

1 **Attorney General Funding Amendments**

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Val L. Peterson

Senate Sponsor:

2 **LONG TITLE**

3 **General Description:**

4 This bill addresses funding for the Office of the Attorney General.

5 **Highlighted Provisions:**

6 This bill:

- 7
 - 8 ▶ exempts the Office of the Attorney General (office) from the provisions governing
 - 9 internal service funds;
 - 10 ▶ directs the office to charge each agency for legal services based on the actual time spent
 - 11 on the legal services;
 - 12 ▶ requires the office and each agency to annually execute a service-level agreement that
 - 13 includes the agency's expected legal services needs, the rates at which the office will
 - 14 charge for the legal services, and the total anticipated cost of the agency's legal services;
 - 15 ▶ establishes the Legal Services Retainer Fund into which the Legislature will appropriate
 - 16 the total anticipated cost of each agency's legal services from the office;
 - 17 ▶ allows the office to use money in the Legal Services Retainer Fund to pay for the legal
 - 18 services that the office charges to each agency;
 - 19 ▶ requires an agency to use the agency's existing budget to pay for any legal services
 - 20 charges that exceed the agency's balance in the Legal Services Retainer Fund;
 - 21 ▶ creates the Public Policy Defense Program to pay costs of defending the state in civil
 - 22 litigation that meets specified criteria; and
 - 23 ▶ makes technical and conforming changes.

24 **Money Appropriated in this Bill:**

25 None

26 **Other Special Clauses:**

27 None

28 **Utah Code Sections Affected:**

29 AMENDS:

30 **52-4-205 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 391

31 **63J-1-410 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapters 350,
32 357

33 **63J-1-602.2 (Effective 05/06/26) (Partially Repealed 07/01/29)**, as last amended by Laws
34 of Utah 2025, First Special Session, Chapter 17

35 ENACTS:

36 **63J-1-1001 (Effective 05/06/26)**, Utah Code Annotated 1953

37 **63J-1-1002 (Effective 05/06/26)**, Utah Code Annotated 1953

38 **63J-1-1003 (Effective 05/06/26)**, Utah Code Annotated 1953

39 **63J-1-1004 (Effective 05/06/26)**, Utah Code Annotated 1953

40 **63J-1-1005 (Effective 05/06/26)**, Utah Code Annotated 1953

41

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

43 Section 1. Section **52-4-205** is amended to read:

44 **52-4-205 (Effective 05/06/26). Purposes of closed meetings -- Certain issues**
45 **prohibited in closed meetings.**

46 (1) A closed meeting described under Section 52-4-204 may only be held for:

47 (a) except as provided in Subsection (3), discussion of the character, professional
48 competence, or physical or mental health of an individual;

49 (b) strategy sessions to discuss collective bargaining;

50 (c) strategy sessions to discuss pending or reasonably imminent litigation;

51 (d) strategy sessions to discuss the purchase, exchange, or lease of real property,

52 including any form of a water right or water shares, or to discuss a proposed

53 development agreement, project proposal, or financing proposal related to the

54 development of land owned by the state or a political subdivision, if public

55 discussion would:

56 (i) disclose the appraisal or estimated value of the property under consideration; or

57 (ii) prevent the public body from completing the transaction on the best possible
58 terms;

59 (e) strategy sessions to discuss the sale of real property, including any form of a water
60 right or water shares, if:

61 (i) public discussion of the transaction would:

62 (A) disclose the appraisal or estimated value of the property under consideration;

63 or

64 (B) prevent the public body from completing the transaction on the best possible

