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PUBLIC FUND AMENDMENTS
2024 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: R. Neil Walter
Senate Sponsor: Chris H. Wilson

LONG TITLE

General Description:

This bill addresses reporting requirements for the Public Treasurers' Investment Fund.

Highlighted Provisions:

This bill:

- defines terms;
- requires the state treasurer to annually report the current balance in the Public Treasurers' Investment Fund for each entity that has transferred money to that fund; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

- 10-5-120**, as last amended by Laws of Utah 2014, Chapter 253
- 10-6-132**, as last amended by Laws of Utah 2014, Chapter 253
- 11-13-523**, as enacted by Laws of Utah 2015, Chapter 265
- 17-36-30**, as last amended by Laws of Utah 2014, Chapter 253
- 17-36-52**, as last amended by Laws of Utah 2014, Chapter 176
- 17B-1-626**, as last amended by Laws of Utah 2023, Chapter 15
- 51-7-3**, as last amended by Laws of Utah 2023, Chapter 16
- 51-7-5**, as last amended by Laws of Utah 1984, Chapter 44
- 51-7-6**, as last amended by Laws of Utah 1989, Chapter 66
- 53-2a-605**, as last amended by Laws of Utah 2023, Chapter 16
- 59-2-1330**, as last amended by Laws of Utah 2015, Chapter 201

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

Section 1. Section **10-5-120** is amended to read:

10-5-120 . Loans between funds -- Bonds purchased by funds.

- (1) Subject to this section, restrictions imposed by bond ordinance, or other controlling regulations, the town council may:
- (a) subject to the restrictions in Section 53-2a-605, authorize an interfund loan from one fund to another; and
 - (b) with available cash in any fund, purchase or otherwise acquire for investment an unmatured bond of the town or of any fund of the town.
- (2) An interfund loan under Subsection (1)(a) shall be in writing and specify the terms and conditions of the loan, including the:
- (a) effective date of the loan;
 - (b) name of the fund loaning the money;
 - (c) name of the fund receiving the money;
 - (d) amount of the loan;
 - (e) subject to Subsection (3), term of and repayment schedule for the loan;
 - (f) subject to Subsection (4), interest rate of the loan;
 - (g) method of calculating interest applicable to the loan;
 - (h) procedures for:
 - (i) applying interest to the loan; and
 - (ii) paying interest on the loan; and
 - (i) other terms and conditions the town council determines applicable.
- (3) The term and repayment schedule specified under Subsection (2)(e) may not exceed 10 years.
- (4) (a) In determining the interest rate of the loan specified under Subsection (2)(f), the town council shall apply an interest rate that reflects the rate of potential gain had the funds been deposited or invested in a comparable investment.
- (b) Notwithstanding Subsection (4)(a), the interest rate of the loan specified under Subsection (2)(f):
- (i) if the term of the loan under Subsection (2)(e) is one year or less, may not be less than the rate offered by the Public Treasurers' Investment Fund [~~that was created for public funds transferred to the state treasurer in accordance with Section 51-7-5~~] as defined in Section 51-7-3; or

63 (ii) if the term of the loan under Subsection (2)(e) is more than one year, may not be
 64 less than the greater of the rate offered by:

65 (A) the Public Treasurers' Investment Fund [~~that was created for public funds~~
 66 ~~transferred to the state treasurer in accordance with Section 51-7-5]~~ as defined
 67 in Section 51-7-3; or

68 (B) a United States Treasury note of a comparable term.

69 (5) (a) For an interfund loan under Subsection (1)(a), the town council shall:

70 (i) hold a public hearing;

71 (ii) prepare a written notice of the date, time, place, and purpose of the hearing, and
 72 the proposed terms and conditions of the interfund loan under Subsection (2);

73 (iii) provide notice of the public hearing in the same manner as required under
 74 Subsection 10-5-108(2) as if the hearing were a budget hearing; and

75 (iv) authorize the interfund loan by ordinance or resolution in a public meeting.

76 (b) The notice and hearing requirements in Subsection (5)(a) are satisfied if the interfund
 77 loan is included in an original budget or in a subsequent budget amendment
 78 previously approved by the town council for the current fiscal year.

79 (6) Subsections (2) through (5) do not apply to an interfund loan if the interfund loan is:

80 (a) a loan from the town general fund to any other fund of the town; or

81 (b) a short-term advance from the town's cash and investment pool to individual funds
 82 that are repaid by the end of the fiscal year.

83 Section 2. Section **10-6-132** is amended to read:

84 **10-6-132 . Loans by one fund to another -- Acquiring bonds for investment.**

85 (1) Subject to this section, restrictions imposed by bond ordinance, or other controlling
 86 regulations, the governing body of a city may:

87 (a) subject to the restrictions in Section 53-2a-605, authorize an interfund loan from one
 88 fund to another; and

89 (b) with available cash in any fund, purchase or otherwise acquire for investment an
 90 unmatured bond of the city or of any fund of the city.

