

1                   **GOVERNMENTAL ENTITY BUDGET TRANSPARENCY**

2                                   2022 GENERAL SESSION

3                                   STATE OF UTAH

4                                   **Chief Sponsor: Nelson T. Abbott**

5                                   Senate Sponsor: Curtis S. Bramble

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7   **LONG TITLE**

8   **General Description:**

9           This bill requires certain government entities to disclose and publicly post certain  
10 information relating to the government entities' budget.

11 **Highlighted Provisions:**

12           This bill:

- 13           ▶ defines terms;
- 14           ▶ requires certain state and local government entities to disclose and publicly post  
15 certain information relating to the government entities' budget; and
- 16           ▶ makes technical and conforming changes.

17 **Money Appropriated in this Bill:**

18           None

19 **Other Special Clauses:**

20           This bill provides a special effective date.

21 **Utah Code Sections Affected:**

22 AMENDS:

23           **10-5-102.5**, as enacted by Laws of Utah 2014, Chapters 176, 253, 377 and last amended  
24 by Coordination Clause, Laws of Utah 2014, Chapter 253

25           **10-5-107**, as last amended by Laws of Utah 2017, Chapters 71 and 193

26           **10-6-106**, as last amended by Laws of Utah 2019, Chapter 136

27           **10-6-111**, as last amended by Laws of Utah 2016, Chapter 353



- 28            **11-13-501**, as last amended by Laws of Utah 2017, Chapter 441
- 29            **11-13-508**, as enacted by Laws of Utah 2015, Chapter 265
- 30            **17-36-3**, as last amended by Laws of Utah 2014, Chapters 176, 189, 253 and last
- 31 amended by Coordination Clause, Laws of Utah 2014, Chapter 253
- 32            **17-36-10**, as last amended by Laws of Utah 2012, Chapter 17
- 33            **17B-1-601**, as last amended by Laws of Utah 2014, Chapter 253
- 34            **17B-1-607**, as last amended by Laws of Utah 2015, Chapter 436
- 35            **17B-2a-802**, as last amended by Laws of Utah 2020, Chapter 377
- 36            **17B-2a-808.1**, as last amended by Laws of Utah 2021, Chapter 239
- 37            **59-2-924**, as last amended by Laws of Utah 2021, Chapters 214 and 388
- 38            **63J-1-102**, as last amended by Laws of Utah 2019, Chapter 182
- 39            **63J-1-201**, as last amended by Laws of Utah 2021, Chapters 382 and 421
- 40            **78A-2-103**, as last amended by Laws of Utah 2018, Chapter 25
- 41            **78A-2-104**, as last amended by Laws of Utah 2021, Chapter 262
- 42            **78A-2-107**, as last amended by Laws of Utah 2018, Chapters 25 and 200

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

45            Section 1. Section **10-5-102.5** is amended to read:

46            **10-5-102.5. Definitions.**

47            As used in this chapter:

48            (1) "Enterprise fund" means a fund as defined by the Governmental Accounting  
 49 Standards Board that is used by a municipality to report an activity for which a fee is charged to  
 50 users for goods or services.

51            (2) "Fund" is as defined by the Governmental Accounting Standards Board as reflected  
 52 in the Uniform Accounting Manual for All Local Governments prepared by the Office of the  
 53 Utah State Auditor.

54            (3) "General fund" is as defined by the Governmental Accounting Standards Board as  
 55 reflected in the Uniform Accounting Manual for All Local Governments prepared by the Office  
 56 of the Utah State Auditor.

57            (4) "Inflation modifier amount" means the product of a fund's final total budget amount  
 58 for the current fiscal year, ending June 30, multiplied by the most recent 12-month average

59 consumer price index percentage change.

60 [~~4~~] (5) "Interfund loan" means a loan of cash from one fund to another, subject to  
61 future repayment.

62 (6) (a) "Population served modifier amount" means:

63 (i) if the population served under the fund in the current fiscal year is the same as the  
64 estimated population to be served under the fund in the upcoming fiscal year to which the  
65 tentative or final budget relates, zero;

66 (ii) if the estimated population to be served under the fund in the upcoming fiscal year  
67 to which the tentative or final budget relates exceeds the population served under the fund in  
68 the current fiscal year, the amount of the population served increase multiplied by the quotient  
69 of the fund's total budget for the current fiscal year divided by the population served under the  
70 fund in the current fiscal year; or

71 (iii) if the estimated population to be served under the fund in the upcoming fiscal year  
72 to which the tentative or final budget relates is less than the population served under the fund in  
73 the current fiscal year, the amount of the population served decrease multiplied by the quotient  
74 of the fund's total budget for the current fiscal year divided by the population served under the  
75 fund in the current fiscal year.

76 (b) The estimated population described in Subsection (6)(a) is calculated using:

77 (i) the most generally accepted population estimate source for the population in  
78 question; and

79 (ii) if more than one population source is generally accepted in determining the  
80 population in question, the same source used by the town for the preceding fiscal year, if one of  
81 those sources was used for the preceding fiscal year.

82 [~~5~~] (7) "Town general fund" means the general fund used by a town.

83 [~~6~~] (8) "Utility" means a utility owned by a town, in whole or in part, that provides  
84 electricity, gas, water, or sewer, or any combination of them.

85 Section 2. Section 10-5-107 is amended to read:

86 **10-5-107. Tentative budgets required for public inspection -- Contents --**

87 **Adoption of tentative budget.**

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

90 (i) in accordance with Subsection (1)(b), prepare for the ensuing year a tentative budget  
91 for each fund for which a budget is required;

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

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

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

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

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

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

98 (c) The mayor shall include in the tentative budget the following information for each  
99 fund for which a budget is required:

100 (i) the total budget amount for the current fiscal year, ending June 30;

101 (ii) the total tentative budget amount, or final budget amount, for the upcoming fiscal  
102 year, beginning July 1;

103 (iii) the difference between the amount described in Subsection (1)(c)(i) and the  
104 amount described in Subsection (1)(c)(ii);

105 (iv) the inflation modifier amount;

106 (v) the population served modifier amount; and

107 (vi) if the difference described in Subsection (1)(c)(iii) exceeds the sum of the amounts  
108 described in Subsections (1)(c)(iv) and (v), the amount by which the difference described in  
109 Subsection (1)(c)(iii) exceeds the sum of the amounts described in Subsections (1)(c)(iv) and  
110 (v).

111 (2) The mayor may include in the tentative budget:

112 (a) a description of the reason for the amount described in Subsection (1)(c)(vi), which  
113 may include:

114 (i) an additional responsibility given to the town by federal or state law or federal or  
115 state rule;

116 (ii) an increase in the cost of goods or services acquired by the town to fulfill a  
117 responsibility already imposed on the town;

118 (iii) an emergency or other circumstance beyond the control of the town, other than a  
119 change reflected by the inflation modifier amount or population served modifier amount;

120 (iv) an additional or increased cost to the town based on new case law or a court order;

121 or

122 (v) any other reason identified by the mayor; and

123 (b) an explanation regarding why the specific amount, or each portion of the amount,  
124 described in Subsection (1)(c)(vi) is attributable to a reason described under Subsection (2)(a).

125 (3) The mayor shall:

126 (a) post the information described in Subsection (1)(c), and Subsection (2) if the  
127 information described in Subsection (2) is included in the tentative budget, as updated under  
128 Subsection (3)(b), (c), or (d) on the town's website:

129 (i) beginning on the day on which the tentative budget is made public; and

130 (ii) for at least five years after the day on which the tentative budget is made public;

131 (b) on the day on which the tentative budget changes, update on the town's website the  
132 information described in Subsection (1)(c), and Subsection (2) if the information described in  
133 Subsection (2) is included in the tentative budget, as modified by the change;

134 (c) on the day on which the town's budget for the upcoming fiscal year becomes final,  
135 update on the town's website the information described in Subsection (1)(c), and Subsection (2)  
136 if the information described in Subsection (2) is included in the tentative budget, replacing the  
137 tentative budget amount with the final budget amount; and

138 (d) on the day on which the town amends the final budget, update on the town's  
139 website the information described in Subsection (1)(c), and Subsection (2) if the information  
140 described in Subsection (2) is included in the tentative budget, as modified by the amendment.

141 [~~2~~] (4) (a) The mayor shall:

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

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

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

146 (b) From the estimates required by Subsection [~~2~~](~~a~~)(4)(a), the mayor shall compute  
147 and disclose in the budget the lowest rate of property tax levy that will raise the required  
148 amount of revenue, calculating the levy on the latest taxable value.

149 [~~3~~] (5) (a) Before the public hearing required under Section 10-5-108, the town  
150 council:

151 (i) shall review, consider, and tentatively adopt the tentative budget in any regular

152 meeting or special meeting called for that purpose; and

153 (ii) may amend or revise the tentative budget.

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

156 Section 3. Section 10-6-106 is amended to read:

157 **10-6-106. Definitions.**

158 As used in this chapter:

159 (1) "Account group" is defined by generally accepted accounting principles as reflected  
160 in the Uniform Accounting Manual for Utah Cities.

161 (2) "Appropriation" means an allocation of money by the governing body for a specific  
162 purpose.

163 (3) (a) "Budget" means a plan of financial operations for a fiscal period which  
164 embodies estimates of proposed expenditures for given purposes and the proposed means of  
165 financing them.

166 (b) "Budget" may refer to the budget of a particular fund for which a budget is required  
167 by law or it may refer collectively to the budgets for all such funds.

168 (4) "Budget officer" means the city auditor in a city of the first and second class, the  
169 mayor or some person appointed by the mayor with the approval of the city council in a city of  
170 the third, fourth, or fifth class, the mayor in the council-mayor optional form of government, or  
171 the person designated by the charter in a charter city.

172 (5) "Budget period" means the fiscal period for which a budget is prepared.

173 (6) "Budgetary fund" means a fund for which a budget is required.

174 (7) "Check" means an order in a specific amount drawn upon a depository by an  
175 authorized officer of a city.

176 (8) "City general fund" means the general fund used by a city.

177 (9) "Current period" means the fiscal period in which a budget is prepared and adopted,  
178 i.e., the fiscal period next preceding the budget period.

179 (10) "Department" means any functional unit within a fund that carries on a specific  
180 activity, such as a fire or police department within a city general fund.

181 (11) "Encumbrance system" means a method of budgetary control in which part of an  
182 appropriation is reserved to cover a specific expenditure by charging obligations, such as

183 purchase orders, contracts, or salary commitments to an appropriation account at their time of  
184 origin. Such obligations cease to be encumbrances when paid or when the actual liability is  
185 entered on the city's books of account.

186 (12) "Enterprise fund" means a fund as defined by the Governmental Accounting  
187 Standards Board that is used by a municipality to report an activity for which a fee is charged to  
188 users for goods or services.

189 (13) "Estimated revenue" means the amount of revenue estimated to be received from  
190 all sources during the budget period in each fund for which a budget is being prepared.

191 (14) "Financial officer" means the mayor in the council-mayor optional form of  
192 government or the city official as authorized by Section 10-6-158.

193 (15) "Fiscal period" means the annual or biennial period for accounting for fiscal  
194 operations in each city.

195 (16) "Fund" is as defined by generally accepted accounting principles as reflected in  
196 the Uniform Accounting Manual for Utah Cities.

197 (17) "Fund balance," "retained earnings," and "deficit" have the meanings commonly  
198 accorded such terms under generally accepted accounting principles as reflected in the Uniform  
199 Accounting Manual for Utah Cities.

200 (18) "General fund" is as defined by the Governmental Accounting Standards Board as  
201 reflected in the Uniform Accounting Manual for All Local Governments prepared by the Office  
202 of the Utah State Auditor.

203 (19) "Governing body" means a city council, or city commission, as the case may be,  
204 but the authority to make any appointment to any position created by this chapter is vested in  
205 the mayor in the council-mayor optional form of government.

206 (20) "Inflation modifier amount" means the product of a fund's final total budget  
207 amount for the current fiscal period, ending June 30, multiplied by the most recent 12-month  
208 average consumer price index percentage change, or, if the budget is biennial, multiplied by the  
209 average of the two most recent 12-month average consumer price index percentage changes.

210 [~~(20)~~] (21) "Interfund loan" means a loan of cash from one fund to another, subject to  
211 future repayment.

212 [~~(21)~~] (22) "Last completed fiscal period" means the fiscal period next preceding the  
213 current period.

214 (23) (a) "Population served modifier amount" means:  
 215 (i) if the population served under the fund in the current fiscal period is the same as the  
 216 estimated population to be served under the fund in the upcoming fiscal period to which the  
 217 tentative or final budget relates, zero;

218 (ii) if the estimated population to be served under the fund in the upcoming fiscal  
 219 period to which the tentative or final budget relates exceeds the population served under the  
 220 fund in the current fiscal period, the amount of the population served increase multiplied by the  
 221 quotient of the fund's total budget for the current fiscal period divided by the population served  
 222 under the fund in the current fiscal period; or

223 (iii) if the estimated population to be served under the fund in the upcoming fiscal  
 224 period to which the tentative or final budget relates is less than the population served under the  
 225 fund in the current fiscal period, the amount of the population served decrease multiplied by  
 226 the quotient of the fund's total budget for the current fiscal period divided by the population  
 227 served under the fund in the current fiscal period.

228 (b) The estimated population described in Subsection (23)(a) is calculated using:

229 (i) the most generally accepted population estimate source for the population in  
 230 question; and

231 (ii) if more than one population source is generally accepted in determining the  
 232 population in question, the same source used by the city for the preceding fiscal period, if one  
 233 of those sources was used for the preceding fiscal period.

234 ~~[(22)]~~ (24) (a) "Public funds" means any money or payment collected or received by an  
 235 officer or employee of the city acting in an official capacity and includes money or payment to  
 236 the officer or employee for services or goods provided by the city, or the officer or employee  
 237 while acting within the scope of employment or duty.

238 (b) "Public funds" does not include money or payments collected or received by an  
 239 officer or employee of a city for charitable purposes if the mayor or city council has consented  
 240 to the officer's or employee's participation in soliciting contributions for a charity.