- 65 terms;
- 66 (ii) the public body previously gave public notice that the property would be offered
67 for sale; and
- 68 (iii) the terms of the sale are publicly disclosed before the public body approves the
69 sale;
- 70 (f) discussion regarding deployment of security personnel, devices, or systems;
- 71 (g) investigative proceedings regarding allegations of criminal misconduct;
- 72 (h) as relates to the Independent Legislative Ethics Commission, conducting business
73 relating to the receipt or review of ethics complaints;
- 74 (i) as relates to an ethics committee of the Legislature, a purpose permitted under
75 Section 52-4-204;
- 76 (j) as relates to the Independent Executive Branch Ethics Commission created in Section
77 63A-14-202, conducting business relating to an ethics complaint;
- 78 (k) as relates to a county legislative body, discussing commercial information as defined
79 in Section 59-1-404;
- 80 (l) as relates to the Utah Higher Education Savings Board of Trustees and its appointed
81 board of directors, discussing fiduciary or commercial information;
- 82 (m) deliberations, not including any information gathering activities, of a public body
83 acting in the capacity of:
- 84 (i) an evaluation committee under Title 63G, Chapter 6a, Utah Procurement Code,
85 during the process of evaluating responses to a solicitation, as defined in Section
86 63G-6a-103;
- 87 (ii) a protest officer, defined in Section 63G-6a-103, during the process of making a
88 decision on a protest under Title 63G, Chapter 6a, Part 16, Protests; or
- 89 (iii) a procurement appeals panel under Title 63G, Chapter 6a, Utah Procurement
90 Code, during the process of deciding an appeal under Title 63G, Chapter 6a, Part
91 17, Procurement Appeals Board;
- 92 (n) the purpose of considering information that is designated as a trade secret, as defined
93 in Section 13-24-2, if the public body's consideration of the information is necessary
94 to properly conduct a procurement under Title 63G, Chapter 6a, Utah Procurement
95 Code;
- 96 (o) the purpose of discussing information provided to the public body during the
97 procurement process under Title 63G, Chapter 6a, Utah Procurement Code, if, at the
98 time of the meeting:

- 99 (i) the information may not, under Title 63G, Chapter 6a, Utah Procurement Code, be
100 disclosed to a member of the public or to a participant in the procurement process;
101 and
102 (ii) the public body needs to review or discuss the information to properly fulfill its
103 role and responsibilities in the procurement process;
- 104 (p) as relates to the governing board of a governmental nonprofit corporation, as that
105 term is defined in Section 11-13a-102, the purpose of discussing information that is
106 designated as a trade secret, as that term is defined in Section 13-24-2, if:
107 (i) public knowledge of the discussion would reasonably be expected to result in
108 injury to the owner of the trade secret; and
109 (ii) discussion of the information is necessary for the governing board to properly
110 discharge the board's duties and conduct the board's business;
- 111 (q) as it relates to the Cannabis Production Establishment Licensing Advisory Board, to
112 review confidential information regarding violations and security requirements in
113 relation to the operation of cannabis production establishments;
- 114 (r) considering a loan application, if public discussion of the loan application would
115 disclose:
116 (i) nonpublic personal financial information; or
117 (ii) a nonpublic trade secret, as defined in Section 13-24-2, or nonpublic business
118 financial information the disclosure of which would reasonably be expected to
119 result in unfair competitive injury to the person submitting the information;
- 120 (s) a discussion of the board of the Point of the Mountain State Land Authority, created
121 in Section 11-59-201, regarding a potential tenant of point of the mountain state land,
122 as defined in Section 11-59-102; or
123 (t) a purpose for which a meeting is required to be closed under Subsection (2).
- 124 (2) The following meetings shall be closed:
125 (a) a meeting of the Health and Human Services Interim Committee to review a report
126 described in Subsection 26B-1-506(1)(a), and a response to the report described in
127 Subsection 26B-1-506(2);
128 (b) a meeting of the Child Welfare Legislative Oversight Panel to:
129 (i) review a report described in Subsection 26B-1-506(1)(a), and a response to the
130 report described in Subsection 26B-1-506(2); or
131 (ii) review and discuss an individual case, as described in Section 36-33-103;
132 (c) a meeting of a conservation district as defined in Section 17D-3-102 for the purpose