91 (2) An interfund loan under Subsection (1)(a) shall be in writing and specify the terms and
 92 conditions of the loan, including the:

93 (a) effective date of the loan;

94 (b) name of the fund loaning the money;

95 (c) name of the fund receiving the money;

96 (d) amount of the loan;

- 97 (e) subject to Subsection (3), term of and repayment schedule for the loan;
- 98 (f) subject to Subsection (4), interest rate of the loan;
- 99 (g) method of calculating interest applicable to the loan;
- 100 (h) procedures for:
- 101 (i) applying interest to the loan; and
- 102 (ii) paying interest on the loan; and
- 103 (i) other terms and conditions the governing body determines applicable.
- 104 (3) The term and repayment schedule specified under Subsection (2)(e) may not exceed 10
- 105 years.
- 106 (4) (a) In determining the interest rate of the loan specified under Subsection (2)(f), the
- 107 governing body shall apply an interest rate that reflects the rate of potential gain had
- 108 the funds been deposited or invested in a comparable investment.
- 109 (b) Notwithstanding Subsection (4)(a), the interest rate of the loan specified under
- 110 Subsection (2)(f):
- 111 (i) if the term of the loan under Subsection (2)(e) is one year or less, may not be less
- 112 than the rate offered by the Public Treasurers' Investment Fund [~~that was created~~
- 113 ~~for public funds transferred to the state treasurer in accordance with Section 51-7-5]~~
- 114 as defined in Section 51-7-3; or
- 115 (ii) if the term of the loan under Subsection (2)(e) is more than one year, may not be
- 116 less than the greater of the rate offered by:
- 117 (A) the Public Treasurers' Investment Fund [~~that was created for public funds~~
- 118 ~~transferred to the state treasurer in accordance with Section 51-7-5]~~ as defined
- 119 in Section 51-7-3; or
- 120 (B) a United States Treasury note of a comparable term.
- 121 (5) (a) For an interfund loan under Subsection (1)(a), the governing body shall:
- 122 (i) hold a public hearing;
- 123 (ii) prepare a written notice of the date, time, place, and purpose of the hearing, and
- 124 the proposed terms and conditions of the interfund loan under Subsection (2);
- 125 (iii) provide notice of the public hearing in the same manner as required under
- 126 Section 10-6-113 as if the hearing were a budget hearing; and
- 127 (iv) authorize the interfund loan by ordinance or resolution in a public meeting.
- 128 (b) The notice and hearing requirements in Subsection (5)(a) are satisfied if the interfund
- 129 loan is included in an original budget or in a subsequent budget amendment
- 130 previously approved by the governing body for the current fiscal year.

- 131 (6) Subsections (2) through (5) do not apply to an interfund loan if the interfund loan is:
132 (a) a loan from the city general fund to any other fund of the city; or
133 (b) a short-term advance from the city's cash and investment pool to individual funds
134 that are repaid by the end of the fiscal year.

135 Section 3. Section **11-13-523** is amended to read:

136 **11-13-523 . Loans by one fund to another.**

137 (1) Subject to this section, restrictions imposed by bond covenants, restrictions in Section
138 53-2a-605, or other controlling regulations, the governing board of an interlocal entity
139 may authorize an interfund loan from one fund to another.

140 (2) An interfund loan under Subsection (1) shall be in writing and specify the terms and
141 conditions of the loan, including the:

- 142 (a) effective date of the loan;
143 (b) name of the fund loaning the money;
144 (c) name of the fund receiving the money;
145 (d) amount of the loan;
146 (e) subject to Subsection (3), term of and repayment schedule for the loan;
147 (f) subject to Subsection (4), interest rate of the loan;
148 (g) method of calculating interest applicable to the loan;
149 (h) procedures for:
150 (i) applying interest to the loan; and
151 (ii) paying interest on the loan; and
152 (i) other terms and conditions the governing board determines applicable.

153 (3) The term and repayment schedule specified under Subsection (2)(e) may not exceed 10
154 years.

155 (4) (a) In determining the interest rate of the loan specified under Subsection (2)(f), the
156 governing board shall apply an interest rate that reflects the rate of potential gain had
157 the funds been deposited or invested in a comparable investment.

158 (b) Notwithstanding Subsection (4)(a), the interest rate of the loan specified under
159 Subsection (2)(f):

160 (i) if the term of the loan under Subsection (2)(e) is one year or less, may not be less
161 than the rate offered by the Public Treasurers' Investment Fund [~~that was created~~

162 ~~for public funds transferred to the state treasurer in accordance with Section 51-7-5]~~
163 as defined in Section 51-7-3; or

164 (ii) if the term of the loan under Subsection (2)(e) is more than one year, may not be

- 165 less than the greater of the rate offered by:
- 166 (A) the Public Treasurers' Investment Fund [~~that was created for public funds~~
 167 ~~transferred to the state treasurer in accordance with Section 51-7-5]~~ as defined
 168 in Section 51-7-3; or
- 169 (B) a United States Treasury note of a comparable term.
- 170 (5) (a) For an interfund loan under Subsection (1), the governing board shall:
- 171 (i) hold a public hearing;
- 172 (ii) prepare a written notice of the date, time, place, and purpose of the hearing, and
 173 the proposed terms and conditions of the interfund loan under Subsection (2);
- 174 (iii) provide notice of the public hearing in the same manner as required under
 175 Section 11-13-509 as if the hearing were a budget hearing; and
- 176 (iv) authorize the interfund loan by resolution in a public meeting.
- 177 (b) The notice and hearing requirements in Subsection (5)(a) are satisfied if the interfund
 178 loan is included in an original budget or in a subsequent budget amendment
 179 previously approved by the governing board for the current fiscal year.
- 180 (6) Subsections (2) through (5) do not apply to an interfund loan if the interfund loan is:
- 181 (a) a loan from the interlocal entity general fund to any other fund of the interlocal
 182 entity; or
- 183 (b) a short-term advance from the interlocal entity's cash and investment pool to an
 184 individual fund that is repaid by the end of the fiscal year.
- 185 Section 4. Section **17-36-30** is amended to read:
- 186 **17-36-30 . Interfund loans -- Acquisition of issued unmatured bonds.**
- 187 (1) Subject to this section, restrictions imposed by bond covenants, or other controlling
 188 regulations, the governing body may:
- 189 (a) subject to the restrictions in Section 53-2a-605, authorize an interfund loan from one
 190 fund to another; and
- 191 (b) with available cash in any fund, purchase or otherwise acquire for investment an
 192 unmatured bond of the county or of any county fund.
- 193 (2) An interfund loan under Subsection (1)(a) shall be in writing and specify the terms and
 194 conditions of the loan, including the:
- 195 (a) effective date of the loan;
- 196 (b) name of the fund loaning the money;
- 197 (c) name of the fund receiving the money;
- 198 (d) amount of the loan;

