

Senator Michael K. McKell proposes the following substitute bill:

COUNTY GOVERNANCE AMENDMENTS

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Michael K. McKell

House Sponsor: Phil Lyman

LONG TITLE

General Description:

This bill modifies provisions related to a county's fiscal procedures.

Highlighted Provisions:

This bill:

- ▶ defines terms, including the term "finance officer";
- ▶ modifies the duties of a county auditor, a county finance officer, and a county legislative body related to the provision of accounting services in a county;
- ▶ modifies the authority of a county legislative body and a county executive to receive financial information related to a county; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides revisor instructions.

Utah Code Sections Affected:

AMENDS:

10-3c-203, as last amended by Laws of Utah 2019, Chapter 24

17-19a-101, as enacted by Laws of Utah 2012, Chapter 17



- 26 [17-19a-102](#), as enacted by Laws of Utah 2012, Chapter 17
- 27 [17-19a-205](#), as enacted by Laws of Utah 2012, Chapter 17
- 28 [17-36-3](#), as last amended by Laws of Utah 2014, Chapters 176, 189, 253 and last
- 29 amended by Coordination Clause, Laws of Utah 2014, Chapter 253
- 30 [17-36-4](#), as last amended by Laws of Utah 2019, Chapter 136
- 31 [17-36-8](#), as last amended by Laws of Utah 2014, Chapter 176
- 32 [17-36-10](#), as last amended by Laws of Utah 2012, Chapter 17
- 33 [17-36-11](#), as last amended by Laws of Utah 2012, Chapter 17
- 34 [17-36-15](#), as last amended by Laws of Utah 2012, Chapter 17
- 35 [17-36-20](#), as last amended by Laws of Utah 2012, Chapter 17
- 36 [17-36-22](#), as last amended by Laws of Utah 2009, Chapter 186
- 37 [17-36-23](#), as enacted by Laws of Utah 1975, Chapter 22
- 38 [17-36-32](#), as last amended by Laws of Utah 2012, Chapter 17
- 39 [17-36-36](#), as last amended by Laws of Utah 2014, Chapter 176
- 40 [17-36-37](#), as last amended by Laws of Utah 2014, Chapter 176
- 41 [17-53-212](#), as last amended by Laws of Utah 2012, Chapter 17
- 42 [17-53-303](#), as last amended by Laws of Utah 2012, Chapter 17
- 43 [20A-7-101](#), as last amended by Laws of Utah 2021, Chapter 80

44 REPEALS:

- 45 [17-19a-203](#), as last amended by Laws of Utah 2018, Chapter 68

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

48 Section 1. Section **10-3c-203** is amended to read:

49 **10-3c-203. Administrative and operational services -- Staff provided by county or**
50 **municipal services district -- Recording of open meetings.**

51 (1) (a) This section applies only to a metro township in which:

52 (i) the electors at an election under Section [10-2a-404](#) chose a metro township that is
53 included in a municipal services district and has limited municipal powers; or

54 (ii) the metro township is subsequently annexed into a municipal services district.

55 (b) This section does not apply to a metro township described in Subsection (7)(a) if
56 the municipal services district is dissolved.

57 (2) (a) Any of the following officials elected or appointed, or persons employed by, the
58 county in which a metro township is located may, for the purposes of interpreting and
59 complying with applicable law, fulfill the responsibilities and hold the following metro
60 township offices or positions if the county official and the metro township agree:

61 (i) the county treasurer may fulfill the duties and hold the powers of treasurer for the
62 metro township;

63 (ii) the county clerk may fulfill the duties and hold the powers of recorder and clerk for
64 the metro township;

65 (iii) the county surveyor may fulfill, on behalf of the metro township, all surveyor
66 duties imposed by law;

67 (iv) the county engineer may fulfill the duties and hold the powers of engineer for the
68 metro township; and

69 (v) subject to Subsection (2)(b), the county auditor may fulfill the duties and hold the
70 powers of auditor for the metro township.

71 (b) (i) The county auditor may fulfill the duties and hold the powers of auditor for the
72 metro township to the extent that the county auditor's powers and duties are described in and
73 delegated to the county auditor in accordance with Title 17, Chapter 19a, County Auditor, and
74 a municipal auditor's powers and duties described in this title are the same.

75 (ii) Notwithstanding Subsection (2)(b), in a metro township, services described in
76 Sections [~~17-19a-203~~], 17-19a-204[,] and 17-19a-205, and services other than those described
77 in Subsection (2)(b)(i) that are provided by a municipal auditor in accordance with this title that
78 are required by law, may be performed by county staff other than the county auditor.

