head; and

139 (II) reviewing the budget requests and estimates of the department heads; and

140 (B) (I) the amount of revenue available to serve the needs of each fund;

141 (II) the portion of revenue to be derived from all sources other than general property
 142 taxes; and

143 (III) the portion of revenue that shall be derived from general property taxes.

144 (ii) The budget officer may revise any department's estimate under Subsection
 145 (1)(c)(i)(A)(II) that the officer considers advisable for the purpose of presenting the budget to
 146 the governing body.

147 (iii) From the estimate made under Subsection (1)(c)(i)(B)(III), the budget officer shall
 148 compute and disclose in the budget the lowest rate of property tax levy that will raise the
 149 required amount of revenue, calculating the levy upon the latest taxable value.

150 (2) (a) (i) Each tentative budget, when filed by the budget officer with the governing
 151 body, shall contain the estimates of expenditures submitted by department heads, together with

152 specific work programs and such other supporting data as this chapter requires or the governing
153 body may request.

154 (ii) Each city of the first or second class shall, and a city of the third, fourth, or fifth
155 class may, submit a supplementary estimate of all capital projects which each department head
156 believes should be undertaken within the next three succeeding years.

157 (b) Each tentative budget submitted by the budget officer to the governing body shall
158 be accompanied by a budget message~~[, which shall explain]~~ that:

159 (i) explains the budget~~[, contain]~~;

160 (ii) contains an outline of the proposed financial policies of the city for the budget
161 period~~[, and shall describe]~~;

162 (iii) describes the important features of the budgetary plan~~[. It shall set forth]~~;

163 (iv) provides the reasons for salient changes from the previous fiscal period in
164 appropriation and revenue items ~~[and shall explain]~~; and

165 (v) explains any major changes in financial policy.

166 ~~[(3) Each tentative budget shall be reviewed, considered, and tentatively adopted by the~~
167 ~~governing body in any regular meeting or special meeting called for the purpose and may be~~
168 ~~amended or revised in such manner as is considered advisable prior to public hearings, except~~
169 ~~that no]~~

170 (3) (a) Subject to Subsection (3)(b), a governing body in any regular public hearing or
171 special public hearing:

172 (i) shall review, consider, and tentatively adopt each tentative budget; and

173 (ii) may, before the public hearing described in Section 10-6-114, amend or revise each
174 tentative budget.

175 (b) A governing body may not reduce an appropriation required for debt retirement and
176 interest or reduction of any existing deficits ~~[pursuant to]~~ in accordance with Section 10-6-117,
177 or otherwise required by law or ordinance, ~~[may be reduced]~~ below the required minimums ~~[so~~
178 ~~required]~~.

179 (4) (a) If the municipality is acting ~~[pursuant to]~~ in accordance with Section 10-2a-218,
180 the tentative budget shall:

181 (i) be submitted to the governing body-elect as soon as practicable; and

182 (ii) cover each fund for which a budget is required from the date of incorporation to the

183 end of the fiscal year.

184 (b) The governing body shall substantially comply with all other provisions of this
185 chapter, and the budget shall be passed upon incorporation.

186 Section 5. Section **10-6-117** is amended to read:

187 **10-6-117. Appropriations not to exceed estimated expendable revenue --**
188 **Appropriations for existing deficits.**

189 (1) The governing body of any city may not make any appropriation in the final budget
190 of any fund in excess of the estimated expendable revenue for the budget period of the fund.

191 ~~[(2) In determining the estimated expendable revenue of the city general fund for the~~
192 ~~budget period, there shall be included therein as an appropriation from the fund balance that~~
193 ~~portion of the fund balance at the close of the last completed fiscal period, not previously~~
194 ~~included in the budget of the current period, that exceeds the amount permitted in Section~~
195 ~~10-6-116.]~~

196 ~~[(3)(a) There shall be included as an item of appropriation in each fund for any budget~~
197 ~~period any existing deficit as of the close of the last completed fiscal period, not previously~~
198 ~~included in the budget of the current period, to the extent of at least 5% of the total revenue of~~
199 ~~the fund in its last completed fiscal period.]~~

200 ~~[(b) If the total amount of the deficit is less than 5% of the total revenue in the last~~
201 ~~completed fiscal period, the entire amount of the deficit shall be included.]~~

202 (2) If there is a deficit fund balance in a fund at the close of the last completed fiscal
203 year, the governing body of a city shall include an item of appropriation for the deficit in the
204 current budget of the fund equal to:

205 (a) at least 5% of the total revenue of the fund in the last completed fiscal year; or

206 (b) if the deficit is equal to less than 5% of the total revenue of the fund in the last
207 completed fiscal year, the entire amount of the deficit.

