

Senator Deidre M. Henderson proposes the following substitute bill:

GOVERNMENTAL NONPROFIT CORPORATION ACT

AMENDMENTS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Deidre M. Henderson

House Sponsor: Craig Hall

LONG TITLE

General Description:

This bill amends definitions and provides for certain training relating to governmental nonprofit corporations.

Highlighted Provisions:

This bill:

- ▶ amends an informational requirement for the local government and limited purpose entity registry;
- ▶ requires the state auditor to:
 - develop a training or other informational resource regarding best practices for financial controls and board governance; and
 - distribute the training or other informational resource to certain state and local entities and governmental nonprofit corporations; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None



26 **Utah Code Sections Affected:**

27 AMENDS:

28 **67-1a-15**, as enacted by Laws of Utah 2018, Chapter 256

29 **67-3-1**, as last amended by Laws of Utah 2018, Chapters 200 and 256

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

32 Section 1. Section **67-1a-15** is amended to read:

33 **67-1a-15. Local government and limited purpose entity registry.**

34 (1) As used in this section:

35 (a) "Entity" means a limited purpose entity or a local government entity.

36 (b) (i) "Limited purpose entity" means a legal entity that:

37 (A) performs a single governmental function or limited governmental functions; and

38 (B) is not a state executive branch agency, a state legislative office, or within the
39 judicial branch.

40 (ii) "Limited purpose entity" includes:

41 (A) area agencies, area agencies on aging, and area agencies on high risk adults, as
42 those terms are defined in Section **62A-3-101**;

43 (B) charter schools created under Title 53G, Chapter 5, Charter Schools;

44 (C) community reinvestment agencies, as that term is defined in Section **17C-1-102**;

45 (D) conservation districts, as that term is defined in Section **17D-3-102**;

46 (E) governmental nonprofit corporations, as that term is defined in Section **11-13a-102**;

47 (F) housing authorities, as that term is defined in Section **35A-8-401**;

48 (G) independent entities and independent state agencies, as those terms are defined in
49 Section **63E-1-102**;

50 (H) interlocal entities, as that term is defined in Section **11-13-103**;

51 (I) local building authorities, as that term is defined in Section **17D-2-102**;

52 (J) local districts, as that term is defined in Section **17B-1-102**;

53 (K) local health departments, as that term is defined in Section **26A-1-102**;

54 (L) local mental health authorities, as that term is defined in Section **62A-15-102**;

55 (M) nonprofit corporations that receive an amount of money requiring an accounting
56 report under Section **51-2a-201.5**;

57 (N) school districts under Title 53G, Chapter 3, School District Creation and Change;

58 (O) special service districts, as that term is defined in Section 17D-1-102; and

59 (P) substance abuse authorities, as that term is defined in Section 62A-15-102.

60 (c) "Local government and limited purpose entity registry" or "registry" means the
61 registry of local government entities and limited purpose entities created under this section.

62 (d) "Local government entity" means:

63 (i) a county, as that term is defined in Section 17-50-101; and

64 (ii) a municipality, as that term is defined in Section 10-1-104.

65 (e) "Notice of failure to register" means the notice the lieutenant governor sends, in
66 accordance with Subsection (7)(a), to an entity that does not register.

67 (f) "Notice of failure to renew" means the notice the lieutenant governor sends to a
68 registered entity, in accordance with Subsection (7)(b).

69 (g) "Notice of noncompliance" means the notice the lieutenant governor sends to a
70 registered entity, in accordance with Subsection (6)(c).

71 (h) "Notice of non-registration" means the notice the lieutenant governor sends to an
72 entity and the state auditor, in accordance with Subsection (9).

73 (i) "Notice of registration or renewal" means the notice the lieutenant governor sends,
74 in accordance with Subsection (6)(b)(i).

75 (j) "Registered entity" means an entity with a valid registration as described in
76 Subsection (8).

77 (2) The lieutenant governor shall:

78 (a) create a registry of each local government entity and limited purpose entity within
79 the state that:

80 (i) contains the information described in Subsection (4); and

81 (ii) is accessible on the lieutenant governor's website or otherwise publicly available;

82 and

83 (b) establish fees for registration and renewal, in accordance with Section 63J-1-504,
84 based on and to directly offset the cost of creating, administering, and maintaining the registry.