- 199 (e) subject to Subsection (3), term of and repayment schedule for the loan;
- 200 (f) subject to Subsection (4), interest rate of the loan;
- 201 (g) method of calculating interest applicable to the loan;
- 202 (h) procedures for:
- 203 (i) applying interest to the loan; and
- 204 (ii) paying interest on the loan; and
- 205 (i) other terms and conditions the governing body determines applicable.
- 206 (3) The term and repayment schedule specified under Subsection (2)(e) may not exceed 10
- 207 years.
- 208 (4) (a) In determining the interest rate of the loan specified under Subsection (2)(f), the
- 209 governing body shall apply an interest rate that reflects the rate of potential gain had
- 210 the funds been deposited or invested in a comparable investment.
- 211 (b) Notwithstanding Subsection (4)(a), the interest rate of the loan specified under
- 212 Subsection (2)(f):
- 213 (i) if the term of the loan under Subsection (2)(e) is one year or less, may not be less
- 214 than the rate offered by the Public Treasurers' Investment Fund [~~that was created~~
- 215 ~~for public funds transferred to the state treasurer in accordance with Section 51-7-5]~~
- 216 as defined in Section 51-7-3; or
- 217 (ii) if the term of the loan under Subsection (2)(e) is more than one year, may not be
- 218 less than the greater of the rate offered by:
- 219 (A) the Public Treasurers' Investment Fund [~~that was created for public funds~~
- 220 ~~transferred to the state treasurer in accordance with Section 51-7-5]~~ as defined
- 221 in Section 51-7-3; or
- 222 (B) a United States Treasury note of a comparable term.
- 223 (5) (a) For an interfund loan under Subsection (1)(a), the governing body shall:
- 224 (i) hold a public hearing;
- 225 (ii) prepare a written notice of the date, time, place, and purpose of the hearing, and
- 226 the proposed terms and conditions of the interfund loan under Subsection (2);
- 227 (iii) provide notice of the public hearing in the same manner as required under
- 228 Section 17-36-12 as if the hearing were a budget hearing; and
- 229 (iv) authorize the interfund loan by ordinance or resolution in a public meeting.
- 230 (b) The notice and hearing requirements in Subsection (5)(a) are satisfied if the interfund
- 231 loan is included in an original budget or in a subsequent budget amendment
- 232 previously approved by the governing body for the current fiscal year.

- 233 (6) Subsections (2) through (5) do not apply to an interfund loan if the interfund loan is:
 234 (a) a loan from the county general fund to any other fund of the county; or
 235 (b) a short-term advance from the county's cash and investment pool to individual funds
 236 that are repaid by the end of the fiscal year.

237 Section 5. Section **17-36-52** is amended to read:

238 **17-36-52 . Tax stability and trust fund -- Deposit or investment of funds -- Use of**
 239 **interest or other income.**

- 240 (1) (a) All amounts in the tax stability and trust fund established by a county under
 241 Section 17-36-51 may be deposited or invested as provided in Section 51-7-11.
 242 (b) The amounts described in Subsection (1)(a) may also be transferred by the county
 243 treasurer to the [~~state treasurer under Section 51-7-5~~] Public Treasurers' Investment
 244 Fund, as defined in Section 51-7-3, for the treasurer's management and control under
 245 Title 51, Chapter 7, State Money Management Act.
- 246 (2) (a) The interest or other income realized from amounts in the tax stability and trust
 247 fund shall be returned to the county general fund during the fiscal year in which the
 248 income or interest is paid to the extent the interest or income is required by the
 249 county to provide for its purposes during that fiscal year.
 250 (b) An amount returned in accordance with Subsection (2)(a) may be used for all
 251 purposes as other amounts in the county general fund.
 252 (c) Any interest or income that is not returned to the county general fund in accordance
 253 with Subsection (2)(a) shall be added to the principal of that county's tax stability and
 254 trust fund.

255 Section 6. Section **17B-1-626** is amended to read:

256 **17B-1-626 . Loans by one fund to another.**

- 257 (1) Subject to this section, restrictions imposed by bond covenants, restrictions in Section
 258 53-2a-605, or other controlling regulations, the board of trustees of a special district may
 259 authorize an interfund loan from one fund to another.
- 260 (2) An interfund loan under Subsection (1) shall be in writing and specify the terms and
 261 conditions of the loan, including the:
- 262 (a) effective date of the loan;
 263 (b) name of the fund loaning the money;
 264 (c) name of the fund receiving the money;
 265 (d) amount of the loan;
 266 (e) subject to Subsection (3), term of and repayment schedule for the loan;

