

# HB0239S01 compared with HB0239

~~text~~ shows text that was in HB0239 but was deleted in HB0239S01.

text shows text that was not in HB0239 but was inserted into HB0239S01.

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Representative Nelson T. Abbott proposes the following substitute bill:

## GOVERNMENTAL ENTITY BUDGET TRANSPARENCY

2022 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Nelson T. Abbott**

Senate Sponsor: \_\_\_\_\_

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### LONG TITLE

#### General Description:

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

#### Highlighted Provisions:

This bill:

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

#### Money Appropriated in this Bill:

None

#### Other Special Clauses:

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This bill provides a special effective date.

### Utah Code Sections Affected:

AMENDS:

- ~~{ 10-5-102.5, as enacted by Laws of Utah 2014, Chapters 176, 253, 377 and last amended by Coordination Clause, Laws of Utah 2014, Chapter 253~~
- ‡ 10-5-107, as last amended by Laws of Utah 2017, Chapters 71 and 193
- ~~{ 10-6-106, as last amended by Laws of Utah 2019, Chapter 136~~
- ‡ 10-6-111, as last amended by Laws of Utah 2016, Chapter 353
- ~~{ 11-13-501, as last amended by Laws of Utah 2017, Chapter 441~~
- ~~11-13-508, as enacted by Laws of Utah 2015, Chapter 265~~
- ~~17-36-3, as last amended by Laws of Utah 2014, Chapters 176, 189, 253 and last amended by Coordination Clause, Laws of Utah 2014, Chapter 253~~
- ‡ 17-36-10, as last amended by Laws of Utah 2012, Chapter 17
- ~~{ 17B-1-601, as last amended by Laws of Utah 2014, Chapter 253~~
- ~~17B-1-607, as last amended by Laws of Utah 2015, Chapter 436~~
- ~~17B-2a-802, as last amended by Laws of Utah 2020, Chapter 377~~
- ~~17B-2a-808.1, as last amended by Laws of Utah 2021, Chapter 239~~
- ~~59-2-924, as last amended by Laws of Utah 2021, Chapters 214 and 388~~
- ~~63J-1-102, as last amended by Laws of Utah 2019, Chapter 182~~
- ‡ 63J-1-201, as last amended by Laws of Utah 2021, Chapters 382 and 421
- ~~{ 78A-2-103, as last amended by Laws of Utah 2018, Chapter 25~~
- ‡ 78A-2-104, as last amended by Laws of Utah 2021, Chapter 262
- 78A-2-107, as last amended by Laws of Utah 2018, Chapters 25 and 200

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

Section 1. Section ~~{10-5-102.5}~~ 10-5-107 is amended to read:

~~{ 10-5-102.5. Definitions:~~

~~As used in this chapter:~~

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

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

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

~~—— (4) "Inflation modifier amount" means the product of a fund's final total budget amount for the current fiscal year, ending June 30, multiplied by the most recent 12-month average consumer price index percentage change.~~

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

~~—— (6) (a) "Population served modifier amount" means:~~

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

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

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

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

~~—— (i) the most generally accepted population estimate source for the population in question; and~~

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

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

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

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

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

### **Adoption of tentative budget.**

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

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

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

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

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

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

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

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

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

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

(ii) the total tentative budget amount ~~{, or final budget amount,}~~ for the upcoming fiscal year, beginning July 1; and

(iii) the percentage difference between the amount described in Subsection (1)(c)(i) and the amount described in Subsection (1)(c)(ii) ~~†~~;

~~(iv) the inflation modifier amount;~~

~~(v) the population served modifier amount; and~~

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

~~(~~†2~~)d) The mayor ~~{may}~~ shall include in the tentative budget:~~

~~(~~†a~~) a description of the reason for the amount described in Subsection (1)(c)(vi);~~

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which may include:

- ~~\_\_\_\_\_ (i) an additional responsibility given to the town by federal or state law or federal or state rule;~~
  - ~~\_\_\_\_\_ (ii) an increase in the cost of goods or services acquired by the town to fulfill a responsibility already imposed on the town;~~
  - ~~\_\_\_\_\_ (iii) an emergency or other circumstance beyond the control of the town, other than a change reflected by the inflation modifier amount or population served modifier amount;~~
  - ~~\_\_\_\_\_ (iv) an additional or increased cost to the town based on new case law or a court order;~~
- or

- ~~\_\_\_\_\_ (v) any other reason identified by the mayor; and~~
- ~~\_\_\_\_\_ (b) an explanation regarding why the specific amount, or each portion of the amount, described in Subsection (1)(c)(vi) is attributable to a reason described under Subsection (2)(a).~~
- \_\_\_\_\_ (3) i) the most recent 12-month average consumer price index percentage change; and
- \_\_\_\_\_ (ii) the percentage difference between:
  - \_\_\_\_\_ (A) the most recent population estimate for the town published by the United States Census Bureau; and
  - \_\_\_\_\_ (B) the population estimate for the town, published by the United States Census Bureau, applicable at the time that the final budget was adopted for the fiscal year immediately preceding the fiscal year to which the tentative budget relates.

(2) (a) The mayor shall:†

- ~~\_\_\_\_\_ (a) post the information described in Subsection (1)(c), and Subsection (2) if the information described in Subsection (2) is included in the tentative budget, as updated under Subsection (3)(b), (c), or (d) on the town's website:~~
  - ~~\_\_\_\_\_ (i) beginning on the day on which the tentative budget is made public; and~~
  - ~~\_\_\_\_\_ (ii) for at least five years after the day on which the tentative budget is made public;~~
  - ~~\_\_\_\_\_ (b) on the day on which the tentative budget changes, update on the town's website the information described in Subsection (1)(c), and Subsection (2) if the information described in Subsection (2) is included in the tentative budget, as modified by the change;~~
  - ~~\_\_\_\_\_ (c) on the day on which the town's budget for the upcoming fiscal year becomes final, update on the town's website the information described in Subsection (1)(c), and Subsection (2) if the information described in Subsection (2) is included in the tentative budget, replacing the~~

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~~tentative budget amount with the final budget amount, and~~

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

~~— [(2)] (4) (a) The mayor shall:~~

~~‡~~

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

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

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

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

~~{(3)}~~~~{(5)}~~ (a) Before the public hearing required under Section 10-5-108, the town council:

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

(ii) may amend or revise the tentative budget.

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

Section ~~{3}~~2. Section ~~{10-6-106}~~10-6-111 is amended to read:

~~{~~ **10-6-106. Definitions:**

~~—~~ ~~As used in this chapter:~~

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

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

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

~~— (b) "Budget" may refer to the budget of a particular fund for which a budget is required~~

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by law or it may refer collectively to the budgets for all such funds.

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

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

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

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

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

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

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

——— (11) "Encumbrance system" means a method of budgetary control in which part of an appropriation is reserved to cover a specific expenditure by charging obligations, such as purchase orders, contracts, or salary commitments to an appropriation account at their time of origin. Such obligations cease to be encumbrances when paid or when the actual liability is entered on the city's books of account.