- 133 of advising the Natural Resource Conservation Service of the United States
134 Department of Agriculture on a farm improvement project if the discussed
135 information is protected information under federal law;
- 136 (d) a meeting of the Compassionate Use Board established in Section 26B-1-421 for the
137 purpose of reviewing petitions for a medical cannabis card in accordance with
138 Section 26B-1-421;
- 139 (e) a meeting of the Colorado River Authority of Utah if:
- 140 (i) the purpose of the meeting is to discuss an interstate claim to the use of the water
141 in the Colorado River system; and
- 142 (ii) failing to close the meeting would:
- 143 (A) reveal the contents of a record classified as protected under Subsection
144 63G-2-305(81);
- 145 (B) reveal a legal strategy relating to the state's claim to the use of the water in the
146 Colorado River system;
- 147 (C) harm the ability of the Colorado River Authority of Utah or river
148 commissioner to negotiate the best terms and conditions regarding the use of
149 water in the Colorado River system; or
- 150 (D) give an advantage to another state or to the federal government in negotiations
151 regarding the use of water in the Colorado River system;
- 152 (f) a meeting of the General Regulatory Sandbox Program Advisory Committee if:
- 153 (i) the purpose of the meeting is to discuss an application for participation in the
154 regulatory sandbox as defined in Section 63N-16-102; and
- 155 (ii) failing to close the meeting would reveal the contents of a record classified as
156 protected under Subsection 63G-2-305(82);
- 157 (g) a meeting of a project entity if:
- 158 (i) the purpose of the meeting is to conduct a strategy session to discuss market
159 conditions relevant to a business decision regarding the value of a project entity
160 asset if the terms of the business decision are publicly disclosed before the
161 decision is finalized and a public discussion would:
- 162 (A) disclose the appraisal or estimated value of the project entity asset under
163 consideration; or
- 164 (B) prevent the project entity from completing on the best possible terms a
165 contemplated transaction concerning the project entity asset;
- 166 (ii) the purpose of the meeting is to discuss a record, the disclosure of which could

- 167 cause commercial injury to, or confer a competitive advantage upon a potential or
 168 actual competitor of, the project entity;
- 169 (iii) the purpose of the meeting is to discuss a business decision, the disclosure of
 170 which could cause commercial injury to, or confer a competitive advantage upon a
 171 potential or actual competitor of, the project entity; or
- 172 (iv) failing to close the meeting would prevent the project entity from getting the best
 173 price on the market;[-and]
- 174 (h) a meeting of the Rules Review and General Oversight Committee to review and
 175 discuss:
- 176 (i) an individual child welfare case as described in Subsection 36-35-102(3)(c); or
 177 (ii) information that is subject to a confidentiality agreement as described in
 178 Subsection [~~36-35-102(3)(e);~~] 36-35-102(3)(c); and
- 179 (i) a meeting of the Legislative Management Committee to discuss a notice from the
 180 office of the attorney general provided in accordance with Section 63J-1-1005.
- 181 (3) In a closed meeting, a public body may not:
- 182 (a) interview a person applying to fill an elected position;
- 183 (b) discuss filling a midterm vacancy or temporary absence governed by Title 20A,
 184 Chapter 1, Part 5, Candidate Vacancy and Vacancy and Temporary Absence in
 185 Elected Office; or
- 186 (c) discuss the character, professional competence, or physical or mental health of the
 187 person whose name was submitted for consideration to fill a midterm vacancy or
 188 temporary absence governed by Title 20A, Chapter 1, Part 5, Candidate Vacancy and
 189 Vacancy and Temporary Absence in Elected Office.
- 190 Section 2. Section **63J-1-410** is amended to read:
- 191 **63J-1-410 (Effective 05/06/26). Internal service funds -- Governance and review.**
- 192 (1) For purposes of this section:
- 193 (a) "Agency" means a department, division, office, bureau, or other unit of state
 194 government, and includes any subdivision of an agency.
- 195 (b) "Do not replace vehicles" means a vehicle accounted for in the Division of Fleet
 196 Operations for which charges to an agency for its use do not include amounts to
 197 cover depreciation or to accumulate assets to replace the vehicle at the end of its
 198 useful life.
- 199 (c) "Internal service fund agency" means an agency that provides goods or services to
 200 other agencies of state government or to other governmental units on a capital

