

PUBLIC FUND AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: R. Neil Walter

Senate Sponsor: _____

LONG TITLE

Committee Note:

The Political Subdivisions Interim Committee recommended this bill.

Legislative Vote: 13 voting for 0 voting against 3 absent

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



- 28 [11-13-523](#), as enacted by Laws of Utah 2015, Chapter 265
- 29 [17-36-30](#), as last amended by Laws of Utah 2014, Chapter 253
- 30 [17-36-52](#), as last amended by Laws of Utah 2014, Chapter 176
- 31 [17B-1-626](#), as last amended by Laws of Utah 2023, Chapter 15
- 32 [51-7-3](#), as last amended by Laws of Utah 2023, Chapter 16
- 33 [51-7-5](#), as last amended by Laws of Utah 1984, Chapter 44
- 34 [51-7-6](#), as last amended by Laws of Utah 1989, Chapter 66
- 35 [53-2a-605](#), as last amended by Laws of Utah 2023, Chapter 16
- 36 [59-2-1330](#), as last amended by Laws of Utah 2015, Chapter 201

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

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

40 **10-5-120. Loans between funds -- Bonds purchased by funds.**

41 (1) Subject to this section, restrictions imposed by bond ordinance, or other controlling
 42 regulations, the town council may:

43 (a) subject to the restrictions in Section [53-2a-605](#), authorize an interfund loan from
 44 one fund to another; and

45 (b) with available cash in any fund, purchase or otherwise acquire for investment an
 46 unmatured bond of the town or of any fund of the town.

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

49 (a) effective date of the loan;

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

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

52 (d) amount of the loan;

53 (e) subject to Subsection (3), term of and repayment schedule for the loan;

54 (f) subject to Subsection (4), interest rate of the loan;

55 (g) method of calculating interest applicable to the loan;

56 (h) procedures for:

57 (i) applying interest to the loan; and

58 (ii) paying interest on the loan; and

59 (i) other terms and conditions the town council determines applicable.

60 (3) The term and repayment schedule specified under Subsection (2)(e) may not exceed
61 10 years.

62 (4) (a) In determining the interest rate of the loan specified under Subsection (2)(f), the
63 town council shall apply an interest rate that reflects the rate of potential gain had the funds
64 been deposited or invested in a comparable investment.

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

67 (i) if the term of the loan under Subsection (2)(e) is one year or less, may not be less
68 than the rate offered by the Public Treasurers' Investment Fund [~~that was created for public~~
69 ~~funds transferred to the state treasurer in accordance with Section 51-7-5~~] as defined in Section
70 51-7-3; or

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

73 (A) the Public Treasurers' Investment Fund [~~that was created for public funds~~
74 ~~transferred to the state treasurer in accordance with Section 51-7-5~~] as defined in Section
75 51-7-3; or

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

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

78 (i) hold a public hearing;

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

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

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

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

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

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

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

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

93 **10-6-132. Loans by one fund to another -- Acquiring bonds for investment.**

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

96 (a) subject to the restrictions in Section [53-2a-605](#), authorize an interfund loan from
97 one fund to another; and

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

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

102 (a) effective date of the loan;

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

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

105 (d) amount of the loan;

106 (e) subject to Subsection (3), term of and repayment schedule for the loan;

107 (f) subject to Subsection (4), interest rate of the loan;

108 (g) method of calculating interest applicable to the loan;

109 (h) procedures for:

110 (i) applying interest to the loan; and

111 (ii) paying interest on the loan; and

112 (i) other terms and conditions the governing body determines applicable.

113 (3) The term and repayment schedule specified under Subsection (2)(e) may not exceed
114 10 years.