79 (3) (a) Nothing in Subsection (2) may be construed to relieve an official described in
80 Subsections (2)(a)(i) through (v) of a duty to either the county or, if the official and the metro
81 township agree as provided in Subsection (2)(a), the metro township or a duty to fulfill that
82 official's position as required by law.

83 (b) Notwithstanding Subsection (3)(a), an official or the official's deputy or other
84 person described in Subsections (2)(a)(i) through (v):

85 (i) is elected, appointed, or otherwise employed, in accordance with the provisions of
86 Title 17, Counties, as applicable to that official's or person's county office;

87 (ii) is paid a salary and benefits and subject to employment discipline in accordance

88 with the provisions of Title 17, Counties, as applicable to that official's or person's county
89 office;

90 (iii) is not subject to:

91 (A) Chapter 3, Part 11, Personnel Rules and Benefits; or

92 (B) Chapter 3, Part 13, Municipal Officers' and Employees' Ethics Act; and

93 (iv) is not required to provide a bond for the applicable municipal office if a bond for
94 the office is required by this title.

95 (4) The district attorney of the county in which a metro township is located may
96 provide legal counsel to the metro township if the county and the metro township agree.

97 (5) The metro township may establish a planning commission in accordance with
98 Section 10-9a-301 and an appeal authority in accordance with Section 10-9a-701.

99 (6) A municipal services district established in accordance with Title 17B, Chapter 2a,
100 Part 11, Municipal Services District Act, and of which the metro township is a part, may
101 provide staff to the metro township planning commission and appeal authority.

102 (7) Notwithstanding Title 52, Chapter 4, Open and Public Meetings Act, and Section
103 10-6-137, if the county clerk and the metro township agree to the county clerk providing
104 recorder and clerk services to the metro township as provided in Subsection
105 10-3c-203(1)(a)(ii):

106 (a) the county clerk may choose to not attend an open meeting of the metro township
107 council; and

108 (b) if the county clerk does not attend an open meeting of the metro township council,
109 the county clerk shall ensure that the chair of the metro township council or a designee of the
110 county clerk, in accordance with Section 52-4-203, makes a recording of the meeting and
111 prepares written minutes of the meeting.

112 Section 2. Section 17-19a-101 is amended to read:

113 **17-19a-101. Title and scope.**

114 (1) This chapter is known as "County Auditor."

115 [~~(2)(a) This chapter applies to a county of the first class.~~]

116 [~~(b)(i) On or before December 31, 2014, a county of the second, third, fourth, fifth, or
117 sixth class is not subject to the provisions of this chapter; and]~~

118 [~~(ii) on or after January 1, 2015, a county of the second, third, fourth, fifth, or sixth~~

119 class is subject to the provisions of this chapter.]

120 (2) This chapter applies to each county in the state.

121 Section 3. Section **17-19a-102** is amended to read:

122 **17-19a-102. Definitions.**

123 As used in this chapter:

124 (1) "Account" or "accounting" means:

125 (a) the systematic recording, classification, or summarizing of a financial transaction or
126 event; and

127 (b) the interpretation or presentation of the result of an action described in Subsection
128 (1)(a).

129 (2) ~~§~~ **→ (a) ←** ~~§~~ "Accounting services" means the creation, modification, or deletion of
129a transactions

130 and records in a financial accounting system, including the preparation of a county's annual
131 financial report.

131a **§** ~~→~~ **(b) "Accounting services" does not include the creation of a purchase order.** ~~←~~ **§**

132 ~~[(2)]~~ (3) "Audit" or "auditing" means an examination that is a formal analysis of a
133 county account or county financial record:

134 (a) to verify accuracy, completeness, or compliance with an internal control;

135 (b) to give a fair presentation of a county's financial status; and

136 (c) that conforms to the uniform classification of accounts established by the state
137 auditor.

138 ~~[(3)]~~ (4) "Book" means a financial record of the county, regardless of a record's format.

139 ~~[(4)]~~ (5) (a) "Budget" or "budgeting" means ~~[a process or activity conducted by the~~
140 ~~budget officer related to]~~ the preparation or presentation of a proposed or tentative budget as
141 provided in Chapter 36, Uniform Fiscal Procedures Act for Counties.

142 (b) "Budget" or "budgeting" includes:

143 (i) a revenue projection;

144 (ii) a budget request compilation; or

145 (iii) the performance of an activity described in Subsection ~~[(4)]~~ (5)(b)(i) or (ii).

146 ~~[(5)]~~ "Budget officer" means a person described in Section ~~17-19a-203~~;

147 (6) (a) "Claim" means under the color of law:

148 (i) a demand presented for money or damages; or

149 (ii) a cause of action presented for money or damages.

150 (b) "Claim" does not mean a routine, uncontested, or regular payment, including a bill,
 151 purchase, or payroll.