- 267 (f) subject to Subsection (4), interest rate of the loan;
- 268 (g) method of calculating interest applicable to the loan;
- 269 (h) procedures for:
- 270 (i) applying interest to the loan; and
- 271 (ii) paying interest on the loan; and
- 272 (i) other terms and conditions the board of trustees determines applicable.
- 273 (3) The term and repayment schedule specified under Subsection (2)(e) may not exceed 10
- 274 years.
- 275 (4) (a) In determining the interest rate of the loan specified under Subsection (2)(f), the
- 276 board of trustees shall apply an interest rate that reflects the rate of potential gain had
- 277 the funds been deposited or invested in a comparable investment.
- 278 (b) Notwithstanding Subsection (4)(a), the interest rate of the loan specified under
- 279 Subsection (2)(f):
- 280 (i) if the term of the loan under Subsection (2)(e) is one year or less, may not be less
- 281 than the rate offered by the Public Treasurers' Investment Fund [~~that was created~~
- 282 ~~for public funds transferred to the state treasurer in accordance with Section 51-7-5]~~
- 283 as defined in Section 51-7-3; or
- 284 (ii) if the term of the loan under Subsection (2)(e) is more than one year, may not be
- 285 less than the greater of the rate offered by:
- 286 (A) the Public Treasurers' Investment Fund [~~that was created for public funds~~
- 287 ~~transferred to the state treasurer in accordance with Section 51-7-5]~~ as defined
- 288 in Section 51-7-3; or
- 289 (B) a United States Treasury note of a comparable term.
- 290 (5) (a) For an interfund loan under Subsection (1), the board of trustees shall:
- 291 (i) hold a public hearing;
- 292 (ii) prepare a written notice of the date, time, place, and purpose of the hearing, and
- 293 the proposed terms and conditions of the interfund loan under Subsection (2);
- 294 (iii) provide notice of the public hearing in the same manner as required under
- 295 Section 17B-1-609 as if the hearing were a budget hearing; and
- 296 (iv) authorize the interfund loan by resolution in a public meeting.
- 297 (b) The notice and hearing requirements in Subsection (5)(a) are satisfied if the interfund
- 298 loan is included in an original budget or in a subsequent budget amendment
- 299 previously approved by the board of trustees for the current fiscal year.
- 300 (6) Subsections (2) through (5) do not apply to an interfund loan if the interfund loan is:

- 301 (a) a loan from the special district general fund to any other fund of the special district; or
302 (b) a short-term advance from the special district's cash and investment pool to
303 individual funds that are repaid by the end of the fiscal year.

304 Section 7. Section **51-7-3** is amended to read:

305 **51-7-3 . Definitions.**

306 As used in this chapter:

- 307 (1) "Agent" means [~~"agent" as~~] the same as that term is defined in Section 61-1-13.
308 (2) "Certified dealer" means:
309 (a) a primary reporting dealer recognized by the Federal Reserve Bank of New York
310 who is certified by the director as having met the applicable criteria of council rule; or
311 (b) a broker dealer who:
312 (i) has and maintains an office and a resident registered principal in the state;
313 (ii) meets the capital requirements established by council rules;
314 (iii) meets the requirements for good standing established by council rule; and
315 (iv) is certified by the director as meeting quality criteria established by council rule.
316 (3) "Certified investment adviser" means a federal covered adviser, as defined in Section
317 61-1-13, or an investment adviser, as defined in Section 61-1-13, who is certified by the
318 director as having met the applicable criteria of council rule.
319 (4) "Commissioner" means the commissioner of financial institutions.
320 (5) "Council" means the State Money Management Council created by Section 51-7-16.
321 (6) "Covered bond" means a publicly placed debt security issued by a bank, other regulated
322 financial institution, or a subsidiary of either that is secured by a pool of loans that
323 remain on the balance sheet of the issuer or its subsidiary.
324 (7) "Director" means the director of the Utah State Division of Securities of the Department
325 of Commerce.
326 (8) (a) "Endowment funds" means gifts, devises, or bequests of property of any kind
327 donated to a higher education institution from any source.
328 (b) "Endowment funds" does not mean money used for the general operation of a higher
329 education institution that is received by the higher education institution from:
330 (i) state appropriations;
331 (ii) federal contracts;
332 (iii) federal grants;
333 (iv) private research grants; and
334 (v) tuition and fees collected from students.

- 335 (9) "First tier commercial paper" means commercial paper rated by at least two nationally
336 recognized statistical rating organizations in the highest short-term rating category.
- 337 (10) "Funds functioning as endowments" means funds, regardless of source, whose corpus
338 is intended to be held in perpetuity by formal institutional designation according to the
339 institution's policy for designating those funds.
- 340 (11) "GASB" or "Governmental Accounting Standards Board" means the Governmental
341 Accounting Standards Board that is responsible for accounting standards used by public
342 entities.
- 343 (12) "Hard put" means an unconditional sell-back provision or a redemption provision
344 applicable at issue to a note or bond, allowing holders to sell their holdings back to the
345 issuer or to an equal or higher-rated third party provider at specific intervals and specific
346 prices determined at the time of issuance.
- 347 (13) "Higher education institution" means the institutions specified in Section 53B-1-102.
- 348 (14) "Investment adviser representative" [~~is as defined~~] means the same as that term is
349 defined in Section 61-1-13.
- 350 (15) (a) "Investment agreement" means any written agreement that has specifically
351 negotiated withdrawal or reinvestment provisions and a specifically negotiated
352 interest rate.
- 353 (b) "Investment agreement" includes any agreement to supply investments on one or
354 more future dates.
- 355 (16) "Local government" means a county, municipality, school district, special district
356 under Title 17B, Limited Purpose Local Government Entities - Special Districts, special
357 service district under Title 17D, Chapter 1, Special Service District Act, or any other
358 political subdivision of the state.
- 359 (17) "Market value" means market value as defined in the Master Repurchase Agreement.
- 360 (18) "Master Repurchase Agreement" means the current standard Master Repurchase
361 Agreement approved by the Public Securities Association or by any successor
362 organization.
- 363 (19) "Maximum amount" means, with respect to qualified depositories, the total amount of:
364 (a) deposits in excess of the federal deposit insurance limit; and
365 (b) nonqualifying repurchase agreements.
- 366 (20) "Money market mutual fund" means an open-end managed investment fund:
367 (a) that complies with the diversification, quality, and maturity requirements of Rule
368 2a-7 or any successor rule of the Securities and Exchange Commission applicable to

