

**Effective 5/3/2023**

**10-6-135.5 Transfer of enterprise fund money to another fund -- Notice.**

- (1) As used in this section:
  - (a) "Budget hearing" means a public hearing required under Section 10-6-114.
  - (b) "Enterprise fund accounting data" means a detailed overview of the various enterprise funds of the city that includes:
    - (i) a cost accounting breakdown of how money in the enterprise fund is being used to cover, as applicable:
      - (A) administrative and overhead costs of the city attributable to the operation of the enterprise for which the enterprise fund was created; and
      - (B) other costs not associated with the enterprise for which the enterprise fund was created; and
    - (ii) specific enterprise fund information.
  - (c) "Enterprise fund hearing" means the public hearing required under Subsection (3)(d).
  - (d) "Specific enterprise fund information" means:
    - (i) the dollar amount of transfers from an enterprise fund to another fund; and
    - (ii) the percentage of the total enterprise fund expenditures represented by each transfer to another fund.
- (2) Subject to the requirements of this section, a city may transfer money in an enterprise fund to another fund to pay for a good, service, project, venture, or other purpose that is not directly related to the goods or services provided by the enterprise for which the enterprise fund was created.
- (3) The governing body of a city that intends to transfer money in an enterprise fund to another fund shall:
  - (a) provide notice of the intended transfer as required under Subsection (4);
  - (b) clearly identify in a separate section or document accompanying the city's tentative budget or, if an amendment to the city's budget includes or is based on an intended transfer, in a separate section or document accompanying the amendment to the city's budget:
    - (i) the enterprise fund from which money is intended to be transferred; and
    - (ii) the specific enterprise fund information for that enterprise fund;
  - (c) provide notice of an enterprise fund hearing, as required in Subsection (4); and
  - (d) hold an enterprise fund hearing before the adoption of the city's budget or, if applicable, the amendment to the budget.
- (4)
  - (a) For at least seven days before holding an enterprise fund hearing, a governing body shall provide the notice described in Subsection (4)(b) for the city, as a class A notice under Section 63G-30-102.
  - (b) The notice required under Subsection (4)(a) shall:
    - (i) explain the intended transfer of enterprise fund money to another fund;
    - (ii) include specific enterprise fund information for each enterprise fund from which money is intended to be transferred;
    - (iii) provide the date, time, and place of the enterprise fund hearing; and
    - (iv) explain the purpose of the enterprise fund hearing.
- (5)
  - (a) An enterprise fund hearing shall be separate and independent from a budget hearing and any other public hearing.
  - (b) At an enterprise fund hearing, the governing body shall:
    - (i) explain the intended transfer of enterprise fund money to another fund;

- (ii) provide enterprise fund accounting data to the public; and
- (iii) allow members of the public in attendance at the hearing to comment on:
  - (A) the intended transfer of enterprise fund money to another fund; and
  - (B) the enterprise fund accounting data.

(6) (a) If a governing body adopts a budget or a budget amendment that includes or is based on a transfer of money from an enterprise fund to another fund, the governing body shall:

- (i) within 60 days after adopting the budget or budget amendment:
  - (A) mail a notice to users of the goods or services provided by the enterprise for which the enterprise fund was created, if the city regularly mails users a periodic billing for the goods or services; and
  - (B) email a notice to users of the goods or services provided by the enterprise for which the enterprise fund was created, if the city regularly emails users a periodic billing for the goods or services;
- (ii) within seven days after adopting the budget or budget amendment:
  - (A) post enterprise fund accounting data on the city's website, if the city has a website;
  - (B) using the city's social media platform, publish notice of the adoption of a budget or budget amendment that includes or is based on a transfer of money from an enterprise fund to another fund, if the city communicates with the public through a social media platform; and
- (iii) within 30 days after adopting the budget, submit to the state auditor the specific enterprise fund information for each enterprise fund from which money will be transferred.

(b) A notice required under Subsection (6)(a)(i) shall:

- (i) announce the adoption of a budget or budget amendment that includes or is based on a transfer of money from an enterprise fund to another fund; and
- (ii) include the specific enterprise fund information.

(c) The governing body shall maintain the website posting required under Subsection (6)(a)(ii)(A) continuously until another posting is required under Subsection (4)(a).

Amended by Chapter 435, 2023 General Session