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

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

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

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

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

——— (17) "Fund balance," "retained earnings," and "deficit" have the meanings commonly

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~~accorded such terms under generally accepted accounting principles as reflected in the Uniform Accounting Manual for Utah Cities:~~

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

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

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

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

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

~~—— (23) (a) "Population served modifier amount" means:~~

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

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

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

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



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~~\_\_\_\_\_ (i) the most generally accepted population estimate source for the population in question; and~~

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

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

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

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

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

~~\_\_\_\_\_ [(25)] (27) "Warrant" means an order drawn upon the city treasurer, in the absence of sufficient money in the city's depository, by an authorized officer of a city for the purpose of paying a specified amount out of the city treasury to the person named or to the bearer as money becomes available.~~

~~\_\_\_\_\_ Section 4. Section **10-6-111** is amended to read:~~

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

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

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

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

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

~~[(iii)] (c)~~ the budget officer's estimates of revenues and expenditures for the budget period, computed as provided in Subsection ~~[(1)(c)] (3)(a)~~; and

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

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

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

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

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

~~[(B)-(H)]~~ (ii) (A) the amount of revenue available to serve the needs of each fund;

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

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

~~[(ii)]~~ (b) The budget officer may revise any department's estimate under Subsection ~~[(1)(c)(i)(A)(H)]~~ (3)(a)(i)(B) that the officer considers advisable for the purpose of presenting the budget to the governing body.

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

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

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

(b) the total tentative budget amount ~~{, or final budget amount,}~~ for the upcoming fiscal period, beginning July 1; and

(c) the percentage difference between the amount described in Subsection (4)(a) and the amount described in Subsection (4)(b) ~~};~~

~~—— (d) the inflation modifier amount;~~

~~—— (e) the population served modifier amount; and~~

~~—— (f) if the difference described in Subsection (4)(c) exceeds the sum of the amounts described in Subsections (4)(d) and (e), the amount by which the difference described in~~

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~~Subsection (4)(c) exceeds the sum of the amounts described in Subsections (4)(d) and (e):~~

~~†:~~

~~(5) The budget officer ~~{may}~~shall include in the tentative budget:~~

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

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

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

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

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

~~or~~

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

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

~~—— (6) The budget officer shall:~~

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

~~—— (i) beginning on the day on the most recent 12-month average consumer price index percentage change; and~~

~~(b) the percentage difference between:~~

~~(i) the most recent population estimate for the city published by the United States Census Bureau; and~~

~~(ii) the population estimate for the city, published by the United States Census Bureau, applicable at the time that the final budget was adopted for the fiscal period immediately preceding the fiscal period to which the tentative budget ~~{is made public; and~~~~

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

~~—— (b) on the day on which the tentative budget changes, update on the city's website the information described in Subsection (4), and Subsection (5) if the information described in~~

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~~Subsection (5) is included in the tentative budget, as modified by the change:~~

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

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

~~—— [(2)] (7); relates.~~

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

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

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

- (i) explains the budget;
- (ii) contains an outline of the proposed financial policies of the city for the budget period;
- (iii) describes the important features of the budgetary plan;
- (iv) provides the reasons for salient changes from the previous fiscal period in appropriation and revenue items; and
- (v) explains any major changes in financial policy.

~~[(3)]~~ [(8)] (7) (a) Subject to Subsection ~~[(3)](b)~~ [(8)](7)(b), a governing body in any regular public hearing or special public hearing:

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

(b) A governing body may not reduce an appropriation required for debt retirement and

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interest or reduction of any existing deficits in accordance with Section 10-6-117, or otherwise required by law or ordinance, below the required minimums.

~~[(4)]~~ ~~(9)~~8 (a) If the municipality is acting in accordance with Section 10-2a-218, the tentative budget shall:

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

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

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

Section ~~{5}~~3. Section ~~{11-13-501}~~17-36-10 is amended to read:

~~{~~ ~~11-13-501.~~ **Definitions:**

~~As used in this part:~~

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

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

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

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

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

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

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

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

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

~~(10) "Fiscal year" means the annual period for accounting for fiscal operations in an~~

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~~interlocal entity:~~

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

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

~~—— (13) "Fund balance" has the meaning provided in generally accepted accounting principles:~~

~~—— (14) "General fund" has the meaning provided in generally accepted accounting principles:~~

~~—— (15) "Generally accepted accounting principles" means the accounting principles and standards promulgated from time to time by authoritative bodies in the United States:~~

~~—— (16) "Governmental fund" has the meaning provided in generally accepted accounting principles:~~

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

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

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

~~—— [(19)] (20) "Interlocal entity general fund" means the general fund of an interlocal entity:~~

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

~~—— [(21)] (22) "Last completed fiscal year" means the fiscal year immediately preceding the current fiscal year:~~

~~—— (23) (a) "Population served modifier amount" means:~~

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

~~—— (ii) if the estimated population to be served under the fund in the upcoming fiscal year to which the tentative or final budget relates exceeds the population served under the fund in~~

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~~the current fiscal year, the amount of the population served increase multiplied by the quotient of the fund's total budget for the current fiscal year divided by the population served under the fund in the current fiscal year; or~~

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

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

~~—— (i) the most generally accepted population estimate source for the population in question; and~~

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

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

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

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

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

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

~~—— **11-13-508. Tentative budget to be prepared == Review by governing body.**~~

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

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

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

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- ~~—— (ii) estimated total revenues and expenditures for the current fiscal year; and~~
- ~~—— (iii) the budget officer's estimates of revenues and expenditures for the budget year.~~
- ~~—— (b) The budget officer shall estimate:~~
  - ~~—— (i) the amount of revenue available to serve the needs of each fund;~~
  - ~~—— (ii) the portion to be derived from all sources other than general property taxes; and~~
  - ~~—— (iii) the portion that shall be derived from general property taxes.~~
- ~~—— (3) The tentative budget, when filed by the budget officer with the governing board, shall contain the estimates of expenditures together with specific work programs and any other supporting data required by this part or requested by the governing board.~~
- ~~—— (4) The budget officer shall include in the tentative budget the following information for each fund for which a budget is required:~~
  - ~~—— (a) the total budget amount for the current fiscal year ending June 30 or December 31, as applicable;~~
  - ~~—— (b) the total tentative budget amount, or final budget amount, for the upcoming fiscal year, beginning January 1 or July 1, as applicable;~~
  - ~~—— (c) the difference between the amount described in Subsection (4)(a) and the amount described in Subsection (4)(b);~~
  - ~~—— (d) the inflation modifier amount;~~
  - ~~—— (e) the population served modifier amount; and~~
  - ~~—— (f) the information described in Subsection (5), if the difference described in Subsection (4)(c) exceeds the sum of the amounts described in Subsections (4)(d) and (e), the amount by which the difference described in Subsection (4)(c) exceeds the sum of the amounts described in Subsections (4)(d) and (e).~~
- ~~—— (5) The budget officer may include in the tentative budget:~~
  - ~~—— (a) a description of the reason for the amount described in Subsection (4)(f), which may include:~~
    - ~~—— (i) an additional responsibility given to the interlocal entity by federal or state law or federal or state rule;~~
    - ~~—— (ii) an increase in the cost of goods or services acquired by the interlocal entity to fulfill a responsibility already imposed on the interlocal entity;~~
    - ~~—— (iii) an emergency or other circumstance beyond the control of the interlocal entity;~~



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~~other than a change reflected by the inflation modifier amount or population served modifier amount;~~

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

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

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

~~—— (6) The budget officer shall:~~

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

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

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

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

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

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

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

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

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

~~—— (b) The governing board may not reduce below the legal minimum requirement an appropriation required for debt retirement and interest or reduction of any existing deficits~~

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~~under Section 11-13-513, or otherwise required by law:~~

