

SB0164S02 compared with SB0164S01

~~{deleted text}~~ shows text that was in SB0164S01 but was deleted in SB0164S02.

inserted text shows text that was not in SB0164S01 but was inserted into SB0164S02.

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~~{Senator Deidre M}~~Representative R. {Henderson}Curt Webb proposes the following substitute bill:

LOCAL GOVERNMENT MODIFICATIONS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Deidre M. Henderson

House Sponsor: ~~{~~R. Curt Webb

LONG TITLE

General Description:

This bill modifies provisions relating to ~~{assessment areas and }~~local ~~{districts}~~governments.

Highlighted Provisions:

This bill:

- ▶ removes the requirement for the Office of the State Auditor to provide certain budget forms;
- ▶ requires a town, city, county, interlocal entity, or local district to appropriate a percentage of fund revenue toward deficit fund balances;
- ▶ requires a town to prepare certain financial reports;
- ▶ clarifies the due date for budget adoption for a city undergoing truth in taxation;

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- ▶ removes obsolete language related to city auditor bookkeeping duties;
- ▶ repeals the requirement for an independent audit of a county's transient room tax and tourism, recreation, cultural, convention, and airport facilities tax;
- ▶ modifies the contents of a property tax notice;
- ▶ provides that a taxpayer who pays less than the full amount of the items listed on the taxpayer's property tax notice may direct how the county treasurer allocates the partial payment between the amounts due; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides retrospective operation.

Utah Code Sections Affected:

AMENDS:

10-5-107, as last amended by Laws of Utah 2014, Chapter 377

10-5-114, as last amended by Laws of Utah 2010, Chapter 378

10-5-129, as last amended by Laws of Utah 2009, Chapter 323

10-6-111, as last amended by Laws of Utah 2015, Chapter 352

10-6-117, as last amended by Laws of Utah 2014, Chapter 176

10-6-135, as last amended by Laws of Utah 2014, Chapter 377

10-6-139, as last amended by Laws of Utah 2003, Chapter 292

11-13-513, as enacted by Laws of Utah 2015, Chapter 265

11-42-401, as last amended by Laws of Utah 2015, Chapters 349 and 396

17-31-5.5, as last amended by Laws of Utah 2008, Chapter 286

17B-1-613, as renumbered and amended by Laws of Utah 2007, Chapter 329

17B-1-902, as last amended by Laws of Utah 2015, Chapter 349

59-2-1317, as last amended by Laws of Utah 2015, Chapter 349

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

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

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

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Adoption of tentative budget.

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

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

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

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

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

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

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

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

(2) (a) The mayor shall:

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

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

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

(b) From the estimates required by Subsection (2)(a), the mayor shall compute and disclose in the budget the lowest rate of property tax levy that will raise the required amount of revenue, calculating the levy on the latest taxable value.

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

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

(b) complies with the hearing and notice requirements of Subsections (5)(a), (b), and

(c).

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

(i) shall review, consider, and tentatively adopt the tentative budget in any regular meeting or special meeting called for that purpose; and

(ii) may amend or revise the tentative budget.

(b) At the meeting at which the town council adopts the tentative budget, the council

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shall establish the time and place of the public hearing required under Section 10-5-108.

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

(i) hold a public hearing;

(ii) prepare a written notice of the date, time, place, and purpose of the hearing as described in Subsection (5)(b); and

(iii) subject to Subsection (5)(c), mail the notice to each enterprise fund customer at least seven days before the day of the hearing.

(b) The purpose portion of the written notice shall identify:

(i) the enterprise fund from which money is being allocated or transferred;

(ii) the amount being allocated or transferred; and

(iii) the fund to which the money is being allocated or transferred.

(c) The town council:

(i) may print the written notice required under Subsection (5)(a)(ii) on the enterprise fund customer's bill; and

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

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

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

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

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

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

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

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

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

10-5-129. Annual financial report.

(1) [Within] The town clerk or other designated person shall prepare and present to the council:

(a) (i) a quarterly financial report; or

(ii) upon request by the council, a financial report more frequently than each quarter;

and

(~~(1)~~(b) [~~Within~~]an annual financial report within 180 days after the close of each fiscal year [the town clerk or other delegated person shall present to the council an annual financial report].

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

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

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

(1) (a) On or before the first regularly scheduled meeting of the governing body in the last May of the current period, the budget officer shall in accordance with Subsection (1)(b), prepare for the ensuing fiscal period, [on forms provided by the state auditor,] and file with the governing body, a tentative budget for each fund for which a budget is required.