152 (7) "Performance audit" means a review and audit as described in Subsection
 153 17-19a-206(3) of a county program, county operation, county management system, or county
 154 agency to:

155 (a) review procedures, activities, or policies; and

156 (b) determine whether the county is achieving the best levels of economy, efficiency,
 157 effectiveness, and compliance.

158 Section 4. Section 17-19a-205 is amended to read:

159 **17-19a-205. Accounting services.**

160 (1) Except as provided in [~~Subsection (2)~~] Subsections (2) and ~~§~~ → [(4)] (3) ← ~~§~~, the county
 160a auditor

161 shall provide accounting services for the county [~~as established by ordinance~~].

162 (2) [~~The~~] For a county operating under the county executive-council form of
 163 government as described in Section 17-52a-203, the county [~~legislative body~~] council may, by
 164 ordinance, delegate [~~an accounting service~~] accounting services provided for or executed on
 165 behalf of the entire county:

166 (a) to the county executive; or

167 (b) to an office's or department's officer or director.

168 (3) For a county operating under the council-manager form of county government as
 169 described in Section 17-52a-204, if the county auditor provides preapproval ~~§~~ → or postpayment
 169a review ← ~~§~~ for all payments by

170 the county, the county council may by ordinance passed on or before December 31, 2021,

171 delegate accounting services provided for or executed on behalf of the entire county:

172 (a) to the county manager; or

173 (b) to an office's or department's officer or director.

174 [~~(3)~~] (4) If a [~~county legislative body delegates an accounting service~~] county council
 175 delegates the provision of accounting services in accordance with [~~Subsection (2), the~~
 176 legislative body shall make the delegation] Subsection (2) or (3):

177 (a) the county council shall make the delegation in accordance with good management
 178 practice to foster effectiveness, efficiency, and the adequate protection of a county asset; [~~and~~]

179 (b) the county council shall make the delegation by considering appropriate checks and
 180 balances within county government[~~;~~]; and

181 (c) the entity that is selected to provide accounting services shall prepare the tentative
182 budget as provided in Chapter 36, Uniform Fiscal Procedures Act for Counties.

183 Section 5. Section 17-36-3 is amended to read:

184 **17-36-3. Definitions.**

185 As used in this chapter:

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

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

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

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

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

197 [~~(5) "Budget officer" means a person described in Section 17-19a-203.~~]

198 [~~(6)~~ (5) "Budget period" means the fiscal period for which a budget is prepared.

199 [~~(7)~~ (6) "Check" means an order in a specific amount drawn upon the depository by
200 any authorized officer in accordance with Section 17-19a-301, or 17-24-1.

201 [~~(8)~~ (7) "County general fund" means the general fund used by a county.

202 [~~(9)~~ (8) "Countywide service" means a service provided in both incorporated and
203 unincorporated areas of a county.

204 [~~(10)~~ (9) "Current period" means the fiscal period in which a budget is prepared and
205 adopted.

206 [~~(11)~~ (10) "Department" means any functional unit within a fund which carries on a
207 specific activity.

208 [~~(12)~~ (11) "Encumbrance system" means a method of budgetary control where part of
209 an appropriation is reserved to cover a specific expenditure by charging obligations, such as
210 purchase orders, contracts, or salary commitments to an appropriation account. An expenditure
211 ceases to be an encumbrance when paid or when the actual liability is entered in the books of

212 account.

213 ~~[(13)]~~ (12) "Estimated revenue" means any revenue estimated to be received during the
214 budget period in any fund for which a budget is prepared.

215 (13) "Finance officer" means:

216 (a) the county auditor or the person selected to provide accounting services for the
217 county in accordance with Section [17-19a-205](#); or

218 (b) notwithstanding Subsection (13)(a), for the purposes of preparing a tentative budget
219 in a county operating under a county executive-council form of county government, the county
220 executive.

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

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

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

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

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

232 (19) "Interfund loan" means a loan of cash from one fund to another, subject to future
233 repayment.

234 (20) "Last completed fiscal period" means the fiscal period next preceding the current
235 period.

236 (21) "Modified accrual basis of accounting" means a method under which expenditures
237 other than accrued interest on general long-term debt are recorded at the time liabilities are
238 incurred and revenues are recorded when they become measurable and available to finance
239 expenditures of the current period.

240 (22) "Municipal capital project" means the acquisition, construction, or improvement
241 of capital assets that facilitate providing municipal service.

242 (23) "Municipal service" means a service not provided on a countywide basis and not

243 accounted for in an enterprise fund, and includes police patrol, fire protection, culinary or
244 irrigation water retail service, water conservation, local parks, sewers, sewage treatment and
245 disposal, cemeteries, garbage and refuse collection, street lighting, airports, planning and
246 zoning, local streets and roads, curb, gutter, and sidewalk maintenance, and ambulance service.