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

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

120 (i) if the term of the loan under Subsection (2)(e) is one year or less, may not be less

121 than the rate offered by the Public Treasurers' Investment Fund [~~that was created for public~~
 122 ~~funds transferred to the state treasurer in accordance with Section 51-7-5~~] as defined in Section
 123 51-7-3; or

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

126 (A) the Public Treasurers' Investment Fund [~~that was created for public funds~~
 127 ~~transferred to the state treasurer in accordance with Section 51-7-5~~] as defined in Section
 128 51-7-3; or

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

130 (5) (a) For an interfund loan under Subsection (1)(a), the governing body shall:

131 (i) hold a public hearing;

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

134 (iii) provide notice of the public hearing in the same manner as required under Section
 135 10-6-113 as if the hearing were a budget hearing; and

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

137 (b) The notice and hearing requirements in Subsection (5)(a) are satisfied if the
 138 interfund loan is included in an original budget or in a subsequent budget amendment
 139 previously approved by the governing body for the current fiscal year.

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

142 (a) a loan from the city general fund to any other fund of the city; or

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

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

146 **11-13-523. Loans by one fund to another.**

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

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

- 152 (a) effective date of the loan;
- 153 (b) name of the fund loaning the money;
- 154 (c) name of the fund receiving the money;
- 155 (d) amount of the loan;
- 156 (e) subject to Subsection (3), term of and repayment schedule for the loan;
- 157 (f) subject to Subsection (4), interest rate of the loan;
- 158 (g) method of calculating interest applicable to the loan;
- 159 (h) procedures for:
- 160 (i) applying interest to the loan; and
- 161 (ii) paying interest on the loan; and
- 162 (i) other terms and conditions the governing board determines applicable.
- 163 (3) The term and repayment schedule specified under Subsection (2)(e) may not exceed
- 164 10 years.
- 165 (4) (a) In determining the interest rate of the loan specified under Subsection (2)(f), the
- 166 governing board shall apply an interest rate that reflects the rate of potential gain had the funds
- 167 been deposited or invested in a comparable investment.
- 168 (b) Notwithstanding Subsection (4)(a), the interest rate of the loan specified under
- 169 Subsection (2)(f):
- 170 (i) if the term of the loan under Subsection (2)(e) is one year or less, may not be less
- 171 than the rate offered by the Public Treasurers' Investment Fund [~~that was created for public~~
- 172 ~~funds transferred to the state treasurer in accordance with Section 51-7-5~~] as defined in Section
- 173 51-7-3; or
- 174 (ii) if the term of the loan under Subsection (2)(e) is more than one year, may not be
- 175 less than the greater of the rate offered by:
- 176 (A) the Public Treasurers' Investment Fund [~~that was created for public funds~~
- 177 ~~transferred to the state treasurer in accordance with Section 51-7-5~~] as defined in Section
- 178 51-7-3; or
- 179 (B) a United States Treasury note of a comparable term.
- 180 (5) (a) For an interfund loan under Subsection (1), the governing board shall:
- 181 (i) hold a public hearing;
- 182 (ii) prepare a written notice of the date, time, place, and purpose of the hearing, and the

- 183 proposed terms and conditions of the interfund loan under Subsection (2);
- 184 (iii) provide notice of the public hearing in the same manner as required under Section
- 185 [11-13-509](#) as if the hearing were a budget hearing; and
- 186 (iv) authorize the interfund loan by resolution in a public meeting.
- 187 (b) The notice and hearing requirements in Subsection (5)(a) are satisfied if the
- 188 interfund loan is included in an original budget or in a subsequent budget amendment
- 189 previously approved by the governing board for the current fiscal year.
- 190 (6) Subsections (2) through (5) do not apply to an interfund loan if the interfund loan
- 191 is:
- 192 (a) a loan from the interlocal entity general fund to any other fund of the interlocal
- 193 entity; or
- 194 (b) a short-term advance from the interlocal entity's cash and investment pool to an
- 195 individual fund that is repaid by the end of the fiscal year.
- 196 Section 4. Section **17-36-30** is amended to read:
- 197 **17-36-30. Interfund loans -- Acquisition of issued unmatured bonds.**
- 198 (1) Subject to this section, restrictions imposed by bond covenants, or other controlling
- 199 regulations, the governing body may:
- 200 (a) subject to the restrictions in Section [53-2a-605](#), authorize an interfund loan from
- 201 one fund to another; and
- 202 (b) with available cash in any fund, purchase or otherwise acquire for investment an
- 203 unmatured bond of the county or of any county fund.
- 204 (2) An interfund loan under Subsection (1)(a) shall be in writing and specify the terms
- 205 and conditions of the loan, including the:
- 206 (a) effective date of the loan;
- 207 (b) name of the fund loaning the money;
- 208 (c) name of the fund receiving the money;
- 209 (d) amount of the loan;
- 210 (e) subject to Subsection (3), term of and repayment schedule for the loan;
- 211 (f) subject to Subsection (4), interest rate of the loan;
- 212 (g) method of calculating interest applicable to the loan;
- 213 (h) procedures for:

- 214 (i) applying interest to the loan; and
- 215 (ii) paying interest on the loan; and
- 216 (i) other terms and conditions the governing body determines applicable.
- 217 (3) The term and repayment schedule specified under Subsection (2)(e) may not exceed
- 218 10 years.
- 219 (4) (a) In determining the interest rate of the loan specified under Subsection (2)(f), the
- 220 governing body shall apply an interest rate that reflects the rate of potential gain had the funds
- 221 been deposited or invested in a comparable investment.
- 222 (b) Notwithstanding Subsection (4)(a), the interest rate of the loan specified under
- 223 Subsection (2)(f):
- 224 (i) if the term of the loan under Subsection (2)(e) is one year or less, may not be less
- 225 than the rate offered by the Public Treasurers' Investment Fund [~~that was created for public~~
- 226 ~~funds transferred to the state treasurer in accordance with Section 51-7-5~~] as defined in Section
- 227 51-7-3; or
- 228 (ii) if the term of the loan under Subsection (2)(e) is more than one year, may not be
- 229 less than the greater of the rate offered by:
- 230 (A) the Public Treasurers' Investment Fund [~~that was created for public funds~~
- 231 ~~transferred to the state treasurer in accordance with Section 51-7-5~~] as defined in Section
- 232 51-7-3; or
- 233 (B) a United States Treasury note of a comparable term.
- 234 (5) (a) For an interfund loan under Subsection (1)(a), the governing body shall:
- 235 (i) hold a public hearing;
- 236 (ii) prepare a written notice of the date, time, place, and purpose of the hearing, and the
- 237 proposed terms and conditions of the interfund loan under Subsection (2);
- 238 (iii) provide notice of the public hearing in the same manner as required under Section
- 239 17-36-12 as if the hearing were a budget hearing; and
- 240 (iv) authorize the interfund loan by ordinance or resolution in a public meeting.
- 241 (b) The notice and hearing requirements in Subsection (5)(a) are satisfied if the
- 242 interfund loan is included in an original budget or in a subsequent budget amendment
- 243 previously approved by the governing body for the current fiscal year.
- 244 (6) Subsections (2) through (5) do not apply to an interfund loan if the interfund loan

245 is:

- 246 (a) a loan from the county general fund to any other fund of the county; or
247 (b) a short-term advance from the county's cash and investment pool to individual
248 funds that are repaid by the end of the fiscal year.

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

250 **17-36-52. Tax stability and trust fund -- Deposit or investment of funds -- Use of**
251 **interest or other income.**

252 (1) (a) All amounts in the tax stability and trust fund established by a county under
253 Section **17-36-51** may be deposited or invested as provided in Section **51-7-11**.

254 (b) The amounts described in Subsection (1)(a) may also be transferred by the county
255 treasurer to the [~~state treasurer under Section 51-7-5~~] Public Treasurers' Investment Fund, as
256 defined in Section 51-7-3, for the treasurer's management and control under Title 51, Chapter
257 7, State Money Management Act.

258 (2) (a) The interest or other income realized from amounts in the tax stability and trust
259 fund shall be returned to the county general fund during the fiscal year in which the income or
260 interest is paid to the extent the interest or income is required by the county to provide for its
261 purposes during that fiscal year.

262 (b) An amount returned in accordance with Subsection (2)(a) may be used for all
263 purposes as other amounts in the county general fund.

264 (c) Any interest or income that is not returned to the county general fund in accordance
265 with Subsection (2)(a) shall be added to the principal of that county's tax stability and trust
266 fund.