- 369 money market mutual funds; and
- 370 (b) that assesses no sales load on the purchase of shares and no contingent deferred sales
371 charge or other similar charges, however designated.
- 372 (21) "Nationally recognized statistical rating organization" means an organization that has
373 been designated as a nationally recognized statistical rating organization by the
374 Securities and Exchange Commission's Division of Market Regulation.
- 375 (22) "Nonqualifying repurchase agreement" means a repurchase agreement evidencing
376 indebtedness of a qualified depository arising from the transfer of obligations of the
377 United States Treasury or other authorized investments to public treasurers that is:
- 378 (a) evidenced by a safekeeping receipt issued by the qualified depository;
- 379 (b) included in the depository's maximum amount of public funds; and
- 380 (c) valued and maintained at market value plus an appropriate margin collateral
381 requirement based upon the term of the agreement and the type of securities acquired.
- 382 (23) "Operating funds" means current balances and other funds that are to be disbursed for
383 operation of the state government or any of its boards, commissions, institutions,
384 departments, divisions, agencies, or other similar instrumentalities, or any county, city,
385 school district, political subdivision, or other public body.
- 386 (24) "Permanent funds" means funds whose principal may not be expended, the earnings
387 from which are to be used for purposes designated by law.
- 388 (25) "Permitted depository" means any out-of-state financial institution that meets quality
389 criteria established by rule of the council.
- 390 (26) "Public funds" means money, funds, and accounts, regardless of the source from which
391 the money, funds, and accounts are derived, that are owned, held, or administered by the
392 state or any of its boards, commissions, institutions, departments, divisions, agencies,
393 bureaus, laboratories, or other similar instrumentalities, or any county, city, school
394 district, political subdivision, or other public body.
- 395 (27) (a) "Public money" means "public funds."
- 396 (b) "Public money," as used in Article VII, Sec. 15, Utah Constitution, means the same
397 as "state funds."
- 398 (28) "Public treasurer" includes the state treasurer and the official of any state board,
399 commission, institution, department, division, agency, or other similar instrumentality,
400 or of any county, city, school district, charter school, political subdivision, or other
401 public body who has the responsibility for the safekeeping and investment of any public
402 funds.

403 (29) "Public Treasurers' Investment Fund" means the public fund created for any public
404 funds transferred by a public treasurer to the state treasurer in accordance with Section
405 51-7-5.

406 [~~(29)~~] (30) "Qualified depository" means a Utah depository institution or an out-of-state
407 depository institution, as those terms are defined in Section 7-1-103, that is authorized to
408 conduct business in this state under Section 7-1-702 or Title 7, Chapter 19, Acquisition
409 of Failing Depository Institutions or Holding Companies, whose deposits are insured by
410 an agency of the federal government and that has been certified by the commissioner of
411 financial institutions as having met the requirements established under this chapter and
412 the rules of the council to be eligible to receive deposits of public funds.

413 [~~(30)~~] (31) "Qualifying repurchase agreement" means a repurchase agreement evidencing
414 indebtedness of a financial institution or government securities dealer acting as principal
415 arising from the transfer of obligations of the United States Treasury or other authorized
416 investments to public treasurers only if purchased securities are:

417 (a) delivered to the public treasurer's safekeeping agent or custodian as contemplated by
418 Section 7 of the Master Repurchase Agreement; and
419 (b) valued and maintained at market value plus an appropriate margin collateral
420 requirement based upon the term of the agreement and the type of securities acquired.

421 [~~(31)~~] (32) "Reciprocal deposits" means deposits that are initially deposited into a qualified
422 depository and are then redeposited through a deposit account registry service:

423 (a) in one or more FDIC-insured depository institutions in amounts up to the relevant
424 FDIC-insured deposit limit for a depositor in each depository institution; and
425 (b) in exchange for reciprocal FDIC-insured deposits made through the deposit account
426 registry service to the qualified depository.

427 [~~(32)~~] (33) "Securities division" means Utah's Division of Securities created within the
428 Department of Commerce by Section 13-1-2.

429 [~~(33)~~] (34) "State funds" means:

430 (a) public money raised by operation of law for the support and operation of the state
431 government; and
432 (b) all other money, funds, and accounts, regardless of the source from which the
433 money, funds, or accounts are derived, that are owned, held, or administered by the
434 state or any of its boards, commissions, institutions, departments, divisions, agencies,
435 bureaus, laboratories, or other similar instrumentalities.

436 Section 8. Section **51-7-5** is amended to read:

437 **51-7-5 . Public Treasurers' Investment Fund -- Transfer of public funds not**
 438 **otherwise required to be transferred to state treasurer -- Duties of public**
 439 **treasurers -- Withdrawals of transferred funds -- Reporting.**

440 (1) Any public funds as to which the deposit, investment, or reinvestment is not transferred
 441 to the state treasurer by Section 51-7-4, may be transferred to the [~~state treasurer~~] Public
 442 Treasurers' Investment Fund by the public treasurer having responsibility for the control
 443 or management of these public funds.