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

249 (25) "Special fund" means any fund other than the county general fund, such as those
250 described in Section 17-36-6.

251 (26) "Unappropriated surplus" means that part of a fund which is not appropriated for
252 an ensuing budget period.

253 (27) "Warrant" means an order in a specific amount drawn upon the treasurer by the
254 auditor.

255 Section 6. Section 17-36-4 is amended to read:

256 **17-36-4. State auditor -- Duties.**

257 (1) The state auditor shall:

258 (a) prescribe a uniform system of fiscal procedures for the several counties;

259 (b) conduct a constant review and modification of such procedures to improve them;

260 (c) prepare and supply each county [~~budget~~] finance officer with suitable budget forms;

261 and

262 (d) prepare instructional materials, conduct training programs, and render other
263 services deemed necessary to assist counties in implementing the uniform system.

264 (2) The uniform system of procedure may include reasonable exceptions and
265 modifications applicable to counties with a population of 25,000 or less, such population to be
266 determined by the Utah Population Committee. Counties may expand the uniform system to
267 serve better their needs. Deviations from or alterations to the basic prescribed classification
268 system for the identity of funds and accounts should not be made.

269 Section 7. Section 17-36-8 is amended to read:

270 **17-36-8. Preparation of budgets.**

271 The [~~budget~~] finance officer of each county shall prepare each budget period, [~~on~~
272 forms] in a format provided pursuant to Section 17-36-4, a tentative budget for each of the
273 following funds which are included in [~~its~~] the county's system of accounts:

- 274 (1) county general fund;
- 275 (2) special revenue funds;
- 276 (3) debt service funds;
- 277 (4) capital project funds; and
- 278 (5) any other fund or funds for which a budget is required by the uniform system of
- 279 budgeting, accounting, and reporting.

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

281 **17-36-10. Preparation of tentative budget.**

282 (1) (a) On or before the first day of the next to last month of every fiscal period, the

283 [budget] finance officer shall prepare for the next budget period and file with the governing

284 body a tentative budget for each fund for which a budget is required.

285 (b) During the preparation of a tentative budget described in Subsection (1)(a), the

286 following may participate in the creation of the tentative budget:

287 (i) for a county commission or expanded county commission form of county

288 government, the county commission;

289 (ii) for a county executive-council form of county government, the county council and

290 the county executive; and

291 (iii) for a council-manager form of county government, the county council and the

292 county manager.

293 (2) (a) A department for which county funds are appropriated shall file with the

294 [budget] finance officer not less than three months before the commencement of each fiscal

295 year on forms furnished by the [budget] finance officer a detailed estimate and statement of the

296 revenue and necessary expenditures of the department for the next budget year.

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

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

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

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

301 (iv) the kind of work the department will perform and the improvements the

302 department expects to make; and

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

304 (c) The finance officer shall make the estimate and statement described in Subsection

305 (2)(a) available to:

306 (i) for a county commission or expanded county commission form of county
307 government, the county commission;

308 (ii) for a county executive-council form of county government, the county council and
309 the county executive; and

310 (iii) for a council-manager form of county government, the county council and the
311 county manager.

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

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

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

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

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

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

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

325 (ii) ~~[(A)]~~ the total revenue requirements of the fund~~;~~, including:

326 ~~[(B)]~~ (A) the part of the total revenue that will be derived from revenue sources other
327 than property tax; and

328 ~~[(C)]~~ (B) the part of the total revenue that ~~[shall]~~ will be derived from property taxes;
329 and

330 (d) if required by the governing body, actual performance experience to the extent
331 available in work units, unit costs, man hours, and man years for each budgeted fund that
332 includes an appropriation for salaries or wages for the last completed fiscal period and the first
333 eight months of the current fiscal period if the county is on an annual fiscal period, or the first
334 20 months of the current fiscal period if the county is on a biennial fiscal period, together with
335 the total estimated performance data of like character for the current fiscal period and for the

336 ensuing budget period.

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

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

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

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

350 (b) The budget message shall ~~[contain]~~:

351 (i) include an outline of the proposed financial policies of the county for the budget
352 period ~~[and]~~;

353 (ii) describe the important features of the budgetary plan~~[- It shall also]~~;

354 (iii) state the reasons for changes from the previous fiscal period in appropriation and
355 revenue items; and

356 (iv) explain any major changes in financial policy.

357 (c) A ~~[budget message for counties]~~ finance officer of a county with a population of
358 less than 25,000 ~~[is recommended but not incumbent upon the budget officer]~~ may prepare a
359 budget message in explanation of the tentative budget.

360 (8) (a) The governing body shall review, consider, and adopt a tentative budget in a
361 regular or special meeting called for that purpose.