241 ~~[(23)]~~ (25) "Special fund" means any fund other than the city general fund.

242 ~~[(24)]~~ (26) "Utility" means a utility owned by a city, in whole or in part, that provides  
 243 electricity, gas, water, or sewer, or any combination of them.

244 ~~[(25)]~~ (27) "Warrant" means an order drawn upon the city treasurer, in the absence of

245 sufficient money in the city's depository, by an authorized officer of a city for the purpose of  
 246 paying a specified amount out of the city treasury to the person named or to the bearer as  
 247 money becomes available.

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

249 **10-6-111. Tentative budget to be prepared -- Contents -- Estimate of expenditures**  
 250 **-- Budget message -- Review by governing body.**

251 (1) ~~[(a)]~~ On or before the first regularly scheduled meeting of the governing body in  
 252 the last May of the current period, the budget officer shall, in accordance with Subsection  
 253 ~~[(1)(b)]~~(2), prepare for the ensuing fiscal period, and file with the governing body, a tentative  
 254 budget for each fund for which a budget is required.

255 ~~[(b)]~~ (2) The tentative budget of each fund shall ~~[set forth]~~ list in tabular form:

256 ~~[(i)]~~ (a) the actual revenues and expenditures in the last completed fiscal period;

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

258 ~~[(iii)]~~ (c) the budget officer's estimates of revenues and expenditures for the budget

259 period, computed as provided in Subsection ~~[(1)(c)]~~ (3)(a); and

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

264 ~~[(c)(i)]~~ (3)(a) In making estimates of revenues and expenditures under Subsection  
 265 ~~[(1)(b)(iii)]~~ (2)(c), the budget officer shall estimate:

266 ~~[(A)]~~ (i) on the basis of demonstrated need, the expenditures for the budget period,  
 267 after:

268 ~~[(1)]~~ (A) hearing each department head; and

269 ~~[(1)]~~ (B) reviewing the budget requests and estimates of the department heads; and

270 ~~[(1)(1)]~~ (ii)(A) the amount of revenue available to serve the needs of each fund;

271 ~~[(1)]~~ (B) the portion of revenue to be derived from all sources other than general  
 272 property taxes; and

273 ~~[(1)]~~ (C) the portion of revenue that shall be derived from general property taxes.

274 ~~[(ii)]~~ (b) The budget officer may revise any department's estimate under Subsection

275 ~~[(1)(c)(i)(A)(1)]~~ (3)(a)(i)(B) that the officer considers advisable for the purpose of presenting

276 the budget to the governing body.

277 ~~[(iii)]~~ (c) From the estimate made under Subsection ~~[(1)(c)(i)(B)(III)]~~ (3)(a)(ii)(C), the  
278 budget officer shall compute and disclose in the budget the lowest rate of property tax levy that  
279 will raise the required amount of revenue, calculating the levy upon the latest taxable value.

280 (4) The budget officer shall include in the tentative budget the following information  
281 for each fund for which a budget is required:

282 (a) the total budget amount for the current fiscal period ending June 30;

283 (b) the total tentative budget amount, or final budget amount, for the upcoming fiscal  
284 period, beginning July 1;

285 (c) the difference between the amount described in Subsection (4)(a) and the amount  
286 described in Subsection (4)(b);

287 (d) the inflation modifier amount;

288 (e) the population served modifier amount; and

289 (f) if the difference described in Subsection (4)(c) exceeds the sum of the amounts  
290 described in Subsections (4)(d) and (e), the amount by which the difference described in  
291 Subsection (4)(c) exceeds the sum of the amounts described in Subsections (4)(d) and (e).

292 (5) The budget officer may include in the tentative budget:

293 (a) a description of the reason for the amount described in Subsection (4)(f), which  
294 may include:

295 (i) an additional responsibility given to the city by federal or state law or federal or  
296 state rule;

297 (ii) an increase in the cost of goods or services acquired by the city to fulfill a  
298 responsibility already imposed on the city;

299 (iii) an emergency or other circumstance beyond the control of the city, other than a  
300 change reflected by the inflation modifier amount or population served modifier amount;

301 (iv) an additional or increased cost to the city based on new case law or a court order;

302 or

303 (v) any other reason identified by the budget officer; and

304 (b) an explanation regarding why the specific amount, or each portion of the amount,  
305 described in Subsection (4)(f) is attributable to a reason described under Subsection (5)(a).

306 (6) The budget officer shall:

307 (a) post the information described in Subsection (4), and Subsection (5) if the  
308 information described in Subsection (5) is included in the tentative budget, as updated under  
309 Subsection (6)(b), (c), or (d) on the city's website:

310 (i) beginning on the day on which the tentative budget is made public; and

311 (ii) for at least five years after the day on which the tentative budget is made public;

312 (b) on the day on which the tentative budget changes, update on the city's website the  
313 information described in Subsection (4), and Subsection (5) if the information described in  
314 Subsection (5) is included in the tentative budget, as modified by the change;

315 (c) on the day on which the city's budget for the upcoming fiscal period becomes final,  
316 update on the city's website the information described in Subsection (4), and Subsection (5) if  
317 the information described in Subsection (5) is included in the tentative budget, replacing the  
318 tentative budget amount with the final budget amount; and

319 (d) on the day on which the city amends the final budget, update on the city's website  
320 the information described in Subsection (4), and Subsection (5) if the information described in  
321 Subsection (5) is included in the tentative budget, as modified by the amendment.

322 ~~[(2)]~~ (7) (a) (i) Each tentative budget, when filed by the budget officer with the  
323 governing body, shall contain the estimates of expenditures submitted by department heads,  
324 together with specific work programs and such other supporting data as this chapter requires or  
325 the governing body may request.

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

329 (b) Each tentative budget submitted by the budget officer to the governing body shall  
330 be accompanied by a budget message that:

331 (i) explains the budget;

332 (ii) contains an outline of the proposed financial policies of the city for the budget  
333 period;

334 (iii) describes the important features of the budgetary plan;

335 (iv) provides the reasons for salient changes from the previous fiscal period in  
336 appropriation and revenue items; and

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

338 ~~[(3)]~~ (8) (a) Subject to Subsection ~~[(3)(b)]~~ (8)(b), a governing body in any regular  
339 public hearing or special public hearing:

- 340 (i) shall review, consider, and tentatively adopt each tentative budget; and
- 341 (ii) may, before the public hearing described in Section 10-6-114, amend or revise each  
342 tentative budget.

343 (b) A governing body may not reduce an appropriation required for debt retirement and  
344 interest or reduction of any existing deficits in accordance with Section 10-6-117, or otherwise  
345 required by law or ordinance, below the required minimums.

346 ~~[(4)]~~ (9) (a) If the municipality is acting in accordance with Section 10-2a-218, the  
347 tentative budget shall:

- 348 (i) be submitted to the governing body-elect as soon as practicable; and
- 349 (ii) cover each fund for which a budget is required from the date of incorporation to the  
350 end of the fiscal year.

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

353 Section 5. Section 11-13-501 is amended to read:

354 **11-13-501. Definitions.**

355 As used in this part:

356 (1) "Appropriation" means an allocation of money by the governing board in a budget  
357 for a specific purpose.

358 (2) "Budget" means a plan of financial operations for a fiscal year that embodies  
359 estimates of proposed expenditures for given purposes and the proposed means of financing  
360 them, and may refer to the budget of a particular fund for which a budget is required by law or  
361 may refer collectively to the budgets for all required funds.

362 (3) "Budget officer" means the person appointed by an interlocal entity governing  
363 board to prepare the budget for the interlocal entity.

364 (4) "Budget year" means the fiscal year for which a budget is prepared.

365 (5) "Calendar year entity" means an interlocal entity whose fiscal year begins January 1  
366 and ends December 31 of each calendar year as described in Section 11-13-503.

367 (6) "Current year" means the fiscal year in which a budget is prepared and adopted, and  
368 which is the fiscal year immediately preceding the budget year.

369 (7) "Deficit" means the occurrence when expenditures exceed revenues.

370 (8) "Enterprise fund" has the meaning provided in generally accepted accounting  
371 principles.

372 (9) "Estimated revenue" means the amount of revenue estimated to be received from all  
373 sources during the budget year in each fund for which a budget is being prepared.

374 (10) "Fiscal year" means the annual period for accounting for fiscal operations in an  
375 interlocal entity.

376 (11) "Fiscal year entity" means an interlocal entity whose fiscal year begins July 1 of  
377 each year and ends on June 30 of the following year as described in Section 11-13-503.

378 (12) "Fund" has the meaning provided in generally accepted accounting principles.

379 (13) "Fund balance" has the meaning provided in generally accepted accounting  
380 principles.

381 (14) "General fund" has the meaning provided in generally accepted accounting  
382 principles.

383 (15) "Generally accepted accounting principles" means the accounting principles and  
384 standards promulgated from time to time by authoritative bodies in the United States.

385 (16) "Governmental fund" has the meaning provided in generally accepted accounting  
386 principles.

387 (17) "Inflation modifier amount" means the product of a fund's final total budget  
388 amount for the current fiscal year, ending June 30 or December 31, as applicable, multiplied by  
389 the most recent 12-month average consumer price index percentage change.

390 [~~(17)~~] (18) "Interfund loan" means a transfer of assets from one fund to another, subject  
391 to future repayment.

392 [~~(18)~~] (19) "Interlocal entity" includes a governmental nonprofit corporation, as that  
393 term is defined in Section 11-13a-102.

394 [~~(19)~~] (20) "Interlocal entity general fund" means the general fund of an interlocal  
395 entity.

396 [~~(20)~~] (21) "Internal service funds" has the meaning provided in generally accepted  
397 accounting principles.

398 [~~(21)~~] (22) "Last completed fiscal year" means the fiscal year immediately preceding  
399 the current fiscal year.

400 (23) (a) "Population served modifier amount" means:

401 (i) if the population served under the fund in the current fiscal year is the same as the  
402 estimated population to be served under the fund in the upcoming fiscal year to which the  
403 tentative or final budget relates, zero;

404 (ii) if the estimated population to be served under the fund in the upcoming fiscal year  
405 to which the tentative or final budget relates exceeds the population served under the fund in  
406 the current fiscal year, the amount of the population served increase multiplied by the quotient  
407 of the fund's total budget for the current fiscal year divided by the population served under the  
408 fund in the current fiscal year; or

409 (iii) if the estimated population to be served under the fund in the upcoming fiscal year  
410 to which the tentative or final budget relates is less than the population served under the  
411 funding in the current fiscal year, the amount of the population served decrease multiplied by  
412 the quotient of the fund's total budget for the current fiscal year divided by the population  
413 served under the fund in the current fiscal year.

414 (b) The estimated population described in Subsection (23)(a) is calculated using:

415 (i) the most generally accepted population estimate source for the population in  
416 question; and

417 (ii) if more than one population source is generally accepted in determining the  
418 population in question, the same source used by the interlocal entity for the preceding fiscal  
419 year, if one of those sources was used for the preceding fiscal year.

420 ~~[(22)]~~ (24) "Proprietary fund" means enterprise funds and the internal service funds of  
421 an interlocal entity.

422 ~~[(23)]~~ (25) "Public funds" means any money or payment collected or received by an  
423 interlocal entity, including money or payment for services or goods provided by the interlocal  
424 entity.

425 ~~[(24)]~~ (26) "Retained earnings" has the meaning provided in generally accepted  
426 accounting principles.

427 ~~[(25)]~~ (27) "Special fund" means an interlocal entity fund other than the interlocal  
428 entity general fund.

429 Section 6. Section **11-13-508** is amended to read:

430 **11-13-508. Tentative budget to be prepared -- Review by governing body.**

431 (1) On or before the first regularly scheduled meeting of the governing board in  
432 November for a calendar year entity and May for a fiscal year entity, the budget officer of an  
433 interlocal entity shall prepare for the ensuing year and file with the governing board a tentative  
434 budget for each fund for which a budget is required.

435 (2) (a) Each tentative budget under Subsection (1) shall provide in tabular form:

- 436 (i) actual revenues and expenditures for the last completed fiscal year;  
437 (ii) estimated total revenues and expenditures for the current fiscal year; and  
438 (iii) the budget officer's estimates of revenues and expenditures for the budget year.

439 (b) The budget officer shall estimate:

- 440 (i) the amount of revenue available to serve the needs of each fund;  
441 (ii) the portion to be derived from all sources other than general property taxes; and  
442 (iii) the portion that shall be derived from general property taxes.

443 (3) The tentative budget, when filed by the budget officer with the governing board,  
444 shall contain the estimates of expenditures together with specific work programs and any other  
445 supporting data required by this part or requested by the governing board.

446 (4) The budget officer shall include in the tentative budget the following information  
447 for each fund for which a budget is required:

448 (a) the total budget amount for the current fiscal year ending June 30 or December 31,  
449 as applicable;

450 (b) the total tentative budget amount, or final budget amount, for the upcoming fiscal  
451 year, beginning January 1 or July 1, as applicable;

452 (c) the difference between the amount described in Subsection (4)(a) and the amount  
453 described in Subsection (4)(b);

454 (d) the inflation modifier amount;

455 (e) the population served modifier amount; and

456 (f) the information described in Subsection (5), if the difference described in  
457 Subsection (4)(c) exceeds the sum of the amounts described in Subsections (4)(d) and (e), the  
458 amount by which the difference described in Subsection (4)(c) exceeds the sum of the amounts  
459 described in Subsections (4)(d) and (e).

460 (5) The budget officer may include in the tentative budget:

461 (a) a description of the reason for the amount described in Subsection (4)(f), which

462 may include:

463 (i) an additional responsibility given to the interlocal entity by federal or state law or  
464 federal or state rule;

465 (ii) an increase in the cost of goods or services acquired by the interlocal entity to  
466 fulfill a responsibility already imposed on the interlocal entity;

467 (iii) an emergency or other circumstance beyond the control of the interlocal entity,  
468 other than a change reflected by the inflation modifier amount or population served modifier  
469 amount;

470 (iv) an additional or increased cost to the interlocal entity based on new case law or a  
471 court order; or

472 (v) any other reason identified by the budget officer; and

473 (b) an explanation regarding why the specific amount, or each portion of the amount,  
474 described in Subsection (4)(f) is attributable to a reason described under Subsection (5)(a).

