

1                   **STATE TAX COMMISSION REPORT ON TAX PROVISIONS**

2   2015 GENERAL SESSION

3   STATE OF UTAH

4                                   **Chief Sponsor: Joel K. Briscoe**

5                                   Senate Sponsor: \_\_\_\_\_

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7   **LONG TITLE**

8   **General Description:**

9           This bill requires the State Tax Commission to prepare a report and requires the  
10 publication of the report on the Utah Public Finance Website.

11 **Highlighted Provisions:**

12       This bill:

- 13           ▶ defines terms;
- 14           ▶ requires the State Tax Commission to prepare a report on certain tax provisions and  
15 present the report to the Revenue and Taxation Interim Committee;
- 16           ▶ provides procedures and requirements for the report; and
- 17           ▶ requires the State Tax Commission to provide the report to the Division of Finance  
18 to be posted on the Utah Public Finance Website.

19 **Money Appropriated in this Bill:**

20       None

21 **Other Special Clauses:**

22       None

23 **Utah Code Sections Affected:**

24 AMENDS:

25       **63A-3-402**, as last amended by Laws of Utah 2014, Chapters 64 and 185

26 ENACTS:

27       **59-1-214**, Utah Code Annotated 1953



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

Section 1. Section **59-1-214** is enacted to read:

**59-1-214. Commission report to Revenue and Taxation Interim Committee -- Contents -- Commission to provide report to Division of Finance for posting on Utah Public Finance Website.**

(1) As used in this section, "designated tax provision" means:

(a) a property tax exemption provided in:

(i) Section [59-2-1104](#); or

(ii) Section [59-2-1106](#);

(b) a property tax abatement provided in Section [59-2-1107](#);

(c) property tax relief provided in Chapter 2, Part 12, Property Tax Relief;

(d) a tax credit allowable against a tax imposed under:

(i) Chapter 7, Corporate Franchise and Income Taxes; or

(ii) Chapter 10, Individual Income Tax Act;

(e) a subtraction from adjusted gross income described in Section [59-10-114](#); or

(f) a sales and use tax exemption described in Section [59-12-104](#).

(2) Subject to the other provisions of this section, the commission shall, on or before the October interim meeting:

(a) prepare a written report on each designated tax provision; and

(b) present the report to the Revenue and Taxation Interim Committee.

(3) The report shall contain:

(a) the statutory authority for the designated tax provision;

(b) a description of the designated tax provision;

(c) the year the designated tax provision was enacted;

(d) a description of the purpose, rationale, or objective of the designated tax provision;

(e) a description of the class of persons who receive a benefit from the designated tax provision;

(f) a statement of:

(i) the actual revenue lost to the state or political subdivisions as a result of the designated tax provision; or

59 (ii) if the actual revenue lost to the state or political subdivisions cannot be determined  
60 or may not be disclosed in accordance with Section 59-1-403 or 59-1-404, an estimate of the  
61 revenue lost to the state or political subdivisions as a result of the designated tax provision;

62 (g) a statement of:

63 (i) the number of persons who claimed a benefit under the designated tax provision; or

64 (ii) if the number of persons who claimed a benefit under the designated tax provision  
65 cannot be determined or may not be disclosed in accordance with Section 59-1-403 or  
66 59-1-404, an estimate of the number of persons who claimed a benefit under the designated tax  
67 provision; and

68 (h) (i) subject to Subsection (3)(h)(ii), for each designated tax provision, an assessment  
69 of the extent to which the designated tax provision achieves its purpose, rationale, or objective;  
70 or

71 (ii) if the commission determines that there is not sufficient information to assess  
72 whether a designated tax provision achieves its purpose, rationale, or objective,  
73 recommendations on how a designated tax provision may be effectively analyzed and  
74 evaluated.

75 (4) The commission shall include the most current data available to the commission in  
76 the report required by this section.

77 (5) The commission shall, on or before the October interim meeting, provide the report  
78 required by this section to the Division of Finance to be posted to the Utah Public Finance  
79 Website in accordance with Section 63A-3-402.

