

**STATE MONEY MANAGEMENT COUNCIL-MINUTES  
THURSDAY APRIL 18, 2013**

The regular meeting of the State Money Management Council was held in the Offices of the State Treasurer, 350 North State Street, Suite 180 at 3:00 p.m., Thursday, April 18, 2013. In attendance were:

Mark McRae, Chair  
Mark Watkins, Vice Chair  
John Bond  
Doug DeFries  
Ann Pedroza, Staff  
David Damschen, Deputy State Treasurer  
Christine Brandt, State Investment Officer  
Tom Bay, Department of Financial Institutions  
Laurie Noda, Asst. Attorney General  
Greg Balls, Contango Capital Advisors  
Andy Robbins, Moreton Asset Management  
Marcus Nield, Pierpont Securities  
Glen Martin, Promontory Financial  
Betsy Ross, State Treasurer's Office  
Mel Smith, University of Utah  
Howard Headlee, Utah Bankers Association  
Paul Allred, Department of Financial Institutions

**Minutes of March Meeting**

The minutes of the March 21, 2013 meeting were approved unanimously with changes as noted under the Other Business.

**Monthly Reports**

**Securities Division:**

Ms. Black was not in attendance and notified the Council that there were no changes to the Certified Investment Advisers or the Certified Broker lists.

**Financial Institutions' Report:**

Mr. Bay presented the March 2013 monthly-uninsured public funds held report and noted that Gunnison Valley Bank usage of their uninsured public funds allotment at 94% and that he had sent out the quarterly notice to them informing them of this. Council discussed the monthly report with Mr. Bay briefly.

**State Treasurers Report:**

Ms. Brandt noted for the Council that the general fund sweep accounts were high on the last day in March as it was Good Friday and the markets were closed so sweep accounts were left to pay bills. She then noted that the balance in the PTIF as of March month end was \$10.1 billion and the rate paid was .57% and that the rate is continuing to decline. Ms. Brandt then reviewed the

report for the Tobacco funds briefly noting this is the last time the report will be included for these funds.

**Late Deposit and Investment Report Update:**

Ms. Pedroza informed the Council that there are 52 reports that have not been filed for the December 2012 reporting period.

**Review of Enforcement Actions:**

Mr. Damschen informed the Council that there were no new enforcement actions since the last meeting.

**Acceptance of Reports:**

It was motioned and seconded, and all of the above reports were accepted unanimously.

**Review of Council Responsibilities with Asst. Attorney General**

Ms. Noda informed the Council that they are here as members of the Council and do not represent the institutions or entities that they work for. She noted that there are standards that govern conflicts of interest and informed the Council that if an issue comes up that deals with a Council member's employer, the member should declare a conflict of interest and not vote on that issue. Ms. Noda informed the Council that they must follow the Open Meetings Act and GRAMA statutes. If someone contacts a member about an issue that is before the Council it should be disclosed to Council in the meeting. Council discussed this with Ms. Noda briefly. Ms. Pedroza informed the Council that the Handbook for Boards and Commissions from the Governor's office was in the packet for them to review.

**Discussion of HB 357, Reciprocal CD's and Associated New Rule**

Mr. McRae reviewed briefly the issues with the language added by HB 357 and noted that the Council is now tasked with writing the rule. Mr. McRae noted that Promontory Financial is here to review their reciprocal CD product with the Council. Mr. Martin reviewed the background of Promontory noting that the original founders were all former FDIC employees. The product that they offer is called CDARS and they have a network of 3,000 financial institutions that offer reciprocal CD's. Mr. Martin described the program noting that a million dollars comes in to a qualified depository from a public entity and goes out to member banks, and then one million dollars comes back to that qualified depository as CD deposits, so in effect the funds don't leave the institution. He noted that the CD's are safekept with the issuing bank and Bank of New York/Mellon is sub-custodian. BoNY/Mellon provides all the reporting to the customer and the financial institutions. Mr. Martin discussed in detail with the Council the procedures that Promontory uses for reciprocal CD's including costs. Mr. Bond asked if there were more than the twelve or so community banks in Utah that are listed on Promontory's website. Mr. Martin noted the website is current so twelve is correct. Mr. Martin then discussed in detail the analysis that they go through to evaluate banks that they have on their list. Council discussed this at length. Council then discussed reporting on the part of the public treasurer and the bank to the Department of Financial Institutions at length. Council then inquired of staff what the rule writing process and time frames were and discussed that briefly. Mr. McRae thanked those who provided the information.