- 201 maintenance and cost reimbursement basis, and which recovers costs through
202 interagency billings.
- 203 (d) "Revolving loan fund" means each of the revolving loan funds defined in Section
204 63A-3-205.
- 205 (2) An internal service fund agency is not subject to this section with respect to its
206 administration of a revolving loan fund.
- 207 (3)(a) An internal service fund agency may not bill another agency for services that it
208 provides for each internal service fund operated by the agency, unless the Legislature
209 has:
- 210 (i) reviewed and approved each internal service fund's budget request;
 - 211 (ii) reviewed and approved each internal service fund's rates, fees, and other amounts
212 that it charges those who use its services and included those rates, fees, and
213 amounts in an appropriation act;
 - 214 (iii) approved the number of full-time positions of each internal service fund as part
215 of the annual appropriation process;
 - 216 (iv) reviewed the number of full-time equivalent contract employees of each internal
217 service fund as part of the annual appropriation process; and
 - 218 (v) appropriated to the internal service fund agency each internal service fund's
219 estimated revenue based upon the rates and fee structure that are the basis for the
220 estimate.
- 221 (b) If an internal service fund agency operates more than one internal service fund
222 within the internal service fund agency, the internal service fund agency shall comply
223 with the review and approval requirements under Subsection (3)(a) for each internal
224 service fund.
- 225 (c) If an internal service fund agency operates an internal service fund and does not get
226 the approvals required under Subsection (3)(a) or (4)(c), the internal service fund
227 agency shall rebate all rates, fees, and amounts collected to those who use the
228 services for the rates, fees, and amounts collected that were not approved under
229 Subsection (3)(a) or (4)(c).
- 230 (4)(a) An internal service fund agency may charge a rate, fee, or other amount that is
231 less than the rate, fee, or other amount established by the Legislature in an
232 appropriations act if the internal service fund agency first reports to the Governor's
233 Office of Planning and Budget and the Office of the Legislative Fiscal Analyst the
234 internal service fund agency's justification for reducing the rate, fee, or other amount.

- 235 (b) Except as provided in Subsections (4)(c) and (d), an internal service fund agency
236 may not charge rates, fees, and other amounts that exceed the rates, fees, and
237 amounts approved by the Legislature in an appropriations act.
- 238 (c)(i) An internal service fund agency that begins a new service or introduces a new
239 product between annual general sessions of the Legislature may, for that service
240 or product:
- 241 (A) establish and charge an interim rate or amount;
 - 242 (B) acquire contract employees, if necessary; or
 - 243 (C) do a combination of Subsections (4)(c)(i)(A) and (B).
- 244 (ii) The internal service fund agency shall:
- 245 (A) submit the interim rate or amount under Subsection (4)(c)(i) to the Legislature
246 for approval at the next annual general session; and
 - 247 (B) report any change in the number of contract employees under Subsection
248 (4)(c)(i) to the appropriate legislative appropriations subcommittee for review.
- 249 (d) An internal service fund agency may, in a fiscal year, charge rates, fees, and other
250 amounts that exceed the rates, fees, or amounts approved by the Legislature in an
251 appropriations act, if:
- 252 (i) during the immediately preceding annual general session, the Legislature
253 appropriates money to each state agency to pay for an increase in the state
254 agency's employee's compensation;
 - 255 (ii) within 90 days after the day on which the Legislature adjourns the general session
256 sine die, the internal service fund agency submits a proposed increased rate
257 schedule to the rate committee established in Section 63A-1-114 that adjusts the
258 rates, fees, and amounts approved by the Legislature to reflect the percentage
259 increase that the Legislature appropriated for state agency employee compensation
260 under Subsection (4)(d)(i);
 - 261 (iii) the rate committee approves the proposed increased rate schedule described in
262 Subsection (4)(d)(ii) during the meeting described in Subsection 63A-1-114(4);
263 and
 - 264 (iv) the internal service fund agency uses all the revenue from the rate schedule
265 increase under this Subsection (4)(d) to increase the internal service fund agency's
266 employee's compensation in an amount equivalent to the state agency employee
267 compensation increase described in Subsection (4)(d)(i).
- 268 (5) The internal service fund agency budget request shall separately identify the capital