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

268 **17B-1-626. Loans by one fund to another.**

269 (1) Subject to this section, restrictions imposed by bond covenants, restrictions in
270 Section **53-2a-605**, or other controlling regulations, the board of trustees of a special district
271 may authorize an interfund loan from one fund to another.

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

274 (a) effective date of the loan;

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

- 276 (c) name of the fund receiving the money;
- 277 (d) amount of the loan;
- 278 (e) subject to Subsection (3), term of and repayment schedule for the loan;
- 279 (f) subject to Subsection (4), interest rate of the loan;
- 280 (g) method of calculating interest applicable to the loan;
- 281 (h) procedures for:
- 282 (i) applying interest to the loan; and
- 283 (ii) paying interest on the loan; and
- 284 (i) other terms and conditions the board of trustees determines applicable.
- 285 (3) The term and repayment schedule specified under Subsection (2)(e) may not exceed
- 286 10 years.
- 287 (4) (a) In determining the interest rate of the loan specified under Subsection (2)(f), the
- 288 board of trustees shall apply an interest rate that reflects the rate of potential gain had the funds
- 289 been deposited or invested in a comparable investment.
- 290 (b) Notwithstanding Subsection (4)(a), the interest rate of the loan specified under
- 291 Subsection (2)(f):
- 292 (i) if the term of the loan under Subsection (2)(e) is one year or less, may not be less
- 293 than the rate offered by the Public Treasurers' Investment Fund [~~that was created for public~~
- 294 ~~funds transferred to the state treasurer in accordance with Section 51-7-5~~] as defined in Section
- 295 51-7-3; or
- 296 (ii) if the term of the loan under Subsection (2)(e) is more than one year, may not be
- 297 less than the greater of the rate offered by:
- 298 (A) the Public Treasurers' Investment Fund [~~that was created for public funds~~
- 299 ~~transferred to the state treasurer in accordance with Section 51-7-5~~] as defined in Section
- 300 51-7-3; or
- 301 (B) a United States Treasury note of a comparable term.
- 302 (5) (a) For an interfund loan under Subsection (1), the board of trustees shall:
- 303 (i) hold a public hearing;
- 304 (ii) prepare a written notice of the date, time, place, and purpose of the hearing, and the
- 305 proposed terms and conditions of the interfund loan under Subsection (2);
- 306 (iii) provide notice of the public hearing in the same manner as required under Section

307 17B-1-609 as if the hearing were a budget hearing; and

308 (iv) authorize the interfund loan by resolution in a public meeting.

309 (b) The notice and hearing requirements in Subsection (5)(a) are satisfied if the

310 interfund loan is included in an original budget or in a subsequent budget amendment

311 previously approved by the board of trustees for the current fiscal year.

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

313 is:

314 (a) a loan from the special district general fund to any other fund of the special district;

315 or

316 (b) a short-term advance from the special district's cash and investment pool to

317 individual funds that are repaid by the end of the fiscal year.

318 Section 7. Section 51-7-3 is amended to read:

319 **51-7-3. Definitions.**

320 As used in this chapter:

321 (1) "Agent" means [~~agent~~ as] the same as that term is defined in Section 61-1-13.

322 (2) "Certified dealer" means:

323 (a) a primary reporting dealer recognized by the Federal Reserve Bank of New York

324 who is certified by the director as having met the applicable criteria of council rule; or

325 (b) a broker dealer who:

326 (i) has and maintains an office and a resident registered principal in the state;

327 (ii) meets the capital requirements established by council rules;

328 (iii) meets the requirements for good standing established by council rule; and

329 (iv) is certified by the director as meeting quality criteria established by council rule.

330 (3) "Certified investment adviser" means a federal covered adviser, as defined in

331 Section 61-1-13, or an investment adviser, as defined in Section 61-1-13, who is certified by

332 the director as having met the applicable criteria of council rule.

333 (4) "Commissioner" means the commissioner of financial institutions.

334 (5) "Council" means the State Money Management Council created by Section

335 51-7-16.

