

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
- 17-19a-102**, as enacted by Laws of Utah 2012, Chapter 17
- 17-19a-205**, as enacted by Laws of Utah 2012, Chapter 17
- 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

- 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

46

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

132 (b) "Accounting services" does not include the creation of a purchase order.

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

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

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

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

139 [~~(3)~~] (4) "Book" means a financial record of the county, regardless of a record's format.

140 [~~(4)~~] (5) (a) "Budget" or "budgeting" means [~~a process or activity conducted by the~~
141 ~~budget officer related to]~~ the preparation or presentation of a proposed or tentative budget as

142 provided in Chapter 36, Uniform Fiscal Procedures Act for Counties.

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

144 (i) a revenue projection;

145 (ii) a budget request compilation; or

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

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

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

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

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

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

152 purchase, or payroll.

153 (7) "Performance audit" means a review and audit as described in Subsection

154 17-19a-206(3) of a county program, county operation, county management system, or county

155 agency to:

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

157 (b) determine whether the county is achieving the best levels of economy, efficiency,

158 effectiveness, and compliance.

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

160 **17-19a-205. Accounting services.**

161 (1) Except as provided in ~~[Subsection (2)]~~ Subsections (2) and (3), the county auditor
162 shall provide accounting services for the county ~~[as established by ordinance].~~

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

167 (a) to the county executive; or

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

169 (3) For a county operating under the council-manager form of county government as

170 described in Section 17-52a-204, if the county auditor provides preapproval or postpayment
171 review for all payments by the county, the county council may by ordinance passed on or
172 before December 31, 2021, delegate accounting services provided for or executed on behalf of
173 the entire county:

174 (a) to the county manager; or

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

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

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

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

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

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

186 **17-36-3. Definitions.**

187 As used in this chapter:

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

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

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

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

197 (4) "Budgetary fund" means a fund for which a budget is required, such as those

198 described in Section 17-36-8.

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

200 ~~[(6)]~~ (5) "Budget period" means the fiscal period for which a budget is prepared.

201 ~~[(7)]~~ (6) "Check" means an order in a specific amount drawn upon the depositary by
202 any authorized officer in accordance with Section 17-19a-301, or 17-24-1.

203 ~~[(8)]~~ (7) "County general fund" means the general fund used by a county.

204 ~~[(9)]~~ (8) "Countywide service" means a service provided in both incorporated and
205 unincorporated areas of a county.

206 ~~[(10)]~~ (9) "Current period" means the fiscal period in which a budget is prepared and
207 adopted.

208 ~~[(11)]~~ (10) "Department" means any functional unit within a fund which carries on a
209 specific activity.

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

215 ~~[(13)]~~ (12) "Estimated revenue" means any revenue estimated to be received during the
216 budget period in any fund for which a budget is prepared.

217 (13) "Finance officer" means:

218 (a) the county auditor or the person selected to provide accounting services for the
219 county in accordance with Section 17-19a-205; or

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

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

225 (15) "Fund" means an independent fiscal and accounting entity comprised of a sum of

226 money or other resources segregated for a specific purpose or objective.

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

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

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

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

236 (20) "Last completed fiscal period" means the fiscal period next preceding the current
237 period.

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

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

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

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

251 (25) "Special fund" means any fund other than the county general fund, such as those
252 described in Section [17-36-6](#).

253 (26) "Unappropriated surplus" means that part of a fund which is not appropriated for

254 an ensuing budget period.

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

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

258 **17-36-4. State auditor -- Duties.**

259 (1) The state auditor shall:

- 260 (a) prescribe a uniform system of fiscal procedures for the several counties;
- 261 (b) conduct a constant review and modification of such procedures to improve them;
- 262 (c) prepare and supply each county [~~budget~~] finance officer with suitable budget forms;

263 and

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

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

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

272 **17-36-8. Preparation of budgets.**

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

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

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

283 **17-36-10. Preparation of tentative budget.**

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

287 (b) During the preparation of a tentative budget described in Subsection (1)(a), the
288 following may participate in the creation of the tentative budget:

289 (i) for a county commission or expanded county commission form of county
290 government, the county commission;

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

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

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

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

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

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

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

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

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

306 (c) The finance officer shall make the estimate and statement described in Subsection
307 (2)(a) available to:

308 (i) for a county commission or expanded county commission form of county
309 government, the county commission;

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

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

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

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

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

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

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

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

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

327 (ii) ~~(A)~~ the total revenue requirements of the fund~~;~~, including:

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

330 ~~(C)~~ (B) the part of the total revenue that ~~shall~~ will be derived from property taxes;
331 and

332 (d) if required by the governing body, actual performance experience to the extent
333 available in work units, unit costs, man hours, and man years for each budgeted fund that
334 includes an appropriation for salaries or wages for the last completed fiscal period and the first
335 eight months of the current fiscal period if the county is on an annual fiscal period, or the first
336 20 months of the current fiscal period if the county is on a biennial fiscal period, together with
337 the total estimated performance data of like character for the current fiscal period and for the

338 ensuing budget period.