362 (b) (i) Subject to Subsection (8)(b)(ii), the governing body may thereafter amend or
363 revise the tentative budget prior to public hearings on the tentative budget.

364 (ii) A governing body may not:

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

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

368 Section 9. Section 17-36-11 is amended to read:

369 **17-36-11. Tentative budget -- Public record prior to adoption.**

370 [The] A tentative budget and all supportive schedules and data shall be a public record
371 available for inspection during business hours at the office of the [~~budget~~] finance officer for at
372 least 10 days [~~prior to~~] before the public hearing on the adoption of a final budget.

373 Section 10. Section 17-36-15 is amended to read:

374 **17-36-15. Adoption of budget -- Immunity.**

375 (1) (a) On or before the last day of each fiscal period, the governing body by resolution
376 shall adopt the final budget.

377 (b) A final budget adopted in accordance with Subsection (1)(a) is, unless amended, in
378 effect for the next fiscal period.

379 (c) The [~~budget~~] finance officer shall:

380 (i) certify a copy of the final budget, and of any subsequent budget amendment; and

381 (ii) file a copy with the state auditor not later than 30 days after the day on which the
382 governing body adopts the budget.

383 (d) The [~~budget~~] finance officer shall file a certified copy of the budget in the office of
384 the [~~budget~~] finance officer for inspection by the public during business hours.

385 (2) (a) Except as provided in Subsection (2)(b), a county officer or county employee
386 may not file a legal action in state or federal court against the county, a department, or a county
387 officer for any matter related to the following:

388 (i) the adoption of a county budget;

389 (ii) a county appropriation;

390 (iii) a county personnel allocation; or

391 (iv) a fund related to the county budget, a county appropriation, or a county personnel
392 allocation.

393 (b) A county or district attorney may enforce a procedural requirement that governs the
394 adoption or approval of a budget in accordance with this chapter.

395 Section 11. Section 17-36-20 is amended to read:

396 **17-36-20. Purchases or encumbrances by purchasing agent.**

397 (1) A person may not make a purchase or incur an encumbrance on behalf of a county

398 unless that person acts in accordance with an order by, or approval of, the person duly
399 authorized to act as purchasing agent for the county, except encumbrances or expenditures
400 directly investigated and specifically approved by the executive or legislative body.

401 (2) Unless otherwise provided by the governing body, the [budget] finance officer or
402 the [budget] finance officer's agents shall serve as a purchasing agent.

403 Section 12. Section **17-36-22** is amended to read:

404 **17-36-22. Transfer of unexpended appropriation balance by department.**

405 (1) After review by the [budget] finance officer and in accordance with budgetary and
406 fiscal policies or ordinances adopted by the county legislative body, any department may:

407 (a) transfer any unencumbered or unexpended appropriation balance or any part from
408 one expenditure account to another within the department during the budget year; or

409 (b) incur an excess expenditure of one or more line items.

410 (2) A transfer or expenditure under Subsection (1) may not occur if the transfer or
411 expenditure would cause the total of all excess expenditures or encumbrances to exceed the
412 total unused appropriation within the department at the close of the budget period.

413 Section 13. Section **17-36-23** is amended to read:

414 **17-36-23. Transfer of unexpended appropriation balance by governing body.**

415 At the request of the [budget] finance officer or upon [its] the governing body's own
416 motion, the governing body may by resolution transfer any unencumbered or unexpended
417 appropriation balance or part thereof from one department in a fund to another department
418 within the same fund[;], provided that no appropriation for debt retirement and interest,
419 reduction of deficit, or other appropriation required by law may be reduced below the required
420 minimum.

421 Section 14. Section **17-36-32** is amended to read:

422 **17-36-32. Operating and capital budget -- Expenditures.**

423 (1) (a) As used in this section, "operating and capital budget" means a plan of financial
424 operation for an enterprise or other special fund embodying estimates of operating and
425 nonoperating resources and expenses and other outlays for a fiscal period.

426 (b) Except as otherwise expressly provided, "budget" or "budgets" and the procedures
427 and controls relating to them in other sections of this act are not applicable to the operating and
428 capital budgets provided in this section.

429 (2) At or before the time that the governing body adopts budgets for the budgetary
430 funds specified in Section 17-36-8, the governing body shall adopt an operating and capital
431 budget for the next fiscal period for:

432 (a) each enterprise fund; and

433 (b) any other special nonbudgetary fund for which operating and capital budgets are
434 prescribed by the uniform system of budgeting, accounting, and reporting.

435 (3) (a) The governing body shall adopt and administer the operating and capital budget
436 in accordance with this Subsection (3).