85 (3) Each local government entity and limited purpose entity shall:

86 (a) on or before July 1, 2019, register with the lieutenant governor as described in
87 Subsection (4);

88 (b) on or before one year after the day on which the lieutenant governor issues the
89 notice of registration or renewal, annually renew the entity's registration in accordance with
90 Subsection (5); and

91 (c) within 30 days after the day on which any of the information described in
92 Subsection (4) changes, send notice of the changes to the lieutenant governor.

93 (4) Each entity shall include the following information in the entity's registration
94 submission:

95 (a) the resolution or other legal or formal document creating the entity or, if the
96 resolution or other legal or formal document creating the entity cannot be located, conclusive
97 proof of the entity's lawful creation;

98 (b) if the entity has geographic boundaries, a map or plat establishing the geographic
99 boundaries of the entity, or if it is impossible or unreasonably expensive to create a map or plat,
100 a metes and bounds description, or another legal description that identifies the boundaries of
101 the entity, conclusive proof of the entity's geographic boundaries;

102 (c) the entity's name;

103 (d) the entity's type of local government entity or limited purpose entity;

104 (e) the entity's governmental function;

105 (f) the entity's website, physical address, and phone number, including the name and
106 contact information of an individual whom the entity designates as the primary contact for the
107 entity;

108 (g) names of the members of the entity's governing board or commission, managing
109 officers, or other similar managers and the method by which the members or officers are
110 appointed, elected, or otherwise designated;

111 (h) the entity's sources of revenue; and

112 (i) if the entity has created an assessment area, as that term is defined in Section
113 [11-42-102](#), information regarding the creation, purpose, and boundaries of the assessment area.

114 (5) Each entity shall include the following information in the entity's renewal
115 submission:

116 (a) identify and update any incorrect or outdated information the entity previously
117 submitted during registration under Subsection (4); or

118 (b) certify that the information the entity previously submitted during registration under

119 Subsection (4) is correct without change.

120 (6) Within 30 days of receiving an entity's registration or renewal submission, the
121 lieutenant governor shall:

122 (a) review the submission to determine compliance with Subsection (4) or (5);

123 (b) if the lieutenant governor determines that the entity's submission complies with
124 Subsection (4) or (5):

125 (i) send a notice of registration or renewal that includes the information that the entity
126 submitted under Subsection (4) or (5) to:

127 (A) the registering or renewing entity;

128 (B) each county in which the entity operates, either in whole or in part, or where the
129 entity's geographic boundaries overlap or are contained within the boundaries of the county;

130 (C) the Division of Archives and Records Service; and

131 (D) the Office of the Utah State Auditor; and

132 (ii) publish the information from the submission on the registry; and

133 (c) if the lieutenant governor determines that the entity's submission does not comply
134 with Subsection (4) or (5) or is otherwise inaccurate or deficient, send a notice of

135 noncompliance to the registering or renewing entity that:

136 (i) identifies each deficiency in the entity's submission with the corresponding statutory
137 requirement;

138 (ii) establishes a deadline to cure the entity's noncompliance that is the first business
139 day that is at least 30 calendar days after the day on which the lieutenant governor sends the
140 notice of noncompliance; and

141 (iii) states that failure to comply by the deadline the lieutenant governor establishes
142 under Subsection (6)(c)(ii) will result in the lieutenant governor sending a notice of
143 non-registration to the Office of the Utah State Auditor, in accordance with Subsection (9).

144 (7) (a) If the lieutenant governor identifies an entity that does not make a registration
145 submission in accordance with Subsection (4) by the deadline described in Subsection (3), the
146 lieutenant governor shall send a notice of failure to register to the registered entity that:

147 (i) identifies the statutorily required registration deadline described in Subsection (3)
148 that the entity did not meet;

149 (ii) establishes a deadline to cure the entity's failure to register that is the first business

150 day that is at least 10 calendar days after the day on which the lieutenant governor sends the
151 notice of failure to register; and

152 (iii) states that failure to comply by the deadline the lieutenant governor establishes
153 under Subsection (7)(a)(ii) will result in the lieutenant governor sending a notice of
154 non-registration to the Office of the Utah State Auditor, in accordance with Subsection (9).

155 (b) If a registered entity does not make a renewal submission in accordance with
156 Subsection (5) by the deadline described in Subsection (3), the lieutenant governor shall send a
157 notice of failure to renew to the registered entity that:

158 (i) identifies the renewal deadline described in Subsection (3) that the entity did not
159 meet;

160 (ii) establishes a deadline to cure the entity's failure to renew that is the first business
161 day that is at least 30 calendar days after the day on which the lieutenant governor sends the
162 notice of failure to renew; and

163 (iii) states that failure to comply by the deadline the lieutenant governor establishes
164 under Subsection (7)(b)(ii) will result in the lieutenant governor sending a notice of
165 non-registration to the Office of the Utah State Auditor, in accordance with Subsection (9).