475 (6) The budget officer shall:

476 (a) post the information described in Subsection (4), and Subsection (5) if the  
477 information described in Subsection (5) is included in the tentative budget, as updated under  
478 Subsection (6)(b), (c), or (d) on the interlocal entity's website:

479 (i) beginning on the day on which the tentative budget is made public; and

480 (ii) for at least five years after the day on which the tentative budget is made public;

481 (b) on the day on which the tentative budget changes, update on the interlocal entity's  
482 website the information described in Subsection (4), and Subsection (5) if the information  
483 described in Subsection (5) is included in the tentative budget, as modified by the change;

484 (c) on the day on which the interlocal entity's budget for the upcoming fiscal year  
485 becomes final, update on the interlocal entity's website the information described in Subsection  
486 (4), and Subsection (5) if the information described in Subsection (5) is included in the  
487 tentative budget, replacing the tentative budget amount with the final budget amount; and

488 (d) on the day on which the interlocal entity amends the final budget, update on the  
489 interlocal entity's website the information described in Subsection (4), and Subsection (5) if the  
490 information described in Subsection (5) is included in the tentative budget, as modified by the  
491 amendment.

492 [(4)] (7) (a) Subject to Subsection [(4)(b)] (7)(b), the governing board:

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

495 (ii) may amend or revise the tentative budget in any manner that the board considers  
496 advisable prior to the public hearing under Section 11-13-509.

497 (b) The governing board may not reduce below the legal minimum requirement an  
498 appropriation required for debt retirement and interest or reduction of any existing deficits  
499 under Section 11-13-513, or otherwise required by law.

500 ~~(5)~~(8) If a new interlocal entity is created, the governing board shall:

501 (a) prepare a budget covering the period from the date of incorporation to the end of  
502 the fiscal year;

503 (b) substantially comply with all other provisions of this part with respect to notices  
504 and hearings; and

505 (c) pass the budget as soon after incorporation as feasible.

506 Section 7. Section 17-36-3 is amended to read:

507 **17-36-3. Definitions.**

508 As used in this chapter:

509 (1) "Accrual basis of accounting" means a method where revenues are recorded when  
510 earned and expenditures recorded when they become liabilities notwithstanding that the receipt  
511 of the revenue or payment of the expenditure may take place in another accounting period.

512 (2) "Appropriation" means an allocation of money for a specific purpose.

513 (3) (a) "Budget" means a plan for financial operations for a fiscal period, embodying  
514 estimates for proposed expenditures for given purposes and the means of financing the  
515 expenditures.

516 (b) "Budget" may refer to the budget of a fund for which a budget is required by law, or  
517 collectively to the budgets for all those funds.

518 (4) "Budgetary fund" means a fund for which a budget is required, such as those  
519 described in Section 17-36-8.

520 (5) "Budget officer" means a person described in Section 17-19a-203.

521 (6) "Budget period" means the fiscal period for which a budget is prepared.

522 (7) "Check" means an order in a specific amount drawn upon the depository by any  
523 authorized officer in accordance with Section 17-19a-301, or 17-24-1.

- 524 (8) "County general fund" means the general fund used by a county.
- 525 (9) "Countywide service" means a service provided in both incorporated and  
526 unincorporated areas of a county.
- 527 (10) "Current period" means the fiscal period in which a budget is prepared and  
528 adopted.
- 529 (11) "Department" means any functional unit within a fund which carries on a specific  
530 activity.
- 531 (12) "Encumbrance system" means a method of budgetary control where part of an  
532 appropriation is reserved to cover a specific expenditure by charging obligations, such as  
533 purchase orders, contracts, or salary commitments to an appropriation account. An expenditure  
534 ceases to be an encumbrance when paid or when the actual liability is entered in the books of  
535 account.
- 536 (13) "Estimated revenue" means any revenue estimated to be received during the  
537 budget period in any fund for which a budget is prepared.
- 538 (14) "Fiscal period" means the annual or biennial period for recording county fiscal  
539 operations.
- 540 (15) "Fund" means an independent fiscal and accounting entity comprised of a sum of  
541 money or other resources segregated for a specific purpose or objective.
- 542 (16) "Fund balance" means the excess of the assets over liabilities, reserves, and  
543 contributions, as reflected by its books of account.
- 544 (17) "Fund deficit" means the excess of liabilities, reserves, and contributions over its  
545 assets, as reflected by its books of account.
- 546 (18) "General fund" is as defined by the Governmental Accounting Standards Board as  
547 reflected in the Uniform Accounting Manual for All Local Governments prepared by the Office  
548 of the Utah State Auditor.
- 549 (19) "Inflation modifier amount" means the product of a fund's final total budget  
550 amount for the current fiscal period, ending December 31, multiplied by the most recent  
551 12-month average consumer price index percentage change, or, if the budget is biennial,  
552 multiplied by the average of the two most recent 12-month average consumer price index  
553 percentage changes.
- 554 [~~(19)~~] (20) "Interfund loan" means a loan of cash from one fund to another, subject to

555 future repayment.

556 ~~[(20)]~~ (21) "Last completed fiscal period" means the fiscal period next preceding the  
557 current period.

558 ~~[(21)]~~ (22) "Modified accrual basis of accounting" means a method under which  
559 expenditures other than accrued interest on general long-term debt are recorded at the time  
560 liabilities are incurred and revenues are recorded when they become measurable and available  
561 to finance expenditures of the current period.

562 ~~[(22)]~~ (23) "Municipal capital project" means the acquisition, construction, or  
563 improvement of capital assets that facilitate providing municipal service.

564 ~~[(23)]~~ (24) "Municipal service" means a service not provided on a countywide basis  
565 and not accounted for in an enterprise fund, and includes police patrol, fire protection, culinary  
566 or irrigation water retail service, water conservation, local parks, sewers, sewage treatment and  
567 disposal, cemeteries, garbage and refuse collection, street lighting, airports, planning and  
568 zoning, local streets and roads, curb, gutter, and sidewalk maintenance, and ambulance service.

569 (25) (a) "Population served modifier amount" means:

570 (i) if the population under the fund served in the current fiscal period is the same as the  
571 estimated population to be served under the fund in the upcoming fiscal period to which the  
572 tentative or final budget relates, zero;

573 (ii) if the estimated population to be served under the fund in the upcoming fiscal  
574 period to which the tentative or final budget relates exceeds the population served under the  
575 fund in the current fiscal period, the amount of the population served increase multiplied by the  
576 quotient of the fund's total budget for the current fiscal period divided by the population served  
577 under the fund in the current fiscal period; or

578 (iii) if the estimated population to be served under the fund in the upcoming fiscal  
579 period to which the tentative or final budget relates is less than the population served under the  
580 fund in the current fiscal period, the amount of the population served decrease multiplied by  
581 the quotient of the fund's total budget for the current fiscal period divided by the population  
582 served under the fund in the current fiscal period.

583 (b) The estimated population described in Subsection (25)(a) is calculated using:

584 (i) the most generally accepted population estimate source for the population in  
585 question; and

586 (ii) if more than one population source is generally accepted in determining the  
587 population in question, the same source used by the local district for the preceding fiscal year,  
588 if one of those sources was used for the preceding fiscal year.

589 [~~(24)~~] (26) "Retained earnings" means that part of the net earnings retained by an  
590 enterprise or internal service fund which is not segregated or reserved for any specific purpose.

591 [~~(25)~~] (27) "Special fund" means any fund other than the county general fund, such as  
592 those described in Section 17-36-6.

593 [~~(26)~~] (28) "Unappropriated surplus" means that part of a fund which is not  
594 appropriated for an ensuing budget period.

595 [~~(27)~~] (29) "Warrant" means an order in a specific amount drawn upon the treasurer by  
596 the auditor.

597 Section 8. Section 17-36-10 is amended to read:

598 **17-36-10. Preparation of tentative budget.**

599 (1) On or before the first day of the next to last month of every fiscal period, the budget  
600 officer shall prepare for the next budget period and file with the governing body a tentative  
601 budget for each fund for which a budget is required.

602 (2) (a) A department for which county funds are appropriated shall file with the budget  
603 officer not less than three months before the commencement of each fiscal year on forms  
604 furnished by the budget officer a detailed estimate and statement of the revenue and necessary  
605 expenditures of the department for the next budget year.

606 (b) The estimate and statement described in Subsection (2)(a) shall ~~set forth~~ list:

607 (i) the number of persons to be regularly employed;

608 (ii) the kinds of service the department will perform;

609 (iii) the salaries and wages the department expects to pay;

610 (iv) the kind of work the department will perform and the improvements the  
611 department expects to make; and

612 (v) the estimated cost of the service, work, and improvements.

613 (c) The statement shall also record performance data expressed in work units, unit  
614 costs, man hours, and man years sufficient in detail, content, and scope to permit the budget  
615 officer to prepare and process the county budget.

616 (3) In the preparation of the budget, the budget officer and all other county officers are

617 subject to Sections 17-36-1 through 17-36-44 and to the uniform system of budgeting,  
618 accounting, and reporting established therein.

619 (4) In the tentative budget, the budget officer shall [~~set forth~~] list in tabular form:

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

621 (b) estimated total revenues and expenditures for the current fiscal period;

622 (c) the estimated available revenues and expenditures for the ensuing budget period  
623 computed by determining:

624 (i) the estimated expenditure for each fund after review of each departmental budget  
625 request;

626 (ii) (A) the total revenue requirements of the fund;

627 (B) the part of the total revenue that will be derived from revenue sources other than  
628 property tax; and

629 (C) the part of the total revenue that shall be derived from property taxes; and

630 (d) if required by the governing body, actual performance experience to the extent  
631 available in work units, unit costs, man hours, and man years for each budgeted fund that  
632 includes an appropriation for salaries or wages for the last completed fiscal period and the first  
633 eight months of the current fiscal period if the county is on an annual fiscal period, or the first  
634 20 months of the current fiscal period if the county is on a biennial fiscal period, together with  
635 the total estimated performance data of like character for the current fiscal period and for the  
636 ensuing budget period.

637 (5) The budget officer may recommend modification of any departmental budget  
638 request under Subsection (4)(c)(i) before it is filed with the governing body, if each department  
639 head has been given an opportunity to be heard concerning the modification.

640 (6) (a) A tentative budget shall contain the estimates of expenditures submitted by any  
641 department together with specific work programs and other supportive data as the governing  
642 body requests.

643 (b) The budget officer shall include with the tentative budget by a supplementary  
644 estimate of all capital projects or planned capital projects within the budget period and within  
645 the next three succeeding years.

646 (7) The budget officer shall include in the tentative budget the following information  
647 for each fund for which a budget is required:

- 648 (a) the total budget amount for the current fiscal period ending December 31;
- 649 (b) the total tentative budget amount, or final budget amount, for the upcoming fiscal
- 650 period, beginning January 1;
- 651 (c) the difference between the amount described in Subsection (7)(a) and the amount
- 652 described in Subsection (7)(b);
- 653 (d) the inflation modifier amount;
- 654 (e) the population served modifier amount; and
- 655 (f) if the difference described in Subsection (7)(c) exceeds the sum of the amounts
- 656 described in Subsections (7)(d) and (e), the amount by which the difference described in
- 657 Subsection (7)(c) exceeds the sum of the amounts described in Subsections (7)(d) and (e).
- 658 (8) The budget officer may include in the tentative budget:
- 659 (a) a description of the reason for the amount described in Subsection (7)(f), which
- 660 may include:
- 661 (i) an additional responsibility given to the county by federal or state law or federal or
- 662 state rule;
- 663 (ii) an increase in the cost of goods or services acquired by the county to fulfill a
- 664 responsibility already imposed on the county;
- 665 (iii) an emergency or other circumstance beyond the control of the county, other than a
- 666 change reflected by the inflation modifier amount or population served modifier amount;
- 667 (iv) an additional or increased cost to the county based on new case law or a court
- 668 order; or
- 669 (v) any other reason identified by the budget officer; and
- 670 (b) an explanation regarding why the specific amount, or each portion of the amount,
- 671 described in Subsection (7)(f) is attributable to a reason described under Subsection (8)(a).
- 672 (9) The budget officer shall:
- 673 (a) post the information described in Subsection (7), and Subsection (8) if the
- 674 information described in Subsection (8) is included in the tentative budget, as updated under
- 675 Subsection (9)(b), (c), or (d) on the county's website:
- 676 (i) beginning on the day on which the tentative budget is made public; and
- 677 (ii) for at least five years after the day on which the tentative budget is made public;
- 678 (b) on the day on which the tentative budget changes, update on the county's website

679 the information described in Subsection (7), and Subsection (8) if the information described in  
680 Subsection (8) is included in the tentative budget, as modified by the change;

681 (c) on the day on which the county's budget for the upcoming fiscal period becomes  
682 final, update on the county's website the information described in Subsection (7), and  
683 Subsection (8) if the information described in Subsection (8) is included in the tentative  
684 budget, replacing the tentative budget amount with the final budget amount; and

685 (d) on the day on which the county amends the final budget, update on the county's  
686 website the information described in Subsection (7), and Subsection (8) if the information  
687 described in Subsection (8) is included in the tentative budget, as modified by the amendment.

688 [~~(7)~~] (10) (a) A budget officer that submits a tentative budget in a county with a  
689 population in excess of 25,000 determined in accordance with Section 17-36-4 shall include  
690 with the tentative budget a budget message in explanation of the budget.

691 (b) The budget message shall contain an outline of the proposed financial policies of  
692 the county for the budget period and describe the important features of the budgetary plan. It  
693 shall also state the reasons for changes from the previous fiscal period in appropriation and  
694 revenue items and explain any major changes in financial policy.

695 (c) A budget message for counties with a population of less than 25,000 is  
696 recommended but not incumbent upon the budget officer.

697 [~~(8)~~] (11) (a) The governing body shall review, consider, and adopt a tentative budget  
698 in a regular or special meeting called for that purpose.

699 (b) (i) Subject to Subsection [~~(8)~~] (11)(b)(ii), the governing body may thereafter amend  
700 or revise the tentative budget prior to public hearings on the tentative budget.

