

HB0243S03 compared with HB0243S02

~~deleted text~~ shows text that was in HB0243S02 but was deleted in HB0243S03.

inserted text shows text that was not in HB0243S02 but was inserted into HB0243S03.

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Representative Francis D. Gibson proposes the following substitute bill:

PRIVACY PROTECTION AMENDMENTS

2021 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Francis D. Gibson

Senate Sponsor: ~~_____~~ Kirk A. Cullimore

Cosponsors:

Brian S. King

Ryan D. Wilcox

Suzanne Harrison

Val L. Peterson

LONG TITLE

General Description:

This bill creates positions to oversee privacy practices in state government.

Highlighted Provisions:

This bill:

- ▶ creates the government operations privacy officer, who will be appointed by the governor;
- ▶ authorizes the government operations privacy officer to review the data practices of state agencies;
- ▶ creates the Personal Privacy Oversight Commission, whose membership is

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appointed by the ~~{Speaker of the House}~~ governor and the ~~{President of the Senate}~~ state auditor;

- ▶ directs the Personal Privacy Oversight Commission to establish guidelines and best practices with respect to certain government technology uses related to personal privacy and policies related to data security;
- ▶ authorizes the Personal Privacy Oversight Commission to review government technology uses related to personal privacy and policies related to data security;
- ▶ directs the state auditor to appoint and oversee the state privacy officer;
- ▶ authorizes the state privacy officer to review the data practices of certain government entities; and
- ▶ creates a reporting requirement for the operations privacy officer, the Personal Privacy Oversight Committee, and the data privacy officer.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

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

ENACTS:

63C-23-101, Utah Code Annotated 1953

63C-23-102, Utah Code Annotated 1953

63C-23-201, Utah Code Annotated 1953

63C-23-202, Utah Code Annotated 1953

67-1-17, Utah Code Annotated 1953

67-3-12, Utah Code Annotated 1953

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

Section 1. Section **63C-23-101** is enacted to read:

CHAPTER 23. PERSONAL PRIVACY OVERSIGHT COMMISSION

Part 1. General Provisions

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63C-23-101. Title.

This chapter is known as the "Personal Privacy Oversight Commission."

Section 2. Section **63C-23-102** is enacted to read:

63C-23-102. Definitions.

As used in this chapter:

(1) "Commission" means the Personal Privacy Oversight Commission created in Section 63C-23-201.

(2) (a) "Government entity" means the state, a county, a municipality, a higher education institution, a local district, a special service district, a school district, an independent entity, or any other political subdivision of the state or an administrative subunit of any political subdivision, including a law enforcement entity.

(b) "Government entity" includes an agent of an entity described in Subsection (2)(a).

(3) "Independent entity" means the same as that term is defined in Section 63E-1-102.

(~~2~~4) (a) "Personal data" means any information relating to an identified or identifiable individual.

(b) "Personal data" includes personally identifying information.

(~~3~~5) (a) "Privacy practice" means the acquisition, use, storage, or disposal of personal data.

(b) "Privacy practice" includes:

(i) a technology use related to personal data; and

(ii) policies related to the protection, storage, sharing, and retention of personal data.

Section 3. Section **63C-23-201** is enacted to read:

Part 2. Personal Privacy Oversight Commission

63C-23-201. Personal Privacy Oversight Commission created.

(1) There is created the Personal Privacy Oversight Commission.

(2) (a) The commission shall be composed of 12 members.

(b) The ~~president of the Senate~~ governor shall appoint:

(i) one member who, at the time of appointment provides internet technology services for a county or a municipality;

(ii) one member with experience in cybersecurity;

(iii) one member representing private industry in technology;

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(iv) one member representing law enforcement;

(v) one member with experience in data privacy law; and

(vi) one member with experience as a prosecutor and with experience in civil liberties

law.