166 (8) An entity's registration is valid:

167 (a) if the entity makes a registration or renewal submission in accordance with the
168 deadlines described in Subsection (3);

169 (b) during the period the lieutenant governor establishes in the notice of
170 noncompliance or notice of failure to renew during which the entity may cure the identified
171 registration deficiencies; and

172 (c) for one year beginning on the day the lieutenant governor issues the notice of
173 registration or renewal.

174 (9) (a) The lieutenant governor shall send a notice of non-registration to the Office of
175 the Utah State Auditor if an entity fails to:

176 (i) cure the entity's noncompliance by the deadline the lieutenant governor establishes
177 in the notice of noncompliance;

178 (ii) register by the deadline the lieutenant governor establishes in the notice of failure
179 to register; or

180 (iii) cure the entity's failure to renew by the deadline the lieutenant governor establishes

181 in the notice of failure to renew.

182 (b) The lieutenant governor shall ensure that the notice of non-registration:

183 (i) includes a copy of the notice of noncompliance, the notice of failure to register, or
184 the notice of failure to renew; and

185 (ii) requests that the state auditor withhold state allocated funds or the disbursement of
186 property taxes and prohibit the entity from accessing money held by the state or money held in
187 an account of a financial institution, in accordance with Subsections 67-3-1(7)(i) and
188 67-3-1(10).

189 (10) The lieutenant governor may extend a deadline under this section if an entity
190 notifies the lieutenant governor, before the deadline to be extended, of the existence of an
191 extenuating circumstance that is outside the control of the entity.

192 Section 2. Section 67-3-1 is amended to read:

193 **67-3-1. Functions and duties.**

194 (1) (a) The state auditor is the auditor of public accounts and is independent of any
195 executive or administrative officers of the state.

196 (b) The state auditor is not limited in the selection of personnel or in the determination
197 of the reasonable and necessary expenses of the state auditor's office.

198 (2) The state auditor shall examine and certify annually in respect to each fiscal year,
199 financial statements showing:

200 (a) the condition of the state's finances;

201 (b) the revenues received or accrued;

202 (c) expenditures paid or accrued;

203 (d) the amount of unexpended or unencumbered balances of the appropriations to the
204 agencies, departments, divisions, commissions, and institutions; and

205 (e) the cash balances of the funds in the custody of the state treasurer.

206 (3) (a) The state auditor shall:

207 (i) audit each permanent fund, each special fund, the General Fund, and the accounts of
208 any department of state government or any independent agency or public corporation as the law
209 requires, as the auditor determines is necessary, or upon request of the governor or the
210 Legislature;

211 (ii) perform the audits in accordance with generally accepted auditing standards and

212 other auditing procedures as promulgated by recognized authoritative bodies;

213 (iii) as the auditor determines is necessary, conduct the audits to determine:

214 (A) honesty and integrity in fiscal affairs;

215 (B) accuracy and reliability of financial statements;

216 (C) effectiveness and adequacy of financial controls; and

217 (D) compliance with the law.

218 (b) If any state entity receives federal funding, the state auditor shall ensure that the
219 audit is performed in accordance with federal audit requirements.

220 (c) (i) The costs of the federal compliance portion of the audit may be paid from an
221 appropriation to the state auditor from the General Fund.

222 (ii) If an appropriation is not provided, or if the federal government does not
223 specifically provide for payment of audit costs, the costs of the federal compliance portions of
224 the audit shall be allocated on the basis of the percentage that each state entity's federal funding
225 bears to the total federal funds received by the state.

226 (iii) The allocation shall be adjusted to reflect any reduced audit time required to audit
227 funds passed through the state to local governments and to reflect any reduction in audit time
228 obtained through the use of internal auditors working under the direction of the state auditor.

229 (4) (a) Except as provided in Subsection (4)(b), the state auditor shall, in addition to
230 financial audits, and as the auditor determines is necessary, conduct performance and special
231 purpose audits, examinations, and reviews of any entity that receives public funds, including a
232 determination of any or all of the following:

233 (i) the honesty and integrity of all its fiscal affairs;

234 (ii) whether or not its administrators have faithfully complied with legislative intent;

235 (iii) whether or not its operations have been conducted in an efficient, effective, and
236 cost-efficient manner;

237 (iv) whether or not its programs have been effective in accomplishing the intended
238 objectives; and

239 (v) whether or not its management, control, and information systems are adequate,
240 effective, and secure.