80 (6) The commission may not include information in a report required by this section if  
81 including the information in the report violates Section 59-1-403 or 59-1-404.

82 Section 2. Section **63A-3-402** is amended to read:

83 **63A-3-402. Utah Public Finance Website -- Establishment and administration --**  
84 **Records disclosure -- Exceptions.**

85 (1) There is created the Utah Public Finance Website to be administered by the  
86 Division of Finance with the technical assistance of the Department of Technology Services.

87 (2) The Utah Public Finance Website shall:

88 (a) permit Utah taxpayers to:

89 (i) view, understand, and track the use of taxpayer dollars by making public financial

90 information available on the Internet for participating state entities, independent entities, and  
91 participating local entities, using the Utah Public Finance Website; and

92 (ii) link to websites administered by participating local entities or independent entities  
93 that do not use the Utah Public Finance Website for the purpose of providing participating  
94 local entities' or independent entities' public financial information as required by this part and  
95 by rule under Section [63A-3-404](#);

96 (b) allow a person who has Internet access to use the website without paying a fee;

97 (c) allow the public to search public financial information on the Utah Public Finance  
98 Website using criteria established by the board;

99 (d) provide access to financial reports, financial audits, budgets, or other financial  
100 documents that are used to allocate, appropriate, spend, and account for government funds, as  
101 may be established by rule under Section [63A-3-404](#);

102 (e) have a unique and simplified website address;

103 (f) be directly accessible via a link from the main page of the official state website;

104 (g) include other links, features, or functionality that will assist the public in obtaining  
105 and reviewing public financial information, as may be established by rule under Section  
106 [63A-3-404](#); and

107 (h) include a link to school report cards published on the State Board of Education's  
108 website pursuant to Section [53A-1-1112](#).

109 (3) The division shall:

110 (a) establish and maintain the website, including the provision of equipment, resources,  
111 and personnel as necessary;

112 (b) maintain an archive of all information posted to the website;

113 (c) coordinate and process the receipt and posting of public financial information from  
114 participating state entities;

115 (d) coordinate and regulate the posting of public financial information by participating  
116 local entities and independent entities; and

117 (e) provide staff support for the advisory committee.

118 (4) (a) A participating state entity and each independent entity shall permit the public  
119 to view the entity's public financial information via the website, beginning with information  
120 that is generated not later than the fiscal year that begins July 1, 2008, except that public

121 financial information for an:

122 (i) institution of higher education shall be provided beginning with information  
123 generated for the fiscal year beginning July 1, 2009; and

124 (ii) independent entity shall be provided beginning with information generated for the  
125 entity's fiscal year beginning in 2014.

126 (b) No later than May 15, 2009, the website shall:

127 (i) be operational; and

128 (ii) permit public access to participating state entities' public financial information,  
129 except as provided in Subsections (4)(c) and (d).

130 (c) An institution of higher education that is a participating state entity shall submit the  
131 entity's public financial information at a time allowing for inclusion on the website no later  
132 than May 15, 2010.

133 (d) No later than the first full quarter after July 1, 2014, an independent entity shall  
134 submit the entity's public financial information for inclusion on the Utah Public Finance  
135 Website or via a link to its own website on the Utah Public Finance Website.

136 (e) The division shall post to the Utah Public Finance Website the report that the State  
137 Tax Commission provides to the division in accordance with Section 59-1-214.

138 (5) (a) The Utah Educational Savings Plan, created in Section 53B-8a-103, shall  
139 provide the following financial information to the division for posting on the Utah Public  
140 Finance Website:

141 (i) administrative fund expense transactions from its general ledger accounting system;  
142 and

143 (ii) employee compensation information.

144 (b) The plan is not required to submit other financial information to the division,  
145 including:

146 (i) revenue transactions;

147 (ii) account owner transactions; and

148 (iii) fiduciary or commercial information, as defined in Section 53B-12-102.