### **Other Business**

Mr. McRae noted that Council had received a letter from the University of Utah regarding the language for reciprocal CD's that had been placed in the bill that the University ran. Mr. Smith stated that the reason for the letter was to make sure the relationship between the University and the Council was not jeopardized as they had approached the Council with their original language and knew that the reciprocal CD language had not been in with their bill originally. Council, Mr. Headlee, Ms. Noda and Mr. Smith discussed this issue at length.

### **Schedule Next Meeting**

The Council then scheduled the next meeting for May 23, 2013 at 3:00 p.m. in the offices of the State Treasurer. With no other business before the Council, they adjourned at 4:52 p.m.

DRAFT

**UTAH STATE TREASURER  
PUBLIC TREASURERS INVESTMENT FUND  
INVESTMENT SUMMARY  
April 30, 2013**

	<u>PAR AMOUNT</u>	<u>ADJUSTED WAM</u>	<u>PERCENT</u>	<u>CURRENT YIELD</u>
Money Market Funds	450,000,000.00	1.00	4.29%	0.18%
Qualified CD's	10,500,000.00	66.33	0.10%	0.33%
Vari CD's	176,000,000.00	77.68	1.68%	0.46%
Commerical Paper	1,724,703,000.00	63.09	16.43%	0.27%
Corporate Notes	8,116,129,000.00	82.93	77.31%	0.58%
U.S. Agency	20,000,000.00	728.00	0.19%	0.35%
<b>TOTAL</b>	<b>\$10,497,332,000.00</b>	<b>77.28</b>	<b>100.00%</b>	

Weighted Average Yield

0.52%

**PRIOR MONTH  
PREVIOUS YEAR**

**\$10,149,767,000.00**    0.57%  
**\$9,944,685,000.00**    0.78%



GARY R. HERBERT  
*Governor*

GREG BELL  
*Lieutenant Governor*

State of Utah  
Department of Commerce  
Division of Securities

FRANCINE A. GIANI  
*Executive Director*

THOMAS A. BRADY  
*Deputy Director*

KEITH WOODWELL  
*Director, Division of Securities*

TO: Money Management Council  
FROM: Michele Black, Division of Securities  
RE: Additions to the Certified Investment Adviser List  
DATE: **May 23, 2013**

The following agents and firms have been added to the list for conducting investment transactions with public treasures pursuant to rule 15 of the State Money Management Council.

**PFM Asset Management LLC**

Investment Adviser

Representatives: Lauren Brant  
Christopher Blackwood



GARY R. HERBERT  
Governor

GREG BELL  
Lieutenant Governor

State of Utah  
Department of Commerce  
Division of Securities

FRANCINE A. GIANI  
Executive Director

THOMAS A. BRADY  
Deputy Director

KEITH WOODWELL  
Director, Division of Securities

TO: Money Management Committee  
FROM: Michele Black, Investment Adviser Section  
RE: Certified Investment Adviser List  
DATE: May 23, 2013

The following is the list of Certified Investment Advisers and Investment Adviser Representative(s) effective **March 23, 2013**:

**AllianceBernstein L.P.**  
Investment Adviser  
Representatives:

Joseph E. Brienza	1225 17 <sup>th</sup> Street, Suite 2900 Denver, CO 80202
Jeffrey F. Jagard	" "
John Robb	" "

**Cutwater Asset Management**  
Investment Adviser

Representatives:

Mary Donovan	1700 Broadway, Suite 2050 Denver, CO 80290
Bruce G. Ely	" "
Marc H. McClure	" "
David Witthohn	" "

**Moreton Asset Management, LLC**

Investment Adviser

Representatives:

Jordan C. Hansen	709 East South Temple Salt Lake City, UT 84102
Andrew J. Robbins	" "
Jason M. Williams	" "

**Morgan Stanley**

Investment Adviser

Representatives:

Cody C. Adams	90 South 400 West, Suite 300 Salt Lake City, UT 84101
Paul Barton	6510 Millcreek Drive, Suite 100 Holladay, UT 84121
Douglas Felt	90 South 400 West Salt Lake City, UT 84101

**Morgan Stanley cont.**

Investment Adviser

Representatives:	John Hallgren	2455 East Parleys Way, 2 <sup>nd</sup> Floor Salt Lake City, UT 84109
	Debra Lyman	6510 Millcreek Drive, Suite 100 Holladay, UT 84121
	Thomas E. Nielson	" "
	Brian Parcell	90 South 400 West, Suite 300 Salt Lake City, UT 84101
	F. Bart Reuling	6510 Millcreek Drive, Suite 100 Holladay, UT 84121
	Robert H. Rose	90 South 400 West, Suite 300 Salt Lake City, UT 84101
	Kenneth Webster	6510 Millcreek Drive, Suite 100 Holladay, UT 84121