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

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

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

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

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

~~——— 17-36-3. Definitions:~~

~~——— As used in this chapter:~~

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

~~——— (2) "Appropriation" means an allocation of money for a specific purpose:~~

~~——— (3) (a) "Budget" means a plan for financial operations for a fiscal period, embodying estimates for proposed expenditures for given purposes and the means of financing the expenditures:~~

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

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

~~——— (5) "Budget officer" means a person described in Section 17-19a-203:~~

~~——— (6) "Budget period" means the fiscal period for which a budget is prepared:~~

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

~~——— (8) "County general fund" means the general fund used by a county:~~

~~——— (9) "Countywide service" means a service provided in both incorporated and unincorporated areas of a county:~~

~~——— (10) "Current period" means the fiscal period in which a budget is prepared and adopted:~~

~~——— (11) "Department" means any functional unit within a fund which carries on a specific~~

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activity:

~~—— (12) "Encumbrance system" means a method of budgetary control where part of an appropriation is reserved to cover a specific expenditure by charging obligations, such as purchase orders, contracts, or salary commitments to an appropriation account. An expenditure ceases to be an encumbrance when paid or when the actual liability is entered in the books of account.~~

~~—— (13) "Estimated revenue" means any revenue estimated to be received during the budget period in any fund for which a budget is prepared.~~

~~—— (14) "Fiscal period" means the annual or biennial period for recording county fiscal operations.~~

~~—— (15) "Fund" means an independent fiscal and accounting entity comprised of a sum of money or other resources segregated for a specific purpose or objective.~~

~~—— (16) "Fund balance" means the excess of the assets over liabilities, reserves, and contributions, as reflected by its books of account.~~

~~—— (17) "Fund deficit" means the excess of liabilities, reserves, and contributions over its assets, as reflected by its books of account.~~

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

~~—— (19) "Inflation modifier amount" means the product of a fund's final total budget amount for the current fiscal period, ending December 31, multiplied by the most recent 12-month average consumer price index percentage change, or, if the budget is biennial, multiplied by the average of the two most recent 12-month average consumer price index percentage changes.~~

~~—— [(19)] (20) "Interfund loan" means a loan of cash from one fund to another, subject to future repayment.~~

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

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

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to finance expenditures of the current period:

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

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

——— ~~(25) (a)~~ "Population served modifier amount" means:

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

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

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

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

——— ~~(i) the most generally accepted population estimate source for the population in question; and~~

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

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

——— ~~[(25)] (27)~~ "Special fund" means any fund other than the county general fund, such as

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~~those described in Section 17-36-6.~~

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

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

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

### ‡ **17-36-10. Preparation of tentative budget.**

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

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

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

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

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

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

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

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

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

(3) In the preparation of the budget, the budget officer and all other county officers are subject to Sections 17-36-1 through 17-36-44 and to the uniform system of budgeting, accounting, and reporting established therein.

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

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

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

(c) the estimated available revenues and expenditures for the ensuing budget period

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computed by determining:

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

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

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

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

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

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

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

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

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

(a) the total budget amount for the current fiscal period ending December 31;

(b) the total tentative budget amount ~~or final budget amount~~ for the upcoming fiscal period, beginning January 1; and

(c) the percentage difference between the amount described in Subsection (7)(a) and the amount described in Subsection (7)(b);

~~(d) the inflation modifier amount;~~

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~~(c) the population served modifier amount; and~~  
~~(f) if the difference described in Subsection (7)(c) exceeds the sum of the amounts described in Subsections (7)(d) and (e), the amount by which the difference described in Subsection (7)(c) exceeds the sum of the amounts described in Subsections (7)(d) and (e):~~  
~~1.~~

(8) The budget officer ~~may~~ shall include in the tentative budget:

(a) ~~a description of the reason for the amount described in Subsection (7)(f), which may include:~~

~~(i) an additional responsibility given to the county by federal or state law or federal or state rule;~~

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

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

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

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

~~(b) an explanation regarding why the specific amount, or each portion of the amount, described in Subsection (7)(f) is attributable to a reason described under Subsection (8)(a):~~

~~(9) The budget officer shall:~~

~~(a) post the information described in Subsection (7), and Subsection (8) if the information described in Subsection (8) is included in the tentative budget, as updated under Subsection (9)(b), (c), or (d) on the county's website:~~

~~(i) beginning on the day on} the most recent 12-month average consumer price index percentage change; and~~

~~(b) the percentage difference between:~~

~~(i) the most recent population estimate for the county published by the United States Census Bureau; and~~

~~(ii) the population estimate for the county, published by the United States Census Bureau, applicable at the time that the final budget was adopted for the fiscal period immediately preceding the fiscal period to which the tentative budget ~~is made public; and~~~~

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~~(ii) for at least five years after the day on which the tentative budget is made public;~~  
~~(b) on the day on which the tentative budget changes, update on the county's website the information described in Subsection (7), and Subsection (8) if the information described in Subsection (8) is included in the tentative budget, as modified by the change;~~  
~~(c) on the day on which the county's budget for the upcoming fiscal period becomes final, update on the county's website the information described in Subsection (7), and Subsection (8) if the information described in Subsection (8) is included in the tentative budget, replacing the tentative budget amount with the final budget amount; and~~  
~~(d) on the day on which the county amends the final budget, update on the county's website the information described in Subsection (7), and Subsection (8) if the information described in Subsection (8) is included in the tentative budget, as modified by the amendment.~~  
~~[(7)](10)relates.~~

~~[(7)](9)~~ (a) A budget officer that submits a tentative budget in a county with a population in excess of 25,000 determined in accordance with Section 17-36-4 shall include with the tentative budget a budget message in explanation of the budget.

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

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

~~[(8)]~~ ~~{(11)}~~ 10 (a) The governing body shall review, consider, and adopt a tentative budget in a regular or special meeting called for that purpose.

(b) (i) Subject to Subsection ~~[(8)]~~ ~~{(11)}~~ 10(b)(ii), the governing body may thereafter amend or revise the tentative budget prior to public hearings on the tentative budget.

(ii) A governing body may not:

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

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

Section ~~{9}~~ 4. Section ~~{17B-1-6}~~ 63J-1-201 is amended to read:

~~{~~ 17B-1-601. Definitions.



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~~As used in this part:~~

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

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

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

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

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

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

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

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

~~(9) "Financial officer" means the official under Section 17B-1-642.~~

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

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

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

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

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

~~(15) "Governmental funds" means the general fund, special revenue fund, debt service~~

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fund, and capital projects fund of a local district.