701 (ii) A governing body may not:

702 (A) reduce below the required minimum an appropriation required for debt retirement  
703 and interest; or

704 (B) reduce, in accordance with Section 17-36-17, an existing deficit.

705 Section 9. Section 17B-1-601 is amended to read:

706 **17B-1-601. Definitions.**

707 As used in this part:

708 (1) "Appropriation" means an allocation of money by the board of trustees for a  
709 specific purpose.

710 (2) "Budget" means a plan of financial operations for a fiscal year which embodies  
711 estimates of proposed expenditures for given purposes and the proposed means of financing  
712 them, and may refer to the budget of a particular fund for which a budget is required by law or  
713 it may refer collectively to the budgets for all such funds.

714 (3) "Budget officer" means the person appointed by the local district board of trustees  
715 to prepare the budget for the district.

716 (4) "Budget year" means the fiscal year for which a budget is prepared.

717 (5) "Calendar year entity" means a local district whose fiscal year begins January 1 and  
718 ends December 31 of each calendar year as described in Section [17B-1-602](#).

719 (6) "Current year" means the fiscal year in which a budget is prepared and adopted,  
720 which is the fiscal year next preceding the budget year.

721 (7) "Deficit" has the meaning given under generally accepted accounting principles as  
722 reflected in the Uniform Accounting Manual for Local Districts.

723 (8) "Estimated revenue" means the amount of revenue estimated to be received from all  
724 sources during the budget year in each fund for which a budget is being prepared.

725 (9) "Financial officer" means the official under Section [17B-1-642](#).

726 (10) "Fiscal year" means the annual period for accounting for fiscal operations in each  
727 district.

728 (11) "Fiscal year entity" means a local district whose fiscal year begins July 1 of each  
729 year and ends on June 30 of the following year as described in Section [17B-1-602](#).

730 (12) "Fund" has the meaning given under generally accepted accounting principles as  
731 reflected in the Uniform Accounting Manual for Local Districts.

732 (13) "Fund balance" has the meaning given under generally accepted accounting  
733 principles as reflected in the Uniform Accounting Manual for Local Districts.

734 (14) "General fund" is as defined by the Governmental Accounting Standards Board as  
735 reflected in the Uniform Accounting Manual for All Local Governments prepared by the Office  
736 of the Utah State Auditor.

737 (15) "Governmental funds" means the general fund, special revenue fund, debt service  
738 fund, and capital projects fund of a local district.

739 (16) "Inflation modifier amount" means the product of a fund's final total budget  
740 amount for the current fiscal year, ending June 30 or December 31, as applicable, multiplied by

741 the most recent 12-month average consumer price index percentage change.

742 [~~(16)~~] (17) "Interfund loan" means a loan of cash from one fund to another, subject to  
743 future repayment.

744 [~~(17)~~] (18) "Last completed fiscal year" means the fiscal year next preceding the  
745 current fiscal year.

746 [~~(18)~~] (19) "Local district general fund" means the general fund used by a local district.

747 (20) (a) "Population served modifier amount" means:

748 (i) if the population served under the fund in the current fiscal year is the same as the  
749 estimated population to be served under the fund in the upcoming fiscal year to which the  
750 tentative or final budget relates, zero;

751 (ii) if the estimated population to be served under the fund in the upcoming fiscal year  
752 to which the tentative or final budget relates exceeds the population served under the fund in  
753 the current fiscal year, the amount of the population served increase multiplied by the quotient  
754 of the fund's total budget for the current fiscal year divided by the population served under the  
755 fund in the current fiscal year; or

756 (iii) if the estimated population to be served under the fund in the upcoming fiscal year  
757 to which the tentative or final budget relates is less than the population served under the fund in  
758 the current fiscal year, the amount of the population served decrease multiplied by the quotient  
759 of the fund's total budget for the current fiscal year divided by the population served under the  
760 fund in the current fiscal year.

761 (b) The estimated population described in Subsection (20)(a) is calculated using:

762 (i) the most generally accepted population estimate source for the population in  
763 question; and

764 (ii) if more than one population source is generally accepted in determining the  
765 population in question, the same source used by the local district for the preceding fiscal year,  
766 if one of those sources was used for the preceding fiscal year.

767 [~~(19)~~] (21) "Proprietary funds" means enterprise funds and the internal service funds of  
768 a local district.

769 [~~(20)~~] (22) "Public funds" means any money or payment collected or received by an  
770 officer or employee of a local district acting in an official capacity and includes money or  
771 payment to the officer or employee for services or goods provided by the district, or the officer

772 or employee while acting within the scope of employment or duty.

773 ~~[(21)]~~ (23) "Retained earnings" has the meaning given under generally accepted  
774 accounting principles as reflected in the Uniform Accounting Manual for Local Districts.

775 ~~[(22)]~~ (24) "Special fund" means any local district fund other than the local district's  
776 general fund.

777 Section 10. Section **17B-1-607** is amended to read:

778 **17B-1-607. Tentative budget to be prepared -- Review by governing body.**

779 (1) On or before the first regularly scheduled meeting of the board of trustees in  
780 November for a calendar year entity and May for a fiscal year entity, the budget officer of each  
781 local district shall prepare for the ensuing year, in a format prescribed by the state auditor, and  
782 file with the board of trustees a tentative budget for each fund for which a budget is required.

783 (2) (a) Each tentative budget under Subsection (1) shall provide in tabular form:

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

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

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

787 (b) The budget officer shall estimate the amount of revenue available to serve the needs  
788 of each fund, estimate the portion to be derived from all sources other than general property  
789 taxes, and estimate the portion that shall be derived from general property taxes.

790 (3) The tentative budget, when filed by the budget officer with the board of trustees,  
791 shall contain the estimates of expenditures together with specific work programs and any other  
792 supporting data required by this part or requested by the board.

793 (4) The budget officer shall include in the tentative budget the following information  
794 for each fund for which a budget is required:

795 (a) the total budget amount for the current fiscal year ending June 30 or December 31,  
796 as applicable;

797 (b) the total tentative budget amount, or final budget amount, for the upcoming fiscal  
798 year, beginning January 1 or July 1, as applicable;

799 (c) the difference between the amount described in Subsection (4)(a) and the amount  
800 described in Subsection (4)(b);

801 (d) the inflation modifier amount;

802 (e) the population served modifier amount; and

803 (f) if the difference described in Subsection (4)(c) exceeds the sum of the amounts  
804 described in Subsections (4)(d) and (e), the amount by which the difference described in  
805 Subsection (4)(c) exceeds the sum of the amounts described in Subsections (4)(d) and (e).  
806 (5) The budget officer may include in the tentative budget:  
807 (a) a description of the reason for the amount described in Subsection (4)(f), which  
808 may include:  
809 (i) an additional responsibility given to the local district by federal or state law or  
810 federal or state rule;  
811 (ii) an increase in the cost of goods or services acquired by the local district to fulfill a  
812 responsibility already imposed on the local district;  
813 (iii) an emergency or other circumstance beyond the control of the local district, other  
814 than a change reflected by the inflation modifier amount or population served modifier amount;  
815 (iv) an additional or increased cost to the local district based on new case law or a court  
816 order; or  
817 (v) any other reason identified by the budget officer; and  
818 (b) an explanation regarding why the specific amount, or each portion of the amount,  
819 described in Subsection (4)(f) is attributable to a reason described under Subsection (5)(a).  
820 (6) The budget officer shall:  
821 (a) post the information described in Subsection (4), and Subsection (5) if the  
822 information described in Subsection (5) is included in the tentative budget, as updated under  
823 Subsection (6)(b), (c), or (d) on the local district's website:  
824 (i) beginning on the day on which the tentative budget is made public; and  
825 (ii) for at least five years after the day on which the tentative budget is made public;  
826 (b) on the day on which the tentative budget changes, update on the local district's  
827 website the information described in Subsection (4), and Subsection (5) if the information  
828 described in Subsection (5) is included in the tentative budget, as modified by the change;  
829 (c) on the day on which the local district's budget for the upcoming fiscal year becomes  
830 final, update on the local district's website the information described in Subsection (4), and  
831 Subsection (5) if the information described in Subsection (5) is included in the tentative  
832 budget, replacing the tentative budget amount with the final budget amount; and  
833 (d) on the day on which the local district amends the final budget, update on the local

834 district's website the information described in Subsection (4), and Subsection (5) if the  
835 information described in Subsection (5) is included in the tentative budget, as modified by the  
836 amendment.

837 [~~(4)~~] (7) The board of trustees shall review, consider, and tentatively adopt the tentative  
838 budget in any regular meeting or special meeting called for that purpose and may amend or  
839 revise the tentative budget in any manner that the board considers advisable prior to public  
840 hearings, but no appropriation required for debt retirement and interest or reduction of any  
841 existing deficits under Section 17B-1-613, or otherwise required by law, may be reduced below  
842 the minimums so required.

843 [~~(5)~~] (8) When a new district is created, the board of trustees shall:

844 (a) prepare a budget covering the period from the date of incorporation to the end of  
845 the fiscal year;

846 (b) substantially comply with all other provisions of this part with respect to notices  
847 and hearings; and

848 (c) pass the budget as soon after incorporation as feasible.

849 Section 11. Section 17B-2a-802 is amended to read:

850 **17B-2a-802. Definitions.**

851 As used in this part:

852 (1) "Affordable housing" means housing occupied or reserved for occupancy by  
853 households that meet certain gross household income requirements based on the area median  
854 income for households of the same size.

855 (a) "Affordable housing" may include housing occupied or reserved for occupancy by  
856 households that meet specific area median income targets or ranges of area median income  
857 targets.

858 (b) "Affordable housing" does not include housing occupied or reserved for occupancy  
859 by households with gross household incomes that are more than 60% of the area median  
860 income for households of the same size.

861 (2) "Appointing entity" means the person, county, unincorporated area of a county, or  
862 municipality appointing a member to a public transit district board of trustees.

863 (3) (a) "Chief executive officer" means a person appointed by the board of trustees of a  
864 small public transit district to serve as chief executive officer.

865 (b) "Chief executive officer" shall enjoy all the rights, duties, and responsibilities  
866 defined in Sections 17B-2a-810 and 17B-2a-811 and includes all rights, duties, and  
867 responsibilities assigned to the general manager but prescribed by the board of trustees to be  
868 fulfilled by the chief executive officer.

869 (4) "Council of governments" means a decision-making body in each county composed  
870 of membership including the county governing body and the mayors of each municipality in the  
871 county.

872 (5) "Department" means the Department of Transportation created in Section 72-1-201.

873 (6) "Executive director" means a person appointed by the board of trustees of a large  
874 public transit district to serve as executive director.

875 (7) (a) "General manager" means a person appointed by the board of trustees of a small  
876 public transit district to serve as general manager.

877 (b) "General manager" shall enjoy all the rights, duties, and responsibilities defined in  
878 Sections 17B-2a-810 and 17B-2a-811 prescribed by the board of trustees of a small public  
879 transit district.

880 (8) "Inflation modifier amount" means the product of a fund's final total budget amount  
881 for the current fiscal year, ending June 30 or December 31, as applicable, multiplied by the  
882 most recent 12-month average consumer price index percentage change.

883 [~~(8)~~] (9) "Large public transit district" means a public transit district that provides  
884 public transit to an area that includes:

885 (a) more than 65% of the population of the state based on the most recent official  
886 census or census estimate of the United States Census Bureau; and

887 (b) two or more counties.

888 [~~(9)~~] (10) (a) "Locally elected public official" means a person who holds an elected  
889 position with a county or municipality.

890 (b) "Locally elected public official" does not include a person who holds an elected  
891 position if the elected position is not with a county or municipality.

892 [~~(10)~~] (11) "Metropolitan planning organization" means the same as that term is  
893 defined in Section 72-1-208.5.

894 [~~(11)~~] (12) "Multicounty district" means a public transit district located in more than  
895 one county.

896 ~~[(12)]~~ (13) "Operator" means a public entity or other person engaged in the  
897 transportation of passengers for hire.

898 (14) (a) "Population served modifier amount" means:

899 (i) if the population served under the fund in the current fiscal year is the same as the  
900 estimated population to be served under the fund in the upcoming fiscal year to which the  
901 tentative or final budget relates, zero;

902 (ii) if the estimated population to be served under the fund in the upcoming fiscal year  
903 to which the tentative or final budget relates exceeds the population served under the fund in  
904 the current fiscal year, the amount of the population served increase multiplied by the quotient  
905 of the fund's total budget for the current fiscal year divided by the population served under the  
906 fund in the current fiscal year; or

907 (iii) if the estimated population to be served under the fund in the upcoming fiscal year  
908 to which the tentative or final budget relates is less than the population served under the fund in  
909 the current fiscal year, the amount of the population served decrease multiplied by the quotient  
910 of the fund's total budget for the current fiscal year divided by the population served under the  
911 fund in the current fiscal year.

912 (b) The estimated population described in Subsection (14)(a) is calculated using:

913 (i) the most generally accepted population estimate source for the population in  
914 question; and

915 (ii) if more than one population source is generally accepted in determining the  
916 population in question, the same source used by the large public transit district for the  
917 preceding fiscal year, if one of those sources was used for the preceding fiscal year.

918 ~~[(13)]~~ (15) (a) "Public transit" means regular, continuing, shared-ride, surface  
919 transportation services that are open to the general public or open to a segment of the general  
920 public defined by age, disability, or low income.

921 (b) "Public transit" does not include transportation services provided by:

922 (i) chartered bus;

923 (ii) sightseeing bus;

924 (iii) taxi;

925 (iv) school bus service;

926 (v) courtesy shuttle service for patrons of one or more specific establishments; or

927 (vi) intra-terminal or intra-facility shuttle services.

928 [~~(14)~~] (16) "Public transit district" means a local district that provides public transit  
929 services.

930 [~~(15)~~] (17) "Small public transit district" means any public transit district that is not a  
931 large public transit district.