**PFM Asset Management LLC**

Investment Adviser

Representatives:	Lauren Brant	1400 16 <sup>th</sup> Street, Suite 400 Denver, CO 80202
	Christopher Blackwood	" "

**Zions Wealth Advisors**

DBA for Contango Capital Advisors Inc.

investment adviser

representatives:	Greg Aiken	One South Main Street, 12 <sup>th</sup> Floor Salt Lake City, UT 84133
	Gregory D. Balls	" "
	Brett Belliston	" "
	Scott R. Burnett	" "
	Gary Mark Hill	" "
	Matthew R. Johnson	" "
	Brian Moore	" "
	Diane Veltri	" "
	David Warne	" "



GARY R. HERBERT  
*Governor*

GREG BELL  
*Lieutenant Governor*

State of Utah  
Department of Commerce  
Division of Securities

FRANCINE A. GIANI  
*Executive Director*

THOMAS A. BRADY  
*Deputy Director*

KEITH WOODWELL  
*Director, Division of Securities*

TO: Money Management Council  
FROM: Michele Black, Division of Securities  
RE: Certified Broker-Dealer  
DATE: May 23, 2013

The following is the list of Certified Dealers and Agent(s) effective May 23, 2013:

**Ameriprise Financial Services, Inc.**

Agents: Daniel S. Nelsen

7730 Union Park Avenue, Suite 300  
Midvale, UT 84047

Bruce R. Wingrove

“ “

**Barclays Capital Inc.**

Agents: Peter Bjurstein

555 California Street, 30th Floor  
San Francisco, CA 94104

**DA Davidson & Co.**

Agents: Hank Jenkins

1600 Broadway, Suite 1100  
Denver, CO 80202

**George K. Baum & Company**

Agents: Susan P. Gardner

4801 Main Street, Suite 500  
Kansas City, MO 64112

Joseph C. Higginbottom

1400 Wewatta Street, Suite 800  
Denver, CO 80202

Frederic H. Jones

15 West South Temple, #1090  
Salt Lake City, UT 84101

Stephen L. Strong

“ ”

Brett C. Turnbull

4801 Main Street, Suite 500  
Kansas City, MO 64112

**Goldman Sachs & Co.**

Agents: Ryan E. Murray

555 California Street, 41<sup>st</sup> Floor  
San Francisco, CA 94104

Chris Trinkus

“ “

**J.P. Morgan Securities LLC**

Agents: Dina Collins

560 Mission Street, 5<sup>th</sup> Floor  
San Francisco, CA 94105

**LPL Financial LLC**

Agents: Stephen H. Beierlein

5929 South Fashion Pointe Drive, Suite 204  
South Ogden, UT 84403

Michael B. Blackham

7325 South Union Park Avenue  
Midvale, UT 84047

Timothy W. Floyd

2104 West Sunset Boulevard  
St. George, UT 84770

Chad Waddoups

7181 South Campus View Drive  
West Jordan, UT 84084

**Merrill Lynch, Pierce, Fenner & Smith, Incorporated**

Agents: Leonard Armstrong

2125 Louisiana Boulevard , Suite 200  
Albuquerque, NM 87190

Nathan Armstrong

“ “

Brett R. Bills

6400 South Fiddlers Green Circle  
Englewood, CO 80111

R. Scott Bills

“ “

Teresa L. Friess

“ “

Carl L. Laurella

60 E. South Temple #200-61  
Salt Lake City, UT 84111

Steven Prickett

2125 Louisiana Boulevard, Suite 200  
Albuquerque, NM 87190

Jeffrey J. Roundy

60 E. South Temple #200-61  
Salt Lake City, UT 84111

Betsy L. Whipple

400 S. Rampart Boulevard  
Las Vegas, NV 89145

**Morgan Stanley**

Agents: Cody Adams

90 South 400 West, Suite 300  
Salt Lake City, UT 84101

Craig P. Adams

1495 East Ridgeline Drive  
Ogden, UT 84405

S. Craig Adams

101 North Main Street  
Logan, UT 84321

Paul Barton

6510 S. Millcreek Drive, Suite 100  
Holladay, UT 84121

Deidre M. Cortney

3033 East 1<sup>st</sup> Avenue, Suite 820  
Denver, CO 80206

Johnthomas L. Cumbow

50 North Laura Street, Suite 2000  
Jacksonville, FL 32202

Douglas Felt

60 E. South Temple  
Salt Lake City, UT 84111

**Morgan Stanley cont.**

Agents:

