

26 **H→ [None] This bill provides a special effective date. ←H**

27 **Utah Code Sections Affected:**

28 AMENDS:

29 **17B-1-641**, as last amended by Laws of Utah 2014, Chapter 377

30 **51-2a-201**, as last amended by Laws of Utah 2015, Chapter 138

31 **51-2a-201.5**, as enacted by Laws of Utah 2015, Chapter 138

32 **63G-2-502**, as last amended by Laws of Utah 2015, Chapter 174

33 **67-3-1**, as last amended by Laws of Utah 2015, Chapter 174

34 **67-4-1**, as last amended by Laws of Utah 1998, Chapter 14



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

37 Section 1. Section **17B-1-641** is amended to read:

38 **17B-1-641. Local district may expand uniform procedures -- Limitation.**

39 (1) Subject to Subsection (2), a local district may expand the uniform accounting,
40 budgeting, and reporting procedure prescribed in the Uniform Accounting Manual for Local
41 Districts prepared by the state auditor under Subsection 67-3-1~~(14)~~(15), to better serve the
42 needs of the district.

43 (2) A local district may not deviate from or alter the basic prescribed classification
44 systems for the identity of funds and accounts set forth in the Uniform Accounting Manual for
45 Local Districts.

46 Section 2. Section **51-2a-201** is amended to read:

47 **51-2a-201. Accounting reports required.**

48 (1) The governing board of an entity whose revenues or expenditures of all funds is
49 ~~[\$750,000]~~ \$1,000,000 or more shall cause an audit to be made of its accounts by a competent
50 certified public accountant.

51 (2) The governing board of an entity whose revenues or expenditures of all funds is
52 less than ~~[\$750,000]~~ \$1,000,000 shall cause a financial report to be made in the manner
53 prescribed by the state auditor.

54 Section 3. Section **51-2a-201.5** is amended to read:

55 **51-2a-201.5. Accounting reports required -- Reporting to state auditor.**

56 (1) As used in this section:

243 (ii) may prohibit the taxing or fee-assessing unit from accessing money held by the
244 state; and

245 (iii) may prohibit a taxing or fee-assessing unit from accessing money held in an
246 account of a financial institution by:

247 (A) contacting the taxing or fee-assessing unit's financial institution and requesting that
248 the institution prohibit access to the account; or

249 (B) filing an action in district court requesting an order of the court to prohibit a
250 financial institution from providing the taxing or fee-assessing unit access to an account.

251 (e) If the local taxing or fee-assessing unit adopts a budget in compliance with state
252 law, the state auditor shall eliminate a limitation on accessing funds described in Subsection
253 (8)(d).

254 (9) The state auditor may not withhold funds under Subsection (7)(h) until a county has
255 received formal written notice of noncompliance from the auditor and has been given 60 days
256 to make the specified corrections.

257 (10) Notwithstanding Subsection (7)(g), (7)(h), (8)(b), or (8)(d) the state auditor:

258 (a) shall authorize a disbursement by a state or local taxing or fee-assessing unit if the
259 disbursement is necessary to:

260 (i) avoid a major disruption in the operations of the state or local taxing or
261 fee-assessing unit; or

262 (ii) meet debt service obligations; and

263 (b) may authorize a disbursement by a state or local taxing or fee-assessing unit as the
264 state auditor determines is appropriate.

265 (11) (a) The state auditor may seek relief under ~~H~~→ [Rule 65,] the ←~~H~~ Utah Rules of Civil
266 Procedure ~~H~~→ [;] ←~~H~~ to take temporary custody of public funds if an action is necessary
266a to protect public
267 funds from being improperly diverted from their intended public purpose.

268 (b) If the state auditor seeks relief under Subsection (11)(a):

269 (i) the state auditor is not required to exhaust the procedures in Subsection (7) or (8);

270 and

271 (ii) the state treasurer may hold the public funds in accordance with Section 67-4-1 if a
272 court orders the public funds to be protected from improper diversion from their public
273 purpose.

398 (2) When necessary to perform his duties, the state treasurer may inspect the books,
399 papers, and accounts of any state entity.

400 (3) The state treasurer may take temporary custody of public funds if ordered by a court
401 to do so under Subsection 67-3-1(11).

401a **H→ Section 7. Effective date.**

401b **If approved by two-thirds of all the members elected to each house, this bill takes effect**
401c **upon approval by the governor, or the day following the constitutional time limit of Utah**

401d **Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto,**
401e **the date of veto override. ←H**