

Val L. Peterson proposes the following substitute bill:

Attorney General Funding Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Val L. Peterson

Senate Sponsor: Michael K. McKell

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

- ▶ exempts the Office of the Attorney General (office) from the provisions governing internal service funds with respect to charges for legal services the office provides to an agency;
- ▶ provides that when the office charges an agency for legal services, the office shall calculate the charge based on the actual time spent on the legal services;
- ▶ requires the office and each agency to annually agree on a retainer amount to be included in the governor's proposed budget that represents the total anticipated cost of the agency's legal services for the upcoming fiscal year;
- ▶ after the Legislature appropriates each agency's retainer, directs the office and each agency to execute a service-level agreement that includes the agency's expected legal services needs, the rates at which the office will charge for the legal services, and specified information about the money used to pay for the legal services;
- ▶ establishes the Legal Services Retainer Fund into which each agency will transfer the agency's retainer;
- ▶ allows the office to use money in the Legal Services Retainer Fund to pay for the legal services that the office charges to each agency during the fiscal year;
- ▶ requires an agency to use the agency's existing budget to pay for any legal services charges that exceed the agency's balance in the Legal Services Retainer Fund;
- ▶ creates the Legal Services and Litigation Program to pay costs of defending the state in civil litigation that meets specified criteria;
- ▶ provides that appropriations made to the Legal Services and Litigation Program are

29 nonlapsing; and
30 ▸ makes technical and conforming changes.

31 **Money Appropriated in this Bill:**

32 None

33 **Other Special Clauses:**

34 None

35 **Utah Code Sections Affected:**

36 AMENDS:

37 **52-4-205 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 391

38 **63J-1-410 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapters 350,
39 357

40 **63J-1-602.2 (Effective 05/06/26) (Partially Repealed 07/01/29)**, as last amended by Laws
41 of Utah 2025, First Special Session, Chapter 17

42 ENACTS:

43 **63J-1-1001 (Effective 05/06/26)**, Utah Code Annotated 1953

44 **63J-1-1002 (Effective 05/06/26)**, Utah Code Annotated 1953

45 **63J-1-1003 (Effective 05/06/26)**, Utah Code Annotated 1953

46 **63J-1-1004 (Effective 05/06/26)**, Utah Code Annotated 1953

47 **63J-1-1005 (Effective 05/06/26)**, Utah Code Annotated 1953



48
49 *Be it enacted by the Legislature of the state of Utah:*

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

51 **52-4-205 (Effective 05/06/26). Purposes of closed meetings -- Certain issues**
52 **prohibited in closed meetings.**

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

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

56 (b) strategy sessions to discuss collective bargaining;

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

58 (d) strategy sessions to discuss the purchase, exchange, or lease of real property,
59 including any form of a water right or water shares, or to discuss a proposed
60 development agreement, project proposal, or financing proposal related to the
61 development of land owned by the state or a political subdivision, if public
62 discussion would:

- 63 (i) disclose the appraisal or estimated value of the property under consideration; or
64 (ii) prevent the public body from completing the transaction on the best possible
65 terms;
- 66 (e) strategy sessions to discuss the sale of real property, including any form of a water
67 right or water shares, if:
- 68 (i) public discussion of the transaction would:
- 69 (A) disclose the appraisal or estimated value of the property under consideration;
70 or
71 (B) prevent the public body from completing the transaction on the best possible
72 terms;
- 73 (ii) the public body previously gave public notice that the property would be offered
74 for sale; and
- 75 (iii) the terms of the sale are publicly disclosed before the public body approves the
76 sale;
- 77 (f) discussion regarding deployment of security personnel, devices, or systems;
- 78 (g) investigative proceedings regarding allegations of criminal misconduct;
- 79 (h) as relates to the Independent Legislative Ethics Commission, conducting business
80 relating to the receipt or review of ethics complaints;
- 81 (i) as relates to an ethics committee of the Legislature, a purpose permitted under
82 Section 52-4-204;
- 83 (j) as relates to the Independent Executive Branch Ethics Commission created in Section
84 63A-14-202, conducting business relating to an ethics complaint;
- 85 (k) as relates to a county legislative body, discussing commercial information as defined
86 in Section 59-1-404;
- 87 (l) as relates to the Utah Higher Education Savings Board of Trustees and its appointed
88 board of directors, discussing fiduciary or commercial information;
- 89 (m) deliberations, not including any information gathering activities, of a public body
90 acting in the capacity of:
- 91 (i) an evaluation committee under Title 63G, Chapter 6a, Utah Procurement Code,
92 during the process of evaluating responses to a solicitation, as defined in Section
93 63G-6a-103;
- 94 (ii) a protest officer, defined in Section 63G-6a-103, during the process of making a
95 decision on a protest under Title 63G, Chapter 6a, Part 16, Protests; or
96 (iii) a procurement appeals panel under Title 63G, Chapter 6a, Utah Procurement