(c) The state auditor shall appoint:

(i) one member with experience in internet technology services;

(ii) one member with experience in cybersecurity;

(iii) one member representing private industry in technology;

(iv) one member representing law enforcement;

(v) one member with experience in data privacy law; and

~~{~~ (vi) one member with experience as a prosecutor in cases involving civil liberties:

~~_____~~ (c) The speaker of the House of Representative shall appoint:

~~_____~~ (i) one member who shall provide internet technology services for a county or a municipality;

~~_____~~ (ii) one member with experience in cybersecurity;

~~_____~~ (iii) one member representing private industry in technology;

~~_____~~ (iv) one member representing law enforcement;

~~_____~~ (v) one member with experience in data privacy law; and

~~‡~~ (vi) one member with experience in civil liberties law or policy and with specific experience in identifying the disparate impacts of the use of a technology or a policy on different populations.

(3) (a) Except as provided in Subsection (3)(b), ~~{the members are}~~ a member is appointed for a term of four years.

(b) ~~{(i)}~~ The initial appointments of members described in Subsections (2)(b)(i) through (b)(iii) and (2)(c)(iv) through (c)(vi) shall be ~~{appointed to an initial term of two years}~~ for two-year terms.

(c) When the term of a current ~~{commission}~~ member expires, a member shall be reappointed or a new member shall be appointed in accordance with ~~{this}~~ Subsection (~~{3}~~2).

(4) (a) When a vacancy occurs in the membership for any reason, a replacement shall be appointed in accordance with Subsection (~~{3}~~2) for the unexpired term.

(b) A member whose term has expired may continue to serve until a replacement is

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appointed.

(5) The commission shall select officers from the commission's members as the commission finds necessary.

(6) (a) A majority of the members of the commission is a quorum.

(b) The action of a majority of a quorum constitutes an action of the commission.

(7) A member may not receive compensation or benefits for the member's service but may receive per diem and travel expenses incurred as a member of the commission at the rates established by the Division of Finance under:

(a) Sections 63A-3-106 and 63A-3-107; and

(b) rules made by the Division of Finance in accordance with Section 63A-3-106 and 63A-3-107.

(8) A member shall refrain from participating in a review of:

(a) an entity of which the member is an employee; or

(b) a technology in which the member has a financial interest.

(9) The ~~{Office of Legislative Research and General Counsel}~~ state auditor shall provide staff and support to the commission.

(10) The commission shall meet up to seven times a year to accomplish the duties described in Section 63C-23-202.

Section 4. Section **63C-23-202** is enacted to read:

63C-23-202. Commission duties.

(1) The commission shall:

(a) develop guiding standards ~~{for}~~ and best practices with respect to government privacy practices;

(b) develop educational and training materials that include information about:

(i) the privacy implications and civil liberties concerns of ~~{government}~~ the privacy practices of government entities;

(ii) best practices for government collection and retention policies regarding personal ~~{information}~~ data; and

(iii) best practices for government personal data security standards; and

(c) review the privacy implications and civil liberties concerns of government privacy practices.

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(2) The commission may:

(a) review specific government privacy practices as referred to the commission by the ~~state privacy officer described in Section 67-3-12 or the~~ government operations privacy officer described in Section 67-1-17 or the state privacy officer described in Section 67-3-12;
and

(b) develop recommendations for legislation ~~to promote~~ regarding the guiding standards and best practices the commission has developed in accordance with Subsection (1)(a).

(3) Annually, on or before October 1, the commission shall report to the Judiciary Interim Committee:

(a) the results of any reviews the commission has conducted;

(b) the guiding standards and best practices described in Subsection (1)(a); and

(c) any recommendations for legislation the commission has developed in accordance with Subsection (2)(b).

Section 5. Section ~~67-1-17~~ is enacted to read:

67-1-17. Government operations privacy officer.

(1) As used in this section:

(a) ~~{(i) "Personal data" means any information relating to an identified or identifiable individual.~~

~~—— (ii) "Personal data" includes personally identifying information.~~

~~—— (b) (i) "Privacy practice" means the acquisition, use, storage, or disposal of personal data.~~

~~—— (ii) "Privacy practice" includes:~~

~~—— (A) a technology use related to personal data; and~~

~~—— (B) policies related to the protection, storage, sharing, and retention of personal data.~~

~~—— (c) "State agency" "Independent entity" means the same as that term is defined in Section ~~67-25-102.~~~~

~~63E-1-102.~~

(b) (i) "Personal data" means any information relating to an identified or identifiable individual.

