

Representative Tim Quinn proposes the following substitute bill:

GOVERNMENT EMPLOYEES REIMBURSEMENT AMENDMENTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Tim Quinn

Senate Sponsor: _____

LONG TITLE

General Description:

This bill prohibits government officers or employees from making personal purchases with public funds.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ prohibits a government officer or employee from:
 - making a personal use expenditure with public funds; and
 - incurring indebtedness or liability on behalf of, or payable by, a governmental

entity, institution of higher education, or political subdivision for a personal use expenditure; and

- ▶ establishes penalties for government officers or employees making personal use expenditures with public funds.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:



26 ENACTS:

27 **11-55-101**, Utah Code Annotated 1953

28 **11-55-102**, Utah Code Annotated 1953

29 **11-55-103**, Utah Code Annotated 1953

30 **53B-7-106**, Utah Code Annotated 1953

31 **63A-3-110**, Utah Code Annotated 1953

32

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

34 Section 1. Section **11-55-101** is enacted to read:

35 **CHAPTER 55. PERSONAL USE EXPENDITURES FOR**
36 **POLITICAL SUBDIVISION OFFICERS AND EMPLOYEES**

37 **11-55-101. Title.**

38 This chapter is known as "Personal Use Expenditures for Political Subdivision Officers
39 and Employees."

40 Section 2. Section **11-55-102** is enacted to read:

41 **11-55-102. Definitions.**

42 As used in this chapter:

43 (1) "Employee" means a person who is not an elected or appointed officer and who is
44 employed on a full- or part-time basis by a political subdivision.

45 (2) "Officer" means a person who is elected or appointed to an office or position within
46 a political subdivision.

47 (3) (a) "Personal use expenditure" means an expenditure that:

48 (i) is not directly related to the performance of an activity as an officer or employee of
49 a political subdivision;

50 (ii) primarily furthers a personal interest of an officer or employee of a political
51 subdivision or the family, a friend, or an associate of an officer or employee of a political
52 subdivision; and

53 (iii) would constitute taxable income under federal law.

54 (b) "Personal use expenditure" does not include a state vehicle or a monthly stipend for
55 a vehicle that an officer or employee uses to travel to and from the officer or employee's
56 official duties, including a minimal allowance for a detour as provided by the political

57 subdivision.

58 (4) "Political subdivision" means any county, city, town, school district, community
59 reinvestment agency, special improvement or taxing district, local district, special service
60 district, entity created by an interlocal agreement adopted under Title 11, Chapter 13, Interlocal
61 Cooperation Act, or other governmental subdivision or public corporation.

62 (5) "Public funds" means the same as that term is defined in Section 51-7-3.

63 Section 3. Section **11-55-103** is enacted to read:

64 **11-55-103. Personal use expenditures prohibited.**

65 (1) An officer or employee of a political subdivision may not:

66 (a) use public funds for a personal use expenditure; or

67 (b) incur indebtedness or liability on behalf of, or payable by, a political subdivision
68 for a personal use expenditure.

69 (2) If a political subdivision determines that a political subdivision officer or employee
70 has made a personal use expenditure in violation of Subsection (1), the political subdivision
71 shall:

72 (a) require the political subdivision officer or employee to deposit the amount of the
73 personal use expenditure into the fund or account from which:

74 (i) the personal use expenditure was disbursed; or

75 (ii) payment for the indebtedness or liability for a personal use expenditure was
76 disbursed;

77 (b) require the political subdivision officer or employee to remit an administrative
78 penalty in an amount equal to 50% of the personal use expenditure to the political subdivision;
79 and

80 (c) deposit the money received under Subsection (2)(b) into the operating fund of the
81 political subdivision.

82 (3) (a) Any officer or employee of a political subdivision who has been found by the
83 political subdivision to have made a personal use expenditure in violation of Subsection (1)
84 may appeal the finding of the political subdivision.

85 (b) The political subdivision shall establish an appeal process for an appeal made under
86 Subsection (3)(a).

87 (4) (a) Subject to Subsection (4)(b), a political subdivision may withhold all or a

88 portion of the wages of an officer or employee of the political subdivision who has violated
89 Subsection (1) until the requirements of Subsection (2) have been met.

90 (b) If the officer or employee has requested an appeal under Subsection (3), the
91 political subdivision may only withhold the wages of the officer or employee after the appeal
92 process has confirmed that the officer or employee violated Subsection (1).

93 Section 4. Section **53B-7-106** is enacted to read:

94 **53B-7-106. Personal use expenditures for officers and employees of institutions of**
95 **higher education.**

96 (1) As used in this section:

97 (a) "Employee" means a person who is not an elected or appointed officer and who is
98 employed on a full- or part-time basis by an institution of higher education.

99 (b) "Institution of higher education" means an institution that is part of the state system
100 of higher education as described in Section [53B-1-102](#).

101 (c) "Officer" means a person who is elected or appointed to an office or position within
102 an institution of higher education.

103 (d) (i) "Personal use expenditure" means an expenditure that:

104 (A) is not directly related to the performance of an activity as an officer or employee of
105 an institution of higher education;

106 (B) primarily furthers a personal interest of an officer or employee of an institution of
107 higher education or the family, a friend, or an associate of an officer or employee of an
108 institution of higher education; and

109 (C) would constitute taxable income under federal law.