932 [~~(16)~~] (18) "Station area plan" means a plan adopted by the relevant municipality or  
933 county that establishes and preserves a vision for areas within one-half mile of a fixed  
934 guideway station of a large public transit district, the development of which includes:

935 (a) involvement of all relevant stakeholders who have an interest in the station area,  
936 including relevant metropolitan planning organizations;

937 (b) identification of major infrastructural and policy constraints and a course of action  
938 to address those constraints; and

939 (c) other criteria as determined by the board of trustees of the relevant public transit  
940 district.

941 [~~(17)~~] (19) "Transit facility" means a transit vehicle, transit station, depot, passenger  
942 loading or unloading zone, parking lot, or other facility:

943 (a) leased by or operated by or on behalf of a public transit district; and

944 (b) related to the public transit services provided by the district, including:

945 (i) railway or other right-of-way;

946 (ii) railway line; and

947 (iii) a reasonable area immediately adjacent to a designated stop on a route traveled by  
948 a transit vehicle.

949 [~~(18)~~] (20) "Transit vehicle" means a passenger bus, coach, railcar, van, or other  
950 vehicle operated as public transportation by a public transit district.

951 [~~(19)~~] (21) "Transit-oriented development" means a mixed use residential or  
952 commercial area that is designed to maximize access to public transit and includes the  
953 development of land owned by a large public transit district.

954 [~~(20)~~] (22) "Transit-supportive development" means a mixed use residential or  
955 commercial area that is designed to maximize access to public transit and does not include the  
956 development of land owned by a large public transit district.

957 Section 12. Section **17B-2a-808.1** is amended to read:

958           **17B-2a-808.1. Large public transit district board of trustees' powers and duties --**  
959 **Adoption of ordinances, resolutions, or orders -- Effective date of ordinances.**

960           (1) The powers and duties of a board of trustees of a large public transit district stated  
961 in this section are in addition to the powers and duties stated in Section [17B-1-301](#).

962           (2) The board of trustees of each large public transit district shall:

963           (a) hold public meetings and receive public comment;

964           (b) ensure that the policies, procedures, and management practices established by the  
965 public transit district meet state and federal regulatory requirements and federal grantee  
966 eligibility;

967           (c) subject to Subsection (8), create and approve an annual budget, including the  
968 issuance of bonds and other financial instruments, after consultation with the local advisory  
969 council;

970           (d) approve any interlocal agreement with a local jurisdiction;

971           (e) in consultation with the local advisory council, approve contracts and overall  
972 property acquisitions and dispositions for transit-oriented development;

973           (f) in consultation with constituent counties, municipalities, metropolitan planning  
974 organizations, and the local advisory council:

975           (i) develop and approve a strategic plan for development and operations on at least a  
976 four-year basis; and

977           (ii) create and pursue funding opportunities for transit capital and service initiatives to  
978 meet anticipated growth within the public transit district;

979           (g) annually report the public transit district's long-term financial plan to the State  
980 Bonding Commission;

981           (h) annually report the public transit district's progress and expenditures related to state  
982 resources to the Executive Appropriations Committee and the Infrastructure and General  
983 Government Appropriations Subcommittee;

984           (i) annually report to the Transportation Interim Committee the public transit district's  
985 efforts to engage in public-private partnerships for public transit services;

986           (j) hire, set salaries, and develop performance targets and evaluations for:

987           (i) the executive director; and

988           (ii) all chief level officers;

989 (k) supervise and regulate each transit facility that the public transit district owns and  
990 operates, including:

991 (i) fix rates, fares, rentals, charges and any classifications of rates, fares, rentals, and  
992 charges; and

993 (ii) make and enforce rules, regulations, contracts, practices, and schedules for or in  
994 connection with a transit facility that the district owns or controls;

995 (l) subject to Subsection (4), control the investment of all funds assigned to the district  
996 for investment, including funds:

997 (i) held as part of a district's retirement system; and

998 (ii) invested in accordance with the participating employees' designation or direction  
999 pursuant to an employee deferred compensation plan established and operated in compliance  
1000 with Section 457 of the Internal Revenue Code;

1001 (m) in consultation with the local advisory council created under Section  
1002 [17B-2a-808.2](#), invest all funds according to the procedures and requirements of Title 51,  
1003 Chapter 7, State Money Management Act;

1004 (n) if a custodian is appointed under Subsection (3)(d), and subject to Subsection (4),  
1005 pay the fees for the custodian's services from the interest earnings of the investment fund for  
1006 which the custodian is appointed;

1007 (o) (i) cause an annual audit of all public transit district books and accounts to be made  
1008 by an independent certified public accountant;

1009 (ii) as soon as practicable after the close of each fiscal year, submit to each of the  
1010 councils of governments within the public transit district a financial report showing:

1011 (A) the result of district operations during the preceding fiscal year;

1012 (B) an accounting of the expenditures of all local sales and use tax revenues generated  
1013 under Title 59, Chapter 12, Part 22, Local Option Sales and Use Taxes for Transportation Act;

1014 (C) the district's financial status on the final day of the fiscal year; and

1015 (D) the district's progress and efforts to improve efficiency relative to the previous  
1016 fiscal year; and

1017 (iii) supply copies of the report under Subsection (2)(o)(ii) to the general public upon  
1018 request;

1019 (p) report at least annually to the Transportation Commission created in Section

1020 72-1-301, which report shall include:

1021 (i) the district's short-term and long-range public transit plans, including the portions of  
1022 applicable regional transportation plans adopted by a metropolitan planning organization  
1023 established under 23 U.S.C. Sec. 134; and

1024 (ii) any transit capital development projects that the board of trustees would like the  
1025 Transportation Commission to consider;

1026 (q) direct the internal auditor appointed under Section 17B-2a-810 to conduct audits  
1027 that the board of trustees determines, in consultation with the local advisory council created in  
1028 Section 17B-2a-808.2, to be the most critical to the success of the organization;

1029 (r) together with the local advisory council created in Section 17B-2a-808.2, hear audit  
1030 reports for audits conducted in accordance with Subsection (2)(o);

1031 (s) review and approve all contracts pertaining to reduced fares, and evaluate existing  
1032 contracts, including review of:

1033 (i) how negotiations occurred;

1034 (ii) the rationale for providing a reduced fare; and

1035 (iii) identification and evaluation of cost shifts to offset operational costs incurred and  
1036 impacted by each contract offering a reduced fare;

1037 (t) in consultation with the local advisory council, develop and approve other board  
1038 policies, ordinances, and bylaws; and

1039 (u) review and approve any:

1040 (i) contract or expense exceeding \$200,000; or

1041 (ii) proposed change order to an existing contract if the change order:

1042 (A) increases the total contract value to \$200,000 or more;

1043 (B) increases a contract of or expense of \$200,000 or more by 15% or more; or

1044 (C) has a total change order value of \$200,000 or more.

1045 (3) A board of trustees of a large public transit district may:

1046 (a) subject to Subsection (5), make and pass ordinances, resolutions, and orders that  
1047 are:

1048 (i) not repugnant to the United States Constitution, the Utah Constitution, or the  
1049 provisions of this part; and

1050 (ii) necessary for:

- 1051 (A) the governance and management of the affairs of the district;
- 1052 (B) the execution of district powers; and
- 1053 (C) carrying into effect the provisions of this part;
- 1054 (b) provide by resolution, under terms and conditions the board considers fit, for the
- 1055 payment of demands against the district without prior specific approval by the board, if the
- 1056 payment is:
  - 1057 (i) for a purpose for which the expenditure has been previously approved by the board;
  - 1058 (ii) in an amount no greater than the amount authorized; and
  - 1059 (iii) approved by the executive director or other officer or deputy as the board
  - 1060 prescribes;
  - 1061 (c) in consultation with the local advisory council created in Section [17B-2a-808.2](#):
  - 1062 (i) hold public hearings and subpoena witnesses; and
  - 1063 (ii) appoint district officers to conduct a hearing and require the officers to make
  - 1064 findings and conclusions and report them to the board; and
  - 1065 (d) appoint a custodian for the funds and securities under its control, subject to
  - 1066 Subsection (2)(n).
  - 1067 (4) For a large public transit district in existence as of May 8, 2018, on or before
  - 1068 September 30, 2019, the board of trustees of a large public transit district shall present a report
  - 1069 to the Transportation Interim Committee regarding retirement benefits of the district, including:
    - 1070 (a) the feasibility of becoming a participating employer and having retirement benefits
    - 1071 of eligible employees and officials covered in applicable systems and plans administered under
    - 1072 Title 49, Utah State Retirement and Insurance Benefit Act;
    - 1073 (b) any legal or contractual restrictions on any employees that are party to a collectively
    - 1074 bargained retirement plan; and
    - 1075 (c) a comparison of retirement plans offered by the large public transit district and
    - 1076 similarly situated public employees, including the costs of each plan and the value of the
    - 1077 benefit offered.
    - 1078 (5) The board of trustees may not issue a bond unless the board of trustees has
    - 1079 consulted and received approval from the State Bonding Commission created in Section
    - 1080 [63B-1-201](#).
    - 1081 (6) A member of the board of trustees of a large public transit district or a hearing

1082 officer designated by the board may administer oaths and affirmations in a district investigation  
1083 or proceeding.

1084 (7) (a) The vote of the board of trustees on each ordinance or resolution shall be by roll  
1085 call vote with each affirmative and negative vote recorded.

1086 (b) The board of trustees of a large public transit district may not adopt an ordinance  
1087 unless it is introduced at least 24 hours before the board of trustees adopts it.

1088 (c) Each ordinance adopted by a large public transit district's board of trustees shall  
1089 take effect upon adoption, unless the ordinance provides otherwise.

1090 (8) (a) For a large public transit district in existence on May 8, 2018, for the budget for  
1091 calendar year 2019, the board in place on May 8, 2018, shall create the tentative annual budget.

1092 (b) The budget described in Subsection (8)(a) shall include setting the salary of each of  
1093 the members of the board of trustees that will assume control on or before November 1, 2018,  
1094 which salary may not exceed \$150,000, plus additional retirement and other standard benefits,  
1095 as set by the local advisory council as described in Section [17B-2a-808.2](#).

1096 (c) For a large public transit district in existence on May 8, 2018, the board of trustees  
1097 that assumes control of the large public transit district on or before November 2, 2018, shall  
1098 approve the calendar year 2019 budget on or before December 31, 2018.

1099 (9) The budget officer shall include in the tentative budget the following information  
1100 for each fund for which a budget is required by good accounting principles:

1101 (a) the total budget amount for the current fiscal year ending June 30 or December 31,  
1102 as applicable;

1103 (b) the total tentative budget amount, or final budget amount, for the upcoming fiscal  
1104 year, beginning January 1 or July 1, as applicable;

1105 (c) the difference between the amount described in Subsection (9)(a) and the amount  
1106 described in Subsection (9)(b);

1107 (d) the inflation modifier amount;

1108 (e) the population served modifier amount; and

1109 (f) if the difference described in Subsection (9)(c) exceeds the sum of the amounts  
1110 described in Subsections (9)(d) and (e), the amount by which the difference described in  
1111 Subsection (9)(c) exceeds the sum of the amounts described in Subsections (9)(d) and (e).

1112 (10) The budget officer may include in the tentative budget:

1113 (a) a description of the reason for the amount described in Subsection (9)(f), which  
1114 may include:

1115 (i) an additional responsibility given to the large public transit district by federal or  
1116 state law or federal or state rule;

1117 (ii) an increase in the cost of goods or services acquired by the large public transit  
1118 district to fulfill a responsibility already imposed on the large public transit district;

1119 (iii) an emergency or other circumstance beyond the control of the large public transit  
1120 district, other than a change reflected by the inflation modifier amount or population served  
1121 modifier amount;

1122 (iv) an additional or increased cost to the large public transit district based on new case  
1123 law or a court order; or

1124 (v) any other reason identified by the budget officer; and

1125 (b) an explanation regarding why the specific amount, or each portion of the amount,  
1126 described in Subsection (9)(f) is attributable to a reason described under Subsection (10)(a).

1127 (11) The budget officer shall:

1128 (a) post the information described in Subsection (9), and Subsection (10) if the  
1129 information described in Subsection (10) is included in the tentative budget, as updated under  
1130 Subsection (11)(b), (c), or (d) on the large public transit district's website:

1131 (i) beginning on the day on which the tentative budget is made public; and

1132 (ii) for at least five years after the day on which the tentative budget is made public;

1133 (b) on the day on which the tentative budget changes, update on the large public transit  
1134 district's website the information described in Subsection (9), and Subsection (10) if the  
1135 information described in Subsection (10) is included in the tentative budget, as modified by the  
1136 change;

1137 (c) on the day on which the large public transit district's budget for the upcoming fiscal  
1138 year becomes final, update on the large public transit district's website the information  
1139 described in Subsection (9), and Subsection (10) if the information described in Subsection  
1140 (10) is included in the tentative budget, replacing the tentative budget amount with the final  
1141 budget amount; and

1142 (d) on the day on which the large public transit district amends the final budget, update  
1143 on the large public transit district's website the information described in Subsection (9), and

1144 Subsection (10) if the information described in Subsection (10) is included in the tentative  
1145 budget, as modified by the amendment.

1146 Section 13. Section **59-2-924** is amended to read:

1147 **59-2-924. Definitions -- Report of valuation of property to county auditor and**  
1148 **commission -- Transmittal by auditor to governing bodies -- Calculation of certified tax**  
1149 **rate -- Rulemaking authority -- Adoption of tentative budget -- Notice provided by the**  
1150 **commission.**

1151 (1) As used in this section:

1152 (a) (i) "Ad valorem property tax revenue" means revenue collected in accordance with  
1153 this chapter.

1154 (ii) "Ad valorem property tax revenue" does not include:

1155 (A) interest;

1156 (B) penalties;

1157 (C) collections from redemptions; or

1158 (D) revenue received by a taxing entity from personal property that is semiconductor  
1159 manufacturing equipment assessed by a county assessor in accordance with Part 3, County  
1160 Assessment.

1161 (b) "Adjusted tax increment" means the same as that term is defined in Section  
1162 [17C-1-102](#).

