

Senator Michael K. McKell proposes the following substitute bill:

**INDEPENDENT ENTITIES AMENDMENTS**

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Michael K. McKell**

House Sponsor: Brady Brammer

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**LONG TITLE**

**General Description:**

This bill addresses independent entities.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ upon designation by the Legislative Management Committee, requires independent entities to utilize best practices tools provided by the Office of the Legislative Auditor General, and provide the results to the governor and a consensus group comprising the Office of Legislative Research and General Counsel, the Office of the Legislative Auditor General, and the Office of the Legislative Fiscal Analyst;
  - ▶ requires the consensus group to provide reports on independent entities' assessments to the Legislative Management Committee, the Legislative Audit Subcommittee, and the Executive Appropriations Committee;
  - ▶ allows the Legislative Management Committee, the Legislative Audit Subcommittee, and the Executive Appropriations Committee to each take action based on reports from the consensus group; and
  - ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**



26 None

27 **Other Special Clauses:**

28 None

29 **Utah Code Sections Affected:**

30 ENACTS:

31 [63H-9-101](#), Utah Code Annotated 1953

32 [63H-9-102](#), Utah Code Annotated 1953

33 [63H-9-103](#), Utah Code Annotated 1953



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

36 Section 1. Section [63H-9-101](#) is enacted to read:

37 **CHAPTER 9. OVERSIGHT OF INDEPENDENT ENTITIES**

38 **63H-9-101. Definitions.**

39 As used in this chapter:

40 (1) "Best practices toolbox" means the collection of resources for governmental entities  
41 provided on the website of the Office of the Legislative Auditor General that includes a best  
42 practice self-assessment and other resources, tools, surveys, and reports designed to help  
43 government organizations better serve the citizens of the state.

44 (2) "Consensus group" means the Office of Legislative Research and General Counsel,  
45 the Office of the Legislative Auditor General, and the Office of the Legislative Fiscal Analyst.

46 (3) (a) "Independent entity" means an entity that:

47 (i) has a public purpose relating to the state or its citizens;

48 (ii) is individually created by the state;

49 (iii) is separate from the judicial and legislative branches of state government; and

50 (iv) is not under the direct supervisory control of the governor.

51 (b) "Independent entity" does not include an entity that is:

52 (i) a county;

53 (ii) a municipality as defined in Section [10-1-104](#);

54 (iii) an institution of higher education as defined in Section [53B-2-102](#);

55 (iv) a public school as defined in Section [53G-8-701](#);

56 (v) a special district as defined in Section [17B-1-102](#);

57 (vi) a special service district as defined in Section 17D-1-102;  
 58 (vii) created by an interlocal agreement as described in Section 11-13-203; or  
 59 (viii) an elective constitutional office, including the state auditor, the state treasurer,  
 60 and the attorney general.

61 (c) Independent entities that are subject to the provisions of this chapter include the:

- 62 (i) Career Service Review Office created in Section 67-19a-201;
- 63 (ii) Capitol Preservation Board created in Section 63C-9-201;
- 64 (iii) Colorado River Authority created in Section 63M-14-201;
- 65 (iv) Heber Valley Historic Railroad Authority created in Section 63H-4-102;
- 66 (v) Military Installation Development Authority created in Section 63H-1-201;
- 67 (vi) Office of the Great Salt Lake Commissioner created in Section 73-32-301;
- 68 (vii) Office of Inspector General of Medicaid Services created in Section 63A-13-201;
- 69 (viii) Point of the Mountain State Land Authority created in Section 11-59-201;
- 70 (ix) Public Service Commission created in Section 54-1-1;
- 71 (x) School and Institutional Trust Fund Office created in Section 53C-1-201;
- 72 (xi) School and Institutional Trust Lands Administration created in Section 53D-1-201;
- 73 (xii) Utah Beef Council created in Section 4-21-103;
- 74 (xiii) Utah Capital Investment Corporation created in Section 63N-6-301;
- 75 (xiv) Utah Communications Authority created in Section 63H-7a-201;
- 76 (xv) Utah Dairy Commission created in Section 4-22-103;
- 77 (xvi) Utah Education and Telehealth Network created in Section 53B-17-105;
- 78 (xvii) Utah Housing Corporation created in Section 63H-8-201;
- 79 (xviii) Utah Inland Port Authority created in Section 11-58-201;
- 80 (xix) Utah Innovation Lab created in Section 63N-20-201;
- 81 (xx) Utah Lake Authority created in Section 11-65-201;
- 82 (xxi) Utah Retirement Systems created in Section 49-11-201; and
- 83 (xxii) Utah State Fair Park Authority created in Section 11-68-201.

84 Section 2. Section **63H-9-102** is enacted to read:

85 **63H-9-102. Independent entity best practices.**

86 (1) By May 1 of each year, the Legislative Management Committee may designate one  
 87 or more of the independent entities listed in Subsection 63H-9-101(4)(c) for legislative study.

88 (2) An independent entity designated for legislative study under Subsection (1) shall:

89 (a) use all designated material in the best practices toolbox to conduct a

90 self-assessment of the independent entity;

91 (b) report the results of the assessment described in Subsection (2)(a) to the consensus

92 group and the governor by June 30; and

93 (c) cooperate with the consensus group and, upon request from the consensus group,

94 provide information and material pertaining to an assessment described in Section [63H-9-103](#).

95 (3) An independent entity may request best practice training from the Office of the

96 Legislative Auditor General.

97 Section 3. Section **63H-9-103** is enacted to read:

98 **63H-9-103. Consensus group -- Duties.**

99 (1) (a) By September 1 of each year, the consensus group shall provide a report on each

100 of the assessment results provided under Subsection [63H-9-102\(2\)\(b\)](#) to the Legislative

101 Management Committee, the Legislative Audit Subcommittee, and the Executive

102 Appropriations Committee.

103 (b) For each report described in Subsection (1)(a), the consensus group may consider

104 the independent entity's:

105 (i) public purpose;

106 (ii) relative proximity to or independence from the state;

107 (iii) governance structure;

108 (iv) financial risks and controls, so far as they pertain to state funds;

109 (v) oversight structure; and

110 (vi) exemptions from state policies, procedures, and use of resources.

111 (2) To facilitate the work of the consensus group, and pursuant to Section [36-12-18](#),

112 the consensus group may request, and shall be provided upon request, any document, reports,

113 or information available to a department, division, commission, agency, or other

114 instrumentality of state government.

115 (3) After receiving a report from the consensus group, the Legislative Management

116 Committee, the Legislative Audit Subcommittee, and the Executive Appropriations Committee

117 may each take any action in accordance with their respective duties, authority, and powers,

118 which may include:

- 119            (a) requiring an audit;
- 120            (b) requiring review by an interim committee for potential legislative action; or
- 121            (c) requesting review by an appropriations subcommittee for potential fiscal action.

122            Section 4. **Effective date.**

123            This bill takes effect on May 1, 2024.