149 (6) (a) The following independent entities shall each provide administrative expense  
150 transactions from its general ledger accounting system and employee compensation  
151 information to the division for posting on the Utah Public Finance Website or via a link to a

152 website administered by the independent entity:

- 153 (i) the Utah Capital Investment Corporation, created in Section 63M-1-1207;
- 154 (ii) the Utah Housing Corporation, created in Section 35A-8-704; and
- 155 (iii) the School and Institutional Trust Lands Administration, created in Section
- 156 53C-1-201.

157 (b) For purposes of this part, an independent entity described in Subsection (6)(a) is not

158 required to submit to the division, or provide a link to, other financial information, including:

- 159 (i) revenue transactions of a fund or account created in its enabling statute;
- 160 (ii) fiduciary or commercial information related to any subject if the disclosure of the
- 161 information:

- 162 (A) would conflict with fiduciary obligations; or
- 163 (B) is prohibited by insider trading provisions;
- 164 (iii) information of a commercial nature, including information related to:
  - 165 (A) account owners, borrowers, and dependents;
  - 166 (B) demographic data;
  - 167 (C) contracts and related payments;
  - 168 (D) negotiations;
  - 169 (E) proposals or bids;
  - 170 (F) investments;
  - 171 (G) the investment and management of funds;
  - 172 (H) fees and charges;
  - 173 (I) plan and program design;
  - 174 (J) investment options and underlying investments offered to account owners;
  - 175 (K) marketing and outreach efforts;
  - 176 (L) lending criteria;
  - 177 (M) the structure and terms of bonding; and
  - 178 (N) financial plans or strategies; and
- 179 (iv) information protected from public disclosure by federal law.

180 (7) (a) As used in this Subsection (7):

- 181 (i) "Local education agency" means a school district or a charter school.
- 182 (ii) "New school building project" means the construction of a school that did not

183 previously exist in a local education agency.

184 (iii) "Significant school remodel" means the upgrading, changing, alteration,  
185 refurbishment, modification, or complete substitution of an existing school in a local education  
186 agency with a project cost equal to or in excess of \$2,000,000.

187 (b) For each new school building project or significant school remodel, the local  
188 education agency shall:

189 (i) prepare an annual school plant capital outlay report; and

190 (ii) submit the report:

191 (A) to the division for publication on the Utah Public Finance Website; and

192 (B) in a format, including any raw data or electronic formatting, prescribed by  
193 applicable division policy.

194 (c) The local education agency shall include in the capital outlay report described in  
195 Subsection (7)(b)(i) the following information as applicable to each new school building  
196 project or significant school remodel:

197 (i) the name and location of the project or remodel;

198 (ii) construction and design costs, including:

199 (A) the purchase price or lease terms of any real property acquired or leased for the  
200 project or remodel;

201 (B) facility construction;

202 (C) facility and landscape design;

203 (D) applicable impact fees; and

204 (E) furnishings and equipment;

205 (iii) the gross square footage of the project or remodel;

206 (iv) the year construction was completed; and

207 (v) the final student capacity of the new school building project or, for a significant  
208 school remodel, the increase or decrease in student capacity created by the remodel.

209 (d) (i) For a cost, fee, or other expense required to be reported under Subsection (7)(c),  
210 the local education agency shall report the actual cost, fee, or other expense.

211 (ii) The division may require that a local education agency provide further itemized  
212 data on information listed in Subsection (7)(c).

213 (e) (i) No later than May 15, 2015, a local education agency shall provide the division a

214 school plant capital outlay report for each new school building project and significant school  
215 remodel completed on or after July 1, 2004, and before May 13, 2014.

216 (ii) For a new school building project or significant school remodel completed after  
217 May 13, 2014, the local education agency shall provide the school plant capital outlay report  
218 described in this Subsection (7) to the division annually by a date designated by the division.

219 (8) A person who negligently discloses a record that is classified as private, protected,  
220 or controlled by Title 63G, Chapter 2, Government Records Access and Management Act, is  
221 not criminally or civilly liable for an improper disclosure of the record if the record is disclosed  
222 solely as a result of the preparation or publication of the Utah Public Finance Website.

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**Legislative Review Note**  
**as of 2-17-15 6:32 PM**

**Office of Legislative Research and General Counsel**