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

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

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

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

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

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

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

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

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

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

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

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

366 (ii) A governing body may not:

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

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

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

371 **17-36-11. Tentative budget -- Public record prior to adoption.**

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

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

376 **17-36-15. Adoption of budget -- Immunity.**

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

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

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

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

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

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

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

390 (i) the adoption of a county budget;

391 (ii) a county appropriation;

392 (iii) a county personnel allocation; or

393 (iv) a fund related to the county budget, a county appropriation, or a county personnel

394 allocation.

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

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

398 **17-36-20. Purchases or encumbrances by purchasing agent.**

399 (1) A person may not make a purchase or incur an encumbrance on behalf of a county
400 unless that person acts in accordance with an order by, or approval of, the person duly
401 authorized to act as purchasing agent for the county, except encumbrances or expenditures
402 directly investigated and specifically approved by the executive or legislative body.

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

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

406 **17-36-22. Transfer of unexpended appropriation balance by department.**

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

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

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

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

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

416 **17-36-23. Transfer of unexpended appropriation balance by governing body.**

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

422 minimum.

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

424 **17-36-32. Operating and capital budget -- Expenditures.**

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

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

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

434 (a) each enterprise fund; and

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

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

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

442 (i) each enterprise fund; and

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

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

446 (i) within the next fiscal period; and

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

449 (d) (i) Subject to Subsection (3)(d)(ii), the [budget] finance officer shall prepare all

450 estimates after review and consultation, if requested, with a department proposing a capital
451 project.

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

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

458 (A) hold a public hearing;

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

461 (C) subject to Subsection (3)(e)(iii), mail the notice to each utility enterprise fund
462 customer at least seven days before the day of the hearing.

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

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

466 (B) the amount being transferred; and

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

468 (iii) The governing body:

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

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

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

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

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

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

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

484 (ii) The governing body shall:

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

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

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

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

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

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

497 Section 15. Section **17-36-36** is amended to read:

498 **17-36-36. Financial statements.**

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

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

506 the end of the period[-];

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

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

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

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

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

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

522 **17-36-37. Finance officer -- Annual financial statement -- Contents.**

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

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

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

533 (i) for a county that has adopted a fiscal period that is a biennial period, the midpoint

534 and the close of the fiscal period; and

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

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

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

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

542 **17-53-212. Examination and audit of accounts.**

543 (1) As used in this section, "finance officer" means the same as that term is defined in
544 Section 17-36-3.

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

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

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

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

557 ~~[(2)]~~ (5) Nothing in this section may be construed to affect a county auditor's authority
558 under Chapter 19a, County Auditor.

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

560 **17-53-303. Examination and audit of accounts.**

561 (1) As used in this section, "finance officer" means the same as that term is defined in

562 Section 17-36-3.

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

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

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

573 [(2)] (4) Nothing in this section may be construed to affect a county auditor's authority
574 under Chapter 19a, County Auditor.

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

576 **20A-7-101. Definitions.**

577 As used in this chapter:

578 (1) "Budget officer" means:

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

581 (b) for a city, the person designated as budget officer in Subsection 10-6-106(4);

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

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

585 (2) "Certified" means that the county clerk has acknowledged a signature as being the
586 signature of a registered voter.

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

589 (4) "Eligible voter" means a legal voter who resides in the jurisdiction of the county,

590 city, or town that is holding an election on a ballot proposition.

591 (5) "Final fiscal impact statement" means a financial statement prepared after voters
592 approve an initiative that contains the information required by Subsection [20A-7-202.5\(2\)](#) or
593 [20A-7-502.5\(2\)](#).

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

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

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

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

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

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

608 (b) "Land use law" does not include a land use decision, as defined in Section
609 [10-9a-103](#) or [17-27a-103](#).

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

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

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

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

614 (a) is registered to vote; or

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

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

618 (a) for a proposed local initiative, that the proposed local initiative is legally referable
619 to voters under Section 20A-7-502.7; or

620 (b) for a proposed local referendum, that the proposed local referendum is legally
621 referable to voters under Section 20A-7-602.7.

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

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

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

627 (i) an ordinance;

628 (ii) a resolution;

629 (iii) a land use law;

630 (iv) a land use regulation, as defined in Section 10-9a-103; or

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

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

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

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

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

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

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

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

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

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

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

650 (24) "Special local ballot proposition" means a local ballot proposition that is not a
651 standard local ballot proposition.

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

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

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

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

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

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

664 **Section 20. Repealer.**

665 This bill repeals:

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

667 Section 21. **Revisor instructions.**

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