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

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

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

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

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

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

[(vi)] (iv) if the governing body elects, the actual performance experience to the extent

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established by Section 10-6-154 and available in work units, unit costs, man hours, or man years for each budgeted fund on an actual basis for the last completed fiscal period, and estimated for the current fiscal period and for the ensuing budget period.

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

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

(I) hearing each department head; and

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

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

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

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

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

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

(2) (a) (i) Each tentative budget, when filed by the budget officer with the governing body, shall contain the estimates of expenditures submitted by department heads, together with specific work programs and such other supporting data as this chapter requires or the governing body may request.

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

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

(i) explains the budget~~[, contain]~~:

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

(iii) describes the important features of the budgetary plan~~[, { } It shall set forth]~~:

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

(v) explains any major changes in financial policy.

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

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

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

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

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

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

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

(ii) cover each fund for which a budget is required from the date of incorporation to the end of the fiscal year.

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

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

10-6-117. Appropriations not to exceed estimated expendable revenue --

~~{Determination of revenue --}~~ **Appropriations for existing deficits.**

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

~~[(2) In determining the estimated expendable revenue of the city general fund for the budget period, there shall be included therein as an appropriation from the fund balance that portion of the fund balance at the close of the last completed fiscal period, not previously~~

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included in the budget of the current period, that exceeds the amount permitted in Section 10-6-116.]

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

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

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

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

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

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

10-6-135. Operating and capital budgets.

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

(b) Except as otherwise expressly provided, any reference to "budget" or "budgets" and the procedures and controls relating to ~~[them]~~ a budget or budgets in other sections of this chapter do not apply or refer to the operating and capital budgets described in this section.

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

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

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

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

(b) A governing body may spend or transfer money deposited in an enterprise fund for

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a good, service, project, venture, or other purpose that is not directly related to the goods or services provided by the enterprise for which the enterprise fund was created, if the governing body:

- (i) transfers the money from the enterprise fund to another fund; and
- (ii) complies with the hearing and notice requirements of Subsections (3)(f)(i), (ii), and (iii).

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

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

- (A) each enterprise fund; and
- (B) other required special funds;

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

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

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

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

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

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

(A) hold a public hearing;

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

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

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

- (A) the enterprise fund from which money is being transferred;
- (B) the amount being transferred; and
- (C) the fund to which the money is being transferred.

(iii) The governing body:

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

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

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

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

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

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

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

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

- (i) certified by the budget officer;
- (ii) filed by the budget officer in the office of the city auditor or city recorder;
- (iii) available to the public during regular business hours; and
- (iv) filed with the state auditor within 30 days after the day on which the budget is

adopted.

(7) (a) Upon final adoption, the operating and capital budget is in effect for the budget

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period, subject to later amendment.

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

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

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

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

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

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

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

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

(ii) preaudit all claims and demands against the city before ~~they~~ the claims or demands are allowed ~~and shall~~; and

(iii) prepare the necessary checks in payment.

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

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

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

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

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

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

(C) claim approved by the financial officer;

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(iii) the a claim is within the lawful debt limit of the city; and

(iv) the a claim does not overexpend the appropriate departmental budget established by the governing body.

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

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

~~{Determination of revenue --}~~ **Appropriations for existing deficits.**

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

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

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

~~[(b) If the total amount of the deficit created in accordance with Section 11-13-521 is less than 5% of the total revenue in the current year, the interlocal entity shall include in the fund budget an appropriation for the entire amount of the deficit.]~~

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

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

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

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

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Section ~~11-42-401~~⁹. Section 11-42-401 is amended to read:

11-42-401. Levying an assessment -- Prerequisites -- Assessment list -- Partial payment allocation.

(1) (a) If a local entity has designated an assessment area in accordance with Part 2, Designating an Assessment Area, the local entity may levy an assessment against property within that assessment area as provided in this part.

(b) If a local entity that is a municipality or county designates an assessment area in accordance with this chapter, the municipality or county may levy an assessment and collect the assessment in accordance with Subsection 11-42-202(1)(h)(i) or (ii).

(c) An assessment billed by a municipality or county in the same manner as a property tax and included on a property tax notice in accordance with Subsection 11-42-202(1)(h)(ii) is enforced in accordance with, constitutes a lien in accordance with, and is subject to other penalty provisions in accordance with this chapter.