437 (b) At or before the first day of the next to last month of each fiscal period, the
438 [budget] finance officer shall prepare for the next fiscal period on forms provided pursuant to
439 Section 17-36-4, and file with the governing body a tentative operating and capital budget for:

440 (i) each enterprise fund; and

441 (ii) any other special fund that requires an operating and capital budget.

442 (c) The tentative operating and capital budget shall be accompanied by a
443 supplementary estimate of all capital projects or planned capital projects:

444 (i) within the next fiscal period; and

445 (ii) within the fiscal period immediately following the fiscal period described in
446 Subsection (3)(c)(i).

447 (d) (i) Subject to Subsection (3)(d)(ii), the [budget] finance officer shall prepare all
448 estimates after review and consultation, if requested, with a department proposing a capital
449 project.

450 (ii) After complying with Subsection (3)(d)(i), the [budget] finance officer may revise
451 any departmental estimate before it is filed with the governing body.

452 (e) (i) Except as provided in Subsection (3)(e)(iv), if a governing body includes in a
453 tentative budget, or an amendment to a budget, allocations or transfers between a utility
454 enterprise fund and another fund that are not reasonable allocations of costs between the utility
455 enterprise fund and the other fund, the governing body shall:

456 (A) hold a public hearing;

457 (B) prepare a written notice of the date, time, place, and purpose of the hearing, in
458 accordance with Subsection (3)(e)(ii); and

459 (C) subject to Subsection (3)(e)(iii), mail the notice to each utility enterprise fund

460 customer at least seven days before the day of the hearing.

461 (ii) The purpose portion of the written notice described in Subsection (3)(e)(i)(B) shall
462 identify:

463 (A) the utility enterprise fund from which money is being transferred;

464 (B) the amount being transferred; and

465 (C) the fund to which the money is being transferred.

466 (iii) The governing body:

467 (A) may print the written notice required under Subsection (3)(e)(i) on the utility
468 enterprise fund customer's bill; and

469 (B) shall include the written notice required under Subsection (3)(e)(i) as a separate
470 notification mailed or transmitted with the utility enterprise fund customer's bill.

471 (iv) The notice and hearing requirements in this Subsection (3)(e) are not required for
472 an allocation or a transfer included in an original budget or in a subsequent budget amendment
473 previously approved by the governing body for the current fiscal year.

474 (f) (i) The governing body shall review the tentative operating and capital budget at any
475 regular or special meeting called for that purpose.

476 (ii) In accordance with Subsection (3)(f)(i), the governing body may make any changes
477 to the tentative operating and capital budget that the governing body considers advisable.

478 (iii) Before the close of the fiscal period, the governing body shall adopt an operating
479 and capital budget for the next fiscal period.

480 (g) (i) Upon final adoption by the governing body, the operating and capital budget
481 shall be in effect for the budget period subject to amendment.

482 (ii) The governing body shall:

483 (A) certify a copy of the operating and capital budget for each fund with the [budget]
484 finance officer; and

485 (B) make a copy available to the public during business hours in the offices of the
486 county auditor.

487 (iii) The governing body shall file a copy of the operating and capital budget with the
488 state auditor within 30 days after the day on which the operating and capital budget is adopted.

489 (iv) The governing body may during the budget period amend the operating and capital
490 budget of an enterprise or other special fund by resolution.

491 (v) A copy of the operating and capital budget as amended shall be filed with the state
492 auditor.

493 (4) Any expenditure from an operating and capital budget shall conform to the
494 requirements for budgets specified by Sections 17-36-20, 17-36-22, 17-36-23, and 17-36-24.

495 Section 15. Section 17-36-36 is amended to read:

496 **17-36-36. Financial statements.**

497 (1) The [~~budget~~] finance officer shall present to the governing body the following
498 financial statements prepared in the manner prescribed by the uniform system of budgeting,
499 accounting, and reporting:

500 (a) [~~A~~] a summary of cash receipts and disbursements for each fund or group of funds
501 and for each department within each fund reportable at the end of each month showing the cash
502 and invested balance at the beginning of the period, the total receipts collected during the
503 period, the total disbursements made during the period and the cash and invested balance at the
504 end of the period[-];

505 (b) [~~Not~~] not less than once each quarter or more often if requested by the governing
506 body, a condensed statement of revenues and expenditures and comparison with the budget of
507 the county general fund and the allotments thereof, as reflected by the books of account[-];

508 (c) [~~A~~] a comparative quarterly income and expense statement for each enterprise fund
509 showing a comparative analysis between the operations of such fund for the current fiscal
510 reporting period and the same period in the previous year[-];

511 (d) [~~A~~] a condensed statement of the operating and capital budget of each enterprise
512 fund showing revenues and expenses and balances compared with the budget for any period
513 requested by the governing body or required by the uniform system of budgeting, accounting
514 and reporting[-]; and

515 (e) [~~Any~~] any other statements of operations or reports on financial condition as the
516 governing body or the uniform system of budgeting, accounting, and reporting may require.