~~—— (16) "Inflation modifier amount" means the product of a fund's final total budget amount for the current fiscal year, ending June 30 or December 31, as applicable, multiplied by the most recent 12-month average consumer price index percentage change.~~

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

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

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

~~—— (20) (a) "Population served modifier amount" means:~~

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

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

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

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

~~—— (i) the most generally accepted population estimate source for the population in question; and~~

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

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

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~~— [(20)] (22) "Public funds" means any money or payment collected or received by an officer or employee of a local district acting in an official capacity and includes money or payment to the officer or employee for services or goods provided by the district, or the officer or employee while acting within the scope of employment or duty.~~

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

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

~~— Section 10. Section 17B-1-607 is amended to read:~~

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

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

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

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

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

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

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

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

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

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

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

~~— (c) the difference between the amount described in Subsection (4)(a) and the amount~~

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~~described in Subsection (4)(b):~~

~~—— (d) the inflation modifier amount;~~

~~—— (e) the population served modifier amount; and~~

~~—— (f) if the difference described in Subsection (4)(c) exceeds the sum of the amounts described in Subsections (4)(d) and (e), the amount by which the difference described in Subsection (4)(c) exceeds the sum of the amounts described in Subsections (4)(d) and (e);~~

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

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

~~—— (i) an additional responsibility given to the local district by federal or state law or federal or state rule;~~

~~—— (ii) an increase in the cost of goods or services acquired by the local district to fulfill a responsibility already imposed on the local district;~~

~~—— (iii) an emergency or other circumstance beyond the control of the local district, other than a change reflected by the inflation modifier amount or population served modifier amount;~~

~~—— (iv) an additional or increased cost to the local district based on new case law or a court order; or~~

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

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

~~—— (6) The budget officer shall:~~

~~—— (a) post the information described in Subsection (4), and Subsection (5) if the information described in Subsection (5) is included in the tentative budget, as updated under Subsection (6)(b), (c), or (d) on the local district's website:~~

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

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

~~—— (b) on the day on which the tentative budget changes, update on the local district's website the information described in Subsection (4), and Subsection (5) if the information described in Subsection (5) is included in the tentative budget, as modified by the change;~~

~~—— (c) on the day on which the local district's budget for the upcoming fiscal year becomes final, update on the local district's website the information described in Subsection (4), and~~

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~~Subsection (5) if the information described in Subsection (5) is included in the tentative budget, replacing the tentative budget amount with the final budget amount, and~~

~~—— (d) on the day on which the local district amends the final budget, update on the local district's website the information described in Subsection (4), and Subsection (5) if the information described in Subsection (5) is included in the tentative budget, as modified by the amendment.~~

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

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

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

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

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

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

~~—— 17B-2a-802. Definitions.~~

~~—— As used in this part:~~

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

~~—— (a) "Affordable housing" may include housing occupied or reserved for occupancy by households that meet specific area median income targets or ranges of area median income targets:~~

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

~~—— (2) "Appointing entity" means the person, county, unincorporated area of a county, or~~

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~~municipality appointing a member to a public transit district board of trustees:~~

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

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

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

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

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

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

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

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

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

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

~~—— (b) two or more counties.~~

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

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

~~—— [(10)] (11) "Metropolitan planning organization" means the same as that term is~~

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defined in Section 72-1-208.5:

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

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

— ~~(14) (a)~~ "Population served modifier amount" means:

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

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

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

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

— ~~(i) the most generally accepted population estimate source for the population in question; and~~

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

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

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

— ~~(i) chartered bus;~~

— ~~(ii) sightseeing bus;~~

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~~—— (iii) taxi;~~

~~—— (iv) school bus service;~~

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

~~—— (vi) intra-terminal or intra-facility shuttle services.~~

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

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

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

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

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

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

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

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

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

~~—— (i) railway or other right-of-way;~~

~~—— (ii) railway line; and~~

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

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

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

~~—— [(20)] (22) "Transit-supportive development" means a mixed use residential or~~



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~~commercial area that is designed to maximize access to public transit and does not include the development of land owned by a large public transit district.~~

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

~~17B-2a-808.1. Large public transit district board of trustees' powers and duties =~~

~~Adoption of ordinances, resolutions, or orders -- Effective date of ordinances:~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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- ~~—— (j) hire, set salaries, and develop performance targets and evaluations for:~~
- ~~—— (i) the executive director; and~~
- ~~—— (ii) all chief level officers;~~
- ~~—— (k) supervise and regulate each transit facility that the public transit district owns and operates, including:~~
  - ~~—— (i) fix rates, fares, rentals, charges and any classifications of rates, fares, rentals, and charges; and~~
  - ~~—— (ii) make and enforce rules, regulations, contracts, practices, and schedules for or in connection with a transit facility that the district owns or controls;~~
- ~~—— (l) subject to Subsection (4), control the investment of all funds assigned to the district for investment, including funds:~~
  - ~~—— (i) held as part of a district's retirement system; and~~
  - ~~—— (ii) invested in accordance with the participating employees' designation or direction pursuant to an employee deferred compensation plan established and operated in compliance with Section 457 of the Internal Revenue Code;~~
- ~~—— (m) in consultation with the local advisory council created under Section 17B-2a-808.2, invest all funds according to the procedures and requirements of Title 51, Chapter 7, State Money Management Act;~~
- ~~—— (n) if a custodian is appointed under Subsection (3)(d), and subject to Subsection (4), pay the fees for the custodian's services from the interest earnings of the investment fund for which the custodian is appointed;~~
- ~~—— (o) (i) cause an annual audit of all public transit district books and accounts to be made by an independent certified public accountant;~~
- ~~—— (ii) as soon as practicable after the close of each fiscal year, submit to each of the councils of governments within the public transit district a financial report showing:~~
  - ~~—— (A) the result of district operations during the preceding fiscal year;~~
  - ~~—— (B) an accounting of the expenditures of all local sales and use tax revenues generated under Title 59, Chapter 12, Part 22, Local Option Sales and Use Taxes for Transportation Act;~~
  - ~~—— (C) the district's financial status on the final day of the fiscal year; and~~
  - ~~—— (D) the district's progress and efforts to improve efficiency relative to the previous fiscal year; and~~

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- ~~—— (iii) supply copies of the report under Subsection (2)(o)(ii) to the general public upon request;~~
- ~~—— (p) report at least annually to the Transportation Commission created in Section 72-1-301, which report shall include:~~
  - ~~—— (i) the district's short-term and long-range public transit plans, including the portions of applicable regional transportation plans adopted by a metropolitan planning organization established under 23 U.S.C. Sec. 134; and~~
  - ~~—— (ii) any transit capital development projects that the board of trustees would like the Transportation Commission to consider;~~
  - ~~—— (q) direct the internal auditor appointed under Section 17B-2a-810 to conduct audits that the board of trustees determines, in consultation with the local advisory council created in Section 17B-2a-808.2, to be the most critical to the success of the organization;~~
  - ~~—— (r) together with the local advisory council created in Section 17B-2a-808.2, hear audit reports for audits conducted in accordance with Subsection (2)(o);~~
  - ~~—— (s) review and approve all contracts pertaining to reduced fares, and evaluate existing contracts, including review of:~~
    - ~~—— (i) how negotiations occurred;~~
    - ~~—— (ii) the rationale for providing a reduced fare; and~~
    - ~~—— (iii) identification and evaluation of cost shifts to offset operational costs incurred and impacted by each contract offering a reduced fare;~~
    - ~~—— (t) in consultation with the local advisory council, develop and approve other board policies, ordinances, and bylaws; and~~
    - ~~—— (u) review and approve any:~~
      - ~~—— (i) contract or expense exceeding \$200,000; or~~
      - ~~—— (ii) proposed change order to an existing contract if the change order:~~
        - ~~—— (A) increases the total contract value to \$200,000 or more;~~
        - ~~—— (B) increases a contract of or expense of \$200,000 or more by 15% or more; or~~
        - ~~—— (C) has a total change order value of \$200,000 or more.~~
- ~~—— (3) A board of trustees of a large public transit district may:~~
  - ~~—— (a) subject to Subsection (5), make and pass ordinances, resolutions, and orders that are:~~