(ii) "Personal data" includes personally identifying information.

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(c) (i) "Privacy practice" means the acquisition, use, storage, or disposal of personal data.

(ii) "Privacy practice" includes:

(A) a technology use related to personal data; and

(B) policies related to the protection, storage, sharing, and retention of personal data.

(d) (i) "State agency" means the following entities that are under the direct supervision and control of the governor or the lieutenant governor:

(A) a department;

(B) a commission;

(C) a board;

(D) a council;

(E) an institution;

(F) an officer;

(G) a corporation;

(H) a fund;

(I) a division;

(J) an office;

(K) a committee;

(L) an authority;

(M) a laboratory;

(N) a library;

(O) a bureau;

(P) a panel;

(Q) another administrative unit of the state; or

(R) an agent of an entity described in Subsections (A) through (Q).

(ii) "State agency" does not include:

(A) the legislative branch;

(B) the judicial branch;

(C) an executive branch agency within the Office of the Attorney General, the state auditor, the state treasurer, or the State Board of Education; or

(D) an independent entity.

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(2) The governor may, with the advice and consent of the Senate, appoint a government operations privacy officer.

(3) The government operations privacy officer shall:

(a) compile information about the privacy practices of state agencies;

(b) make public and maintain information about the privacy practices of state agencies on the governor's website;

(c) provide state agencies with educational and training materials developed by the Personal Privacy Oversight Commission established in Section 63C-23-201 that include the ~~following~~ information~~:~~

~~(i) the privacy implications and civil liberties concerns of the privacy practices of state agencies;~~

~~(ii) best practices for government collection and retention policies regarding personally identifiable information; and~~

~~(iii) best practices for government data security standards;~~

~~‡ described in Subsection 63C-23-202(1)(b);~~

(d) implement a process to analyze and respond to requests from individuals for the government operations privacy officer to review a state agency's privacy practice;

(e) identify annually which state agencies' privacy practices pose the greatest risk to individual privacy and prioritize those privacy practices for review;

(f) review each year, in as timely a manner as possible, the privacy practices that the government operations privacy officer identifies under Subsection (3)(d) or (e) as posing the greatest risk to individuals' privacy;

(g) when reviewing a state agency's privacy practice under Subsection (3)(f), analyze:

(i) details about the privacy practice;

(ii) information about the type of data being used;

(iii) information about how the data is obtained, ~~stored~~ ~~shared~~, ~~kept secure~~ ~~secured~~, ~~stored~~, and disposed;

(iv) information about with ~~whom~~ ~~which persons~~ the state agency shares the information;

(v) information about whether an individual can or should be able to opt out of the retention and sharing of the individual's data;

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- (vi) information about how the state agency de-identifies or anonymizes data;
- (vii) a determination about the existence of alternative technology or improved practices to protect privacy; and
- (viii) a finding of whether the state agency's current privacy practice adequately protects individual privacy; and
- (h) after completing a review described in Subsections (3)(f) and (g), determine:
 - (i) each state agency's use of personal data, including the state agency's practices regarding data:
 - (A) ~~{retention}~~acquisition;
 - (B) storage;
 - (C) disposal;
 - ~~{C}~~D protection; and
 - ~~{D}~~E sharing;
 - (ii) the adequacy of the state agency's practices in each of the areas described in Subsection (3)(h)(i); and
 - (iii) for each of the areas described in Subsection (3)(h)(i) that the government operations privacy officer determines require reform, provide recommendations to the state agency for reform.
 - (4) The ~~{state}~~government operations privacy officer shall:
 - (a) quarterly report, to the Personal Privacy Oversight Commission:
 - (i) recommendations for privacy practices for the commission to review; and
 - (ii) the information described in Subsection (3)(h); and
 - (b) annually, on or before October 1, report to the Judiciary Interim Committee:
 - (i) the results of any reviews described in Subsection (3)(g), if any reviews have been completed;
 - (ii) reforms, to the extent that the government operations privacy officer is aware of any reforms, that the state agency made in response to any reviews described in Subsection (3)(g);
 - ~~{ii}~~iii the information described in Subsection (3)(h); and
 - ~~{iii}~~iv recommendations for legislation based on the results of any reviews described in Subsection (3)(g).