(d) If a local entity includes an assessment on a property tax notice, the county treasurer shall on the property tax notice:

(i) clearly state that the assessment is for the improvement, operation and maintenance, or economic promotion activities provided by the local entity; and

(ii) itemize the assessment separate from any other tax, fee, charge, interest, or penalty that is included on the property tax notice in accordance with Section 59-2-1317~~;~~^{and}.

~~[(iii) state that if less than the full amount of the property tax and assessments included on the property tax notice are paid, the payment will be applied proportionately to the balances due for property taxes and assessments and other permitted charges described in this section unless otherwise specified by the taxpayer and the taxpayer demonstrates that the unpaid fees are being challenged by the taxpayer.]~~

(2) Before a governing body may adopt a resolution or ordinance levying an assessment against property within an assessment area:

(a) the governing body shall:

(i) subject to Subsection (3), prepare an assessment list designating:

(A) each parcel of property proposed to be assessed; and

(B) the amount of the assessment to be levied against the property;

(ii) appoint a board of equalization as provided in Section 11-42-403; and

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- (iii) give notice as provided in Section 11-42-402; and
- (b) the board of equalization, appointed under Section 11-42-403, shall:
 - (i) hold hearings;
 - (ii) determine if the assessment for each benefitted property meets the requirements of Section 11-42-409;
 - (iii) make necessary corrections so that assessed properties are not assessed for benefits conferred exclusively outside of the assessment area;
 - (iv) make necessary corrections so that the benefitted properties are not charged for an increase in size or capacity of an improvement where the increased size or capacity is to serve property outside of the assessment area;
 - (v) make any corrections it considers appropriate to an assessment; and
 - (vi) report its findings to the governing body as provided in Section 11-42-403.
- (3) (a) The governing body of a local entity shall prepare the assessment list described in Subsection (2)(a)(i) at any time after:
 - (i) the governing body has determined the estimated or actual operation and maintenance costs, if the assessment is to pay operation and maintenance costs;
 - (ii) the governing body has determined the estimated or actual economic promotion costs described in Section 11-42-206, if the assessment is to pay for economic promotion activities; or
 - (iii) for any other assessment, the governing body has determined:
 - (A) the estimated or actual acquisition and construction costs of all proposed improvements within the assessment area, including overhead costs actually incurred and authorized reasonable contingencies;
 - (B) the estimated or actual property price for all property to be acquired to provide the proposed improvements; and
 - (C) the estimated reasonable cost of any work to be performed by the local entity.
- (b) In addition to the requirements of Subsection (3)(a), the governing body of a local entity shall prepare the assessment list described in Subsection (2)(a)(i) before:
 - (i) the light service has commenced, if the assessment is to pay for light service; or
 - (ii) the park maintenance has commenced, if the assessment is to pay for park maintenance.

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(4) A local entity may levy an assessment for some or all of the cost of improvements within an assessment area, including payment of:

(a) operation and maintenance costs of improvements constructed within the assessment area only to the extent the improvements provide benefits to the properties within the assessment area and in accordance with Section 11-42-409;

(b) (i) if an outside entity furnishes utility services or maintains utility improvements, the actual cost that the local entity pays for utility services or for maintenance of improvements; or

(ii) if the local entity itself furnishes utility service or maintains improvements, for the actual costs that are reasonable, including reasonable administrative costs or reasonable costs for reimbursement of actual costs incurred by the local entity, for supplying the utility service or maintenance;

(c) the actual costs that are reasonable to supply labor, materials, or equipment in connection with improvements; and

(d) (i) the actual costs that are reasonable for valid connection fees; or

(ii) the reasonable and generally applicable costs of locally provided utilities.

(5) A local entity may not levy an assessment for an amount donated or contributed for an improvement or part of an improvement or for anything other than the costs actually and reasonably incurred by the local entity in order to provide an improvement or conduct operation and maintenance or economic promotion activities.

(6) The validity of an otherwise valid assessment is not affected because the actual and reasonable cost of improvements exceeds the estimated cost.

(7) (a) Subject to Subsection (7)(b), an assessment levied to pay for operation and maintenance costs may not be levied over a period of time exceeding five years beginning on the day on which the local entity adopts the assessment ordinance or assessment resolution for the operation and maintenance costs assessment.