Phil Fonfara	1101 5 <sup>th</sup> Avenue San Rafael, CA 94901
John Hallgren	2455 E. Parleys Way, Suite 250 Salt Lake City, UT 84109
Debra Lyman	6510 S. Millrock Drive, Suite 100 Holladay, UT 84121
Thomas E. Nielson	“ ”
John R. Ott	1101 5 <sup>th</sup> Avenue San Rafael, CA 94901
Brian Parcell	60 E. South Temple Salt Lake City, UT 84111
Angela Leach Pizzichini	3033 East 1 <sup>st</sup> Avenue, Suite 820 Denver, CO 80206
Joseph A. Ranucci	50 North Laura Street, Suite 2000 Jacksonville, FL 32202
F. Barton Reuling	6510 S. Millrock Drive, Suite 100 Holladay, UT 84121
Robert H. Rose	90 South 400 West, Suite 300 Salt Lake City, UT 84101
Kenneth Webster	6510 S. Millrock Drive, Suite 100 Holladay, UT 84121

**Pierpont Securities, LLC**

Agents: William H. Money III

Marcus A. Nield  
Jamison Yardley

299 South Main Street, Suite 1300  
Salt Lake City, UT 84111  
“ ”  
“ ”

**Raymond James & Associates, Inc.**

Agents: Mark McKinnon

Scott A. Lewis

2825 East Cottonwood Parkway, Suite 500  
Salt Lake City, UT 84124  
5599 San Felipe Drive, Suite 1090  
Houston, TX 77056

**RBC Capital Markets, LLC**

Agents: Todd N. Adams

Eric Ajlouny  
Eddie Barber Jr.  
Scott Chappell

299 South Main Street, #2000  
Salt Lake City, UT 84111  
345 California Street  
San Francisco, CA 94104  
299 South Main Street, #2000  
Salt Lake City, UT 84111  
“ ”

**RBC Capital Markets, LLC cont.**

Agents:	Robert S. Cheney	“	“
	Walter Hall	345 California, 29 <sup>th</sup> Floor	
		San Francisco, CA 94104	
	Sterling Hanson	“	“
	Matthew Hofer	345 California Street 29 <sup>th</sup> Floor	
		San Francisco, CA 94104	
	Tracy L. Maltby	805 SW Broadway, Suite 1800	
		Portland, OR 97205	
	Craig Martucci	299 South Main Street, #2000	
		Salt Lake City, UT 84111	
	Ronald N. Mason	“	“
	Bradley T. Miller	“	“
	Brent Peterson	805 SW Broadway, Suite 1800	
		Portland, OR 97205	
	Patrick Porter	299 South Main Street, Suite 2000	
		Salt Lake City, UT 84111	
	Russell Tobler	“	“
	Sam Vetas	“	“

**Sterne, Agee & Leach, Inc.**

Agents:	Traci Lohnes Salinas	6995 Union Park Center, Suite 200	
		Cottonwood Heights, UT 84047	
	Nicholas Yip	“	“

**UBS Financial Services Inc.**

Agents:	Don M. Bunnell	299 South Main, Suite 2100	
		Salt Lake City, UT 84111	
	Barry B. Bowen	“	“
	John Doke	100 Crescent Court, Suite 600	
		Dallas, TX 75201	
	Tracy H. Duckworth	299 South Main, Suite 2100	
		Salt Lake City, UT 84111	
	Mathew J. Hufford	“	“
	Fred C. Luedke	100 Crescent Court, Suite 600	
		Dallas, TX 75201	
	Jim Madden	“	“
	Nat Mosley	“	“
	Christopher Soutas	299 South Main, Suite 2100	
		Salt Lake City, UT 84111	

**Wells Fargo Advisors LLC**

Agents:	Daniel Payne	201 South Main Street, Suite 160	
		Salt Lake City, UT 84101	
	David Payne	“	“

**Wells Fargo Advisors LLC cont.**

Agents: Timothy Payne  
R. Dane Bradshaw  
  
Josh G. Burgon

“ “  
6550 South Millrock Drive  
Holladay, UT 84121  
“ “

**Wells Fargo Securities LLC**

Agents: Benjamin Byington  
  
Thomas Degenaars  
Brandon Hodge  
  
Larry Lundberg  
  
Chandos Robertson  
  
Ryan Stoker  
Randy Church

299 South Main Street  
Salt Lake City, UT 84111  
“ “  
“ “  
Thomas Jett 1445 Ross Avenue, Suite 210  
MAC T9216-025  
Dallas, TX 75202  
1445 Ross Avenue  
Dallas, TX 75202  
299 South Main Street  
Salt Lake City, UT 84111  
“ “  
“ “

**Zions Bank Capital Markets**

Agents: Veronica Atkinson  
  
Kindra Corbin  
Jacqueline Davies  
Neil Decker  
Ted Dutknych  
Wendy Jones  
Brad Mayeda  
Daniel Ricks  
Ty Roberts  
Ben Sehy  
Kathy Sullivan