208 Section 6. Section **10-6-135** is amended to read:

209 **10-6-135. Operating and capital budgets.**

210 (1) (a) As used in this section, "operating and capital budget" means a plan of financial
211 operation for an enterprise fund or other required special fund that includes estimates of
212 operating resources, expenses, and other outlays for a fiscal period.

213 (b) Except as otherwise expressly provided, any reference to "budget" or "budgets" and

214 the procedures and controls relating to ~~them~~ a budget or budgets in other sections of this
215 chapter do not apply or refer to the operating and capital budgets described in this section.

216 (2) At or before the time the governing body adopts budgets for the funds described in
217 Section 10-6-109, the governing body shall adopt:

218 (a) an operating and capital budget for each enterprise fund for the ensuing fiscal
219 period; and

220 (b) the type of budget for other special funds as required by the Uniform Accounting
221 Manual for Utah Cities.

222 (3) (a) The governing body shall adopt and administer an operating and capital budget
223 in accordance with this Subsection (3).

224 (b) A governing body may spend or transfer money deposited in an enterprise fund for
225 a good, service, project, venture, or other purpose that is not directly related to the goods or
226 services provided by the enterprise for which the enterprise fund was created, if the governing
227 body:

228 (i) transfers the money from the enterprise fund to another fund; and

229 (ii) complies with the hearing and notice requirements of Subsections (3)(f)(i), (ii), and
230 (iii).

231 (c) At or before the first regularly scheduled meeting of the governing body in the last
232 May of the current fiscal period, the budget officer shall:

233 (i) prepare for the ensuing fiscal period and file with the governing body a tentative
234 operating and capital budget for:

235 (A) each enterprise fund; and

236 (B) other required special funds;

237 (ii) include with the tentative operating and capital budget described in Subsection
238 (3)(d)(i) specific work programs as submitted by each department head; and

239 (iii) include any other supporting data required by the governing body.

240 (d) Each city of the first or second class shall, and each city of the third, fourth, or fifth
241 class may, submit a supplementary estimate of all capital projects which a department head
242 believes should be undertaken within the three next succeeding fiscal periods.

243 (e) (i) Subject to Subsection (3)(e)(ii), the budget officer shall prepare all estimates
244 after review and consultation with each department head described in Subsection (3)(d).

245 (ii) After complying with Subsection (3)(e)(i), the budget officer may revise any
246 departmental estimate before it is filed with the governing body.

247 (f) (i) Except as provided in Subsection (3)(f)(iv), if the governing body includes in a
248 tentative budget or an amendment to a budget allocations or transfers from an enterprise fund
249 to another fund or a good, service, project, venture, or purpose other than reasonable
250 allocations of costs between the enterprise fund and the other fund, the governing body shall:

251 (A) hold a public hearing;

252 (B) prepare a written notice of the date, time, place, and purpose of the hearing, as
253 described in Subsection (3)(f)(ii); and

254 (C) subject to Subsection (3)(f)(iii), mail the written notice to each enterprise fund
255 customer at least seven days before the day of the hearing.

256 (ii) The purpose portion of the written notice required under Subsection (3)(f)(i)(B)
257 shall identify:

258 (A) the enterprise fund from which money is being transferred;

259 (B) the amount being transferred; and

260 (C) the fund to which the money is being transferred.

261 (iii) The governing body:

262 (A) may print the written notice required under Subsection (3)(f)(i) on the enterprise
263 fund customer's bill; and

264 (B) shall include the written notice required under Subsection (3)(f)(i) as a separate
265 notification mailed or transmitted with the enterprise fund customer's bill.

266 (iv) A governing body is not required to repeat the notice and hearing requirements in
267 this Subsection (3)(f) if the funds to be allocated or transferred for the current year were
268 previously approved by the governing body during the current year and at a public hearing that
269 complies with the notice and hearing requirements of this Subsection (3)(f).

270 (4) (a) Each tentative budget, amendment to a budget, or budget shall be reviewed and
271 considered by the governing body at any regular meeting or special meeting called for that
272 purpose.

273 (b) The governing body may make changes in the tentative budgets.

274 (5) Budgets for enterprise or other required special funds shall comply with the public
275 hearing requirements established in Sections [10-6-113](#) and [10-6-114](#).

276 (6) (a) Before the last June 30 of each fiscal period, or, in the case of a property tax
 277 increase under Sections 59-2-919 through 59-2-923, before August [31] 17 of the year for
 278 which a property tax increase is proposed, the governing body shall adopt an operating and
 279 capital budget for each applicable fund for the ensuing fiscal period.