241 (b) The auditor may not conduct performance and special purpose audits,
242 examinations, and reviews of any entity that receives public funds if the entity:

243 (i) has an elected auditor; and
244 (ii) has, within the entity's last budget year, had its financial statements or performance
245 formally reviewed by another outside auditor.

246 (5) The state auditor shall administer any oath or affirmation necessary to the
247 performance of the duties of the auditor's office, and may subpoena witnesses and documents,
248 whether electronic or otherwise, and examine into any matter that the auditor considers
249 necessary.

250 (6) The state auditor may require all persons who have had the disposition or
251 management of any property of this state or its political subdivisions to submit statements
252 regarding it at the time and in the form that the auditor requires.

253 (7) The state auditor shall:

254 (a) except where otherwise provided by law, institute suits in Salt Lake County in
255 relation to the assessment, collection, and payment of its revenues against:

256 (i) persons who by any means have become entrusted with public money or property
257 and have failed to pay over or deliver the money or property; and

258 (ii) all debtors of the state;

259 (b) collect and pay into the state treasury all fees received by the state auditor;

260 (c) perform the duties of a member of all boards of which the state auditor is a member
261 by the constitution or laws of the state, and any other duties that are prescribed by the
262 constitution and by law;

263 (d) stop the payment of the salary of any state official or state employee who:

264 (i) refuses to settle accounts or provide required statements about the custody and
265 disposition of public funds or other state property;

266 (ii) refuses, neglects, or ignores the instruction of the state auditor or any controlling
267 board or department head with respect to the manner of keeping prescribed accounts or funds;
268 or

269 (iii) fails to correct any delinquencies, improper procedures, and errors brought to the
270 official's or employee's attention;

271 (e) establish accounting systems, methods, and forms for public accounts in all taxing
272 or fee-assessing units of the state in the interest of uniformity, efficiency, and economy;

273 (f) superintend the contractual auditing of all state accounts;

274 (g) subject to Subsection (8)(a), withhold state allocated funds or the disbursement of
275 property taxes from a state or local taxing or fee-assessing unit, if necessary, to ensure that
276 officials and employees in those taxing units comply with state laws and procedures in the
277 budgeting, expenditures, and financial reporting of public funds;

278 (h) subject to Subsection (9), withhold the disbursement of tax money from any county,
279 if necessary, to ensure that officials and employees in the county comply with Section
280 59-2-303.1; and

281 (i) withhold state allocated funds or the disbursement of property taxes from a local
282 government entity or a limited purpose entity, as those terms are defined in Section 67-1a-15 if
283 the state auditor finds the withholding necessary to ensure that the entity registers and
284 maintains the entity's registration with the lieutenant governor, in accordance with Section
285 67-1a-15.

286 (8) (a) Except as otherwise provided by law, the state auditor may not withhold funds
287 under Subsection (7)(g) until a state or local taxing or fee-assessing unit has received formal
288 written notice of noncompliance from the auditor and has been given 60 days to make the
289 specified corrections.

290 (b) If, after receiving notice under Subsection (8)(a), a state or independent local
291 fee-assessing unit that exclusively assesses fees has not made corrections to comply with state
292 laws and procedures in the budgeting, expenditures, and financial reporting of public funds, the
293 state auditor:

294 (i) shall provide a recommended timeline for corrective actions; ~~and~~

295 (ii) may prohibit the state or local fee-assessing unit from accessing money held by the
296 state; and

297 (iii) may prohibit a state or local fee-assessing unit from accessing money held in an
298 account of a financial institution by filing an action in district court requesting an order of the
299 court to prohibit a financial institution from providing the fee-assessing unit access to an
300 account.

301 (c) The state auditor shall remove a limitation on accessing funds under Subsection
302 (8)(b) upon compliance with state laws and procedures in the budgeting, expenditures, and
303 financial reporting of public funds.

304 (d) If a local taxing or fee-assessing unit has not adopted a budget in compliance with

305 state law, the state auditor:

306 (i) shall provide notice to the taxing or fee-assessing unit of the unit's failure to
307 comply;

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

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

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

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

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

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

322 (10) (a) The state auditor may not withhold funds under Subsection (7)(i) until the state
323 auditor receives a notice of non-registration, as that term is defined in Section 67-1a-15.