One South Main Street, 17<sup>th</sup> Floor  
Salt Lake City, UT 84133  
“ “  
“ “  
“ “  
“ “  
“ “  
“ “  
“ “  
“ “  
“ “  
“ “  
“ “

**Zions Direct, Inc.**

Agents: Veronica Atkinson  
  
Kindra Corbin  
Jacqueline Davies  
Neil Decker  
Ted Dutknych  
Wendy Jones  
Brad Mayeda

One South Main Street, 17<sup>th</sup> Floor  
Salt Lake City, UT 84133  
“ “  
“ “  
“ “  
“ “  
“ “  
“ “  
“ “

**Zions Direct, Inc. cont.**

Agents:	Daniel Ricks	"	"
	Ty Roberts	"	"
	Ben Sehy	"	"
	Kathy Sullivan	"	"



GARY R. HERBERT  
*Governor*

GREG BELL  
*Lieutenant Governor*

State of Utah  
Department of Commerce  
Division of Securities

FRANCINE A. GIANI  
*Executive Director*

THOMAS A. BRADY  
*Deputy Director*

KEITH WOODWELL  
*Director, Division of Securities*

TO: Money Management Council  
FROM: Michele Black, Division of Securities  
RE: Additions to the Certified Dealer List  
DATE: **May 23, 2013**

The following agents and firms have been added to the existing list for conducting investment transactions with public treasures pursuant to rule 16 of the State Money Management Council.

**George K. Baum**

Agents: Joseph C. Higginbottom

12/31/12  
Late D&I reports  
As of 5/23/13

Eureka City  
Mendon City

Weber Co Serv Area #5

Antimony Cemetery  
East Garland Cemetery  
Garden City Cemetery  
Penrose Cemetery  
Willard Cemetery

Aristotle Academy  
Tuacahn High School

Utah League of Cities & Towns  
Utah Municipal Finance Agency  
Carbon Co Hsg Auth  
San Juan Co Trans Dist

Park City Education Foundation  
Washington Co S/D Foundation

Washington S/D

North Sanpete Ambulance Service  
Pinon Forest SS Dist  
West Erda Improve Dist  
White Hills SS Dist

Circleville Town

Bluff Water Works SS Dist  
Box Elder Co Serv Area #2  
Perry City Fld Control  
Bristlecone Water Imp Dist  
Cache Co Drain Dist #5  
Corinne Drain Dist #1  
E Duchesne Culi Wtr Imp Dist  
Elwood Drain Dist  
Iowa String Drain Dist  
Lakeshore & Benjamin Drain Dist  
Mapleton Irrigation Co  
Millard Co Drain Dist #4  
Mountain Green Swr Imp Dist  
Powder Mtn Wtr/Swr Imp Dist  
Rush Valley Wtr Conserv Dist



Ann Pedroza &lt;apedroza@utah.gov&gt;

---

**Re: Phone call yesterday**

1 message

---

**Patricia Nelson** <patricianelson@utah.gov>

Fri, May 17, 2013 at 5:53 PM

To: Ann Pedroza &lt;apedroza@utah.gov&gt;

Ann, we are leaving out testing of compliance with the the Act, BUT instead are asking the CPA's to test the report that is sent to you to ensure what they are reporting is complete and accurate, so I think that will cover your concerns. This will give you greater assurance in what you do.

Patricia

On Fri, May 17, 2013 at 11:23 AM, Ann Pedroza &lt;apedroza@utah.gov&gt; wrote:

Patricia:

In thinking through your phone call yesterday and talking with Betsy and Richard, I don't think that it is a good idea that you remove the review of deposits and investments from your handbook.

I rely on the public entity to report their deposits and investments to me, I have nothing to compare back to or the time or resources to make sure that they are truly reporting what they have. I am not an auditor and that is not the function of the report. We try to make sure what is reported meets the criteria of the Act, but they can report different balances to the Council and I cannot verify that, I receive a total public funds held report from the Dept of Financial Institutions but that is a lump total, and to try and bring all public entities reports back to that is impossible. Also, as I mentioned before, they can leave things off the report as far as securities and I would have no clue. Even though Council asks that certain information be provided such as confirms, that is not always provided. There are over 800 public entities, as one person, I don't have the ability to make sure all of them are reporting correctly.

Please re-consider taking this out of the handbook.