280 (b) A copy of the budget as finally adopted for each fund shall be:

281 (i) certified by the budget officer;

282 (ii) filed by the budget officer in the office of the city auditor or city recorder;

283 (iii) available to the public during regular business hours; and

284 (iv) filed with the state auditor within 30 days after the day on which the budget is
 285 adopted.

286 (7) (a) Upon final adoption, the operating and capital budget is in effect for the budget
 287 period, subject to later amendment.

288 (b) During the budget period the governing body may, in any regular meeting or special
 289 meeting called for that purpose, review any one or more of the operating and capital budgets
 290 for the purpose of determining if the total of any of them should be increased.

291 (c) If the governing body decides that the budget total of one or more of the funds
 292 should be increased under Subsection (7)(b), the governing body shall follow the procedures
 293 set forth in Section 10-6-136.

294 (8) Expenditures from operating and capital budgets shall conform to the requirements
 295 relating to budgets specified in Sections 10-6-121 through 10-6-126.

296 Section 7. Section 10-6-139 is amended to read:

297 **10-6-139. City auditor or recorder -- Bookkeeping duties -- Duties with respect to**
 298 **payment of claims.**

299 (1) The city auditor in each city of the first and second class, and the city recorder in
 300 each city of the third, fourth, or fifth class shall maintain the general books for each fund of the
 301 city and all subsidiary records relating thereto, including a list of the outstanding bonds, their
 302 purpose, amount, terms, date, and place payable.

303 (2) (a) The city auditor or city recorder~~[, as appropriate,]~~ shall:

304 (i) keep accounts with all receiving and disbursing officers of the city~~[, shall]~~;

305 (ii) preaudit all claims and demands against the city before ~~[they]~~ the claims or
 306 demands are allowed~~[, and shall]~~; and

307 (iii) prepare the necessary checks in payment.

308 [~~(b) Those checks shall include an appropriate certification pursuant to Section 11-1-1;~~
309 ~~examples of which shall be presented in the Uniform Accounting Manual for Utah Cities.]~~

310 [~~(c)~~ (b) The city auditor or city recorder shall [~~also certify on the voucher or check~~
311 ~~copy, as appropriate,]~~ verify that:

312 (i) [~~the~~] a claim has been preaudited and documented;

313 (ii) [~~the~~] a claim has been approved in one of the following ways:

314 (A) purchase order directly approved by the mayor in the council-mayor optional form
315 of government, or the governing body or [~~its~~] the governing body's delegate in other cities;

316 (B) claim directly approved by the governing body; or

317 (C) claim approved by the financial officer;

318 (iii) [~~the~~] a claim is within the lawful debt limit of the city; and

319 (iv) [~~the~~] a claim does not overexpend the appropriate departmental budget established
320 by the governing body.

321 Section 8. Section 11-13-513 is amended to read:

322 **11-13-513. Appropriations not to exceed estimated expendable revenue --**

323 **Appropriations for existing deficits.**

324 (1) The governing board of an interlocal entity may not make an appropriation in the
325 final budget of a fund in excess of the estimated expendable revenue for the budget year of the
326 fund.

327 [~~(2) An interlocal entity determining the estimated expendable revenue of the interlocal~~
328 ~~entity general fund for the budget year shall include as an appropriation from the fund balance~~
329 ~~that portion of the fund balance at the close of the last completed fiscal year, not previously~~
330 ~~included in the budget of the current year, that exceeds the amount permitted in Section~~
331 ~~11-13-512.]~~

332 [~~(3)(a) An interlocal entity shall include in a fund budget an appropriation for an~~
333 ~~existing deficit created in accordance with Section 11-13-521 as of the close of the current year~~
334 ~~and not previously included in the current year budget, to the extent of at least 5% of the total~~
335 ~~revenue in the current year.]~~

336 [~~(b) If the total amount of the deficit created in accordance with Section 11-13-521 is~~
337 ~~less than 5% of the total revenue in the current year, the interlocal entity shall include in the~~

338 fund budget an appropriation for the entire amount of the deficit.]

339 [(c) An interlocal entity shall include in a fund budget appropriation for the entire
340 amount of a deficit in the current year resulting from expenditures other than the expenditures
341 allowed in Section 11-13-521 to the extent that the deficit had not been included in the current
342 year budget.]

343 (2) If there is a deficit fund balance in a fund at the close of the last completed fiscal
344 year, the governing body of an interlocal entity shall include an item of appropriation for the
345 deficit in the current budget of the fund equal to:

346 (a) at least 5% of the total revenue of the fund in the last completed fiscal year; or

347 (b) if the deficit is equal to less than 5% of the total revenue of the fund in the last
348 completed fiscal year, the entire amount of the deficit.