444 (2) Notwithstanding the transfer, the public treasurer shall retain sufficient funds to cover
 445 the cash requirements of the body owning or having control or management of these
 446 funds and shall continue to be responsible for the proper collection, deposit, and
 447 disbursement of these funds in the manner provided by law.

448 (3) The public funds transferred or placed under the control or supervision of the state
 449 treasurer under this section are subject to all applicable provisions of this chapter and are
 450 under the jurisdiction of the state treasurer until the public treasurer withdraws these
 451 public funds from the state treasurer.

452 (4) Withdrawals may be made from time to time on such reasonable notice as the state
 453 treasurer may prescribe.

454 (5) The public treasurer may withdraw all or any part of the public funds originally
 455 transferred to the state treasurer, subject to any rules as to the maximum amounts which
 456 may be withdrawn at any one time as the state treasurer may reasonably prescribe.

457 (6) On or before October 31 of each calendar year, the state treasurer shall report to the
 458 Political Subdivisions Interim Committee the current balance as of June 30 for each
 459 entity that has transferred money to the Public Treasurers' Investment Fund.

460 Section 9. Section **51-7-6** is amended to read:

461 **51-7-6 . Public Treasurers' Investment Fund -- Calculation of shares of**
 462 **participating funds -- Allocations of income to participating funds.**

463 (1) The share of public funds of each participating public treasurer who has transferred
 464 public funds to the [~~state treasurer for investment under Section 51-7-5~~] Public
 465 Treasurers' Investment Fund, including trust funds invested by the state treasurer under
 466 this chapter, shall be calculated not less than quarterly.

467 (2) Income from investment of these public funds by the state treasurer, including gains or
 468 losses from the sale or exchange of investments or other properties, and net of
 469 investment fees and other charges assessed according to the schedule established by the
 470 state treasurer, shall be allocated to each participating fund on the ratio of each fund's

471 share to the total public funds in the custody of the state treasurer determined on the
472 basis of the average daily balance of each fund.

473 Section 10. Section **53-2a-605** is amended to read:

474 **53-2a-605 . Local government disaster funds.**

475 (1) (a) Subject to this section and notwithstanding anything to the contrary contained in
476 Title 10, Utah Municipal Code, or Title 17, Counties, Title 17B, Limited Purpose
477 Local Government Entities - Special Districts, or Title 17D, Chapter 1, Special
478 Service District Act, the governing body of a local government may create and
479 maintain by ordinance a special fund known as a local government disaster fund.

480 (b) The local fund shall consist of:

481 (i) subject to the limitations of this section, money transferred to it in accordance with
482 Subsection (2);

483 (ii) any other public or private money received by the local government that is:

484 (A) given to the local government for purposes consistent with this section; and

485 (B) deposited into the local fund at the request of:

486 (I) the governing body of the local government; or

487 (II) the person giving the money; and

488 (iii) interest or income realized from the local fund.

489 (c) Interest or income realized from the local fund shall be deposited into the local fund.

490 (d) Money in a local fund may be:

491 (i) deposited or invested as provided in Section 51-7-11; or

492 (ii) transferred by the local government treasurer to the [~~state treasurer under Section~~
493 ~~51-7-5 for the state treasurer's management and control under Title 51, Chapter 7,~~
494 ~~State Money Management Act]~~ Public Treasurers' Investment Fund as defined in
495 Section 51-7-3.

496 (e) (i) The money in a local fund may accumulate from year to year until the local
497 government governing body determines to spend any money in the local fund for
498 one or more of the purposes specified in Subsection (3).

499 (ii) Money in a local fund at the end of a fiscal year:

500 (A) shall remain in the local fund for future use; and

501 (B) may not be transferred to any other fund or used for any other purpose.

502 (2) The amounts transferred to a local fund may not exceed 10% of the total estimated
503 revenues of the local government for the current fiscal period that are not restricted or
504 otherwise obligated.

- 505 (3) Money in the fund may only be used to fund the services and activities of the local
506 government creating the local fund in response to:
- 507 (a) a declared disaster within the boundaries of the local government;
- 508 (b) the aftermath of the disaster that gave rise to a declared disaster within the
509 boundaries of the local government; and
- 510 (c) subject to Subsection (5), emergency preparedness.
- 511 (4) (a) A local fund is subject to this part and:
- 512 (i) in the case of a town, Title 10, Chapter 5, Uniform Fiscal Procedures Act for Utah
513 Towns, except that:
- 514 (A) in addition to the funds listed in Section 10-5-106, the mayor shall prepare a
515 budget for the local fund;
- 516 (B) Section 10-5-119 addressing termination of special funds does not apply to a
517 local fund; and
- 518 (C) the council of the town may not authorize an interfund loan under Section
519 10-5-120 from the local fund;
- 520 (ii) in the case of a city, Title 10, Chapter 6, Uniform Fiscal Procedures Act for Utah
521 Cities, except that:
- 522 (A) in addition to the funds listed in Section 10-6-109, the mayor shall prepare a
523 budget for the local fund;
- 524 (B) Section 10-6-131 addressing termination of special funds does not apply to a
525 local fund; and
- 526 (C) the governing body of the city may not authorize an interfund loan under
527 Section 10-6-132 from the local fund; ~~and~~
- 528 (iii) in the case of a county, Title 17, Chapter 36, Uniform Fiscal Procedures Act for
529 Counties, except that:
- 530 (A) Section 17-36-29 addressing termination of special funds does not apply to a
531 local fund; and
- 532 (B) the governing body of the county may not authorize an interfund loan under
533 Section 17-36-30 from the local fund;
- 534 (iv) in the case of a special district or special service district, Title 17B, Chapter 1,
535 Part 6, Fiscal Procedures for Special Districts, except that:
- 536 (A) Section 17B-1-625, addressing termination of a special fund, does not apply to
537 a local fund; and
- 538 (B) the governing body of the special district or special service district may not