110 (ii) "Personal use expenditure" does not include a state vehicle or a monthly stipend for
111 a vehicle that an officer or employee uses to travel to and from the officer or employee's
112 official duties, including a minimal allowance for a detour as provided by the institution of
113 higher education.

114 (e) "Public funds" means the same as that term is defined in Section [51-7-3](#).

115 (2) An officer or employee of an institution of higher education may not:

116 (a) use public funds for a personal use expenditure; or

117 (b) incur indebtedness or liability on behalf of, or payable by, an institution of higher
118 education for a personal use expenditure.

119 (3) If the institution of higher education determines that an officer or employee of an
120 institution of higher education has made a personal use expenditure in violation of Subsection
121 (2), the institution of higher education shall:

122 (a) require the officer or employee to deposit the amount of the personal use
123 expenditure into the fund or account from which:

124 (i) the personal use expenditure was disbursed; or

125 (ii) payment for the indebtedness or liability for a personal use expenditure was
126 disbursed;

127 (b) require the officer or employee to remit an administrative penalty in an amount
128 equal to 50% of the personal use expenditure to the institution of higher education; and

129 (c) deposit the money received under Subsection (3)(b) into the operating fund of the
130 institution of higher education.

131 (4) (a) Any officer or employee of an institution of higher education who has been
132 found by the institution of higher education to have made a personal use expenditure in
133 violation of Subsection (2) may appeal the finding of the institution of higher education.

134 (b) The institution of higher education shall establish an appeal process for an appeal
135 made under Subsection (4)(a).

136 (5) (a) Subject to Subsection (5)(b), an institution of higher education may withhold all
137 or a portion of the wages of an officer or employee of the institution of higher education who
138 has violated Subsection (2) until the requirements of Subsection (3) have been met.

139 (b) If the officer or employee has requested an appeal under Subsection (4), the
140 institution of higher education may only withhold the wages of the officer or employee after the
141 appeal process has confirmed that the officer or employee violated Subsection (2).

142 Section 5. Section **63A-3-110** is enacted to read:

143 **63A-3-110. Personal use expenditures for state officers and employees.**

144 (1) As used in this section:

145 (a) "Employee" means a person who is not an elected or appointed officer and who is
146 employed on a full- or part-time basis by a governmental entity.

147 (b) "Governmental entity" means:

148 (i) an executive branch agency of the state, the offices of the governor, lieutenant
149 governor, state auditor, attorney general, and state treasurer, the Board of Pardons and Parole,

150 the Board of Examiners, the National Guard, the Career Service Review Office, the State
151 Board of Education, the State Board of Regents, and the State Archives;

152 (ii) the Office of the Legislative Auditor General, the Office of the Legislative Fiscal
153 Analyst, the Office of Legislative Research and General Counsel, the Legislature, and
154 legislative committees;

155 (iii) courts, the Judicial Council, the Office of the Court Administrator, and similar
156 administrative units in the judicial branch;

157 (iv) independent state entities created under Title 63H, Independent State Entities; or

158 (v) the Utah Science Technology and Research Governing Authority created under
159 Section [63M-2-301](#).

160 (c) "Officer" means a person who is elected or appointed to an office or position within
161 a governmental entity.

162 (d) (i) "Personal use expenditure" means an expenditure that:

163 (A) is not directly related to the performance of an activity as a state officer or
164 employee;

165 (B) primarily furthers a personal interest of a state officer or employee or a state
166 officer's or employee's family, friend, or associate; and

167 (C) would constitute taxable income under federal law.

168 (ii) "Personal use expenditure" does not include a state vehicle or a monthly stipend for
169 a vehicle that an officer or employee uses to travel to and from the officer or employee's
170 official duties, including a minimal allowance for a detour as provided by the state.

171 (e) "Public funds" means the same as that term is defined in Section [51-7-3](#).

172 (2) A state officer or employee may not:

173 (a) use public funds for a personal use expenditure; or

174 (b) incur indebtedness or liability on behalf of, or payable by, a governmental entity for
175 a personal use expenditure.

176 (3) If the Division of Finance determines that a state officer or employee has made a
177 personal use expenditure in violation of Subsection (2), the Division of Finance shall:

178 (a) require the state officer or employee to deposit the amount of the personal use
179 expenditure into the fund or account from which:

180 (i) the personal use expenditure was disbursed; or

181 (ii) payment for the indebtedness or liability for a personal use expenditure was
182 disbursed;

183 (b) require the state officer or employee to remit an administrative penalty in an
184 amount equal to 50% of the personal use expenditure to the Division of Finance; and

185 (c) deposit the money received under Subsection (3)(b) into the General Fund.

186 (4) (a) Any state officer or employee who has been found by the Division of Finance to
187 have made a personal use expenditure in violation of Subsection (2) may appeal the finding of
188 the Division of Finance to the state auditor.

189 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
190 state auditor shall make rules regarding an appeal process for an appeal made under Subsection
191 (4)(a).

192 (5) (a) Subject to Subsection (5)(b), the Division of Finance may withhold all or a
193 portion of the wages of a state officer or employee who has violated Subsection (2) until the
194 requirements of Subsection (3) have been met.

195 (b) If the state officer or employee has requested an appeal under Subsection (4), the
196 Division of Finance may only withhold the wages of the officer or employee after the state
197 auditor has confirmed that the officer or employee violated Subsection (2).