349 Section 9. Section 17-31-5.5 is amended to read:

350 **17-31-5.5. Report to county legislative body -- Content.**

351 (1) The legislative body of each county [~~imposing the~~] that imposes a transient room
352 tax [provided for in] under Section 59-12-301 [shall annually engage an independent auditor to
353 perform an audit to verify that transient room tax funds are used only as authorized by this
354 chapter and to report the findings of the audit to the county legislative body] or a tourism,
355 recreation, cultural, convention, and airport facilities tax under Section 59-12-603 shall
356 annually prepare a report in accordance with Subsection (2).

357 [~~2~~] Subsection (1) applies to the tourism, recreation, cultural, convention, and airport
358 facilities tax provided for in Section 59-12-603, except that the audit verification required
359 under this Subsection (2) shall be for the uses authorized under Section 59-12-603:]

360 [~~3~~] (2) The report [~~required under~~] described in Subsection (1) shall include a
361 breakdown of expenditures into the following categories:

362 (a) for the transient room tax, identification of expenditures for:

363 (i) establishing and promoting:

364 (A) recreation;

365 (B) tourism;

366 (C) film production; and

367 (D) conventions;

368 (ii) acquiring, leasing, constructing, furnishing, or operating:

369 (A) convention meeting rooms;
 370 (B) exhibit halls;
 371 (C) visitor information centers;
 372 (D) museums; and
 373 (E) related facilities;
 374 (iii) acquiring or leasing land required for or related to the purposes listed in
 375 Subsection ~~[(3)]~~ (2)(a)(ii);
 376 (iv) mitigation costs as identified in Subsection 17-31-2(1)(d); and
 377 (v) making the annual payment of principal, interest, premiums, and necessary reserves
 378 for any or the aggregate of bonds issued to pay for costs referred to in Subsections
 379 17-31-2(2)(c) and (3)(a); and
 380 (b) for the tourism, recreation, cultural, convention, and airport facilities tax,
 381 identification of expenditures for:
 382 (i) financing tourism promotion, which means an activity to develop, encourage,
 383 solicit, or market tourism that attracts transient guests to the county, including planning,
 384 product development, and advertising;
 385 (ii) the development, operation, and maintenance of the following facilities as defined
 386 in Section 59-12-602:
 387 (A) an airport facility;
 388 (B) a convention facility;
 389 (C) a cultural facility;
 390 (D) a recreation facility; and
 391 (E) a tourist facility; and
 392 (iii) a pledge as security for evidences of indebtedness under Subsection 59-12-603(3).
 393 ~~[(4)]~~ (3) A county legislative body shall provide a copy of [a] the report [it receives
 394 ~~under this section~~] described in Subsection (1) to:
 395 (a) the Governor's Office of Economic Development;
 396 (b) its tourism tax advisory board; and
 397 (c) the Office of the Legislative Fiscal Analyst.
 398 Section 10. Section **17B-1-613** is amended to read:
 399 **17B-1-613. Appropriations not to exceed estimated expendable revenue --**

400 **Appropriations for existing deficits.**

401 (1) The board of trustees of a local district may not make any appropriation in the final
402 budget of any fund in excess of the estimated expendable revenue for the budget year of the
403 fund.

404 [~~(2) In determining the estimated expendable revenue of the general fund for the~~
405 ~~budget year there is included as an appropriation from the fund balance that portion of the fund~~
406 ~~balance at the close of the last completed fiscal year, not previously included in the budget of~~
407 ~~the current year, that exceeds the amount permitted in Section 17B-1-612.]~~

408 [~~(3) (a) There is included as an item of appropriation in each fund for any budget year~~
409 ~~any existing deficit created in accordance with Section 17B-1-623 as of the close of the last~~
410 ~~completed fiscal year, not previously included in the budget of the current year, to the extent of~~
411 ~~at least 5% of the total revenue of the fund in its last completed fiscal year.]~~

412 [~~(b) If the total amount of the deficit is less than 5% of the total revenue in the last~~
413 ~~completed fiscal year, the entire amount of the deficit shall be included.]~~

414 [~~(c) The entire amount of any deficit which results from activities other than those~~
415 ~~described in Section 17B-1-623 shall be included as an item of appropriation in each fund for~~
416 ~~any budget year not previously included in the budget of the current year.]~~

417 (2) If there is a deficit fund balance in a fund at the close of the last completed fiscal
418 year, the board of trustees of a local district shall include an item of appropriation for the
419 deficit in the current budget of the fund equal to:

420 (a) at least 5% of the total revenue of the fund in the last completed fiscal year; or

421 (b) if the deficit is equal to less than 5% of the total revenue of the fund in the last
422 completed fiscal year, the entire amount of the deficit.