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~~deleted text~~ shows text that was in SB0162 but was deleted in SB0162S01.

inserted text shows text that was not in SB0162 but was inserted into SB0162S01.

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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: _____

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

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Other Special Clauses:

~~{ None }~~ 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
- 17-36-4, as last amended by Laws of Utah 2019, Chapter 136
- 17-36-8, as last amended by Laws of Utah 2014, Chapter 176
- 17-36-10, as last amended by Laws of Utah 2012, Chapter 17
- 17-36-11, as last amended by Laws of Utah 2012, Chapter 17
- 17-36-15, as last amended by Laws of Utah 2012, Chapter 17
- 17-36-20, as last amended by Laws of Utah 2012, Chapter 17
- 17-36-22, as last amended by Laws of Utah 2009, Chapter 186
- 17-36-23, as enacted by Laws of Utah 1975, Chapter 22
- 17-36-32, as last amended by Laws of Utah 2012, Chapter 17
- 17-36-36, as last amended by Laws of Utah 2014, Chapter 176
- 17-36-37, as last amended by Laws of Utah 2014, Chapter 176
- 17-53-212, as last amended by Laws of Utah 2012, Chapter 17
- 17-53-303, as last amended by Laws of Utah 2012, Chapter 17
- 20A-7-101, as last amended by Laws of Utah 2021, Chapter 80

REPEALS:

- 17-19a-203, as last amended by Laws of Utah 2018, Chapter 68

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) (a) Nothing in Subsection (2) may be construed to relieve an official described in Subsections (2)(a)(i) through (v) of a duty to either the county or, if the official and the metro township agree as provided in Subsection (2)(a), the metro township or a duty to fulfill that

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official's position as required by law.

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

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

(ii) is paid a salary and benefits and subject to employment discipline in accordance with the provisions of Title 17, Counties, as applicable to that official's or person's county office;

(iii) is not subject to:

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

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

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

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

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

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

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

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

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

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

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17-19a-101. Title and scope.

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

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

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

~~[(ii) on or after January 1, 2015, a county of the second, third, fourth, fifth, or sixth class is subject to the provisions of this chapter.]~~

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

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

17-19a-102. Definitions.

As used in this chapter:

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

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

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

(2) "Accounting services" means the creation, modification, or deletion of transactions and records in a financial accounting system, including the preparation of a county's annual financial report.

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

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

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

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

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

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

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

(i) a revenue projection;

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- (ii) a budget request compilation; or
- (iii) the performance of an activity described in Subsection ~~[(4)]~~ [(5)](b)(i) or (ii).

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

~~[(6)]~~ ~~[(5)]~~ (a) "Claim" means under the color of law:

- (i) a demand presented for money or damages; or
 - (ii) a cause of action presented for money or damages.
- (b) "Claim" does not mean a routine, uncontested, or regular payment, including a bill, purchase, or payroll.

~~[(7)]~~ ~~[(6)]~~ "Performance audit" means a review and audit as described in Subsection 17-19a-206(3) of a county program, county operation, county management system, or county agency to:

- (a) review procedures, activities, or policies; and
- (b) determine whether the county is achieving the best levels of economy, efficiency, effectiveness, and compliance.

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

17-19a-205. Accounting services.

(1) Except as provided in ~~[Subsection (2)]~~ Subsections (2) and (4), the county auditor shall provide accounting services for the county ~~[as established by ordinance]~~.

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

- (a) to the county executive; or
- (b) to an office's or department's officer or director.

~~[(3)]~~ ~~If a~~ (3) For a county operating under the council-manager form of county government as described in Section 17-52a-204, if the county auditor provides preapproval for all payments by the county, the county council may by ordinance passed on or before December 31, 2021, delegate accounting services provided for or executed on behalf of the entire county:

- (a) to the county manager; or
- (b) to an office's or department's officer or director.

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

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

(b) ~~the {legislative body}~~ county council shall make the delegation by considering appropriate checks and balances within county government[-]; ~~and~~

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

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

17-36-3. Definitions.