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Section 6. Section **67-3-1** is amended to read:

67-3-1. Functions and duties.

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

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

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

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

(b) the revenues received or accrued;

(c) expenditures paid or accrued;

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

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

(3) (a) The state auditor shall:

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

(ii) perform the audits in accordance with generally accepted auditing standards and other auditing procedures as promulgated by recognized authoritative bodies;

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

(A) honesty and integrity in fiscal affairs;

(B) accuracy and reliability of financial statements;

(C) effectiveness and adequacy of financial controls; and

(D) compliance with the law.

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

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

(ii) If an appropriation is not provided, or if the federal government does not

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specifically provide for payment of audit costs, the costs of the federal compliance portions of the audit shall be allocated on the basis of the percentage that each state entity's federal funding bears to the total federal funds received by the state.

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

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

(i) the honesty and integrity of all ~~[its]~~ the entity's fiscal affairs;

(ii) whether or not ~~[its]~~ the entity's administrators have faithfully complied with legislative intent;

(iii) whether or not ~~[its]~~ the entity's operations have been conducted in an efficient, effective, and cost-efficient manner;

(iv) whether or not ~~[its]~~ the entity's programs have been effective in accomplishing the intended objectives; and

(v) whether or not ~~[its]~~ the entity's management, control, and information systems are adequate, effective, and secure.

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

(i) has an elected auditor; and

(ii) has, within the entity's last budget year, had ~~[its]~~ the entity's financial statements or performance formally reviewed by another outside auditor.

(5) The state auditor:

(a) shall administer any oath or affirmation necessary to the performance of the duties of the auditor's office~~;~~; and

(b) may:

(i) subpoena witnesses and documents, whether electronic or otherwise~~;~~; and

(ii) examine into any matter that the auditor considers necessary.

(6) The state auditor may require all persons who have had the disposition or

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management of any property of this state or its political subdivisions to submit statements regarding [it] the property at the time and in the form that the auditor requires.

(7) The state auditor shall:

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

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

(ii) all debtors of the state;

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

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

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

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

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

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

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

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

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

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

(i) withhold state allocated funds or the disbursement of property taxes from a local

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government entity or a limited purpose entity, as those terms are defined in Section 67-1a-15 if the state auditor finds the withholding necessary to ensure that the entity registers and maintains the entity's registration with the lieutenant governor, in accordance with Section 67-1a-15.

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

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

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

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

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

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

(d) If a local taxing or fee-assessing unit has not adopted a budget in compliance with state law, the state auditor:

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

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

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

(A) contacting the taxing or fee-assessing unit's financial institution and requesting that

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the institution prohibit access to the account; or

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

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

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

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

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

(i) money held by the state; and

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

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

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

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

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

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

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

(ii) meet debt service obligations; and

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

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

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

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

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

(13) The state auditor shall:

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

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

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

(ii) a private provider under an annual or otherwise ongoing contract to provide comprehensive mental health programs or services for a local mental health authority is in compliance with state and local contract requirements, and state and federal law;

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

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

(14) The state auditor may, in accordance with the auditor's responsibilities for political subdivisions of the state as provided in Title 51, Chapter 2a, Accounting Reports from Political

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Subdivisions, Interlocal Organizations, and Other Local Entities Act, initiate audits or investigations of any political subdivision that are necessary to determine honesty and integrity in fiscal affairs, accuracy and reliability of financial statements, effectiveness, and adequacy of financial controls and compliance with the law.

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

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

- (i) designate how that work shall be audited; and
- (ii) provide additional funding for those audits, if necessary.