324 (b) If the state auditor receives a notice of non-registration, the state auditor may
325 prohibit the local government entity or limited purpose entity, as those terms are defined in
326 Section 67-1a-15, from accessing:

327 (i) money held by the state; and

328 (ii) money held in an account of a financial institution by:

329 (A) contacting the entity's financial institution and requesting that the institution
330 prohibit access to the account; or

331 (B) filing an action in district court requesting an order of the court to prohibit a
332 financial institution from providing the entity access to an account.

333 (c) The state auditor shall remove the prohibition on accessing funds described in
334 Subsection (10)(b) if the state auditor received a notice of registration, as that term is defined in
335 Section 67-1a-15, from the lieutenant governor.

336 (11) Notwithstanding Subsection (7)(g), (7)(h), (7)(i), (8)(b), (8)(d), or (10)(b), the
337 state auditor:

338 (a) shall authorize a disbursement by a local government entity or limited purpose
339 entity, as those terms are defined in Section 67-1a-15, or a state or local taxing or fee-assessing
340 unit if the disbursement is necessary to:

341 (i) avoid a major disruption in the operations of the local government entity, limited
342 purpose entity, or state or local taxing or fee-assessing unit; or

343 (ii) meet debt service obligations; and

344 (b) may authorize a disbursement by a local government entity, limited purpose entity,
345 or state or local taxing or fee-assessing unit as the state auditor determines is appropriate.

346 (12) (a) The state auditor may seek relief under the Utah Rules of Civil Procedure to
347 take temporary custody of public funds if an action is necessary to protect public funds from
348 being improperly diverted from their intended public purpose.

349 (b) If the state auditor seeks relief under Subsection (12)(a):

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

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

355 (13) The state auditor shall:

356 (a) establish audit guidelines and procedures for audits of local mental health and
357 substance abuse authorities and their contract providers, conducted pursuant to Title 17,
358 Chapter 43, Part 2, Local Substance Abuse Authorities, Title 17, Chapter 43, Part 3, Local
359 Mental Health Authorities, Title 51, Chapter 2a, Accounting Reports from Political
360 Subdivisions, Interlocal Organizations, and Other Local Entities Act, and Title 62A, Chapter
361 15, Substance Abuse and Mental Health Act; and

362 (b) ensure that those guidelines and procedures provide assurances to the state that:

363 (i) state and federal funds appropriated to local mental health authorities are used for
364 mental health purposes;

365 (ii) a private provider under an annual or otherwise ongoing contract to provide
366 comprehensive mental health programs or services for a local mental health authority is in

367 compliance with state and local contract requirements, and state and federal law;

368 (iii) state and federal funds appropriated to local substance abuse authorities are used
369 for substance abuse programs and services; and

370 (iv) a private provider under an annual or otherwise ongoing contract to provide
371 comprehensive substance abuse programs or services for a local substance abuse authority is in
372 compliance with state and local contract requirements, and state and federal law.

373 (14) The state auditor may, in accordance with the auditor's responsibilities for political
374 subdivisions of the state as provided in Title 51, Chapter 2a, Accounting Reports from Political
375 Subdivisions, Interlocal Organizations, and Other Local Entities Act, initiate audits or
376 investigations of any political subdivision that are necessary to determine honesty and integrity
377 in fiscal affairs, accuracy and reliability of financial statements, effectiveness, and adequacy of
378 financial controls and compliance with the law.

379 (15) (a) The state auditor may not audit work that the state auditor performed before
380 becoming state auditor.

381 (b) If the state auditor has previously been a responsible official in state government
382 whose work has not yet been audited, the Legislature shall:

383 (i) designate how that work shall be audited; and

384 (ii) provide additional funding for those audits, if necessary.

385 (16) The state auditor shall:

386 (a) with the assistance, advice, and recommendations of an advisory committee
387 appointed by the state auditor from among local district boards of trustees, officers, and
388 employees and special service district boards, officers, and employees:

389 (i) prepare a Uniform Accounting Manual for Local Districts that:

390 (A) prescribes a uniform system of accounting and uniform budgeting and reporting
391 procedures for local districts under Title 17B, Limited Purpose Local Government Entities -
392 Local Districts, and special service districts under Title 17D, Chapter 1, Special Service
393 District Act;

394 (B) conforms with generally accepted accounting principles; and

395 (C) prescribes reasonable exceptions and modifications for smaller districts to the
396 uniform system of accounting, budgeting, and reporting;