As used in this chapter:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(13) "Finance officer" means:

(a) the county auditor or the person selected to provide accounting services for the county in accordance with Section 17-19a-205~~(1)~~; or

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

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

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

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

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

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

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

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

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period.

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

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

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

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

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

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

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

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

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

(1) The state auditor shall:

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

and

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

(2) The uniform system of procedure may include reasonable exceptions and modifications applicable to counties with a population of 25,000 or less, such population to be

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determined by the Utah Population Committee. Counties may expand the uniform system to serve better their needs. Deviations from or alterations to the basic prescribed classification system for the identity of funds and accounts should not be made.

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

17-36-8. Preparation of budgets.

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

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

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

17-36-10. Preparation of tentative budget.

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

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

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

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

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

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

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

- (i) the number of persons to be regularly employed;
- (ii) the kinds of service the department will perform;
- (iii) the salaries and wages the department expects to pay;
- (iv) the kind of work the department will perform and the improvements the

department expects to make; and

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

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

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

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

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

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

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

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

- (a) actual revenues and expenditures in the last completed fiscal period;
- (b) estimated total revenues and expenditures for the current fiscal period;
- (c) the estimated available revenues and expenditures for the ensuing budget period

computed by determining:

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

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

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

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

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

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

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

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

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

(b) The budget message shall ~~[contain]~~;

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

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

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

(iv) explain any major changes in financial policy.

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

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budget message in explanation of the tentative budget.

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

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

(ii) A governing body may not:

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

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

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

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

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

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

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

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

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

(c) The [budget] finance officer shall:

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

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

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

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

(i) the adoption of a county budget;

(ii) a county appropriation;

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(iii) a county personnel allocation; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) each enterprise fund; and

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

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

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

(i) each enterprise fund; and

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

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

(i) within the next fiscal period; and

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

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

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

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

(A) hold a public hearing;

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

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

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

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

(B) the amount being transferred; and

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

(iii) The governing body:

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

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

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

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

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

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

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

(ii) The governing body shall:

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

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

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

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

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

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

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

17-36-36. Financial statements.

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

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

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

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

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

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and reporting[~~;~~]; and

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

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

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

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

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

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

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

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

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

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

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

Section 17. Section ~~17-53-212~~ is amended to read:

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

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

[~~(1)~~] (2) A county legislative body may examine and audit the accounts of all officers having the care, management, collection, or disbursement of money belonging to the county or

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appropriated by law or otherwise for its use and benefit.

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

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

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

~~{ (5) A county legislative body may request assistance from the attorney general or the state auditor if a county officer fails to reasonably respond to a request related to Subsection (3):~~

~~† [(2)] ~~(4)~~(5) Nothing in this section may be construed to affect a county auditor's authority under Chapter 19a, County Auditor.~~

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

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

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

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

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

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

~~{ (4) A county executive may hire professional staff to provide technical assistance and analysis of all financial matters of the county:~~

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~~(5) A county executive may request assistance from the attorney general or the state auditor if a county officer fails to reasonably respond to a request related to Subsection (3).~~

† [(2)] ~~(6)(4)~~ Nothing in this section may be construed to affect a county auditor's authority under Chapter 19a, County Auditor.

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

20A-7-101. Definitions.

As used in this chapter:

(1) "Budget officer" means:

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

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

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

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

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

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

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

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

(6) "Initial fiscal impact estimate" means:

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

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

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

(8) "Initiative packet" means a copy of the initiative petition, a copy of the proposed

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law, and the signature sheets, all of which have been bound together as a unit.

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

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

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

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

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

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

(a) is registered to vote; or

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

(12) "Legally referable to voters" means:

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

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

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

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

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

(i) an ordinance;

(ii) a resolution;

(iii) a land use law;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Section 20. **Repealer.**

This bill repeals:

Section **17-19a-203, Budget officer.**

Section 21. Revisor instructions.

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