(b) A local entity may levy an additional assessment described in Subsection (7)(a) in the assessment area designated for the assessment described in Subsection (7)(a) if, after the five-year period expires, the local entity:

(i) gives notice in accordance with Section 11-42-402 of the new five-year term of the assessment; and

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(ii) complies with the applicable levy provisions of this part.

Section 10. Section 17-31-5.5 is amended to read:

17-31-5.5. ~~{Independent audit--}~~ Report to county legislative body -- Content.

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

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

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

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

(i) establishing and promoting:

(A) recreation;

(B) tourism;

(C) film production; and

(D) conventions;

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

(A) convention meeting rooms;

(B) exhibit halls;

(C) visitor information centers;

(D) museums; and

(E) related facilities;

(iii) acquiring or leasing land required for or related to the purposes listed in

Subsection ~~[(3)]~~ (2)(a)(ii);

(iv) mitigation costs as identified in Subsection 17-31-2(1)(d); and

(v) making the annual payment of principal, interest, premiums, and necessary reserves for any or the aggregate of bonds issued to pay for costs referred to in Subsections

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17-31-2(2)(c) and (3)(a); and

(b) for the tourism, recreation, cultural, convention, and airport facilities tax, identification of expenditures for:

(i) financing tourism promotion, which means an activity to develop, encourage, solicit, or market tourism that attracts transient guests to the county, including planning, product development, and advertising;

(ii) the development, operation, and maintenance of the following facilities as defined in Section 59-12-602:

(A) an airport facility;

(B) a convention facility;

(C) a cultural facility;

(D) a recreation facility; and

(E) a tourist facility; and

(iii) a pledge as security for evidences of indebtedness under Subsection 59-12-603(3).

~~[(4)]~~ (3) A county legislative body shall provide a copy of [a] the report [it receives under this section] described in Subsection (1) to:

(a) the Governor's Office of Economic Development;

(b) its tourism tax advisory board; and

(c) the Office of the Legislative Fiscal Analyst.

Section 11. Section 17B-1-613 is amended to read:

17B-1-613. Appropriations not to exceed estimated expendable revenue --

~~{Determination of revenue --}~~ **Appropriations for existing deficits.**

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

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

~~[(3) (a) There is included as an item of appropriation in each fund for any budget year any existing deficit created in accordance with Section 17B-1-623 as of the close of the last~~

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~~completed fiscal year, not previously included in the budget of the current year, to the extent of at least 5% of the total revenue of the fund in its last completed fiscal year.~~‡

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

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

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

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

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

Section ~~{2}~~12. Section 17B-1-902 is amended to read:

17B-1-902. Lien for past due service fees -- Partial payment allocation.

(1) (a) A local district may file a lien on a customer's property for past due fees for commodities, services, or facilities that the district has provided to the customer's property by certifying, subject to Subsection (2), to the treasurer of the county in which the customer's property is located the past due fees, including, subject to Section 17B-1-902.1, applicable interest and administrative costs.

(b) Upon certification under Subsection (1)(a), the past due fees, and if applicable, interest and administrative costs, become a lien on the customer's property to which the commodities, services, or facilities were provided.

(c) A lien filed in accordance with this section has the same priority as, but is separate and distinct from, a property tax lien.

(2) (a) If a local district certifies past due fees under Subsection (1)(a), the county treasurer shall include on a property tax notice issued in accordance with Section 59-2-1317 an unpaid fee, administrative cost, or interest described in Subsection (1)(a).

(b) If an unpaid fee, administrative cost, or interest is included on a property tax notice in accordance with Subsection (2)(a), the county treasurer shall on the property tax notice:

(i) clearly state that the unpaid fee, administrative cost, or interest is for a service

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provided by the local district; and

(ii) itemize the unpaid fee, administrative cost, or interest separate from any other tax, fee, interest, or penalty that is included on the property tax notice in accordance with Section 59-2-1317[; ~~and~~].

~~[(iii) state that if less than the full amount of the property tax and local district fees included on the property tax notice are paid, the payment will be applied proportionately to the balances due for property taxes and local district fees, which shall include all fees and other permitted charges described in this section unless otherwise specified by the taxpayer and the taxpayer demonstrates that the unpaid fees are being challenged by the taxpayer.]~~

(3) A lien under Subsection (1) is not valid if certification under Subsection (1) is made after the filing for record of a document conveying title of the customer's property to a new owner.