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- ~~—— (i) not repugnant to the United States Constitution, the Utah Constitution, or the provisions of this part; and~~
- ~~—— (ii) necessary for:~~
  - ~~—— (A) the governance and management of the affairs of the district;~~
  - ~~—— (B) the execution of district powers; and~~
  - ~~—— (C) carrying into effect the provisions of this part;~~
- ~~—— (b) provide by resolution, under terms and conditions the board considers fit, for the payment of demands against the district without prior specific approval by the board, if the payment is:~~
  - ~~—— (i) for a purpose for which the expenditure has been previously approved by the board;~~
  - ~~—— (ii) in an amount no greater than the amount authorized; and~~
  - ~~—— (iii) approved by the executive director or other officer or deputy as the board prescribes;~~
- ~~—— (c) in consultation with the local advisory council created in Section 17B-2a-808.2:~~
  - ~~—— (i) hold public hearings and subpoena witnesses; and~~
  - ~~—— (ii) appoint district officers to conduct a hearing and require the officers to make findings and conclusions and report them to the board; and~~
  - ~~—— (d) appoint a custodian for the funds and securities under its control, subject to Subsection (2)(n).~~
- ~~—— (4) For a large public transit district in existence as of May 8, 2018, on or before September 30, 2019, the board of trustees of a large public transit district shall present a report to the Transportation Interim Committee regarding retirement benefits of the district, including:~~
  - ~~—— (a) the feasibility of becoming a participating employer and having retirement benefits of eligible employees and officials covered in applicable systems and plans administered under Title 49, Utah State Retirement and Insurance Benefit Act;~~
  - ~~—— (b) any legal or contractual restrictions on any employees that are party to a collectively bargained retirement plan; and~~
  - ~~—— (c) a comparison of retirement plans offered by the large public transit district and similarly situated public employees, including the costs of each plan and the value of the benefit offered.~~
- ~~—— (5) The board of trustees may not issue a bond unless the board of trustees has~~

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~~consulted and received approval from the State Bonding Commission created in Section 63B-1-201.~~

~~—— (6) A member of the board of trustees of a large public transit district or a hearing officer designated by the board may administer oaths and affirmations in a district investigation or proceeding.~~

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

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

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

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

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

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

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

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

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

~~—— (c) the difference between the amount described in Subsection (9)(a) and the amount described in Subsection (9)(b);~~

~~—— (d) the inflation modifier amount;~~

~~—— (e) the population served modifier amount; and~~

~~—— (f) if the difference described in Subsection (9)(c) exceeds the sum of the amounts~~

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~~described in Subsections (9)(d) and (e), the amount by which the difference described in Subsection (9)(c) exceeds the sum of the amounts described in Subsections (9)(d) and (e):~~

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

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

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

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

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

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

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

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

~~—— (11) The budget officer shall:~~

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

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

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

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

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

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budget amount, and

~~— (d) on the day on which the large public transit district amends the final budget, update on the large public transit district's website the information described in Subsection (9), and Subsection (10) if the information described in Subsection (10) is included in the tentative budget, as modified by the amendment.~~

~~— Section 13. Section 59-2-924 is amended to read:~~

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

~~— (1) As used in this section:~~

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

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

~~— (A) interest;~~

~~— (B) penalties;~~

~~— (C) collections from redemptions; or~~

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

~~— (b) "Adjusted tax increment" means the same as that term is defined in Section 17C-1-102.~~

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

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

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

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

~~— (ii) "Aggregate taxable value of all property taxed" does not include the aggregate year~~

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~~end taxable value of personal property that is:~~

- ~~—— (A) semiconductor manufacturing equipment assessed by a county assessor in accordance with Part 3, County Assessment; and~~
- ~~—— (B) contained on the prior year's tax rolls of the taxing entity.~~
- ~~—— (d) "Base taxable value" means:~~
  - ~~—— (i) for an authority created under Section 11-58-201, the same as that term is defined in Section 11-58-102;~~
  - ~~—— (ii) for an agency created under Section 17C-1-201.5, the same as that term is defined in Section 17C-1-102;~~
  - ~~—— (iii) for an authority created under Section 63H-1-201, the same as that term is defined in Section 63H-1-102; or~~
  - ~~—— (iv) for a host local government, the same as that term is defined in Section 63N-2-502.~~
- ~~—— (e) "Centrally assessed benchmark value" means an amount equal to the highest year end taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for a previous calendar year that begins on or after January 1, 2015, adjusted for taxable value attributable to:~~
  - ~~—— (i) an annexation to a taxing entity; or~~
  - ~~—— (ii) an incorrect allocation of taxable value of real or personal property the commission assesses in accordance with Part 2, Assessment of Property.~~
- ~~—— (f) (i) "Centrally assessed new growth" means the greater of:~~
  - ~~—— (A) zero; or~~
  - ~~—— (B) the amount calculated by subtracting the centrally assessed benchmark value adjusted for prior year end incremental value from the taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the current year, adjusted for current year incremental value.~~
  - ~~—— (ii) "Centrally assessed new growth" does not include a change in value as a result of a change in the method of apportioning the value prescribed by the Legislature, a court, or the commission in an administrative rule or administrative order.~~
- ~~—— (g) "Certified tax rate" means a tax rate that will provide the same ad valorem property tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.~~
- ~~—— (h) "Community reinvestment agency" means the same as that term is defined in~~



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~~Section 17C-1-102:~~

- ~~—— (i) "Eligible new growth" means the greater of:~~
- ~~—— (i) zero; or~~
- ~~—— (ii) the sum of:~~
- ~~—— (A) locally assessed new growth;~~
- ~~—— (B) centrally assessed new growth; and~~
- ~~—— (C) project area new growth or hotel property new growth.~~
- ~~—— (j) "Host local government" means the same as that term is defined in Section~~

~~63N-2-502:~~

- ~~—— (k) "Hotel property" means the same as that term is defined in Section 63N-2-502:~~
- ~~—— (l) "Hotel property new growth" means an amount equal to the incremental value that is no longer provided to a host local government as incremental property tax revenue.~~
- ~~—— (m) "Incremental property tax revenue" means the same as that term is defined in Section 63N-2-502:~~

~~—— (n) "Incremental value" means:~~

~~—— (i) for an authority created under Section 11-58-201, the amount calculated by multiplying:~~

~~—— (A) the difference between the taxable value and the base taxable value of the property that is located within a project area and on which property tax differential is collected; and~~

~~—— (B) the number that represents the percentage of the property tax differential that is paid to the authority;~~

~~—— (ii) for an agency created under Section 17C-1-201.5, the amount calculated by multiplying:~~

~~—— (A) the difference between the taxable value and the base taxable value of the property located within a project area and on which tax increment is collected; and~~

~~—— (B) the number that represents the adjusted tax increment from that project area that is paid to the agency;~~

~~—— (iii) for an authority created under Section 63H-1-201, the amount calculated by multiplying:~~

~~—— (A) the difference between the taxable value and the base taxable value of the property located within a project area and on which property tax allocation is collected; and~~