Thanks,  
Ann Pedroza

---

Patricia R. Nelson, CPA  
Audit Supervisor  
Office of the Utah State Auditor  
East Office Building, Suite E310  
P.O. Box 142310  
Salt Lake City, UT 84114-2310  
Phone: 801-808-0684  
Fax: 801-538-1383

---

# Chapter 1. Rulewriting Style

In matters of grave importance, style, not sincerity, is the vital thing.  
--Oscar Wilde

## General Principles

### Generally

This chapter provides the rulewriter guidance in composing, drafting, organizing, and formatting rules. Read and re-read this chapter before beginning to write. Major portions of this chapter have been adapted from the Office of Legislative Research and General Counsel's Legislative Drafting Manual, State of Utah, 2005 edition, Chapters 1 and 7. This chapter incorporates most of the same standards applied in writing statutes.

### Good Drafting

#### Organization

Before composing an administrative rule, a rulewriter should identify the authority for the rule; determine the purpose, intended results, or objectives of the rule; define the words to be used; and outline the organization of the rule.

There is no single approach to outlining the organization of a rule. Following the construction of statutes, however, will usually work well. Beginning with a general purpose section, followed by definitions of terms used throughout the rule, before writing the body of the rule, is a common rulewriting method. The body, as in a statute, should be divided by specific subjects the rule addresses, each a section of the rule. Good organization often makes a difficult rule comprehensible, and preparing a complete outline will facilitate good organization.

#### Purpose

The rulewriter should keep in mind that the basic purpose of an administrative rule is to facilitate carrying out statutory mandates. The rule and consequent agency action must be based on statute (or a constitutional mandate). It may also be based on federal mandate, legislative intent language (if any), the governor's policy, direction from federal or state court, or the agency mission (as defined in or extrapolated from statute).

Fully understanding the intended results of the rule is critical to its effective composition. The rulewriter should be able to identify clearly whether the intent is to restrict activities or provide a benefit under certain conditions, or both; and be able to state the conditions under which the restrictions apply or benefits are bestowed.

#### Principles of Style

Following the principles of drafting enables a rulewriter to avoid ambiguity and to write in "plain English." The three basic principles of drafting are:

- consistency;
- simplicity; and
- clarity.

Consistency requires that the same form be used throughout an agency's rules to avoid varying interpretations that may result from divergent styles and construction. Unlike literary composition, a rulewriter avoids unnecessary variation in sentence form, even to the point of monotony. Similarly, a word, especially if the word is included in a definition section, should be used with the same meaning throughout an agency's rules. Avoid synonyms or synonymous expressions.

The principle of simplicity is reflected in dignified but simple and direct regulatory language. Clarity similarly requires a rulewriter to avoid abstract or vague language so that courts and others implementing a rule can understand the directives of the agency. All three principles require common terminology and simple phrasing. The following are basic skills that can be used in achieving these overriding principles.

### Careful Choice of Language

An effective rulewriter uses familiar language that expresses the intended meaning according to common and approved usage. Terms used in drafting should be easily understood, with those few exceptions defined. A balance must be struck between excessive technical terms and an inappropriate conversational tone. Technical terms may be used if properly defined. Rules should not be overly simplistic or informal.

- Use short words and sentences. When possible, keep sentences brief using words of three syllables or fewer.
- If it is possible to omit a word and retain the desired meaning, omit the word.
- Do not use jargon, slang, overly technical language, "legalese," or foreign phrases (including Latin legal terms) unless the word or phrase is a term of art or its use is supported by substantial case law.
- Do not use abstract words. Regulatory language should be precise using simple and concrete terms.

DO NOT SAY:	IF YOU MEAN:
firearm	handgun
vehicle	automobile
aircraft	helicopter

- Do not use superfluous or indefinite words. These type of words include "real," "actual," "true," "duly," "whatsoever," "hereby," and "therewith."
- Do not use provisos. A proviso, such as "provided, that," is archaic and creates confusion. Rearranging a sentence generally eliminates the need for a proviso. For further discussion of provisos, see the section called "Provisos".
- Avoid using indefinite pronouns as references. Indefinite pronouns can result in confusion as to whom a condition or duty applies. If a pronoun could refer to more than one person in a sentence, repeat the title of the person. Use of pronouns also raises issues regarding drafting in gender neutral language. For further discussion of gender neutral drafting, see the section called "Gender Neutral Language"

DO NOT SAY:	SAY:
After the executive director appoints the director, he shall administer this rule.	After the executive director appoints the director, the director shall administer this rule.

R628. Money Management Council, Administration.

R628-11. Maximum Amount of Uninsured Public Funds Allowed to Be Held by Any Qualified Depository.

R628-11-1. Authority.

R628-11-2. Scope.

R628-11-3. Purpose.

R628-11-4. Definitions.

R628-11-5. General Rule.

R628-11-6. Responsibility to Monitor Balances.