- 269 needs and the related capital budget.
- 270 (6) In the fiscal year that the accounting change referred to in Subsection 51-5-6(2) is
271 implemented by the Division of Finance, the Division of Finance shall transfer equity
272 created by that accounting change to any internal service fund agency up to the amount
273 needed to eliminate any long-term debt and deficit working capital in the fund.
- 274 (7) No new internal service fund agency may be established unless reviewed and approved
275 by the Legislature.
- 276 (8)(a) Except as provided in Subsection (8)(f), an internal service fund agency may not
277 acquire capital assets unless legislative approval for acquisition of the assets has been
278 included in an appropriations act for the internal service fund agency.
- 279 (b) An internal service fund agency may not acquire capital assets after the transfer
280 mandated by Subsection (6) has occurred unless the internal service fund agency has
281 adequate working capital.
- 282 (c) The internal service fund agency shall provide working capital from the following
283 sources in the following order:
- 284 (i) first, from operating revenues to the extent allowed by state rules and federal
285 regulations;
- 286 (ii) second, from long-term debt, subject to the restrictions of this section; and
287 (iii) last, from an appropriation.
- 288 (d)(i) To eliminate negative working capital, an internal service fund agency may
289 incur long-term debt from the General Fund or Special Revenue Funds to acquire
290 capital assets.
- 291 (ii) The internal service fund agency shall repay all long-term debt borrowed from the
292 General Fund or Special Revenue Funds by making regular payments over the
293 useful life of the asset according to the asset's depreciation schedule.
- 294 (e)(i) The Division of Finance may not allow an internal service fund agency's
295 borrowing to exceed 90% of the net book value of the agency's capital assets as of
296 the end of the fiscal year.
- 297 (ii) If an internal service fund agency wishes to purchase authorized assets or enter
298 into equipment leases that would increase its borrowing beyond 90% of the net
299 book value of the agency's capital assets, the agency may purchase those assets
300 only with money appropriated from another fund, such as the General Fund or a
301 special revenue fund.
- 302 (f)(i) Except as provided in Subsection (8)(f)(ii), capital assets acquired through

- 303 agency appropriation may not be transferred to any internal service fund agency
 304 without legislative approval.
- 305 (ii) Vehicles acquired by agencies from appropriated funds or money appropriated to
 306 agencies to be used for vehicle purchases may be transferred to the Division of
 307 Fleet Operations and, when transferred, become part of the Fleet Operations
 308 Internal Service Fund.
- 309 (iii) Vehicles acquired with funding from sources other than state appropriations or
 310 acquired through the federal surplus property donation program may be
 311 transferred to the Division of Fleet Operations and, when transferred, become part
 312 of the Fleet Operations Internal Service Fund.
- 313 (iv) Unless otherwise approved by the Legislature, vehicles acquired under
 314 Subsection (8)(f)(iii) shall be accounted for as "do not replace" vehicles.
- 315 (9) The Division of Finance shall adopt policies and procedures related to the accounting
 316 for assets, liabilities, equity, revenues, expenditures, and transfers of internal service
 317 funds agencies.
- 318 (10) Beginning July 1, 2027, this part does not apply to the office of the attorney general.
- 319 Section 3. Section **63J-1-602.2** is amended to read:
- 320 **63J-1-602.2 (Effective 05/06/26) (Partially Repealed 07/01/29). List of nonlapsing**
 321 **appropriations to programs.**
- 322 Appropriations made to the following programs are nonlapsing:
- 323 (1) The Legislature and the Legislature's committees.
- 324 (2) The State Board of Education, including all appropriations to agencies, line items, and
 325 programs under the jurisdiction of the State Board of Education, in accordance with
 326 Section 53F-9-103.
- 327 (3) The Rangeland Improvement Act created in Section 4-20-101.
- 328 (4) The Percent-for-Art Program created in Section 9-6-404.
- 329 (5) The LeRay McAllister Working Farm and Ranch Fund Program created in Title 4,
 330 Chapter 46, Part 3, LeRay McAllister Working Farm and Ranch Fund.
- 331 (6) The Utah Lake Authority created in Section 11-65-201.
- 332 (7) Dedicated credits accrued to the Utah Marriage Commission as provided under
 333 Subsection 17-66-303(2)(d)(ii).
- 334 (8) The Wildlife Land and Water Acquisition Program created in Section 23A-6-205.
- 335 (9) Sanctions collected as dedicated credits from Medicaid providers under Subsection
 336 26B-3-108(7).