539 authorize an interfund loan under Section 17B-1-626 from the local fund; and

540 (v) in the case of an interlocal entity, Title 11, Chapter 13, Part 5, Fiscal Procedures
 541 for Interlocal Entities, except for the following provisions:

542 (A) Section 11-13-522 addressing termination of a special fund does not apply to
 543 a local fund; and

544 (B) the governing board of the interlocal entity may not authorize an interfund
 545 loan under Section 11-13-523 from the local fund.

546 (b) Notwithstanding Subsection (4)(a), transfers of money to a local fund or the
 547 accumulation of money in a local fund do not affect any limits on fund balances, net
 548 assets, or the accumulation of retained earnings in any of the following of a local
 549 government:

550 (i) a general fund;

551 (ii) an enterprise fund;

552 (iii) an internal service fund; or

553 (iv) any other fund.

554 (5) (a) A local government may not expend during a fiscal year more than 10% of the
 555 money budgeted to be deposited into a local fund during that fiscal year for
 556 emergency preparedness.

557 (b) The amount described in Subsection (5)(a) shall be determined before the adoption
 558 of the tentative budget.

559 Section 11. Section **59-2-1330** is amended to read:

560 **59-2-1330 . Payment of property taxes -- Payments to taxpayer by state or taxing**
 561 **entity -- Refund of penalties paid by taxpayer -- Refund of interest paid by**
 562 **taxpayer -- Payment of interest to taxpayer -- Judgment levy -- Objections to**
 563 **assessments by the commission -- Time periods for making payments to**
 564 **taxpayer.**

565 (1) Unless otherwise specifically provided by statute, property taxes shall be paid directly
 566 to the county assessor or the county treasurer:

567 (a) on the date that the property taxes are due; and

568 (b) as provided in this chapter.

569 (2) A taxpayer shall receive payment as provided in this section if a reduction in the amount
 570 of any tax levied against any property for which the taxpayer paid a tax or any portion of
 571 a tax under this chapter for a calendar year is required by a final and unappealable
 572 judgment or order described in Subsection (3) issued by:

- 573 (a) a county board of equalization;
574 (b) the commission; or
575 (c) a court of competent jurisdiction.
- 576 (3) (a) For purposes of Subsection (2), the state or any taxing entity that has received
577 property taxes or any portion of property taxes from a taxpayer described in
578 Subsection (2) shall pay the taxpayer if:
- 579 (i) the taxes the taxpayer paid in accordance with Subsection (2) are collected by an
580 authorized officer of the:
- 581 (A) county; or
582 (B) state; and
- 583 (ii) the taxpayer obtains a final and unappealable judgment or order:
- 584 (A) from:
- 585 (I) a county board of equalization;
586 (II) the commission; or
587 (III) a court of competent jurisdiction;
- 588 (B) against:
- 589 (I) the taxing entity or an authorized officer of the taxing entity; or
590 (II) the state or an authorized officer of the state; and
- 591 (C) ordering a reduction in the amount of any tax levied against any property for
592 which a taxpayer paid a tax or any portion of a tax under this chapter for the
593 calendar year.
- 594 (b) The amount that the state or a taxing entity shall pay a taxpayer shall be determined
595 in accordance with Subsections (4) through (7).
- 596 (4) For purposes of Subsections (2) and (3), the amount the state shall pay to a taxpayer is
597 equal to the sum of:
- 598 (a) if the difference described in this Subsection (4)(a) is greater than \$0, the difference
599 between:
- 600 (i) the tax the taxpayer paid to the state in accordance with Subsection (2); and
601 (ii) the amount of the taxpayer's tax liability to the state after the reduction in the
602 amount of tax levied against the property in accordance with the final and
603 unappealable judgment or order described in Subsection (3);
- 604 (b) if the difference described in this Subsection (4)(b) is greater than \$0, the difference
605 between:
- 606 (i) any penalties the taxpayer paid to the state in accordance with Section 59-2-1331;

- 607 and
- 608 (ii) the amount of penalties the taxpayer is liable to pay to the state in accordance
- 609 with Section 59-2-1331 after the reduction in the amount of tax levied against the
- 610 property in accordance with the final and unappealable judgment or order
- 611 described in Subsection (3);
- 612 (c) as provided in Subsection (6)(a), interest the taxpayer paid in accordance with
- 613 Section 59-2-1331 on the amounts described in Subsections (4)(a) and (4)(b); and
- 614 (d) as provided in Subsection (6)(b), interest on the sum of the amounts described in:
- 615 (i) Subsection (4)(a);
- 616 (ii) Subsection (4)(b); and
- 617 (iii) Subsection (4)(c).
- 618 (5) For purposes of Subsections (2) and (3), the amount a taxing entity shall pay to a
- 619 taxpayer is equal to the sum of:
- 620 (a) if the difference described in this Subsection (5)(a) is greater than \$0, the difference
- 621 between:
- 622 (i) the tax the taxpayer paid to the taxing entity in accordance with Subsection (2);
- 623 and
- 624 (ii) the amount of the taxpayer's tax liability to the taxing entity after the reduction in
- 625 the amount of tax levied against the property in accordance with the final and
- 626 unappealable judgment or order described in Subsection (3);
- 627 (b) if the difference described in this Subsection (5)(b) is greater than \$0, the difference
- 628 between:
- 629 (i) any penalties the taxpayer paid to the taxing entity in accordance with Section
- 630 59-2-1331; and
- 631 (ii) the amount of penalties the taxpayer is liable to pay to the taxing entity in
- 632 accordance with Section 59-2-1331 after the reduction in the amount of tax levied
- 633 against the property in accordance with the final and unappealable judgment or
- 634 order described in Subsection (3);
- 635 (c) as provided in Subsection (6)(a), interest the taxpayer paid in accordance with
- 636 Section 59-2-1331 on the amounts described in Subsections (5)(a) and (5)(b); and
- 637 (d) as provided in Subsection (6)(b), interest on the sum of the amounts described in:
- 638 (i) Subsection (5)(a);
- 639 (ii) Subsection (5)(b); and
- 640 (iii) Subsection (5)(c).