1163 (c) (i) "Aggregate taxable value of all property taxed" means:

1164 (A) the aggregate taxable value of all real property a county assessor assesses in  
1165 accordance with Part 3, County Assessment, for the current year;

1166 (B) the aggregate taxable value of all real and personal property the commission  
1167 assesses in accordance with Part 2, Assessment of Property, for the current year; and

1168 (C) the aggregate year end taxable value of all personal property a county assessor  
1169 assesses in accordance with Part 3, County Assessment, contained on the prior year's tax rolls  
1170 of the taxing entity.

1171 (ii) "Aggregate taxable value of all property taxed" does not include the aggregate year  
1172 end taxable value of personal property that is:

1173 (A) semiconductor manufacturing equipment assessed by a county assessor in  
1174 accordance with Part 3, County Assessment; and

- 1175 (B) contained on the prior year's tax rolls of the taxing entity.
- 1176 (d) "Base taxable value" means:
- 1177 (i) for an authority created under Section 11-58-201, the same as that term is defined in  
1178 Section 11-58-102;
- 1179 (ii) for an agency created under Section 17C-1-201.5, the same as that term is defined  
1180 in Section 17C-1-102;
- 1181 (iii) for an authority created under Section 63H-1-201, the same as that term is defined  
1182 in Section 63H-1-102; or
- 1183 (iv) for a host local government, the same as that term is defined in Section 63N-2-502.
- 1184 (e) "Centrally assessed benchmark value" means an amount equal to the highest year  
1185 end taxable value of real and personal property the commission assesses in accordance with  
1186 Part 2, Assessment of Property, for a previous calendar year that begins on or after January 1,  
1187 2015, adjusted for taxable value attributable to:
- 1188 (i) an annexation to a taxing entity; or
- 1189 (ii) an incorrect allocation of taxable value of real or personal property the commission  
1190 assesses in accordance with Part 2, Assessment of Property.
- 1191 (f) (i) "Centrally assessed new growth" means the greater of:
- 1192 (A) zero; or
- 1193 (B) the amount calculated by subtracting the centrally assessed benchmark value  
1194 adjusted for prior year end incremental value from the taxable value of real and personal  
1195 property the commission assesses in accordance with Part 2, Assessment of Property, for the  
1196 current year, adjusted for current year incremental value.
- 1197 (ii) "Centrally assessed new growth" does not include a change in value as a result of a  
1198 change in the method of apportioning the value prescribed by the Legislature, a court, or the  
1199 commission in an administrative rule or administrative order.
- 1200 (g) "Certified tax rate" means a tax rate that will provide the same ad valorem property  
1201 tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.
- 1202 (h) "Community reinvestment agency" means the same as that term is defined in  
1203 Section 17C-1-102.
- 1204 (i) "Eligible new growth" means the greater of:
- 1205 (i) zero; or

- 1206 (ii) the sum of:
- 1207 (A) locally assessed new growth;
- 1208 (B) centrally assessed new growth; and
- 1209 (C) project area new growth or hotel property new growth.
- 1210 (j) "Host local government" means the same as that term is defined in Section
- 1211 [63N-2-502](#).
- 1212 (k) "Hotel property" means the same as that term is defined in Section [63N-2-502](#).
- 1213 (l) "Hotel property new growth" means an amount equal to the incremental value that
- 1214 is no longer provided to a host local government as incremental property tax revenue.
- 1215 (m) "Incremental property tax revenue" means the same as that term is defined in
- 1216 Section [63N-2-502](#).
- 1217 (n) "Incremental value" means:
- 1218 (i) for an authority created under Section [11-58-201](#), the amount calculated by
- 1219 multiplying:
- 1220 (A) the difference between the taxable value and the base taxable value of the property
- 1221 that is located within a project area and on which property tax differential is collected; and
- 1222 (B) the number that represents the percentage of the property tax differential that is
- 1223 paid to the authority;
- 1224 (ii) for an agency created under Section [17C-1-201.5](#), the amount calculated by
- 1225 multiplying:
- 1226 (A) the difference between the taxable value and the base taxable value of the property
- 1227 located within a project area and on which tax increment is collected; and
- 1228 (B) the number that represents the adjusted tax increment from that project area that is
- 1229 paid to the agency;
- 1230 (iii) for an authority created under Section [63H-1-201](#), the amount calculated by
- 1231 multiplying:
- 1232 (A) the difference between the taxable value and the base taxable value of the property
- 1233 located within a project area and on which property tax allocation is collected; and
- 1234 (B) the number that represents the percentage of the property tax allocation from that
- 1235 project area that is paid to the authority; or
- 1236 (iv) for a host local government, an amount calculated by multiplying:

- 1237 (A) the difference between the taxable value and the base taxable value of the hotel  
1238 property on which incremental property tax revenue is collected; and
- 1239 (B) the number that represents the percentage of the incremental property tax revenue  
1240 from that hotel property that is paid to the host local government.
- 1241 (o) (i) "Locally assessed new growth" means the greater of:  
1242 (A) zero; or  
1243 (B) the amount calculated by subtracting the year end taxable value of real property the  
1244 county assessor assesses in accordance with Part 3, County Assessment, for the previous year,  
1245 adjusted for prior year end incremental value from the taxable value of real property the county  
1246 assessor assesses in accordance with Part 3, County Assessment, for the current year, adjusted  
1247 for current year incremental value.
- 1248 (ii) "Locally assessed new growth" does not include a change in:  
1249 (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal, or  
1250 another adjustment;  
1251 (B) assessed value based on whether a property is allowed a residential exemption for a  
1252 primary residence under Section 59-2-103;  
1253 (C) assessed value based on whether a property is assessed under Part 5, Farmland  
1254 Assessment Act; or  
1255 (D) assessed value based on whether a property is assessed under Part 17, Urban  
1256 Farming Assessment Act.
- 1257 (p) "Project area" means:  
1258 (i) for an authority created under Section 11-58-201, the same as that term is defined in  
1259 Section 11-58-102;  
1260 (ii) for an agency created under Section 17C-1-201.5, the same as that term is defined  
1261 in Section 17C-1-102; or  
1262 (iii) for an authority created under Section 63H-1-201, the same as that term is defined  
1263 in Section 63H-1-102.
- 1264 (q) "Project area new growth" means:  
1265 (i) for an authority created under Section 11-58-201, an amount equal to the  
1266 incremental value that is no longer provided to an authority as property tax differential;  
1267 (ii) for an agency created under Section 17C-1-201.5, an amount equal to the

1268 incremental value that is no longer provided to an agency as tax increment; or  
1269 (iii) for an authority created under Section 63H-1-201, an amount equal to the  
1270 incremental value that is no longer provided to an authority as property tax allocation.  
1271 (r) "Project area incremental revenue" means the same as that term is defined in  
1272 Section 17C-1-1001.  
1273 (s) "Property tax allocation" means the same as that term is defined in Section  
1274 63H-1-102.  
1275 (t) "Property tax differential" means the same as that term is defined in Section  
1276 11-58-102.  
1277 (u) "Qualifying exempt revenue" means revenue received:  
1278 (i) for the previous calendar year;  
1279 (ii) by a taxing entity;  
1280 (iii) from tangible personal property contained on the prior year's tax rolls that is  
1281 exempt from property tax under Subsection 59-2-1115(2)(b) for a calendar year beginning on  
1282 January 1, 2022; and  
1283 (iv) on the aggregate 2021 year end taxable value of the tangible personal property that  
1284 exceeds \$15,300.  
1285 (v) "Tax increment" means the same as that term is defined in Section 17C-1-102.  
1286 (2) Before June 1 of each year, the county assessor of each county shall deliver to the  
1287 county auditor and the commission the following statements:  
1288 (a) a statement containing the aggregate valuation of all taxable real property a county  
1289 assessor assesses in accordance with Part 3, County Assessment, for each taxing entity; and  
1290 (b) a statement containing the taxable value of all personal property a county assessor  
1291 assesses in accordance with Part 3, County Assessment, from the prior year end values.  
1292 (3) The county auditor shall, on or before June 8, transmit to the governing body of  
1293 each taxing entity:  
1294 (a) the statements described in Subsections (2)(a) and (b);  
1295 (b) an estimate of the revenue from personal property;  
1296 (c) the certified tax rate; and  
1297 (d) all forms necessary to submit a tax levy request.  
1298 (4) (a) Except as otherwise provided in this section, the certified tax rate shall be

1299 calculated by dividing the ad valorem property tax revenue that a taxing entity budgeted for the  
1300 prior year minus the qualifying exempt revenue by the amount calculated under Subsection  
1301 (4)(b).

1302 (b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall  
1303 calculate an amount as follows:

1304 (i) calculate for the taxing entity the difference between:

1305 (A) the aggregate taxable value of all property taxed; and

1306 (B) any adjustments for current year incremental value;

1307 (ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount  
1308 determined by increasing or decreasing the amount calculated under Subsection (4)(b)(i) by the  
1309 average of the percentage net change in the value of taxable property for the equalization  
1310 period for the three calendar years immediately preceding the current calendar year;

1311 (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the product  
1312 of:

1313 (A) the amount calculated under Subsection (4)(b)(ii); and

1314 (B) the percentage of property taxes collected for the five calendar years immediately  
1315 preceding the current calendar year; and

1316 (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an amount  
1317 determined by:

1318 (A) multiplying the percentage of property taxes collected for the five calendar years  
1319 immediately preceding the current calendar year by eligible new growth; and

1320 (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the amount  
1321 calculated under Subsection (4)(b)(iii).

1322 (5) A certified tax rate for a taxing entity described in this Subsection (5) shall be  
1323 calculated as follows:

1324 (a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified  
1325 tax rate is zero;

1326 (b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:

1327 (i) in a county of the first, second, or third class, the levy imposed for municipal-type  
1328 services under Sections 17-34-1 and 17-36-9; and

1329 (ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county

1330 purposes and such other levies imposed solely for the municipal-type services identified in  
1331 Section [17-34-1](#) and Subsection [~~17-36-3(23)~~] [17-36-3\(24\)](#);

1332 (c) for a community reinvestment agency that received all or a portion of a taxing  
1333 entity's project area incremental revenue in the prior year under Title 17C, Chapter 1, Part 10,  
1334 Agency Taxing Authority, the certified tax rate is calculated as described in Subsection (4)  
1335 except that the commission shall treat the total revenue transferred to the community  
1336 reinvestment agency as ad valorem property tax revenue that the taxing entity budgeted for the  
1337 prior year; and

1338 (d) for debt service voted on by the public, the certified tax rate is the actual levy  
1339 imposed by that section, except that a certified tax rate for the following levies shall be  
1340 calculated in accordance with Section [59-2-913](#) and this section:

- 1341 (i) a school levy provided for under Section [53F-8-301](#), [53F-8-302](#), or [53F-8-303](#); and
- 1342 (ii) a levy to pay for the costs of state legislative mandates or judicial or administrative  
1343 orders under Section [59-2-1602](#).

1344 (6) (a) A judgment levy imposed under Section [59-2-1328](#) or [59-2-1330](#) may be  
1345 imposed at a rate that is sufficient to generate only the revenue required to satisfy one or more  
1346 eligible judgments.

1347 (b) The ad valorem property tax revenue generated by a judgment levy described in  
1348 Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate certified tax  
1349 rate.

1350 (7) (a) For the purpose of calculating the certified tax rate, the county auditor shall use:

- 1351 (i) the taxable value of real property:
  - 1352 (A) the county assessor assesses in accordance with Part 3, County Assessment; and
  - 1353 (B) contained on the assessment roll;
- 1354 (ii) the year end taxable value of personal property:
  - 1355 (A) a county assessor assesses in accordance with Part 3, County Assessment; and
  - 1356 (B) contained on the prior year's assessment roll; and
- 1357 (iii) the taxable value of real and personal property the commission assesses in  
1358 accordance with Part 2, Assessment of Property.

1359 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new  
1360 growth.

1361 (8) (a) On or before June 30, a taxing entity shall annually adopt a tentative budget.

1362 (b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall

1363 notify the county auditor of:

1364 (i) the taxing entity's intent to exceed the certified tax rate; and

1365 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.

1366 (c) The county auditor shall notify property owners of any intent to levy a tax rate that

1367 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.

1368 (9) (a) Subject to Subsection (9)(d), the commission shall provide notice, through

1369 electronic means on or before July 31, to a taxing entity and the Revenue and Taxation Interim

1370 Committee if:

1371 (i) the amount calculated under Subsection (9)(b) is 10% or more of the year end

1372 taxable value of the real and personal property the commission assesses in accordance with

1373 Part 2, Assessment of Property, for the previous year, adjusted for prior year end incremental

1374 value; and

1375 (ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year end

1376 taxable value of the real and personal property of a taxpayer the commission assesses in

1377 accordance with Part 2, Assessment of Property, for the previous year.

1378 (b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by

1379 subtracting the taxable value of real and personal property the commission assesses in

1380 accordance with Part 2, Assessment of Property, for the current year, adjusted for current year

1381 incremental value, from the year end taxable value of the real and personal property the

1382 commission assesses in accordance with Part 2, Assessment of Property, for the previous year,

1383 adjusted for prior year end incremental value.

1384 (c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by

1385 subtracting the total taxable value of real and personal property of a taxpayer the commission

1386 assesses in accordance with Part 2, Assessment of Property, for the current year, from the total

1387 year end taxable value of the real and personal property of a taxpayer the commission assesses

1388 in accordance with Part 2, Assessment of Property, for the previous year.

1389 (d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet

1390 the requirement under Subsection (9)(a)(ii).

1391 Section 14. Section **63J-1-102** is amended to read:

1392 **63J-1-102. Definitions.**

1393 As used in this chapter:

1394 (1) "Agency" means a unit of accounting, typically associated with a department,  
1395 division, board, council, committee, institution, office, bureau, or other similar administrative  
1396 unit of state government, that includes line items and programs.

1397 (2) "Budget execution plan" means a proposal submitted by an administrative unit of  
1398 state government to the Division of Finance enumerating expected revenues and authorized  
1399 expenditures within line items and among programs.

1400 (3) "Debt service" means the money that is required annually to cover the repayment of  
1401 interest and principal on state debt.

1402 (4) (a) "Dedicated credits" means collections by an agency that fund agency operations.