R628-11-7. Collateralization of Excess Uninsured Public Funds.

R628-11-8. Frequency of Adjustment to the Uninsured Public Funds Allotment.

R628-11-9. Right to Petition the Council for Review.

R628-11-10. Notification of Public Treasurers.

KEY: financial institutions, banking law  
1990

Notice of Continuation October 13, 2000

51-7-18.1(2)

- Incorporating List, Tables, Illustrations or Similar Materials

R999-14-5a. Coding Table.

This rule incorporates by reference the Department of Public Safety, Division of Driver License code violation tables, consisting of lists of violation codes published by the department as of November 1996. Copies of these coding tables are available at the division office and also at Division of Administrative Rules for public inspection.

## Organization of Rules

### Organization of the Administrative Code

The Utah Administrative Code is organized alphabetically by department name, each department followed by a listing of its constituent agencies. In some cases, agencies are further subdivided. The Division of Administrative Rules assigns each agency an “R” number or title. The first department, for example, is the Department of Administrative Services, with a title for department “Administration.” It is Title R13. Its first agency, the Division of Administrative Rules is assigned Title R15, and so on. Rules enacted by an agency are therefore grouped together in a manner similar to a title in the statutory code. This is appropriate since each agency normally deals with a unique, but broad, subject. Individual rules, then, correspond to statutory chapters, since each should have a unique, specific subject.

There is no requirement on how to organize rules within the agency “title.” Agencies may arrange their rules chronologically (by order of adoption), by subject matter, by administrative organization of the agency, or some other sequence. While it is useful to keep some logical order, rules change far more frequently than do statutes and agencies would often have to rewrite their entire set to maintain perfect uniformity.

A suggestion in organizing rules may prove helpful. The published version of the Utah Administrative Code indexes rules by their authorizing statute and by subject. Grouping rules around their enabling statutory citation or according to general subjects (“construction,” “inspection,” “traffic rules,” “violations,” etc.) will result in an easier-to-use index. Whatever pattern is used, the rulewriter should keep it as simple and consistent as possible; any system must account for future changes in administrative organization, additions, and deletions.

Should the Legislature change the name of a department, the agency will need to file a nonsubstantive change for each department rule to make that change appear in the administrative code. Likewise, should the administration reorganize the structure of a department or rename agencies within a department, the agency must file a nonsubstantive change for each rule to make that change appear in the administrative code.

If a department is renamed, the title designation will change. If a department reorganizes its divisions and agencies, the Title catchlines will be changed to reflect the reorganization, but the titles will not be renumbered.

### – Organization Within Rules

Because rules are as diverse as the agencies that make them, no single organization scheme will serve all instances. However, rules are extensions of their governing statutes. Therefore, rules should generally follow the patterns used in the statutory code.

A rule should begin with a general purpose section, outlining the intent and application of the rule, followed by a section identifying its statutory authorization.

<b>Example:</b>
R15-5-1. Purpose.  (1) This rule provides the procedures for informal adjudicative proceedings governing:  (a) appeal and review of a decision by the division not to publish an agency's proposed rule or rule change or not to register an agency's notice of effective date; and  (b) a determination by the division whether an agency rule meets the procedural requirements of Title 63, Chapter 46a, the Utah Administrative Rulemaking Act.  (2) The informal procedures of this rule apply to all other division actions for which an adjudicative proceeding may be required.  R15-5-2. Authority.  This rule is required by Sections 63-46b-4 and 63-46a-5, and is enacted under the authority of Subsection 63-46a-10(1)(n) and Sections 63-46b-4, 63-46b-5, and 63-46b-21.

A definitions section, if necessary, should follow. Terms used throughout a rule should be defined in one section so that they are easy to find. If it is necessary to define terms in individual sections, those definitions should appear at the beginning of each section in which they are used. It will only confuse the reader if the rulewriter places a definition in one section somewhere in the middle of a rule, that describes a term used in another section. If the authorizing statute contains definitions, they may be referenced and definitions of other needed terms added.

<b>Example:</b>
R15-5-3. Definitions.  (1) The terms used in this rule are defined in Section 63-46b-2.  (2) In addition, "division" means the Division of Administrative Rules.

The third and following sections should be the body of the rule. Each section should develop a separate subject such as "standards," "application procedure," "selection criteria," "notification," "appeals," and "penalties." Sections should be arranged in a logical sequence of descending importance.

## Numbering Rules

### Title Numbering

Rule numbering follows a pattern similar to statute numbering (see Section 63-46a-9.6. The three-part citation tells the reader the agency, the rule number, and section. Each rulemaking organization in state government is assigned a unique "R" number. Therefore, the rulewriter will normally use the same first number for every rule. When the name of an agency changes, either because of legislation or administrative reorganization, the rulewriter should notify the Division in writing.