336 (6) "Covered bond" means a publicly placed debt security issued by a bank, other

337 regulated financial institution, or a subsidiary of either that is secured by a pool of loans that

338 remain on the balance sheet of the issuer or its subsidiary.

339 (7) "Director" means the director of the Utah State Division of Securities of the
340 Department of Commerce.

341 (8) (a) "Endowment funds" means gifts, devises, or bequests of property of any kind
342 donated to a higher education institution from any source.

343 (b) "Endowment funds" does not mean money used for the general operation of a
344 higher education institution that is received by the higher education institution from:

345 (i) state appropriations;

346 (ii) federal contracts;

347 (iii) federal grants;

348 (iv) private research grants; and

349 (v) tuition and fees collected from students.

350 (9) "First tier commercial paper" means commercial paper rated by at least two
351 nationally recognized statistical rating organizations in the highest short-term rating category.

352 (10) "Funds functioning as endowments" means funds, regardless of source, whose
353 corpus is intended to be held in perpetuity by formal institutional designation according to the
354 institution's policy for designating those funds.

355 (11) "GASB" or "Governmental Accounting Standards Board" means the
356 Governmental Accounting Standards Board that is responsible for accounting standards used
357 by public entities.

358 (12) "Hard put" means an unconditional sell-back provision or a redemption provision
359 applicable at issue to a note or bond, allowing holders to sell their holdings back to the issuer
360 or to an equal or higher-rated third party provider at specific intervals and specific prices
361 determined at the time of issuance.

362 (13) "Higher education institution" means the institutions specified in Section
363 [53B-1-102](#).

364 (14) "Investment adviser representative" [~~is as defined~~] means the same as that term is
365 defined in Section [61-1-13](#).

366 (15) (a) "Investment agreement" means any written agreement that has specifically
367 negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate.

368 (b) "Investment agreement" includes any agreement to supply investments on one or

369 more future dates.

370 (16) "Local government" means a county, municipality, school district, special district
371 under Title 17B, Limited Purpose Local Government Entities - Special Districts, special
372 service district under Title 17D, Chapter 1, Special Service District Act, or any other political
373 subdivision of the state.

374 (17) "Market value" means market value as defined in the Master Repurchase
375 Agreement.

376 (18) "Master Repurchase Agreement" means the current standard Master Repurchase
377 Agreement approved by the Public Securities Association or by any successor organization.

378 (19) "Maximum amount" means, with respect to qualified depositories, the total
379 amount of:

380 (a) deposits in excess of the federal deposit insurance limit; and

381 (b) nonqualifying repurchase agreements.

382 (20) "Money market mutual fund" means an open-end managed investment fund:

383 (a) that complies with the diversification, quality, and maturity requirements of Rule
384 2a-7 or any successor rule of the Securities and Exchange Commission applicable to money
385 market mutual funds; and

386 (b) that assesses no sales load on the purchase of shares and no contingent deferred
387 sales charge or other similar charges, however designated.

388 (21) "Nationally recognized statistical rating organization" means an organization that
389 has been designated as a nationally recognized statistical rating organization by the Securities
390 and Exchange Commission's Division of Market Regulation.

391 (22) "Nonqualifying repurchase agreement" means a repurchase agreement evidencing
392 indebtedness of a qualified depository arising from the transfer of obligations of the United
393 States Treasury or other authorized investments to public treasurers that is:

394 (a) evidenced by a safekeeping receipt issued by the qualified depository;

395 (b) included in the depository's maximum amount of public funds; and

396 (c) valued and maintained at market value plus an appropriate margin collateral
397 requirement based upon the term of the agreement and the type of securities acquired.

398 (23) "Operating funds" means current balances and other funds that are to be disbursed
399 for operation of the state government or any of its boards, commissions, institutions,

400 departments, divisions, agencies, or other similar instrumentalities, or any county, city, school
401 district, political subdivision, or other public body.

402 (24) "Permanent funds" means funds whose principal may not be expended, the
403 earnings from which are to be used for purposes designated by law.

404 (25) "Permitted depository" means any out-of-state financial institution that meets
405 quality criteria established by rule of the council.