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- ~~—— (B) the number that represents the percentage of the property tax allocation from that project area that is paid to the authority; or~~
- ~~—— (iv) for a host local government, an amount calculated by multiplying:~~
  - ~~—— (A) the difference between the taxable value and the base taxable value of the hotel property on which incremental property tax revenue is collected; and~~
  - ~~—— (B) the number that represents the percentage of the incremental property tax revenue from that hotel property that is paid to the host local government.~~
- ~~—— (o) (i) "Locally assessed new growth" means the greater of:~~
  - ~~—— (A) zero; or~~
  - ~~—— (B) the amount calculated by subtracting the year end taxable value of real property the county assessor assesses in accordance with Part 3, County Assessment, for the previous year, adjusted for prior year end incremental value from the taxable value of real property the county assessor assesses in accordance with Part 3, County Assessment, for the current year, adjusted for current year incremental value.~~
  - ~~—— (ii) "Locally assessed new growth" does not include a change in:~~
    - ~~—— (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal, or another adjustment;~~
    - ~~—— (B) assessed value based on whether a property is allowed a residential exemption for a primary residence under Section 59-2-103;~~
    - ~~—— (C) assessed value based on whether a property is assessed under Part 5, Farmland Assessment Act; or~~
    - ~~—— (D) assessed value based on whether a property is assessed under Part 17, Urban Farming Assessment Act.~~
  - ~~—— (p) "Project area" means:~~
    - ~~—— (i) for an authority created under Section 11-58-201, the same as that term is defined in Section 11-58-102;~~
    - ~~—— (ii) for an agency created under Section 17C-1-201.5, the same as that term is defined in Section 17C-1-102; or~~
    - ~~—— (iii) for an authority created under Section 63H-1-201, the same as that term is defined in Section 63H-1-102.~~
  - ~~—— (q) "Project area new growth" means:~~

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- ~~—— (i) for an authority created under Section 11-58-201, an amount equal to the incremental value that is no longer provided to an authority as property tax differential;~~
- ~~—— (ii) for an agency created under Section 17C-1-201.5, an amount equal to the incremental value that is no longer provided to an agency as tax increment; or~~
- ~~—— (iii) for an authority created under Section 63H-1-201, an amount equal to the incremental value that is no longer provided to an authority as property tax allocation.~~
- ~~—— (r) "Project area incremental revenue" means the same as that term is defined in Section 17C-1-1001.~~
- ~~—— (s) "Property tax allocation" means the same as that term is defined in Section 63H-1-102.~~
- ~~—— (t) "Property tax differential" means the same as that term is defined in Section 11-58-102.~~
- ~~—— (u) "Qualifying exempt revenue" means revenue received:~~
  - ~~—— (i) for the previous calendar year;~~
  - ~~—— (ii) by a taxing entity;~~
  - ~~—— (iii) from tangible personal property contained on the prior year's tax rolls that is exempt from property tax under Subsection 59-2-1115(2)(b) for a calendar year beginning on January 1, 2022; and~~
  - ~~—— (iv) on the aggregate 2021 year end taxable value of the tangible personal property that exceeds \$15,300.~~
- ~~—— (v) "Tax increment" means the same as that term is defined in Section 17C-1-102.~~
- ~~(2) Before June 1 of each year, the county assessor of each county shall deliver to the county auditor and the commission the following statements:~~
  - ~~—— (a) a statement containing the aggregate valuation of all taxable real property a county assessor assesses in accordance with Part 3, County Assessment, for each taxing entity; and~~
  - ~~—— (b) a statement containing the taxable value of all personal property a county assessor assesses in accordance with Part 3, County Assessment, from the prior year end values.~~
- ~~(3) The county auditor shall, on or before June 8, transmit to the governing body of each taxing entity:~~
  - ~~—— (a) the statements described in Subsections (2)(a) and (b);~~
  - ~~—— (b) an estimate of the revenue from personal property;~~

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~~—— (c) the certified tax rate; and~~

~~—— (d) all forms necessary to submit a tax levy request.~~

~~—— (4) (a) Except as otherwise provided in this section, the certified tax rate shall be calculated by dividing the ad valorem property tax revenue that a taxing entity budgeted for the prior year minus the qualifying exempt revenue by the amount calculated under Subsection (4)(b):~~

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

~~—— (i) calculate for the taxing entity the difference between:~~

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

~~—— (B) any adjustments for current year incremental value;~~

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

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

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

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

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

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

~~—— (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the amount calculated under Subsection (4)(b)(iii):~~

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

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

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

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- ~~—— (i) in a county of the first, second, or third class, the levy imposed for municipal-type services under Sections 17-34-1 and 17-36-9; and~~
- ~~—— (ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county purposes and such other levies imposed solely for the municipal-type services identified in Section 17-34-1 and Subsection [17-36-3(23)] 17-36-3(24);~~
- ~~—— (c) for a community reinvestment agency that received all or a portion of a taxing entity's project area incremental revenue in the prior year under Title 17C, Chapter 1, Part 10, Agency Taxing Authority, the certified tax rate is calculated as described in Subsection (4) except that the commission shall treat the total revenue transferred to the community reinvestment agency as ad valorem property tax revenue that the taxing entity budgeted for the prior year; and~~
- ~~—— (d) for debt service voted on by the public, the certified tax rate is the actual levy imposed by that section, except that a certified tax rate for the following levies shall be calculated in accordance with Section 59-2-913 and this section:~~
  - ~~—— (i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and~~
  - ~~—— (ii) a levy to pay for the costs of state legislative mandates or judicial or administrative orders under Section 59-2-1602.~~
- ~~—— (6) (a) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 may be imposed at a rate that is sufficient to generate only the revenue required to satisfy one or more eligible judgments.~~
- ~~—— (b) The ad valorem property tax revenue generated by a judgment levy described in Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate certified tax rate.~~
- ~~—— (7) (a) For the purpose of calculating the certified tax rate, the county auditor shall use:~~
  - ~~—— (i) the taxable value of real property:~~
    - ~~—— (A) the county assessor assesses in accordance with Part 3, County Assessment; and~~
    - ~~—— (B) contained on the assessment roll;~~
  - ~~—— (ii) the year end taxable value of personal property:~~
    - ~~—— (A) a county assessor assesses in accordance with Part 3, County Assessment; and~~
    - ~~—— (B) contained on the prior year's assessment roll; and~~
  - ~~—— (iii) the taxable value of real and personal property the commission assesses in~~

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~~accordance with Part 2, Assessment of Property.~~

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

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

~~—— (b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall notify the county auditor of:~~

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

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

~~—— (c) The county auditor shall notify property owners of any intent to levy a tax rate that exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.~~

~~—— (9) (a) Subject to Subsection (9)(d), the commission shall provide notice, through electronic means on or before July 31, to a taxing entity and the Revenue and Taxation Interim Committee if:~~

~~—— (i) the amount calculated under Subsection (9)(b) is 10% or more of the year end taxable value of the real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the previous year, adjusted for prior year end incremental value; and~~

~~—— (ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year end taxable value of the real and personal property of a taxpayer the commission assesses in accordance with Part 2, Assessment of Property, for the previous year.~~

~~—— (b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by subtracting the taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the current year, adjusted for current year incremental value, from the year end taxable value of the real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the previous year, adjusted for prior year end incremental value.~~

~~—— (c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by subtracting the total taxable value of real and personal property of a taxpayer the commission assesses in accordance with Part 2, Assessment of Property, for the current year, from the total year end taxable value of the real and personal property of a taxpayer the commission assesses in accordance with Part 2, Assessment of Property, for the previous year.~~

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~~— (d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet the requirement under Subsection (9)(a)(ii):~~

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

~~— **63J-1-102. Definitions:**~~

~~— As used in this chapter:~~

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

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

~~— (3) "Debt service" means the money that is required annually to cover the repayment of interest and principal on state debt:~~

~~— (4) (a) "Dedicated credits" means collections by an agency that fund agency operations:~~