## Rule and Section Numbering

The rule number, which follows the R number and a hyphen, is limited to three characters. The section number, following another hyphen, is limited to five characters. Because of the computer logic and coding, rule and section designations must be at least one Arabic number greater than zero (for example, Section R15-1-1). The Arabic number may be followed by a letter (for example, Section R562-1f-1a). Variations of this format are not permitted.

The Division uses computers to manage and publish Utah's administrative rules. When rules are codified, the computer sorts rules based on the citation. An agency will find that its rules do not appear in the order it intended if this standard is not followed.

INCORRECT	CORRECT
501-1-5	R501-1-5
R513-201.105	R513-201-105
R. 574-34	R574-34
R51 -9 -1	R51-9-1
R414-032-0	R414-32-1
R414-A2	R414-2A
R414-2A8	R414-2A-8
R432-150A	R432-15A
R-513-204	R513-204
R51-47212-23112b	R51-472-2311b
R920-1.1-14.001	R920-1a-14a
R156-66-604aa	R156-66-605a

If an agency chooses to use a letter as part of one rule number (i.e., R414-2A), it may not number another rule using three digits (i.e., R414-500). Likewise, if an agency chooses to use a letter as part of one section number (i.e., R156-55c-1302c), it may not number another section in any of its rules using five digits (i.e., R156-55c-10001). When the two numbering styles are mixed, computers will not correctly sort the agency's rules.

The computer will always read left to right and sort rules numerically, then alphabetically, by the agency, rule, then section numbers. The rulewriter should organize rules and sections accordingly. The simpler the system, the less confusing it is to the reader.

## Subsection (Paragraph) Numbering

To date, internal numbering (paragraph numbering) has been left to the discretion of the rulewriter. The result is a hodgepodge of internal numbering systems. The Division recommends the following internal numbering system, which is the same system used in statute.

<b>Example:</b>
R15-5-1. Purpose.
(1) This rule provides the procedures for informal adjudicative proceedings governing:
(a) appeal and review of a decision by the division not to publish an agency's proposed rule or rule change or not to register an agency's notice of effective date; and
(b) a determination by the division whether an agency rule meets the procedural requirements of Title 63, Chapter 46a, the Utah Administrative Rulemaking Act.
(2) The informal procedures of this rule apply to all other division actions for which an adjudicative proceeding may be required.

The rulewriter should avoid dividing sections into units smaller than a subsection such as “Subsection R56-1-1(2)” or “Subsection R56-1-1(2)(a).” When further division is absolutely necessary, however, rulewriters may follow the statutory system of citing the lower case Roman numeral, the capital letter, then the upper case Roman numeral, all enclosed by parentheses: “Subsection R56-1-1(2)(a)(i)(A)(I).” References to these subdivisions are always “subsections,” to avoid confusion and maintain simplicity. This numbering system, as developed and implemented by the legislature, allows outlines to extend to a maximum of five levels.

<b>Example:</b>	
<b>PARAGRAPH NUMBERING LEVELS</b>	<b>GRAPHICAL ILLUSTRATION OF PARAGRAPH NUMBERING LEVELS</b>
R1-1-101. Example.	R1-1-101. Example.
(1)...	(1)...
(a)...	(a)...
(i)...	(i)...
(A)...	(A)...
(I)...	(I)...
(2)...	(2)...(Note: multiple indentations are not allowed in rules)

Currently, rulewriters are permitted and encouraged to renumber within existing definitional sections to alphabetize the section. In all other circumstances, a rulewriter must use great care. Rearranging subsections makes it difficult to compare sections by computer to look for potential conflicts or unmarked changes. Also, it is possible that by rearranging the subsections, the change inadvertently alters the substance of the section. This change in meaning may be difficult to catch.

If the rulewriter is amending a section of a rule in which the subsections are numbered in a different manner and the rulewriter is going to change the number to be consistent with this form, the rulewriter must check cross-references to determine if that particular subsection is referenced in any other sections of the code. The rulewriter must then change all other references to conform with the new numbering. If cross-references appear in another title of the administrative code, the rulewriter should notify the other agency of the pending change. The rulewriter should also check any relevant case law to determine whether that specific subsection is mentioned in a court opinion. If that is the case, the rulewriter may want to consider leaving the whole section and the impacted subsection as it is currently numbered to preserve the legal history of the subsection even though it is inconsistent with this general drafting guideline.

While consistency throughout the administrative code is desirable, because consistency makes the code easier to use, it is most important that subsection numbering be consistent within a rule and a title.