406 (26) "Public funds" means money, funds, and accounts, regardless of the source from
407 which the money, funds, and accounts are derived, that are owned, held, or administered by the
408 state or any of its boards, commissions, institutions, departments, divisions, agencies, bureaus,
409 laboratories, or other similar instrumentalities, or any county, city, school district, political
410 subdivision, or other public body.

411 (27) (a) "Public money" means "public funds."

412 (b) "Public money," as used in Article VII, Sec. 15, Utah Constitution, means the same
413 as "state funds."

414 (28) "Public treasurer" includes the state treasurer and the official of any state board,
415 commission, institution, department, division, agency, or other similar instrumentality, or of
416 any county, city, school district, charter school, political subdivision, or other public body who
417 has the responsibility for the safekeeping and investment of any public funds.

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

420 ~~[(29)]~~ (30) "Qualified depository" means a Utah depository institution or an
421 out-of-state depository institution, as those terms are defined in Section [7-1-103](#), that is
422 authorized to conduct business in this state under Section [7-1-702](#) or Title 7, Chapter 19,
423 Acquisition of Failing Depository Institutions or Holding Companies, whose deposits are
424 insured by an agency of the federal government and that has been certified by the commissioner
425 of financial institutions as having met the requirements established under this chapter and the
426 rules of the council to be eligible to receive deposits of public funds.

427 ~~[(30)]~~ (31) "Qualifying repurchase agreement" means a repurchase agreement
428 evidencing indebtedness of a financial institution or government securities dealer acting as
429 principal arising from the transfer of obligations of the United States Treasury or other
430 authorized investments to public treasurers only if purchased securities are:

431 (a) delivered to the public treasurer's safekeeping agent or custodian as contemplated
432 by Section 7 of the Master Repurchase Agreement; and

433 (b) valued and maintained at market value plus an appropriate margin collateral
434 requirement based upon the term of the agreement and the type of securities acquired.

435 ~~[(31)]~~ (32) "Reciprocal deposits" means deposits that are initially deposited into a
436 qualified depository and are then redeposited through a deposit account registry service:

437 (a) in one or more FDIC-insured depository institutions in amounts up to the relevant
438 FDIC-insured deposit limit for a depositor in each depository institution; and

439 (b) in exchange for reciprocal FDIC-insured deposits made through the deposit account
440 registry service to the qualified depository.

441 ~~[(32)]~~ (33) "Securities division" means Utah's Division of Securities created within the
442 Department of Commerce by Section 13-1-2.

443 ~~[(33)]~~ (34) "State funds" means:

444 (a) public money raised by operation of law for the support and operation of the state
445 government; and

446 (b) all other money, funds, and accounts, regardless of the source from which the
447 money, funds, or accounts are derived, that are owned, held, or administered by the state or any
448 of its boards, commissions, institutions, departments, divisions, agencies, bureaus, laboratories,
449 or other similar instrumentalities.

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

451 **51-7-5. Public Treasurers' Investment Fund -- Transfer of public funds not**
452 **otherwise required to be transferred to state treasurer -- Duties of public treasurers --**
453 **Withdrawals of transferred funds -- Reporting.**

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

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

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

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

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

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

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

475 **51-7-6. Public Treasurers' Investment Fund -- Calculation of shares of**
476 **participating funds -- Allocations of income to participating funds.**

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

481 (2) Income from investment of these public funds by the state treasurer, including gains
482 or losses from the sale or exchange of investments or other properties, and net of investment
483 fees and other charges assessed according to the schedule established by the state treasurer,
484 shall be allocated to each participating fund on the ratio of each fund's share to the total public
485 funds in the custody of the state treasurer determined on the basis of the average daily balance
486 of each fund.

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

488 **53-2a-605. Local government disaster funds.**

489 (1) (a) Subject to this section and notwithstanding anything to the contrary contained in
490 Title 10, Utah Municipal Code, or Title 17, Counties, Title 17B, Limited Purpose Local
491 Government Entities - Special Districts, or Title 17D, Chapter 1, Special Service District Act,
492 the governing body of a local government may create and maintain by ordinance a special fund

493 known as a local government disaster fund.