~~— (b) "Dedicated credits" includes:~~

~~— (i) assessments;~~

~~— (ii) sales of goods and materials;~~

~~— (iii) sales of services;~~

~~— (iv) permits, licenses, and other fees;~~

~~— (v) fines, penalties, and forfeitures; and~~

~~— (vi) rental revenue:~~

~~— (c) "Dedicated credits" does not include:~~

~~— (i) expendable receipts;~~

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

~~— (iii) federal revenues and the related pass-through; or~~

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

~~— (5) (a) "Expendable receipts" means collections by an agency for expenditures that are limited by a nonstate entity that provides the funds:~~

~~— (b) "Expendable receipts" includes:~~

~~— (i) grants;~~

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

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~~—— (iii) rebates, including pharmacy rebates, that have similar restrictions on expenditures as the original program:~~

~~—— (c) "Expendable receipts" does not include:~~

~~—— (i) dedicated credits;~~

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

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

~~—— (iv) revenues that are not deposited into governmental funds:~~

~~—— (6) "Federal revenues" means collections by an agency from a federal source that are deposited into an account for expenditure by the agency:~~

~~—— (7) "Free revenue" includes:~~

~~—— (a) collections that are required by law to be deposited in:~~

~~—— (i) the General Fund;~~

~~—— (ii) the Education Fund;~~

~~—— (iii) the Uniform School Fund; or~~

~~—— (iv) the Transportation Fund;~~

~~—— (b) collections that are not otherwise designated by law;~~

~~—— (c) collections that are not externally restricted; and~~

~~—— (d) collections that are not included in an approved budget execution plan:~~

~~—— (8) "Grant" means the same as that term is defined in Section 63J-7-101.~~

~~—— (9) "Inflation modifier amount" means the product of an agency's final total budget amount for the current fiscal year, ending June 30, multiplied by the most recent 12-month average consumer price index percentage change.~~

~~—— [(9)](10) (a) "Item of appropriation" means an authorization of expenditure contained in legislation that appropriates funds and includes the following:~~

~~—— (i) the name of the agency and line item to which authorization is granted; and~~

~~—— (ii) sources of finance from which authorization is granted and associated amounts authorized:~~

~~—— (b) "Item of appropriation" also includes:~~

~~—— (i) a schedule of programs;~~

~~—— (ii) intent language;~~

~~—— (iii) approved full-time equivalent employment;~~



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~~—— (iv) authorized capital outlay; and~~

~~—— (v) other conditions of appropriation.~~

~~—— [(10)] (11) "Line item" means a unit of accounting, typically representing an administrative unit of state government within an agency, that contains one or more programs.~~

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

~~—— (a) free revenue;~~

~~—— (b) federal revenue;~~

~~—— (c) restricted revenue;~~

~~—— (d) dedicated credits; and~~

~~—— (e) expendable receipts.~~

~~—— (13) (a) "Population served modifier amount" means:~~

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

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

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

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

~~—— (i) the most generally accepted population estimate source for the population in question; and~~

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

~~—— [(12)] (14) "Program" means a unit of accounting included on a schedule of programs~~

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~~within a line item used to track budget authorizations, collections, and expenditures on specific purposes or functions:~~

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

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

~~—— (b) designated for a specific program or purpose.~~

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

~~—— Section 15. Section 63J-1-201 is amended to read:~~

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

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

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

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

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

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

(b) The proposed budget shall include:

(i) a projection of:

(A) estimated revenues by major tax type;

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

(C) estimated receipts of federal funds;

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

(E) appropriations for the next fiscal year;

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

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- (iii) changes to debt service;
- (iv) a plan of proposed changes to appropriations and estimated revenues for the next fiscal year that is based upon the current fiscal year state tax laws and rates and considers projected changes in federal grants or assistance programs included in the budget;
- (v) an itemized estimate of the proposed changes to appropriations for:
  - (A) the legislative department as certified to the governor by the president of the Senate and the speaker of the House;
  - (B) the executive department;
  - (C) the judicial department as certified to the governor by the state court administrator;
  - (D) changes to salaries payable by the state under the Utah Constitution or under law for lease agreements planned for the next fiscal year; and
  - (E) all other changes to ongoing or one-time appropriations, including dedicated credits, restricted funds, nonlapsing balances, grants, and federal funds;
- (vi) for each line item, the average annual dollar amount of staff funding associated with all positions that were vacant during the last fiscal year;
- (vii) deficits or anticipated deficits;
- (viii) the recommendations for each state agency for new full-time employees for the next fiscal year, which shall also be provided to the director of the Division of Facilities Construction and Management as required by Subsection 63A-5b-501(3);
- (ix) a written description and itemized report submitted by a state agency to the Governor's Office of Planning and Budget under Section 63J-1-220, including:
  - (A) a written description and an itemized report provided at least annually detailing the expenditure of the state money, or the intended expenditure of any state money that has not been spent; and
  - (B) a final written itemized report when all the state money is spent;
- (x) any explanation that the governor may desire to make as to the important features of the budget and any suggestion as to methods for the reduction of expenditures or increase of the state's revenue; ~~and~~
- (xi) information detailing certain fee increases as required by Section 63J-1-504[-]; and
- (xii) for each agency:
  - (A) the total budget amount for the current fiscal year ending June 30;

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~~(B) the total proposed budget amount {, or final budget amount,} for the upcoming fiscal year, beginning July 1; and~~

~~(C) the percentage difference between the amount described in Subsection (2)(b)(xii)(A) and the amount described in Subsection (2)(b)(xii)(B);~~

~~—— (D) the inflation modifier amount;~~

~~—— (E) the population served modifier amount; and~~

~~—— (F) if the difference described in Subsection (2)(b)(xii)(C) exceeds the sum of the amounts described in Subsections (2)(b)(xii)(D) and (E), the amount by which the difference described in Subsection (2)(b)(xii)(C) exceeds the sum of the amounts described in Subsections (2)(b)(xii)(D) and (E);~~

~~(3)c The governor ~~{may}~~ shall include in the proposed budget:~~

~~(a) a description of the reason for amount described in Subsection (2)(b)(xii)(F), which may include:~~

~~—— (i) an additional responsibility given to the agency by federal or state law or federal or state rule;~~

~~—— (ii) an increase in the cost of goods or services acquired by the agency to fulfill a responsibility already imposed on the agency;~~

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

~~—— (iv) an additional or increased cost to the agency based on new case law or a court order; or~~

~~—— (v) any other reason identified by the governor; and~~

~~—— (b) an explanation regarding why the specific amount, or each portion of the amount, described in Subsection (2)(b)(xii)(F) is attributable to a reason described under Subsection (3)(a);~~

~~—— (4) The Governor's Office of Planning and Budget shall:~~

~~—— (a) post the information described in Subsection (2)(b)(xii), and Subsection (3) if the information described in Subsection (3) is included in the proposed budget, as updated under Subsection (4)(b), (c), or (d), on the state's website:~~

~~—— (i) beginning on the day on which the governor's proposed budget recommendations are made public; and~~

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~~—— (ii) for at least five years after the day on which the governor's proposed budget recommendations are made public;~~

~~—— (b) on the day on } i) the most recent 12-month average consumer price index percentage change; and~~

~~(ii) the percentage difference between:~~

~~(A) the most recent population estimate for the state published by the Utah Population Committee; and~~

~~(B) the population estimate for the state, published by the Utah Population Committee, applicable at the time that the final budget was adopted for the fiscal year immediately preceding the fiscal year to which the proposed budget {recommended by the governor for an agency changes:~~

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

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

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

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

~~—— {(3)} (5) relates.~~

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

(i) shall require the proper state officials, including all public and higher education officials, all heads of executive and administrative departments and state institutions, bureaus, boards, commissions, and agencies expending or supervising the expenditure of the state

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money, and all institutions applying for state money and appropriations, to provide itemized estimates of changes in revenues and appropriations;

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

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

(b) Subsections ~~§(3)(a)(ii) and (iii)-§(5)(a)(ii) and (iii)~~ do not apply to the judicial department or the legislative department.