(16) The state auditor shall:

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

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

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

(B) conforms with generally accepted accounting principles; and

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

(ii) maintain the manual under this Subsection (16)(a) so that ~~it~~ the manual continues to reflect generally accepted accounting principles;

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

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

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

(B) ensure that any training described in Subsection (16)(a)(v)(A) complies with Title

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63G, Chapter 22, State Training and Certification Requirements; and

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

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

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

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

(iii) before an audit is completed and the final audit report is released, records or drafts circulated to [~~a person~~] an individual who is not an employee or head of a governmental entity for [~~their~~] the individual's response or information;

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

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

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

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

(d) (i) As used in this Subsection (17)(d), "record dispute" means a dispute between the

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state auditor and the subject of an audit performed by the state auditor as to whether the state auditor may release a record, as defined in Section 63G-2-103, to the public that the state auditor gained access to in the course of the state auditor's audit but which the subject of the audit claims is not subject to disclosure under Title 63G, Chapter 2, Government Records Access and Management Act.

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

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

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

(19) The state auditor shall, with the advice and consent of the Senate, appoint the state privacy officer described in Section 67-3-12.

Section 7. Section **67-3-12** is enacted to read:

67-3-12. State privacy officer.

(1) As used in this section:

(a) ~~"Government entity" means the state, a county, a municipality, a higher education institution, a local district, a special service district, a school district, or any other political subdivision of the state or an administrative subunit of any political subdivision, including a law enforcement entity.~~

~~(b) "Local" "Designated" government entity" means a government entity that is not a state agency.~~

~~(c) (i) "Personal data" means any information relating to an identified or identifiable individual.~~

~~(ii) "Personal data" includes personally identifying information.~~

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~~(d) (i) "Privacy practice" means the acquisition, use, storage, or disposal of personal data:~~

~~(ii) "Privacy practice" includes:~~

~~(A) a technology use related to personal data; and~~

~~(B) policies related to the protection, storage, sharing, and retention of personal data.~~

~~(c) "State agency" Independent entity means the same as that term is defined in Section ~~{67-25-102.~~~~

63E-1-102.

(c) (i) "Government entity" means the state, a county, a municipality, a higher education institution, a local district, a special service district, a school district, an independent entity, or any other political subdivision of the state or an administrative subunit of any political subdivision, including a law enforcement entity.

(ii) "Government entity" includes an agent of an entity described in Subsection (1)(c)(i).

(d) (i) "Personal data" means any information relating to an identified or identifiable individual.

(ii) "Personal data" includes personally identifying information.

(e) (i) "Privacy practice" means the acquisition, use, storage, or disposal of personal data.

(ii) "Privacy practice" includes:

(A) a technology use related to personal data; and

(B) policies related to the protection, storage, sharing, and retention of personal data.

(f) (i) "State agency" means the following entities that are under the direct supervision and control of the governor or the lieutenant governor:

(A) a department;

(B) a commission;

(C) a board;

(D) a council;

(E) an institution;

(F) an officer;

(G) a corporation;

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(H) a fund;

(I) a division;

(J) an office;

(K) a committee;

(L) an authority;

(M) a laboratory;

(N) a library;

(O) a bureau;

(P) a panel;

(Q) another administrative unit of the state; or

(R) an agent of an entity described in Subsections (A) through (Q).

(ii) "State agency" does not include:

(A) the legislative branch;

(B) the judicial branch;

(C) an executive branch agency within the Office of the Attorney General, the state auditor, the state treasurer, or the State Board of Education; or

(D) an independent entity.

(2) The state privacy officer shall:

(a) when completing the duties of this Subsection (2), focus on the privacy practices of ~~local~~ designated government entities;

(b) compile information about government privacy practices of ~~local~~ designated government entities;

(c) make public and maintain information about government privacy practices on the state auditor's website;

(d) provide ~~local~~ designated government entities with educational and training materials developed by the Personal Privacy Oversight Commission established in Section 63C-23-201 that include the ~~following~~ information~~:~~

~~(i) the privacy implications and civil liberties concerns of government privacy practices;~~

~~(ii) best practices for government collection and retention policies regarding personal data; and~~

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~~(iii) best practices for government data security standards;~~

~~‡ described in Subsection 63C-23-202(1)(b);~~

(e) implement a process to analyze and respond to requests from individuals for the state privacy officer to review a ~~flocal~~designated government entity's privacy practice;

(f) identify annually which ~~flocal~~designated government entities' privacy practices pose the greatest risk to individual privacy and prioritize those privacy practices for review;