(4) Nothing in this section may be construed to:

(a) waive or release the customer's obligation to pay fees that the district has imposed;

(b) preclude the certification of a lien under Subsection (1) with respect to past due fees for commodities, services, or facilities provided after the date that title to the property is transferred to a new owner; or

(c) nullify or terminate a valid lien.

(5) After all amounts owing under a lien established as provided in this section have been paid, the local district shall file for record in the county recorder's office a release of the lien.

Section ~~3~~13. Section **59-2-1317** is amended to read:

59-2-1317. Tax notice -- Contents of notice -- Procedures and requirements for providing notice.

(1) Subject to the other provisions of this section, the county treasurer shall:

(a) collect the taxes; and

(b) provide a notice to each taxpayer that contains the following:

(i) the kind and value of property assessed to the taxpayer;

(ii) the street address of the property, if available to the county;

(iii) that the property may be subject to a detailed review in the next year under Section 59-2-303.1;

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(iv) the amount of taxes levied;

(v) a separate statement of the taxes levied only on a certain kind or class of property for a special purpose;

(vi) property tax information pertaining to taxpayer relief, options for payment of taxes, and collection procedures;

(vii) if applicable, the amount of an assessment assessed in accordance with Section 11-42-401;

(viii) if applicable, an unpaid fee, administrative cost, or interest for a local district in accordance with Section 17B-1-902;

(ix) the date the taxes are due;

(x) the street address at which the taxes may be paid;

(xi) the date on which the taxes are delinquent;

(xii) the penalty imposed on delinquent taxes;

(xiii) a statement that explains the taxpayer's right to direct allocation of a partial payment in accordance with Subsection (7);

~~[(xiii)]~~ (xiv) other information specifically authorized to be included on the notice under this chapter; and

~~[(xiv)]~~ (xv) other property tax information approved by the commission.

(2) For any property for which property taxes are delinquent, the notice described in Subsection (1) shall state, "Prior taxes are delinquent on this parcel."

(3) Except as provided in Subsection (4), the county treasurer shall:

(a) mail the notice required by this section, postage prepaid; or

(b) leave the notice required by this section at the taxpayer's residence or usual place of business, if known.

(4) (a) Subject to the other provisions of this Subsection (4), a county treasurer may, at the county treasurer's discretion, provide the notice required by this section by electronic mail if a taxpayer makes an election, according to procedures determined by the county treasurer, to receive the notice by electronic mail.

(b) A taxpayer may revoke an election to receive the notice required by this section by electronic mail if the taxpayer provides written notice to the treasurer on or before October 1.

(c) A revocation of an election under this section does not relieve a taxpayer of the

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duty to pay a tax due under this chapter on or before the due date for paying the tax.

(d) A county treasurer shall provide the notice required by this section using a method described in Subsection (3), until a taxpayer makes a new election in accordance with this Subsection (4), if:

(i) the taxpayer revokes an election in accordance with Subsection (4)(b) to receive the notice required by this section by electronic mail; or

(ii) the county treasurer finds that the taxpayer's electronic mail address is invalid.

(e) A person is considered to be a taxpayer for purposes of this Subsection (4) regardless of whether the property that is the subject of the notice required by this section is exempt from taxation.

(5) (a) The county treasurer shall provide the notice required by this section to a taxpayer on or before November 1.

(b) The county treasurer shall keep on file in the county treasurer's office the information set forth in the notice.

(c) The county treasurer is not required to mail a tax receipt acknowledging payment.

(6) This section does not apply to property taxed under Section 59-2-1302 or 59-2-1307.

(7) (a) A taxpayer who pays less than the full amount due on the taxpayer's property tax notice may, on a form provided by the county treasurer, direct how the county treasurer allocates the partial payment between:

(i) the total amount due for property tax;

(ii) the amount due for assessments;

(iii) the amount due for past due local district fees; and

(iv) any other amounts due on the property tax notice.

(b) The county treasurer shall comply with a direction submitted to the county treasurer in accordance with Subsection (7)(a).

(c) The provisions of this Subsection (7) do not:

(i) affect the right or ability of a local entity to pursue any available remedy for non-payment of any item listed on a taxpayer's property tax notice; or

(ii) toll or otherwise change any time period related to a remedy described in Subsection (7)(c)(i).

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Section ~~{4}~~14. **Retrospective operation.**

~~{This}~~The amendments to Sections 11-42-401, 17B-1-902, and 59-2-1317 in this bill
~~{has}~~have retrospective operation to January 1, 2016.