397 (ii) maintain the manual under this Subsection [~~(15)~~] (16)(a) so that it continues to

398 reflect generally accepted accounting principles;

399 (iii) conduct a continuing review and modification of procedures in order to improve
400 them;

401 (iv) prepare and supply each district with suitable budget and reporting forms; and

402 (v) (A) prepare instructional materials, conduct training programs, and render other
403 services considered necessary to assist local districts and special service districts in
404 implementing the uniform accounting, budgeting, and reporting procedures; and

405 (B) ensure that any training described in Subsection [~~(15)~~] (16)(a)(v)(A) complies with
406 Title 63G, Chapter 22, State Training and Certification Requirements; and

407 (b) continually analyze and evaluate the accounting, budgeting, and reporting practices
408 and experiences of specific local districts and special service districts selected by the state
409 auditor and make the information available to all districts.

410 (17) (a) The following records in the custody or control of the state auditor are
411 protected records under Title 63G, Chapter 2, Government Records Access and Management
412 Act:

413 (i) records that would disclose information relating to allegations of personal
414 misconduct, gross mismanagement, or illegal activity of a past or present governmental
415 employee if the information or allegation cannot be corroborated by the state auditor through
416 other documents or evidence, and the records relating to the allegation are not relied upon by
417 the state auditor in preparing a final audit report;

418 (ii) records and audit workpapers to the extent they would disclose the identity of a
419 person who during the course of an audit, communicated the existence of any waste of public
420 funds, property, or manpower, or a violation or suspected violation of a law, rule, or regulation
421 adopted under the laws of this state, a political subdivision of the state, or any recognized entity
422 of the United States, if the information was disclosed on the condition that the identity of the
423 person be protected;

424 (iii) before an audit is completed and the final audit report is released, records or drafts
425 circulated to a person who is not an employee or head of a governmental entity for their
426 response or information;

427 (iv) records that would disclose an outline or part of any audit survey plans or audit
428 program; and

429 (v) requests for audits, if disclosure would risk circumvention of an audit.

430 (b) The provisions of Subsections (17)(a)(i), (ii), and (iii) do not prohibit the disclosure
431 of records or information that relate to a violation of the law by a governmental entity or
432 employee to a government prosecutor or peace officer.

433 (c) The provisions of this Subsection (17) do not limit the authority otherwise given to
434 the state auditor to classify a document as public, private, controlled, or protected under Title
435 63G, Chapter 2, Government Records Access and Management Act.

436 (d) (i) As used in this Subsection (17)(d), "record dispute" means a dispute between the
437 state auditor and the subject of an audit performed by the state auditor as to whether the state
438 auditor may release a record, as defined in Section 63G-2-103, to the public that the state
439 auditor gained access to in the course of the state auditor's audit but which the subject of the
440 audit claims is not subject to disclosure under Title 63G, Chapter 2, Government Records
441 Access and Management Act.

442 (ii) The state auditor may submit a record dispute to the State Records Committee,
443 created in Section 63G-2-501, for a determination of whether the state auditor may, in
444 conjunction with the state auditor's release of an audit report, release to the public the record
445 that is the subject of the record dispute.

446 (iii) The state auditor or the subject of the audit may seek judicial review of a State
447 Records Committee determination under Subsection (17)(d)(ii), as provided in Section
448 63G-2-404.

449 (18) If the state auditor conducts an audit of an entity that the state auditor has
450 previously audited and finds that the entity has not implemented a recommendation made by
451 the state auditor in a previous audit, the state auditor shall notify the Legislative Management
452 Committee through its audit subcommittee that the entity has not implemented that
453 recommendation.

454 (19) (a) As used in this subsection, "governmental nonprofit corporation" means the
455 same as that term is defined in Section 11-13a-102.

456 (b) The state auditor shall:

457 (i) develop a training or other informational resource to aid a governmental nonprofit
458 corporation in implementing best practices for financial controls and board governance; and

459 (ii) provide the training or other informational resource described in Subsection

460 (19)(b)(i) to each of the following entities that provides any required budgeting, expenditure, or
461 financial report to the state auditor:

462 (A) a governmental nonprofit corporation;

463 (B) a state agency or political subdivision of the state that wholly controls or has a
464 controlling interest in a governmental nonprofit corporation, as described in Section
465 11-13a-102; and

466 (C) any other entity that, in the opinion of the state auditor, could benefit from the
467 resource.