- 641 (6) Except as provided in Subsection (7):
- 642 (a) interest shall be refunded to a taxpayer on the amount described in Subsection (4)(c)
- 643 or (5)(c) in an amount equal to the amount of interest the taxpayer paid in accordance
- 644 with Section 59-2-1331; and
- 645 (b) interest shall be paid to a taxpayer on the amount described in Subsection (4)(d) or
- 646 (5)(d):
- 647 (i) beginning on the later of:
- 648 (A) the day on which the taxpayer paid the tax in accordance with Subsection (2);
- 649 or
- 650 (B) January 1 of the calendar year immediately following the calendar year for
- 651 which the tax was due;
- 652 (ii) ending on the day on which the state or a taxing entity pays to the taxpayer the
- 653 amount required by Subsection (4) or (5); and
- 654 (iii) at the interest rate earned by the state treasurer on public funds transferred to the [
- 655 ~~state treasurer in accordance with Section 51-7-5]~~ Public Treasurers' Investment
- 656 Fund as defined in Section 51-7-3.
- 657 (7) Notwithstanding Subsection (6):
- 658 (a) the state may not pay or refund interest to a taxpayer under Subsection (6) on any tax
- 659 the taxpayer paid in accordance with Subsection (2) that exceeds the amount of tax
- 660 levied by the state for that calendar year as stated on the notice required by Section
- 661 59-2-1317; and
- 662 (b) a taxing entity may not pay or refund interest to a taxpayer under Subsection (6) on
- 663 any tax the taxpayer paid in accordance with Subsection (2) that exceeds the amount
- 664 of tax levied by the taxing entity for that calendar year as stated on the notice
- 665 required by Section 59-2-1317.
- 666 (8) (a) Each taxing entity may levy a tax to pay its share of the final and unappealable
- 667 judgment or order described in Subsection (3) if:
- 668 (i) the final and unappealable judgment or order is issued no later than 15 days prior
- 669 to the date the certified tax rate is set under Section 59-2-924;
- 670 (ii) the amount of the judgment levy is included on the notice under Section
- 671 59-2-919.1; and
- 672 (iii) the final and unappealable judgment or order is an eligible judgment, as defined
- 673 in Section 59-2-102.
- 674 (b) The levy under Subsection (8)(a) is in addition to, and exempt from, the maximum

675 levy established for the taxing entity.

676 (9) (a) A taxpayer that objects to the assessment of property assessed by the commission
677 shall pay, on or before the property tax due date established under Subsection
678 59-2-1331(1) or Section 59-2-1332, the full amount of taxes stated on the notice
679 required by Section 59-2-1317 if:

680 (i) the taxpayer has applied to the commission for a hearing in accordance with
681 Section 59-2-1007 on the objection to the assessment; and

682 (ii) the commission has not issued a written decision on the objection to the
683 assessment in accordance with Section 59-2-1007.

684 (b) A taxpayer that pays the full amount of taxes due under Subsection (9)(a) is not
685 required to pay penalties or interest on an assessment described in Subsection (9)(a)
686 unless:

687 (i) a final and unappealable judgment or order establishing that the property
688 described in Subsection (9)(a) has a value greater than the value stated on the
689 notice required by Section 59-2-1317 is issued by:

690 (A) the commission; or

691 (B) a court of competent jurisdiction; and

692 (ii) the taxpayer fails to pay the additional tax liability resulting from the final and
693 unappealable judgment or order described in Subsection (9)(b)(i) within a 45-day
694 period after the county bills the taxpayer for the additional tax liability.

695 (10) (a) Except as provided in Subsection (10)(b), a payment that is required by this
696 section shall be paid to a taxpayer:

697 (i) within 60 days after the day on which the final and unappealable judgment or
698 order is issued in accordance with Subsection (3); or

699 (ii) if a judgment levy is imposed in accordance with Subsection (8):

700 (A) if the payment to the taxpayer required by this section is \$5,000 or more, no
701 later than December 31 of the year in which the judgment levy is imposed; and

702 (B) if the payment to the taxpayer required by this section is less than \$5,000,
703 within 60 days after the date the final and unappealable judgment or order is
704 issued in accordance with Subsection (3).

705 (b) Notwithstanding Subsection (10)(a), a taxpayer may enter into an agreement:

706 (i) that establishes a time period other than a time period described in Subsection

707 (10)(a) for making a payment to the taxpayer that is required by this section; and

708 (ii) with:

709 (A) an authorized officer of a taxing entity for a tax imposed by a taxing entity; or

710 (B) an authorized officer of the state for a tax imposed by the state.

711 Section 12. **Effective date.**

712 This bill takes effect on May 1, 2024.