494 (b) The local fund shall consist of:

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

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

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

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

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

501 (II) the person giving the money; and

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

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

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

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

507 (ii) transferred by the local government treasurer to the [state treasurer under Section
508 ~~51-7-5~~ for the state treasurer's management and control under Title 51, Chapter 7, State Money
509 Management Act] Public Treasurers' Investment Fund as defined in Section 51-7-3.

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

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

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

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

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

519 (3) Money in the fund may only be used to fund the services and activities of the local
520 government creating the local fund in response to:

521 (a) a declared disaster within the boundaries of the local government;

522 (b) the aftermath of the disaster that gave rise to a declared disaster within the
523 boundaries of the local government; and

524 (c) subject to Subsection (5), emergency preparedness.
525 (4) (a) A local fund is subject to this part and:
526 (i) in the case of a town, Title 10, Chapter 5, Uniform Fiscal Procedures Act for Utah
527 Towns, except that:
528 (A) in addition to the funds listed in Section 10-5-106, the mayor shall prepare a
529 budget for the local fund;
530 (B) Section 10-5-119 addressing termination of special funds does not apply to a local
531 fund; and
532 (C) the council of the town may not authorize an interfund loan under Section
533 10-5-120 from the local fund;
534 (ii) in the case of a city, Title 10, Chapter 6, Uniform Fiscal Procedures Act for Utah
535 Cities, except that:
536 (A) in addition to the funds listed in Section 10-6-109, the mayor shall prepare a
537 budget for the local fund;
538 (B) Section 10-6-131 addressing termination of special funds does not apply to a local
539 fund; and
540 (C) the governing body of the city may not authorize an interfund loan under Section
541 10-6-132 from the local fund; [~~and~~]
542 (iii) in the case of a county, Title 17, Chapter 36, Uniform Fiscal Procedures Act for
543 Counties, except that:
544 (A) Section 17-36-29 addressing termination of special funds does not apply to a local
545 fund; and
546 (B) the governing body of the county may not authorize an interfund loan under
547 Section 17-36-30 from the local fund;
548 (iv) in the case of a special district or special service district, Title 17B, Chapter 1, Part
549 6, Fiscal Procedures for Special Districts, except that:
550 (A) Section 17B-1-625, addressing termination of a special fund, does not apply to a
551 local fund; and
552 (B) the governing body of the special district or special service district may not
553 authorize an interfund loan under Section 17B-1-626 from the local fund; and
554 (v) in the case of an interlocal entity, Title 11, Chapter 13, Part 5, Fiscal Procedures for

555 Interlocal Entities, except for the following provisions:

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

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

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

563 (i) a general fund;

564 (ii) an enterprise fund;

565 (iii) an internal service fund; or

566 (iv) any other fund.

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

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

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

573 **59-2-1330. Payment of property taxes -- Payments to taxpayer by state or taxing**
574 **entity -- Refund of penalties paid by taxpayer -- Refund of interest paid by taxpayer --**
575 **Payment of interest to taxpayer -- Judgment levy -- Objections to assessments by the**
576 **commission -- Time periods for making payments to taxpayer.**

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

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

580 (b) as provided in this chapter.

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

585 (a) a county board of equalization;

586 (b) the commission; or
587 (c) a court of competent jurisdiction.

588 (3) (a) For purposes of Subsection (2), the state or any taxing entity that has received
589 property taxes or any portion of property taxes from a taxpayer described in Subsection (2)
590 shall pay the taxpayer if:

591 (i) the taxes the taxpayer paid in accordance with Subsection (2) are collected by an
592 authorized officer of the:

593 (A) county; or
594 (B) state; and

595 (ii) the taxpayer obtains a final and unappealable judgment or order:

596 (A) from:
597 (I) a county board of equalization;
598 (II) the commission; or
599 (III) a court of competent jurisdiction;

600 (B) against:
601 (I) the taxing entity or an authorized officer of the taxing entity; or
602 (II) the state or an authorized officer of the state; and
603 (C) ordering a reduction in the amount of any tax levied against any property for which
604 a taxpayer paid a tax or any portion of a tax under this chapter for the calendar year.