1403 (b) "Dedicated credits" includes:

1404 (i) assessments;

1405 (ii) sales of goods and materials;

1406 (iii) sales of services;

1407 (iv) permits, licenses, and other fees;

1408 (v) fines, penalties, and forfeitures; and

1409 (vi) rental revenue.

1410 (c) "Dedicated credits" does not include:

1411 (i) expendable receipts;

1412 (ii) revenues otherwise designated by law for deposit into another fund or account;

1413 (iii) federal revenues and the related pass through; or

1414 (iv) revenues that are not deposited in governmental funds.

1415 (5) (a) "Expendable receipts" means collections by an agency for expenditures that are  
1416 limited by a nonstate entity that provides the funds.

1417 (b) "Expendable receipts" includes:

1418 (i) grants;

1419 (ii) state matches for federal revenues paid by a nonstate entity; and

1420 (iii) rebates, including pharmacy rebates, that have similar restrictions on expenditures  
1421 as the original program.

1422 (c) "Expendable receipts" does not include:

- 1423 (i) dedicated credits;
- 1424 (ii) revenues otherwise designated by law for deposit into another fund or account;
- 1425 (iii) federal revenues and the related pass through; or
- 1426 (iv) revenues that are not deposited into governmental funds.
- 1427 (6) "Federal revenues" means collections by an agency from a federal source that are
- 1428 deposited into an account for expenditure by the agency.
- 1429 (7) "Free revenue" includes:
- 1430 (a) collections that are required by law to be deposited in:
- 1431 (i) the General Fund;
- 1432 (ii) the Education Fund;
- 1433 (iii) the Uniform School Fund; or
- 1434 (iv) the Transportation Fund;
- 1435 (b) collections that are not otherwise designated by law;
- 1436 (c) collections that are not externally restricted; and
- 1437 (d) collections that are not included in an approved budget execution plan.
- 1438 (8) "Grant" means the same as that term is defined in Section [63J-7-101](#).
- 1439 (9) "Inflation modifier amount" means the product of an agency's final total budget
- 1440 amount for the current fiscal year, ending June 30, multiplied by the most recent 12-month
- 1441 average consumer price index percentage change.
- 1442 [~~9~~](10) (a) "Item of appropriation" means an authorization of expenditure contained
- 1443 in legislation that appropriates funds and includes the following:
- 1444 (i) the name of the agency and line item to which authorization is granted; and
- 1445 (ii) sources of finance from which authorization is granted and associated amounts
- 1446 authorized.
- 1447 (b) "Item of appropriation" also includes:
- 1448 (i) a schedule of programs;
- 1449 (ii) intent language;
- 1450 (iii) approved full-time equivalent employment;
- 1451 (iv) authorized capital outlay; and
- 1452 (v) other conditions of appropriation.
- 1453 [~~10~~] (11) "Line item" means a unit of accounting, typically representing an

1454 administrative unit of state government within an agency, that contains one or more programs.

1455 ~~[(11)]~~ (12) "Major revenue types" means:

1456 (a) free revenue;

1457 (b) federal revenue;

1458 (c) restricted revenue;

1459 (d) dedicated credits; and

1460 (e) expendable receipts.

1461 (13) (a) "Population served modifier amount" means:

1462 (i) if the population served by the agency in the current fiscal year is the same as the  
1463 estimated population to be served by the agency in the upcoming fiscal year to which the  
1464 proposed or final budget relates, zero;

1465 (ii) if the estimated population to be served by the agency in the upcoming fiscal year  
1466 to which the proposed or final budget relates exceeds the population served by the agency in  
1467 the current fiscal year, the amount of the population served increase multiplied by the quotient  
1468 of the total budget for the current fiscal year divided by the population served by the agency in  
1469 the current fiscal year; or

1470 (iii) if the estimated population to be served by the agency in the upcoming fiscal year  
1471 to which the proposed or final budget relates is less than the population served by the agency in  
1472 the current fiscal year, the amount of the population served decrease multiplied by the quotient  
1473 of the total budget for the current fiscal year divided by the population served by the agency in  
1474 the current fiscal year.

1475 (b) The estimated population described in Subsection (13)(a) is calculated using:

1476 (i) the most generally accepted population estimate source for the population in  
1477 question; and

1478 (ii) if more than one population source is generally accepted in determining the  
1479 population in question, the same source used by the agency for the preceding fiscal year, if one  
1480 of those sources was used for the preceding fiscal year.

1481 ~~[(12)]~~ (14) "Program" means a unit of accounting included on a schedule of programs  
1482 within a line item used to track budget authorizations, collections, and expenditures on specific  
1483 purposes or functions.

1484 ~~[(13)]~~ (15) "Restricted revenue" means collections that are:

1485 (a) deposited, by law, into a separate fund, subfund, or account; and

1486 (b) designated for a specific program or purpose.

1487 [~~(14)~~] (16) "Schedule of programs" means a list of programs and associated  
1488 authorization amounts within an item of appropriation.

1489 Section 15. Section **63J-1-201** is amended to read:

1490 **63J-1-201. Governor's proposed budget to Legislature -- Contents -- Preparation**  
1491 **-- Appropriations based on current tax laws and not to exceed estimated revenues.**

1492 (1) The governor shall deliver, not later than 30 days before the date the Legislature  
1493 convenes in the annual general session, a confidential draft copy of the governor's proposed  
1494 budget recommendations to the Office of the Legislative Fiscal Analyst according to the  
1495 requirements of this section.

1496 (2) (a) When submitting a proposed budget, the governor shall, within the first three  
1497 days of the annual general session of the Legislature, submit to the presiding officer of each  
1498 house of the Legislature:

1499 (i) a proposed budget for the ensuing fiscal year;

1500 (ii) a schedule for all of the proposed changes to appropriations in the proposed budget,  
1501 with each change clearly itemized and classified; and

1502 (iii) as applicable, a document showing proposed changes in estimated revenues that  
1503 are based on changes in state tax laws or rates.

1504 (b) The proposed budget shall include:

1505 (i) a projection of:

1506 (A) estimated revenues by major tax type;

1507 (B) 15-year trends for each major tax type;

1508 (C) estimated receipts of federal funds;

1509 (D) 15-year trends for federal fund receipts; and

1510 (E) appropriations for the next fiscal year;

1511 (ii) the source of changes to all direct, indirect, and in-kind matching funds for all  
1512 federal grants or assistance programs included in the budget;

1513 (iii) changes to debt service;

1514 (iv) a plan of proposed changes to appropriations and estimated revenues for the next  
1515 fiscal year that is based upon the current fiscal year state tax laws and rates and considers

1516 projected changes in federal grants or assistance programs included in the budget;

1517 (v) an itemized estimate of the proposed changes to appropriations for:

1518 (A) the legislative department as certified to the governor by the president of the

1519 Senate and the speaker of the House;

1520 (B) the executive department;

1521 (C) the judicial department as certified to the governor by the state court administrator;

1522 (D) changes to salaries payable by the state under the Utah Constitution or under law

1523 for lease agreements planned for the next fiscal year; and

1524 (E) all other changes to ongoing or one-time appropriations, including dedicated

1525 credits, restricted funds, nonlapsing balances, grants, and federal funds;

1526 (vi) for each line item, the average annual dollar amount of staff funding associated

1527 with all positions that were vacant during the last fiscal year;

1528 (vii) deficits or anticipated deficits;

1529 (viii) the recommendations for each state agency for new full-time employees for the

1530 next fiscal year, which shall also be provided to the director of the Division of Facilities

1531 Construction and Management as required by Subsection [63A-5b-501\(3\)](#);

1532 (ix) a written description and itemized report submitted by a state agency to the

1533 Governor's Office of Planning and Budget under Section [63J-1-220](#), including:

1534 (A) a written description and an itemized report provided at least annually detailing the

1535 expenditure of the state money, or the intended expenditure of any state money that has not

1536 been spent; and

1537 (B) a final written itemized report when all the state money is spent;

1538 (x) any explanation that the governor may desire to make as to the important features

1539 of the budget and any suggestion as to methods for the reduction of expenditures or increase of

1540 the state's revenue; [~~and~~]

1541 (xi) information detailing certain fee increases as required by Section [63J-1-504](#)~~[:];~~ and

1542 (xii) for each agency:

1543 (A) the total budget amount for the current fiscal year ending June 30;

1544 (B) the total proposed budget amount, or final budget amount, for the upcoming fiscal

1545 year, beginning July 1;

1546 (C) the difference between the amount described in Subsection (2)(b)(xii)(A) and the

1547 amount described in Subsection (2)(b)(xii)(B);  
1548 (D) the inflation modifier amount;  
1549 (E) the population served modifier amount; and  
1550 (F) if the difference described in Subsection (2)(b)(xii)(C) exceeds the sum of the  
1551 amounts described in Subsections (2)(b)(xii)(D) and (E), the amount by which the difference  
1552 described in Subsection (2)(b)(xii)(C) exceeds the sum of the amounts described in  
1553 Subsections (2)(b)(xii)(D) and (E).  
1554 (3) The governor may include in the proposed budget:  
1555 (a) a description of the reason for amount described in Subsection (2)(b)(xii)(F), which  
1556 may include:  
1557 (i) an additional responsibility given to the agency by federal or state law or federal or  
1558 state rule;  
1559 (ii) an increase in the cost of goods or services acquired by the agency to fulfill a  
1560 responsibility already imposed on the agency;  
1561 (iii) an emergency or other circumstance beyond the control of the agency, other than a  
1562 change reflected by the inflation modifier amount or population served modifier amount;  
1563 (iv) an additional or increased cost to the agency based on new case law or a court  
1564 order; or  
1565 (v) any other reason identified by the governor; and  
1566 (b) an explanation regarding why the specific amount, or each portion of the amount,  
1567 described in Subsection (2)(b)(xii)(F) is attributable to a reason described under Subsection  
1568 (3)(a).  
1569 (4) The Governor's Office of Planning and Budget shall:  
1570 (a) post the information described in Subsection (2)(b)(xii), and Subsection (3) if the  
1571 information described in Subsection (3) is included in the proposed budget, as updated under  
1572 Subsection (4)(b), (c), or (d), on the state's website:  
1573 (i) beginning on the day on which the governor's proposed budget recommendations  
1574 are made public; and  
1575 (ii) for at least five years after the day on which the governor's proposed budget  
1576 recommendations are made public;  
1577 (b) on the day on which the proposed budget recommended by the governor for an

1578 agency changes:

1579 (i) update on the state's website the information described in Subsection (2)(b)(xii), and  
1580 Subsection (3) if the information described in Subsection (3) is included in the proposed  
1581 budget, as modified by the changed recommendation; and

1582 (ii) notify the appropriation subcommittee responsible for reviewing the agency's  
1583 budget, in writing, of the change and the updated information described in Subsection (4)(b)(i);

1584 (c) within three business days after the day on which the agency's budget for the  
1585 upcoming fiscal year becomes final, update on the state's website the information described in  
1586 Subsection (2)(b)(xii), and Subsection (3) if the information described in Subsection (3) is  
1587 included in the proposed budget, replacing the amount recommended with the final budget  
1588 amount; and

1589 (d) within three business days after the day on which the final budget is amended,  
1590 update on the state's website the information described in Subsection (2)(b)(xii), and  
1591 Subsection (3) if the information described in Subsection (3) is included in the proposed  
1592 budget, as modified by the amendment.

1593 ~~[(3)]~~ (5) (a) Except as provided in Subsection ~~[(3)(b)]~~(5)(b), for the purpose of  
1594 preparing and reporting the proposed budget, the governor:

1595 (i) shall require the proper state officials, including all public and higher education  
1596 officials, all heads of executive and administrative departments and state institutions, bureaus,  
1597 boards, commissions, and agencies expending or supervising the expenditure of the state  
1598 money, and all institutions applying for state money and appropriations, to provide itemized  
1599 estimates of changes in revenues and appropriations;

1600 (ii) may require the persons and entities subject to Subsection ~~[(3)(a)(i)]~~(5)(a)(i) to  
1601 provide other information under these guidelines and at times as the governor may direct,  
1602 which may include a requirement for program productivity and performance measures, where  
1603 appropriate, with emphasis on outcome indicators; and

1604 (iii) may require representatives of public and higher education, state departments and  
1605 institutions, and other institutions or individuals applying for state appropriations to attend  
1606 budget meetings.

1607 (b) Subsections ~~[(3)(a)(ii) and (iii)]~~ (5)(a)(ii) and (iii) do not apply to the judicial  
1608 department or the legislative department.

1609           ~~[(4)]~~ (6) (a) The Governor's Office of Planning and Budget shall provide to the Office  
1610 of the Legislative Fiscal Analyst, as soon as practicable, but no later than 30 days before the  
1611 day on which the Legislature convenes in the annual general session, data, analysis, or requests  
1612 used in preparing the governor's budget recommendations, notwithstanding the restrictions  
1613 imposed on such recommendations by available revenue.

1614           (b) The information under Subsection ~~[(4)(a)]~~ (6)(a) shall include:

1615           (i) actual revenues and expenditures for the fiscal year ending the previous June 30;

1616           (ii) estimated or authorized revenues and expenditures for the current fiscal year;

1617           (iii) requested revenues and expenditures for the next fiscal year;

1618           (iv) detailed explanations of any differences between the amounts appropriated by the  
1619 Legislature in the current fiscal year and the amounts reported under Subsections ~~[(4)(b)(ii) and~~  
1620 ~~(iii)]~~ (6)(b)(ii) and (iii); and

1621           (v) other budgetary information required by the Legislature in statute.

1622           (c) The budget information under Subsection ~~[(4)(a)]~~ (6)(a) shall cover:

1623           (i) all items of appropriation, funds, and accounts included in appropriations acts for  
1624 the current and previous fiscal years; and

1625           (ii) any new appropriation, fund, or account items requested for the next fiscal year.

1626           (d) The information provided under Subsection ~~[(4)(a)]~~ (6)(a) may be provided as a  
1627 shared record under Section [63G-2-206](#) as considered necessary by the Governor's Office of  
1628 Planning and Budget.