- 337 (10) The primary care grant program created in Section 26B-4-310.
- 338 (11) The Opiate Overdose Outreach Pilot Program created in Section 26B-4-512.
- 339 (12) The Utah Health Care Workforce Financial Assistance Program created in Section
340 26B-4-702.
- 341 (13) The Rural Physician Loan Repayment Program created in Section 26B-4-703.
- 342 (14) The Utah Medical Education Council for the:
- 343 (a) administration of the Utah Medical Education Program created in Section 26B-4-707;
- 344 (b) provision of medical residency grants described in Section 26B-4-711; and
- 345 (c) provision of the forensic psychiatric fellowship grant described in Section 26B-4-712.
- 346 (15) The Division of Services for People with Disabilities, as provided in Section 26B-6-402.
- 347 (16) The Communication Habits to reduce Adolescent Threats (CHAT) Pilot Program
348 created in Section 26B-7-122.
- 349 (17) Funds that the Department of Alcoholic Beverage Services retains in accordance with
350 Subsection 32B-2-301(8)(a) or (b).
- 351 (18) The General Assistance program administered by the Department of Workforce
352 Services, as provided in Section 35A-3-401.
- 353 (19) The Utah National Guard, created in Title 39A, National Guard and Militia Act.
- 354 (20) The Search and Rescue Financial Assistance Program, as provided in Section
355 53-2a-1102.
- 356 (21) The Emergency Medical Services Grant Program, as provided in Section 53-2d-207.
- 357 (22) The Motorcycle Rider Education Program, as provided in Section 53-3-905.
- 358 (23) The Utah Board of Higher Education for teacher preparation programs, as provided in
359 Section 53H-5-402.
- 360 (24) Innovation grants under Section 53G-10-608, except as provided in Subsection
361 53G-10-608(3).
- 362 (25) The Division of Fleet Operations for the purpose of upgrading underground storage
363 tanks under Section 63A-9-401.
- 364 (26) The Division of Technology Services for technology innovation as provided under
365 Section 63A-16-903.
- 366 (27) The State Capitol Preservation Board created by Section 63O-2-201.
- 367 (28) The Office of Administrative Rules for publishing, as provided in Section 63G-3-402.
- 368 (29) The Colorado River Authority of Utah, created in Title 63M, Chapter 14, Colorado
369 River Authority of Utah Act.
- 370 (30) The Governor's Office of Economic Opportunity to fund the Enterprise Zone Act, as