517 (2) All financial statements made pursuant to this section shall be open for public
518 inspection during regular business hours.

519 Section 16. Section 17-36-37 is amended to read:

520 **17-36-37. Finance officer -- Annual financial statement -- Contents.**

521 (1) The [~~budget~~] finance officer of each county, within 180 days after the close of each

522 fiscal period, or, for a county that has adopted a fiscal period that is a biennial period, within
523 180 days after both the midpoint and the close of the fiscal period, except as provided by
524 Section [17-36-38](#), shall prepare and make available to the governing body an annual financial
525 report [~~which~~] that shall contain:

526 (a) a statement of revenues and expenditures and a comparison with the budget of the
527 county general fund, similar statements of all other funds for which budgets are required, and
528 statements of revenues and expenditures or of income and expense[~~, as the case may be, of~~] for
529 all other operating funds of the county;

530 (b) a balance sheet of each fund and a combined balance sheet of all funds as of:

531 (i) for a county that has adopted a fiscal period that is a biennial period, the midpoint
532 and the close of the fiscal period; and

533 (ii) for each other county, the close of the fiscal period; or

534 (c) any other reports the governing body may require, including work performance
535 data, tax levies, taxable values, details of bonded indebtedness, and historical facts of interest
536 to the governing body and the public.

537 (2) Copies of the annual report shall be furnished to the state auditor and made a matter
538 of public record in the office of the [~~budget~~] finance officer.

539 Section 17. Section **17-53-212** is amended to read:

540 **17-53-212. Examination and audit of accounts.**

541 (1) As used in this section, "finance officer" means the same as that term is defined in
542 Section [17-36-3](#).

543 ~~[(+)]~~ (2) A county legislative body may examine and audit the accounts of all officers
544 having the care, management, collection, or disbursement of money belonging to the county or
545 appropriated by law or otherwise for its use and benefit.

546 (3) (a) Subject to Subsection (3)(b), the finance officer of the county shall reply to each
547 request for financial information by a county legislative body or any individual member of a
548 county legislative body within five business days after the day on which the request is received.

549 (b) If a request for financial information requires an extended time period to research
550 and compile, the finance officer of the county shall provide written notice to the legislative
551 body that includes an explanation for the delay and the date when the information will be
552 provided to the legislative body.

553 (4) A county legislative body may hire professional staff to provide technical assistance
554 and analysis of all financial matters of the county.

555 ~~[(2)]~~ (5) Nothing in this section may be construed to affect a county auditor's authority
556 under Chapter 19a, County Auditor.

557 Section 18. Section **17-53-303** is amended to read:

558 **17-53-303. Examination and audit of accounts.**

559 (1) As used in this section, "finance officer" means the same as that term is defined in
560 Section [17-36-3](#).

561 ~~[(1)]~~ (2) The county executive may examine and audit the accounts of all officers
562 having the care, management, collection, or disbursement of money belonging to the county or
563 appropriated by law or otherwise for its use and benefit.

564 (3) (a) Subject to Subsection (3)(b), the finance officer of the county shall reply to each
565 request for financial information by a county executive within five business days after the day
566 on which the request is received.

567 (b) If a request for financial information requires an extended time period to research
568 and compile, the finance officer of the county shall provide written notice to the county
569 executive that includes an explanation for the delay and the date when the information will be
570 provided to the county executive.

571 ~~[(2)]~~ (4) Nothing in this section may be construed to affect a county auditor's authority
572 under Chapter 19a, County Auditor.

573 Section 19. Section **20A-7-101** is amended to read:

574 **20A-7-101. Definitions.**

575 As used in this chapter:

576 (1) "Budget officer" means:

577 (a) for a county, the person designated as ~~[budget officer in Section [17-19a-203](#)]~~
578 finance officer as defined in Section [17-36-3](#);

579 (b) for a city, the person designated as budget officer in Subsection [10-6-106\(4\)](#);

580 (c) for a town, the town council; or

581 (d) for a metro township, the person described in Subsection (1)(a) for the county in
582 which the metro township is located.

583 (2) "Certified" means that the county clerk has acknowledged a signature as being the

584 signature of a registered voter.

585 (3) "Circulation" means the process of submitting an initiative or referendum petition
586 to legal voters for their signature.

587 (4) "Eligible voter" means a legal voter who resides in the jurisdiction of the county,
588 city, or town that is holding an election on a ballot proposition.

589 (5) "Final fiscal impact statement" means a financial statement prepared after voters
590 approve an initiative that contains the information required by Subsection [20A-7-202.5\(2\)](#) or
591 [20A-7-502.5\(2\)](#).