1629           ~~[(5)]~~ (7) (a) In submitting the budget for the Department of Public Safety, the governor  
1630 shall include a separate recommendation in the governor's budget for maintaining a sufficient  
1631 number of alcohol-related law enforcement officers to maintain the enforcement ratio equal to  
1632 or below the number specified in Subsection [32B-1-201\(2\)](#).

1633           (b) If the governor does not include in the governor's budget an amount sufficient to  
1634 maintain the number of alcohol-related law enforcement officers described in Subsection  
1635 ~~[(5)(a)]~~ (7)(a), the governor shall include a message to the Legislature regarding the governor's  
1636 reason for not including that amount.

1637           ~~[(6)]~~ (8) (a) The governor may revise all estimates, except those relating to the  
1638 legislative department, the judicial department, and those providing for the payment of  
1639 principal and interest to the state debt and for the salaries and expenditures specified by the

1640 Utah Constitution or under the laws of the state.

1641 (b) The estimate for the judicial department, as certified by the state court  
1642 administrator, shall also be included in the budget without revision, but the governor may make  
1643 separate recommendations on the estimate.

1644 ~~[(7)]~~ (9) The total appropriations requested for expenditures authorized by the budget  
1645 may not exceed the estimated revenues from taxes, fees, and all other sources for the next  
1646 ensuing fiscal year.

1647 ~~[(8)]~~ (10) If any item of the budget as enacted is held invalid upon any ground, the  
1648 invalidity does not affect the budget itself or any other item in the budget.

1649 Section 16. Section **78A-2-103** is amended to read:

1650 **78A-2-103. Definitions.**

1651 As used in this chapter:

1652 (1) "Conference" means the annual statewide judicial conference established by  
1653 Section [78A-2-111](#).

1654 (2) "Council" means the Judicial Council established by Article VIII, Sec. 12, Utah  
1655 Constitution.

1656 (3) "Courts" mean all courts of this state, including all courts of record and not of  
1657 record.

1658 (4) "Inflation modifier amount" means the product of a final line item budget amount  
1659 for the current fiscal year, ending June 30, multiplied by the most recent 12-month average  
1660 consumer price index percentage change.

1661 (5) (a) "Population served modifier amount" means:

1662 (i) if the population served under a line item in the current fiscal year is the same as the  
1663 estimated population to be served under the line item in the upcoming fiscal year, zero;

1664 (ii) if the estimated population to be served under a line item in the upcoming fiscal  
1665 year exceeds the population served under the line item in the current fiscal year, the amount of  
1666 the population served increase multiplied by the quotient of the total line item budget for the  
1667 current fiscal year divided by the population served under the line item in the current fiscal  
1668 year; or

1669 (iii) if the estimated population to be served under the line item in the upcoming fiscal  
1670 year is less than the population served under the line item in the current fiscal year, the amount

1671 of the population served decrease multiplied by the quotient of the total line item budget for the  
1672 current fiscal year divided by the population served under the line item in the current fiscal  
1673 year.

1674 (b) The estimated population described in Subsection (5)(a) is calculated using:

1675 (i) the most generally accepted population estimate source for the population in  
1676 question; and

1677 (ii) if more than one population source is generally accepted in determining the  
1678 population in question, the same source used by the judiciary for the preceding fiscal year, if  
1679 one of those sources was used for the preceding fiscal year.

1680 Section 17. Section **78A-2-104** is amended to read:

1681 **78A-2-104. Judicial Council -- Creation -- Members -- Terms and election --**  
1682 **Responsibilities -- Reports -- Guardian Ad Litem Oversight Committee.**

1683 (1) The Judicial Council, established by Article VIII, Section 12, Utah Constitution,  
1684 shall be composed of:

1685 (a) the chief justice of the Supreme Court;

1686 (b) one member elected by the justices of the Supreme Court;

1687 (c) one member elected by the judges of the Court of Appeals;

1688 (d) six members elected by the judges of the district courts;

1689 (e) three members elected by the judges of the juvenile courts;

1690 (f) three members elected by the justice court judges; and

1691 (g) a member or ex officio member of the Board of Commissioners of the Utah State  
1692 Bar who is an active member of the Bar in good standing at the time of election by the Board of  
1693 Commissioners.

1694 (2) The Judicial Council shall have a seal.

1695 (3) (a) The chief justice of the Supreme Court shall act as presiding officer of the  
1696 council and chief administrative officer for the courts. The chief justice shall vote only in the  
1697 case of a tie.

1698 (b) All members of the council shall serve for three-year terms.

1699 (i) If a council member should die, resign, retire, or otherwise fail to complete a term  
1700 of office, the appropriate constituent group shall elect a member to complete the term of office.

1701 (ii) In courts having more than one member, the members shall be elected to staggered

1702 terms.

1703 (iii) The person elected by the Board of Commissioners may complete a three-year  
1704 term of office on the Judicial Council even though the person ceases to be a member or ex  
1705 officio member of the Board of Commissioners. The person shall be an active member of the  
1706 Bar in good standing for the entire term of the Judicial Council.

1707 (c) Elections shall be held under rules made by the Judicial Council.

1708 (4) The council is responsible for the development of uniform administrative policy for  
1709 the courts throughout the state. The presiding officer of the Judicial Council is responsible for  
1710 the implementation of the policies developed by the council and for the general management of  
1711 the courts, with the aid of the state court administrator. The council has authority and  
1712 responsibility to:

1713 (a) establish and assure compliance with policies for the operation of the courts,  
1714 including uniform rules and forms; and

1715 (b) publish and submit to the governor, the chief justice of the Supreme Court, and the  
1716 Legislature an annual report of the operations of the courts, which shall include financial and  
1717 statistical data and may include suggestions and recommendations for legislation.

1718 (5) The council shall establish standards for the operation of the courts of the state  
1719 including, but not limited to, facilities, court security, support services, and staff levels for  
1720 judicial and support personnel.

1721 (6) The council shall by rule establish the time and manner for destroying court  
1722 records, including computer records, and shall establish retention periods for these records.

1723 (7) (a) Consistent with the requirements of judicial office and security policies, the  
1724 council shall establish procedures to govern the assignment of state vehicles to public officers  
1725 of the judicial branch.

1726 (b) The vehicles shall be marked in a manner consistent with Section [41-1a-407](#) and  
1727 may be assigned for unlimited use, within the state only.

1728 (8) (a) The council shall advise judicial officers and employees concerning ethical  
1729 issues and shall establish procedures for issuing informal and formal advisory opinions on  
1730 these issues.

1731 (b) Compliance with an informal opinion is evidence of good faith compliance with the  
1732 Code of Judicial Conduct.

1733 (c) A formal opinion constitutes a binding interpretation of the Code of Judicial  
1734 Conduct.

1735 (9) (a) The council shall establish written procedures authorizing the presiding officer  
1736 of the council to appoint judges of courts of record by special or general assignment to serve  
1737 temporarily in another level of court in a specific court or generally within that level. The  
1738 appointment shall be for a specific period and shall be reported to the council.

1739 (b) These procedures shall be developed in accordance with Subsection  
1740 [~~78A-2-107(10)~~] 78A-2-107(1)(j) regarding temporary appointment of judges.

1741 (10) The Judicial Council may by rule designate municipalities in addition to those  
1742 designated by statute as a location of a trial court of record. There shall be at least one court  
1743 clerk's office open during regular court hours in each county. Any trial court of record may hold  
1744 court in any municipality designated as a location of a court of record.

1745 (11) The Judicial Council shall by rule determine whether the administration of a court  
1746 shall be the obligation of the Administrative Office of the Courts or whether the Administrative  
1747 Office of the Courts should contract with local government for court support services.

1748 (12) The Judicial Council may by rule direct that a district court location be  
1749 administered from another court location within the county.

1750 (13) (a) The Judicial Council shall:

1751 (i) establish the Office of Guardian Ad Litem, in accordance with Title 78A, Chapter 2,  
1752 Part 8, Guardian Ad Litem; and

1753 (ii) establish and supervise a Guardian Ad Litem Oversight Committee.

1754 (b) The Guardian Ad Litem Oversight Committee described in Subsection (13)(a)(ii)  
1755 shall oversee the Office of Guardian Ad Litem, established under Subsection (13)(a)(i), and  
1756 assure that the Office of Guardian Ad Litem complies with state and federal law, regulation,  
1757 policy, and court rules.

1758 (14) The Judicial Council shall establish and maintain, in cooperation with the Office  
1759 of Recovery Services within the Department of Human Services, the part of the state case  
1760 registry that contains records of each support order established or modified in the state on or  
1761 after October 1, 1998, as is necessary to comply with the Social Security Act, 42 U.S.C. Sec.  
1762 654a.

1763 Section 18. Section **78A-2-107** is amended to read:

1764           **78A-2-107. Court administrator -- Powers, duties, and responsibilities.**  
1765           (1) Under the general supervision of the presiding officer of the Judicial Council, and  
1766 within the policies established by the council, the state court administrator shall:  
1767           ~~[(1)]~~ (a) organize and administer all of the nonjudicial activities of the courts;  
1768           ~~[(2)]~~ (b) assign, supervise, and direct the work of the nonjudicial officers of the courts;  
1769           ~~[(3)]~~ (c) implement the standards, policies, and rules established by the council;  
1770           ~~[(4)]~~ (d) formulate and administer a system of personnel administration, including  
1771 in-service training programs;  
1772           ~~[(5)]~~ (e) prepare and administer the state judicial budget, fiscal, accounting, and  
1773 procurement activities for the operation of the courts of record, and assist justices' courts in  
1774 their budgetary, fiscal, and accounting procedures;  
1775           ~~[(6)]~~ (f) conduct studies of the business of the courts, including the preparation of  
1776 recommendations and reports relating to them;  
1777           ~~[(7)]~~ (g) develop uniform procedures for the management of court business, including  
1778 the management of court calendars;  
1779           ~~[(8)]~~ (h) maintain liaison with the governmental and other public and private groups  
1780 having an interest in the administration of the courts;  
1781           ~~[(9)]~~ (i) establish uniform policy concerning vacations and sick leave for judges and  
1782 nonjudicial officers of the courts;  
1783           ~~[(10)]~~ (j) establish uniform hours for court sessions throughout the state and may, with  
1784 the consent of the presiding officer of the Judicial Council, call and appoint justices or judges  
1785 of courts of record to serve temporarily as Court of Appeals, district court, or juvenile court  
1786 judges and set reasonable compensation for their services;  
1787           ~~[(11)]~~ (k) when necessary for administrative reasons, change the county for trial of any  
1788 case if no party to the litigation files timely objections to this change;  
1789           ~~[(12)-(a)]~~ (l) organize and administer a program of continuing education for judges and  
1790 support staff, including training for justice court judges; ~~[and]~~  
1791           ~~[(b)]~~ (m) ensure that any training or continuing education described in Subsection  
1792 ~~[(12)-(a)]~~ (1)(l) complies with Title 63G, Chapter 22, State Training and Certification  
1793 Requirements;  
1794           ~~[(13)]~~ (n) provide for an annual meeting for each level of the courts of record, and the

1795 annual judicial conference; and

1796 ~~[(14)]~~ (o) perform other duties as assigned by the presiding officer of the council.

1797 (2) The court administrator shall include, in a proposed budget, the following

1798 information for each line item:

1799 (a) the total budget amount for the current fiscal year ending June 30;

1800 (b) the total proposed budget amount, or final budget amount, for the upcoming fiscal

1801 year, beginning July 1;

1802 (c) the difference between the amount described in Subsection (2)(a) and the amount

1803 described in Subsection (2)(b);

1804 (d) the inflation modifier amount;

1805 (e) the population served modifier amount; and

1806 (f) if the difference described in Subsection (2)(c) exceeds the sum of the amounts

1807 described in Subsections (2)(d) and (e), the amount by which the difference described in

1808 Subsection (2)(c) exceeds the sum of the amounts described in Subsections (2)(d) and (e).

1809 (3) The court administrator may include in the proposed budget:

1810 (a) a description of the reason for the amount described in Subsection (2)(f), which

1811 may include:

1812 (i) an additional responsibility given by federal or state law or federal or state rule;

1813 (ii) an increase in the cost of goods or services acquired by the judiciary to fulfill a

1814 responsibility already imposed on the judiciary;

1815 (iii) an emergency or other circumstance beyond the control of the judiciary, other than

1816 a change reflected by the inflation modifier amount or population served modifier amount;

1817 (iv) an additional or increased cost to the judiciary based on new case law or a court

1818 order; or

1819 (v) any other reason identified by the judiciary; and

1820 (b) an explanation regarding why the specific amount, or each portion of the amount,

1821 described in Subsection (2)(f) is attributable to a reason described under Subsection (3)(a).

1822 (4) The court administrator shall:

1823 (a) post the information described in Subsection (2), and Subsection (3) if the

1824 information described in Subsection (3) is included in the tentative budget, as updated under

1825 Subsection (4)(b), (c), or (d) on the judiciary's website:

1826 (i) beginning on the day on which the judiciary's proposed budget recommendations are  
1827 made public; and

1828 (ii) for at least five years after the day on which the judiciary's proposed budget  
1829 recommendations are made public;

1830 (b) on the day on which the proposed budget recommended by the judiciary changes:

1831 (i) update on the judiciary's website the information described in Subsection (2), and  
1832 Subsection (3) if the information described in Subsection (3) is included in the tentative  
1833 budget, as modified by the changed recommendation; and

1834 (ii) notify the appropriation subcommittee responsible for reviewing the judiciary's  
1835 budget, in writing, of the change and the updated information described in Subsection (4)(b)(i);

1836 (c) within three business days after the day on which the judiciary's budget for the  
1837 upcoming fiscal year becomes final, update on the judiciary's website the information described  
1838 in Subsection (2), and Subsection (3) if the information described in Subsection (3) is included  
1839 in the tentative budget, replacing the amount recommended with the final budget amount; and

1840 (d) on the day on which the final budget is amended, update on the judiciary's website  
1841 the information described in Subsection (2), and Subsection (3) if the information described in  
1842 Subsection (3) is included in the tentative budget, as modified by the amendment.

1843 Section 19. **Effective date.**

1844 This bill takes effect on January 1, 2023.