- 371 provided in Title 63N, Chapter 2, Part 2, Enterprise Zone Act.
- 372 (31) The Governor's Office of Economic Opportunity's Rural Employment Expansion
373 Program, as described in Title 63N, Chapter 4, Part 4, Rural Employment Expansion
374 Program.
- 375 (32) County correctional facility contracting program for state inmates as described in
376 Section 64-13e-103.
- 377 (33) County correctional facility reimbursement program for state probationary inmates and
378 state parole inmates as described in Section 64-13e-104.
- 379 (34) Programs for the Jordan River Recreation Area as described in Section 65A-2-8.
- 380 (35) The Division of Human Resource Management user training program, as provided in
381 Section 63A-17-106.
- 382 (36) A public safety answering point's emergency telecommunications service fund, as
383 provided in Section 69-2-301.
- 384 (37) The Traffic Noise Abatement Program created in Section 72-6-112.
- 385 (38) The money appropriated from the Navajo Water Rights Negotiation Account to the
386 Division of Water Rights, created in Section 73-2-1.1, for purposes of participating in a
387 settlement of federal reserved water right claims.
- 388 (39) The Judicial Council for compensation for special prosecutors, as provided in Section
389 77-10a-19.
- 390 (40) A state rehabilitative employment program, as provided in Section 78A-6-210.
- 391 (41) The Utah Geological Survey, as provided in Section 79-3-401.
- 392 (42) The Bonneville Shoreline Trail Program created under Section 79-5-503.
- 393 (43) Adoption document access as provided in Sections 81-13-103, 81-13-504, and
394 81-13-505.
- 395 (44) Indigent defense as provided in Title 78B, Chapter 22, Part 4, Utah Indigent Defense
396 Commission.
- 397 (45) The program established by the Division of Facilities Construction and Management
398 under Section 63A-5b-703 under which state agencies receive an appropriation and pay
399 lease payments for the use and occupancy of buildings owned by the Division of
400 Facilities Construction and Management.
- 401 (46) The State Tax Commission for reimbursing counties for deferrals in accordance with
402 Section 59-2-1802.5.
- 403 (47) The Veterinarian Education Loan Repayment Program created in Section 4-2-902.
- 404 (48) The Public Policy Defense Program created in Section 63J-1-1005.

405 Section 4. Section **63J-1-1001** is enacted to read:

406 **Part 10. Funding for Attorney General Services**

407 **63J-1-1001 (Effective 05/06/26). Definitions.**

- 408 (1) "Agency" means an agency as defined in Section 63J-1-102 that receives legal services
409 from the office.
- 410 (2) "Biller" means an attorney or a paralegal who provides legal services to an agency on
411 the office's behalf.
- 412 (3) "Legal services" means any form of legal advice or legal representation that is subject to
413 the laws of the state.
- 414 (4) "Office" means the Office of the Attorney General.
- 415 (5) "Retainer" means the total amount an agency expects to expend during a fiscal year on
416 legal services provided by the office.
- 417 (6) "Rate category" means a segment of billers defined by the office:
418 (a) who have similar skills and experience; and
419 (b) for whom the office charges the same hourly rate when providing legal services to an
420 agency.
- 421 (7) "Service-level agreement" means the written agreement described in Section 63J-1-1002.

422 Section 5. Section **63J-1-1002** is enacted to read:

423 **63J-1-1002 (Effective 05/06/26). Service-level agreements -- Annual retainer.**

- 424 (1)(a) Beginning July 1, 2027, in accordance with this part, the office shall charge each
425 agency for legal services the office provides.
- 426 (b) The office shall calculate the amount the office charges based on:
427 (i) the actual time expended by a biller, recorded in increments of no greater than
428 fifteen minutes; and
429 (ii) an hourly rate the office establishes for the biller's rate category.
- 430 (c) The office shall ensure that the hourly rate the office establishes for a rate category
431 reflects the total compensation of billers in the rate category, plus a reasonable
432 overhead allocation.
- 433 (2) Before October 1 of each year, the office and each agency that requires legal services
434 from the office during the upcoming fiscal year shall enter into a written service-level
435 agreement that establishes for the upcoming fiscal year:
436 (a) the legal services the agency expects to need from the office;
437 (b) the estimated number of hours from billers in each rate category the anticipated legal
438 services will require;

- 439 (c) the hourly rate for each rate category the office anticipates will provide legal services
 440 to the agency;
 441 (d) establishes the retainer amount for the upcoming fiscal year; and
 442 (e) identifies the source of funding the agency will use to pay for the cost of any legal
 443 services that exceeds the retainer.