592 (6) "Initial fiscal impact estimate" means:

593 (a) a financial statement prepared under Section [20A-7-202.5](#) after the filing of an
594 application for an initiative petition; or

595 (b) a financial and legal statement prepared under Section [20A-7-502.5](#) or [20A-7-602.5](#)
596 for an initiative or referendum petition.

597 (7) "Initiative" means a new law proposed for adoption by the public as provided in
598 this chapter.

599 (8) "Initiative packet" means a copy of the initiative petition, a copy of the proposed
600 law, and the signature sheets, all of which have been bound together as a unit.

601 (9) (a) "Land use law" means a law of general applicability, enacted based on the
602 weighing of broad, competing policy considerations, that relates to the use of land, including
603 land use regulation, a general plan, a land use development code, an annexation ordinance, the
604 rezoning of a single property or multiple properties, or a comprehensive zoning ordinance or
605 resolution.

606 (b) "Land use law" does not include a land use decision, as defined in Section
607 [10-9a-103](#) or [17-27a-103](#).

608 (10) "Legal signatures" means the number of signatures of legal voters that:

609 (a) meet the numerical requirements of this chapter; and

610 (b) have been obtained, certified, and verified as provided in this chapter.

611 (11) "Legal voter" means a person who:

612 (a) is registered to vote; or

613 (b) becomes registered to vote before the county clerk certifies the signatures on an
614 initiative or referendum petition.

615 (12) "Legally referable to voters" means:

616 (a) for a proposed local initiative, that the proposed local initiative is legally referable
617 to voters under Section [20A-7-502.7](#); or

618 (b) for a proposed local referendum, that the proposed local referendum is legally
619 referable to voters under Section [20A-7-602.7](#).

620 (13) "Local attorney" means the county attorney, city attorney, or town attorney in
621 whose jurisdiction a local initiative or referendum petition is circulated.

622 (14) "Local clerk" means the county clerk, city recorder, or town clerk in whose
623 jurisdiction a local initiative or referendum petition is circulated.

624 (15) (a) "Local law" includes:

625 (i) an ordinance;

626 (ii) a resolution;

627 (iii) a land use law;

628 (iv) a land use regulation, as defined in Section [10-9a-103](#); or

629 (v) other legislative action of a local legislative body.

630 (b) "Local law" does not include a land use decision, as defined in Section [10-9a-103](#).

631 (16) "Local legislative body" means the legislative body of a county, city, town, or
632 metro township.

633 (17) "Local obligation law" means a local law passed by the local legislative body
634 regarding a bond that was approved by a majority of qualified voters in an election.

635 (18) "Local tax law" means a law, passed by a political subdivision with an annual or
636 biannual calendar fiscal year, that increases a tax or imposes a new tax.

637 (19) "Measure" means a proposed constitutional amendment, an initiative, or
638 referendum.

639 (20) "Referendum" means a process by which a law passed by the Legislature or by a
640 local legislative body is submitted or referred to the voters for their approval or rejection.

641 (21) "Referendum packet" means a copy of the referendum petition, a copy of the law
642 being submitted or referred to the voters for their approval or rejection, and the signature
643 sheets, all of which have been bound together as a unit.

644 (22) (a) "Signature" means a holographic signature.

645 (b) "Signature" does not mean an electronic signature.

646 (23) "Signature sheets" means sheets in the form required by this chapter that are used
647 to collect signatures in support of an initiative or referendum.

648 (24) "Special local ballot proposition" means a local ballot proposition that is not a
649 standard local ballot proposition.

650 (25) "Sponsors" means the legal voters who support the initiative or referendum and
651 who sign the application for petition copies.

652 (26) (a) "Standard local ballot proposition" means a local ballot proposition for an
653 initiative or a referendum.

654 (b) "Standard local ballot proposition" does not include a property tax referendum
655 described in Section [20A-7-613](#).

656 (27) "Tax percentage difference" means the difference between the tax rate proposed
657 by an initiative or an initiative petition and the current tax rate.

658 (28) "Tax percentage increase" means a number calculated by dividing the tax
659 percentage difference by the current tax rate and rounding the result to the nearest thousandth.

660 (29) "Verified" means acknowledged by the person circulating the petition as required
661 in Sections [20A-7-205](#) and [20A-7-305](#).

662 **Section 20. Repealer.**

663 This bill repeals:

664 Section [17-19a-203](#), **Budget officer.**

665 Section 21. **Revisor instructions.**

666 The Legislature intends that the Office of Legislative Research and General Counsel, in
667 preparing the Utah Code database for publication, on May 4, 2022, replace the term "budget
668 officer" with "finance officer" in any new language added to the Utah Code in Title 17,
669 Counties, by legislation passed during the 2022 General Session.