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

(b) The information under Subsection ~~§(4)(a)-§(6)(a)~~ shall include:

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

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

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

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

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

(c) The budget information under Subsection ~~§(4)(a)-§(6)(a)~~ shall cover:

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

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

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

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

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

~~§(6)~~~~§(8)~~ (a) The governor may revise all estimates, except those relating to the legislative department, the judicial department, and those providing for the payment of principal and interest to the state debt and for the salaries and expenditures specified by the Utah Constitution or under the laws of the state.

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

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

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

Section ~~§16~~5. Section ~~§78A-2-103~~78A-2-104 is amended to read:

~~§~~ ~~78A-2-103. Definitions.~~

~~As used in this chapter:~~

~~(1) "Conference" means the annual statewide judicial conference established by Section 78A-2-111.~~

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

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

~~(4) "Inflation modifier amount" means the product of a final line item budget amount for the current fiscal year, ending June 30, multiplied by the most recent 12-month average~~

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~~consumer price index percentage change:~~

~~—— (5) (a) "Population served modifier amount" means:~~

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

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

~~—— (iii) if the estimated population to be served under the line item in the upcoming fiscal year is less than the population served under the line item in the current fiscal year, the amount of the population served decrease multiplied by the quotient of the total line item budget for the current fiscal year divided by the population served under the line item in the current fiscal year.~~

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

~~—— (i) the most generally accepted population estimate source for the population in question; and~~

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

~~—— Section 17. Section ~~78A-2-104~~ is amended to read:~~

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

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

- (a) the chief justice of the Supreme Court;
- (b) one member elected by the justices of the Supreme Court;
- (c) one member elected by the judges of the Court of Appeals;
- (d) six members elected by the judges of the district courts;
- (e) three members elected by the judges of the juvenile courts;
- (f) three members elected by the justice court judges; and



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

(2) The Judicial Council shall have a seal.

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

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

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

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

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

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

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

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

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

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

(6) The council shall by rule establish the time and manner for destroying court

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records, including computer records, and shall establish retention periods for these records.

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

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

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

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

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

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

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

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

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

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

(13) (a) The Judicial Council shall:

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

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

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

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

Section ~~{18}~~6. Section 78A-2-107 is amended to read:

### **78A-2-107. Court administrator -- Powers, duties, and responsibilities.**

(1) Under the general supervision of the presiding officer of the Judicial Council, and within the policies established by the council, the state court administrator shall:

~~[(1)]~~ (a) organize and administer all of the nonjudicial activities of the courts;

~~[(2)]~~ (b) assign, supervise, and direct the work of the nonjudicial officers of the courts;

~~[(3)]~~ (c) implement the standards, policies, and rules established by the council;

~~[(4)]~~ (d) formulate and administer a system of personnel administration, including in-service training programs;

~~[(5)]~~ (e) prepare and administer the state judicial budget, fiscal, accounting, and procurement activities for the operation of the courts of record, and assist justices' courts in their budgetary, fiscal, and accounting procedures;

~~[(6)]~~ (f) conduct studies of the business of the courts, including the preparation of recommendations and reports relating to them;

~~[(7)]~~ (g) develop uniform procedures for the management of court business, including the management of court calendars;

~~[(8)]~~ (h) maintain liaison with the governmental and other public and private groups having an interest in the administration of the courts;

~~[(9)]~~ (i) establish uniform policy concerning vacations and sick leave for judges and nonjudicial officers of the courts;

~~[(10)]~~ (j) establish uniform hours for court sessions throughout the state and may, with

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the consent of the presiding officer of the Judicial Council, call and appoint justices or judges of courts of record to serve temporarily as Court of Appeals, district court, or juvenile court judges and set reasonable compensation for their services;

~~[(11)]~~ (k) when necessary for administrative reasons, change the county for trial of any case if no party to the litigation files timely objections to this change;

~~[(12) (a)]~~ (l) organize and administer a program of continuing education for judges and support staff, including training for justice court judges; ~~[and]~~

~~[(b)]~~ (m) ensure that any training or continuing education described in Subsection ~~[(12)(a)]~~ (1)(l) complies with Title 63G, Chapter 22, State Training and Certification Requirements;

~~[(13)]~~ (n) provide for an annual meeting for each level of the courts of record, and the annual judicial conference; and

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

(2) The court administrator shall include, in a proposed budget, the following information for each line item:

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

(b) the total proposed budget amount ~~{, or final budget amount,}~~ for the upcoming fiscal year, beginning July 1; ~~and~~

(c) the ~~percentage~~ difference between the amount described in Subsection (2)(a) and the amount described in Subsection (2)(b) ~~};~~

~~— (d) the inflation modifier amount;~~

~~— (e) the population served modifier amount; and~~

~~— (f) if the difference described in Subsection (2)(c) exceeds the sum of the amounts described in Subsections (2)(d) and (e), the amount by which the difference described in Subsection (2)(c) exceeds the sum of the amounts described in Subsections (2)(d) and (e);~~

~~};~~

(3) The court administrator ~~{may}~~ ~~shall~~ include in the proposed budget:

(a) ~~{a description of the reason for the amount described in Subsection (2)(f), which may include:~~

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

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

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~~responsibility already imposed on the judiciary;~~

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

~~—— (iv) an additional or increased cost to the judiciary based on new case law or a court order; or~~

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

~~—— (b) an explanation regarding why the specific amount, or each portion of the amount, described in Subsection (2)(f) is attributable to a reason described under Subsection (3)(a);~~

~~—— (4) The court administrator shall:~~

~~—— (a) post the information described in Subsection (2), and Subsection (3) if the information described in Subsection (3) is included in the tentative budget, as updated under Subsection (4)(b), (c), or (d) on the judiciary's website:~~

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

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

~~—— (b) on the day on } the most recent 12-month average consumer price index percentage change; and~~

~~(b) the percentage difference between:~~

~~(i) the most recent population estimate for the state published by the Utah Population Committee; and~~

~~(ii) the population estimate for the state, published by the Utah Population Committee, applicable at the time that the final budget was adopted for the fiscal year immediately preceding the fiscal year to which the proposed budget {recommended by the judiciary changes:~~

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

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

~~—— (c) within three business days after the day on which the judiciary's budget for the~~

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~~upcoming fiscal year becomes final, update on the judiciary's website the information described in Subsection (2), and Subsection (3) if the information described in Subsection (3) is included in the tentative budget, replacing the amount recommended with the final budget amount; and~~  
~~—— (d) on the day on which the final budget is amended, update on the judiciary's website the information described in Subsection (2), and Subsection (3) if the information described in Subsection (3) is included in the tentative budget, as modified by the amendment.~~

~~—— Section 19}relates.~~

### Section 7. **Effective date.**

This bill takes effect on January 1, 2023.