605 (b) The amount that the state or a taxing entity shall pay a taxpayer shall be determined
606 in accordance with Subsections (4) through (7).

607 (4) For purposes of Subsections (2) and (3), the amount the state shall pay to a taxpayer
608 is equal to the sum of:

609 (a) if the difference described in this Subsection (4)(a) is greater than \$0, the difference
610 between:
611 (i) the tax the taxpayer paid to the state in accordance with Subsection (2); and
612 (ii) the amount of the taxpayer's tax liability to the state after the reduction in the
613 amount of tax levied against the property in accordance with the final and unappealable
614 judgment or order described in Subsection (3);

615 (b) if the difference described in this Subsection (4)(b) is greater than \$0, the difference
616 between:

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

648 (ii) Subsection (5)(b); and
649 (iii) Subsection (5)(c).
650 (6) Except as provided in Subsection (7):
651 (a) interest shall be refunded to a taxpayer on the amount described in Subsection
652 (4)(c) or (5)(c) in an amount equal to the amount of interest the taxpayer paid in accordance
653 with Section 59-2-1331; and
654 (b) interest shall be paid to a taxpayer on the amount described in Subsection (4)(d) or
655 (5)(d):
656 (i) beginning on the later of:
657 (A) the day on which the taxpayer paid the tax in accordance with Subsection (2); or
658 (B) January 1 of the calendar year immediately following the calendar year for which
659 the tax was due;
660 (ii) ending on the day on which the state or a taxing entity pays to the taxpayer the
661 amount required by Subsection (4) or (5); and
662 (iii) at the interest rate earned by the state treasurer on public funds transferred to the
663 ~~[state treasurer in accordance with Section 51-7-5]~~ Public Treasurers' Investment Fund as
664 defined in Section 51-7-3.
665 (7) Notwithstanding Subsection (6):
666 (a) the state may not pay or refund interest to a taxpayer under Subsection (6) on any
667 tax the taxpayer paid in accordance with Subsection (2) that exceeds the amount of tax levied
668 by the state for that calendar year as stated on the notice required by Section 59-2-1317; and
669 (b) a taxing entity may not pay or refund interest to a taxpayer under Subsection (6) on
670 any tax the taxpayer paid in accordance with Subsection (2) that exceeds the amount of tax
671 levied by the taxing entity for that calendar year as stated on the notice required by Section
672 59-2-1317.
673 (8) (a) Each taxing entity may levy a tax to pay its share of the final and unappealable
674 judgment or order described in Subsection (3) if:
675 (i) the final and unappealable judgment or order is issued no later than 15 days prior to
676 the date the certified tax rate is set under Section 59-2-924;
677 (ii) the amount of the judgment levy is included on the notice under Section
678 59-2-919.1; and

679 (iii) the final and unappealable judgment or order is an eligible judgment, as defined in
680 Section 59-2-102.

681 (b) The levy under Subsection (8)(a) is in addition to, and exempt from, the maximum
682 levy established for the taxing entity.

683 (9) (a) A taxpayer that objects to the assessment of property assessed by the
684 commission shall pay, on or before the property tax due date established under Subsection
685 59-2-1331(1) or Section 59-2-1332, the full amount of taxes stated on the notice required by
686 Section 59-2-1317 if:

687 (i) the taxpayer has applied to the commission for a hearing in accordance with Section
688 59-2-1007 on the objection to the assessment; and

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

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

693 (i) a final and unappealable judgment or order establishing that the property described
694 in Subsection (9)(a) has a value greater than the value stated on the notice required by Section
695 59-2-1317 is issued by:

696 (A) the commission; or

697 (B) a court of competent jurisdiction; and

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

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

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

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

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

708 (B) if the payment to the taxpayer required by this section is less than \$5,000, within
709 60 days after the date the final and unappealable judgment or order is issued in accordance with

710 Subsection (3).

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

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

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

714 (ii) with:

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

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

717 Section 12. **Effective date.**

718 This bill takes effect on May 1, 2024.