444 (3)(a) On or before October 1 each year, each agency shall report to the Governor's
 445 Office of Planning and Budget the agency's retainer for the upcoming fiscal year.

446 (b) The governor shall account for each retainer in the proposed budget the governor
 447 submits in accordance with Section 63J-1-201.

448 (4) Subject to legislative appropriation, the Division of Finance shall deposit each agency's
 449 retainer into the Legal Services Retainer Fund created in Section 63J-1-1004.

450 Section 6. Section **63J-1-1003** is enacted to read:

451 **63J-1-1003 (Effective 05/06/26). Billing.**

452 (1)(a) The office shall provide each agency with a monthly billing report that accounts
 453 for all legal services the office provided the agency during the immediately preceding
 454 calendar month.

455 (b) The office shall include in each billing report:

456 (i) an itemized accounting of the time spent on each matter for the agency;

457 (ii) the total amount charged to the agency during the reporting period;

458 (iii) the cumulative amount charged to the agency for the fiscal year to date; and

459 (iv) the remaining balance of the agency's retainer.

460 (2)(a) In accordance with Section 63J-1-1004, the office shall use the agency's retainer
 461 to satisfy the office's monthly charges to the agency for legal services.

462 (b) If the remainder of an agency's retainer is insufficient to satisfy the office's monthly
 463 charges to the agency, the agency shall pay the remaining balance using the funding
 464 source identified in the service-level agreement.

465 Section 7. Section **63J-1-1004** is enacted to read:

466 **63J-1-1004 (Effective 05/06/26). Legal Services Retainer Fund.**

467 (1) There is created an \hat{H} → [enterprise] expendable special revenue ← \hat{H} fund known as
 467a the Legal Services Retainer Fund.

468 (2) The fund consists of agency retainers appropriated by the Legislature.

469 (3) The office shall administer the fund and may expend money from the fund as provided
 470 in this part to pay for amounts the office charges an agency for legal services.

471 (4) At the end of each fiscal year the Division of Finance shall:

- 472 (a) transfer any remaining portion of an agency's retainer that was funded by restricted
 473 funds back to the funds' original source; and
 474 (b) ~~It~~ → ~~[transfer]~~ **retain in the fund** ← ~~It~~ any remaining portion of an agency's
 474a retainer that was funded by the General
 475 Fund to ~~It~~ → **be used for** ← ~~It~~ the Public Policy Defense Program created in Section
 475a 63J-1-1005.

476 Section 8. Section **63J-1-1005** is enacted to read:

477 **63J-1-1005 (Effective 05/06/26). Public Policy Defense Program.**

- 478 (1) There is created within the office the Public Policy Defense Program to be funded by:
 479 (a) money ~~It~~ → ~~[transferred to]~~ **available to be used for** ← ~~It~~ the program in
 479a accordance with Section 63J-1-1004; and
 480 (b) appropriations made by the Legislature.
 481 (2) Subject to the provisions of this section, the office shall administer the program for the
 482 purpose of defending the state in civil litigation that:
 483 (a) challenges the constitutionality of a state statute or other legislative enactment;
 484 (b) involves a matter of statewide importance; and
 485 (c) is not paid for through the Risk Management Fund created in Section 63A-4-201.
 486 (3) The office may expend funds from the program to pay for a matter described in
 487 Subsection (2):
 488 (a) upon the attorney general's determination that the matter satisfies the criteria
 489 described in Subsection (2); and
 490 (b)(i) if the office anticipates the total cost of defending the matter will be more than
 491 \$100,000 but less than \$500,000, after providing notice to the president of the
 492 Senate and the speaker of the House of Representatives; or
 493 (ii) if the office anticipates the total cost of defending the matter will be more than
 494 \$500,000, after providing notice to the Legislative Management Committee.
 495 (4) Money appropriated or transferred to the program does not lapse.

496 Section 9. **Effective Date.**

497 This bill takes effect on May 6, 2026.