(g) review each year, in as timely a manner as possible, the privacy practices that the privacy officer identifies under Subsection (2)(e) or (2)(f) as posing the greatest risk to individuals' privacy;

(h) when reviewing a ~~flocal~~designated government entity's privacy practice under Subsection (2)(g), analyze:

(i) details about the technology or the policy and the technology's or the policy's application;

(ii) information about the type of data being used;

(iii) information about how the data is obtained, stored, ~~fkept secure~~shared, secured, and disposed;

(iv) information about with ~~fwhom~~which persons the ~~flocal~~designated government entity shares the information;

(v) information about whether an individual can or should be able to opt out of the retention and sharing of the individual's data;

(vi) information about how the ~~flocal~~designated government entity de-identifies or anonymizes data;

(vii) a determination about the existence of alternative technology or improved practices to protect privacy; and

(viii) a finding of whether the ~~flocal~~designated government entity's current privacy practice adequately protects individual privacy; and

(i) after completing a review described in Subsections (2)(g) and (h), determine:

(i) each ~~flocal~~designated government entity's use of personal data, including the ~~flocal~~designated government entity's practices regarding data:

(A) ~~fretention~~acquisition;

(B) storage;

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(C) disposal;

~~(C)D~~ protection; and

~~(D)E~~ sharing;

(ii) the adequacy of the ~~local~~ designated government entity's practices in each of the areas described in Subsection (2)(i)(i); and

(iii) for each of the areas described in Subsection (2)(i)(i) that ~~the state privacy officer determines to~~ require reform, provide recommendations ~~for reform~~ to the ~~local~~ designated government entity ~~for reform~~.

~~(3) If~~ and the legislative body charged with regulating the designated government entity.

(3) (a) The legislative body charged with regulating a designated government entity that receives a recommendation described in Subsection (2)(i)(iii) shall hold a public hearing on the proposed reforms:

(i) with a quorum of the legislative body present; and

(ii) within 90 days after the day on which the legislative body receives the recommendation.

(b) (i) The legislative body shall provide notice of the hearing described in Subsection (3)(a).

(ii) Notice of the public hearing and the recommendations to be discussed shall be posted on:

(A) the Utah Public Notice Website created in Section 63F-1-701 for 30 days before the day on which the legislative body will hold the public hearing; and

(B) the website of the designated government entity that received a recommendation, if the designated government entity has a website, for 30 days before the day on which the legislative body will hold the public hearing.

(iii) Each notice required under Subsection (3)(b)(i) shall:

(A) identify the recommendations to be discussed; and

(B) state the date, time, and location of the public hearing.

(c) During the hearing described in Subsection (3)(a), the legislative body shall:

(i) provide the public the opportunity to ask questions and obtain further information about the recommendations; and

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(ii) provide any interested person an opportunity to address the legislative body with concerns about the recommendations.

(d) At the conclusion of the hearing, the legislative body shall determine whether the legislative body shall adopt reforms to address the recommendation and any concerns raised during the public hearing.

(4) (a) Except as provided in Subsection (4)(b), if the government operations privacy officer described in Section 67-1-17 is not conducting reviews of the privacy practices of state agencies, the state privacy officer may review the privacy practices of a state agency in accordance with the processes described in this section.

(b) Subsections (3) and (5)(b)(ii) do not apply to a state agency.

(~~4~~)⁵ The state privacy officer shall:

(a) quarterly ~~1,2~~ report₂ to the Personal Privacy Oversight Commission:

(i) recommendations for privacy practices for the commission to review; and

(ii) the information provided in Subsection (2)(i); and

(b) annually, on or before October 1, report to the Judiciary Interim Committee:

(i) the results of any reviews described in Subsection (2)(g), if any reviews have been completed;

(ii) reforms, to the extent that the state privacy officer is aware of any reforms, that the designated government entity made in response to any reviews described in Subsection (3)(g);

(~~iii~~)ⁱⁱⁱ the information described in Subsection (2)(i); and

(~~iii~~)^{iv} recommendations for legislation based on any results of a review described in Subsection (2)(g).