- 97 Code, during the process of deciding an appeal under Title 63G, Chapter 6a, Part
98 17, Procurement Appeals Board;
- 99 (n) the purpose of considering information that is designated as a trade secret, as defined
100 in Section 13-24-2, if the public body's consideration of the information is necessary
101 to properly conduct a procurement under Title 63G, Chapter 6a, Utah Procurement
102 Code;
- 103 (o) the purpose of discussing information provided to the public body during the
104 procurement process under Title 63G, Chapter 6a, Utah Procurement Code, if, at the
105 time of the meeting:
- 106 (i) the information may not, under Title 63G, Chapter 6a, Utah Procurement Code, be
107 disclosed to a member of the public or to a participant in the procurement process;
108 and
- 109 (ii) the public body needs to review or discuss the information to properly fulfill its
110 role and responsibilities in the procurement process;
- 111 (p) as relates to the governing board of a governmental nonprofit corporation, as that
112 term is defined in Section 11-13a-102, the purpose of discussing information that is
113 designated as a trade secret, as that term is defined in Section 13-24-2, if:
- 114 (i) public knowledge of the discussion would reasonably be expected to result in
115 injury to the owner of the trade secret; and
- 116 (ii) discussion of the information is necessary for the governing board to properly
117 discharge the board's duties and conduct the board's business;
- 118 (q) as it relates to the Cannabis Production Establishment Licensing Advisory Board, to
119 review confidential information regarding violations and security requirements in
120 relation to the operation of cannabis production establishments;
- 121 (r) considering a loan application, if public discussion of the loan application would
122 disclose:
- 123 (i) nonpublic personal financial information; or
- 124 (ii) a nonpublic trade secret, as defined in Section 13-24-2, or nonpublic business
125 financial information the disclosure of which would reasonably be expected to
126 result in unfair competitive injury to the person submitting the information;
- 127 (s) a discussion of the board of the Point of the Mountain State Land Authority, created
128 in Section 11-59-201, regarding a potential tenant of point of the mountain state land,
129 as defined in Section 11-59-102; or
- 130 (t) a purpose for which a meeting is required to be closed under Subsection (2).

- 131 (2) The following meetings shall be closed:
- 132 (a) a meeting of the Health and Human Services Interim Committee to review a report
133 described in Subsection 26B-1-506(1)(a), and a response to the report described in
134 Subsection 26B-1-506(2);
- 135 (b) a meeting of the Child Welfare Legislative Oversight Panel to:
- 136 (i) review a report described in Subsection 26B-1-506(1)(a), and a response to the
137 report described in Subsection 26B-1-506(2); or
- 138 (ii) review and discuss an individual case, as described in Section 36-33-103;
- 139 (c) a meeting of a conservation district as defined in Section 17D-3-102 for the purpose
140 of advising the Natural Resource Conservation Service of the United States
141 Department of Agriculture on a farm improvement project if the discussed
142 information is protected information under federal law;
- 143 (d) a meeting of the Compassionate Use Board established in Section 26B-1-421 for the
144 purpose of reviewing petitions for a medical cannabis card in accordance with
145 Section 26B-1-421;
- 146 (e) a meeting of the Colorado River Authority of Utah if:
- 147 (i) the purpose of the meeting is to discuss an interstate claim to the use of the water
148 in the Colorado River system; and
- 149 (ii) failing to close the meeting would:
- 150 (A) reveal the contents of a record classified as protected under Subsection
151 63G-2-305(81);
- 152 (B) reveal a legal strategy relating to the state's claim to the use of the water in the
153 Colorado River system;
- 154 (C) harm the ability of the Colorado River Authority of Utah or river
155 commissioner to negotiate the best terms and conditions regarding the use of
156 water in the Colorado River system; or
- 157 (D) give an advantage to another state or to the federal government in negotiations
158 regarding the use of water in the Colorado River system;
- 159 (f) a meeting of the General Regulatory Sandbox Program Advisory Committee if:
- 160 (i) the purpose of the meeting is to discuss an application for participation in the
161 regulatory sandbox as defined in Section 63N-16-102; and
- 162 (ii) failing to close the meeting would reveal the contents of a record classified as
163 protected under Subsection 63G-2-305(82);
- 164 (g) a meeting of a project entity if:

- 165 (i) the purpose of the meeting is to conduct a strategy session to discuss market
 166 conditions relevant to a business decision regarding the value of a project entity
 167 asset if the terms of the business decision are publicly disclosed before the
 168 decision is finalized and a public discussion would:
- 169 (A) disclose the appraisal or estimated value of the project entity asset under
 170 consideration; or
- 171 (B) prevent the project entity from completing on the best possible terms a
 172 contemplated transaction concerning the project entity asset;
- 173 (ii) the purpose of the meeting is to discuss a record, the disclosure of which could
 174 cause commercial injury to, or confer a competitive advantage upon a potential or
 175 actual competitor of, the project entity;
- 176 (iii) the purpose of the meeting is to discuss a business decision, the disclosure of
 177 which could cause commercial injury to, or confer a competitive advantage upon a
 178 potential or actual competitor of, the project entity; or
- 179 (iv) failing to close the meeting would prevent the project entity from getting the best
 180 price on the market;[-and]
- 181 (h) a meeting of the Rules Review and General Oversight Committee to review and
 182 discuss:
- 183 (i) an individual child welfare case as described in Subsection 36-35-102(3)(c); or
 184 (ii) information that is subject to a confidentiality agreement as described in
 185 Subsection [~~36-35-102(3)(e).~~] 36-35-102(3)(c); and
- 186 (i) a meeting of the Legislative Management Committee to discuss a notice from the
 187 Office of the Attorney General provided in accordance with Section 63J-1-1005.
- 188 (3) In a closed meeting, a public body may not:
- 189 (a) interview a person applying to fill an elected position;
- 190 (b) discuss filling a midterm vacancy or temporary absence governed by Title 20A,
 191 Chapter 1, Part 5, Candidate Vacancy and Vacancy and Temporary Absence in
 192 Elected Office; or
- 193 (c) discuss the character, professional competence, or physical or mental health of the
 194 person whose name was submitted for consideration to fill a midterm vacancy or
 195 temporary absence governed by Title 20A, Chapter 1, Part 5, Candidate Vacancy and
 196 Vacancy and Temporary Absence in Elected Office.
- 197 Section 2. Section **63J-1-410** is amended to read:
- 198 **63J-1-410 (Effective 05/06/26). Internal service funds -- Governance and review.**

- 199 (1) For purposes of this section:
- 200 (a) "Agency" means a department, division, office, bureau, or other unit of state
201 government, and includes any subdivision of an agency.
- 202 (b) "Do not replace vehicles" means a vehicle accounted for in the Division of Fleet
203 Operations for which charges to an agency for its use do not include amounts to
204 cover depreciation or to accumulate assets to replace the vehicle at the end of its
205 useful life.
- 206 (c) "Internal service fund agency" means an agency that provides goods or services to
207 other agencies of state government or to other governmental units on a capital
208 maintenance and cost reimbursement basis, and which recovers costs through
209 interagency billings.
- 210 (d) "Revolving loan fund" means each of the revolving loan funds defined in Section
211 63A-3-205.
- 212 (2) An internal service fund agency is not subject to this section with respect to its
213 administration of a revolving loan fund.
- 214 (3)(a) An internal service fund agency may not bill another agency for services that it
215 provides for each internal service fund operated by the agency, unless the Legislature
216 has:
- 217 (i) reviewed and approved each internal service fund's budget request;
- 218 (ii) reviewed and approved each internal service fund's rates, fees, and other amounts
219 that it charges those who use its services and included those rates, fees, and
220 amounts in an appropriation act;
- 221 (iii) approved the number of full-time positions of each internal service fund as part
222 of the annual appropriation process;
- 223 (iv) reviewed the number of full-time equivalent contract employees of each internal
224 service fund as part of the annual appropriation process; and
- 225 (v) appropriated to the internal service fund agency each internal service fund's
226 estimated revenue based upon the rates and fee structure that are the basis for the
227 estimate.
- 228 (b) If an internal service fund agency operates more than one internal service fund
229 within the internal service fund agency, the internal service fund agency shall comply
230 with the review and approval requirements under Subsection (3)(a) for each internal
231 service fund.
- 232 (c) If an internal service fund agency operates an internal service fund and does not get

233 the approvals required under Subsection (3)(a) or (4)(c), the internal service fund
234 agency shall rebate all rates, fees, and amounts collected to those who use the
235 services for the rates, fees, and amounts collected that were not approved under
236 Subsection (3)(a) or (4)(c).

237 (4)(a) An internal service fund agency may charge a rate, fee, or other amount that is
238 less than the rate, fee, or other amount established by the Legislature in an
239 appropriations act if the internal service fund agency first reports to the Governor's
240 Office of Planning and Budget and the Office of the Legislative Fiscal Analyst the
241 internal service fund agency's justification for reducing the rate, fee, or other amount.

242 (b) Except as provided in Subsections (4)(c) and (d), an internal service fund agency
243 may not charge rates, fees, and other amounts that exceed the rates, fees, and
244 amounts approved by the Legislature in an appropriations act.

245 (c)(i) An internal service fund agency that begins a new service or introduces a new
246 product between annual general sessions of the Legislature may, for that service
247 or product:

248 (A) establish and charge an interim rate or amount;

249 (B) acquire contract employees, if necessary; or

250 (C) do a combination of Subsections (4)(c)(i)(A) and (B).

251 (ii) The internal service fund agency shall:

252 (A) submit the interim rate or amount under Subsection (4)(c)(i) to the Legislature
253 for approval at the next annual general session; and

254 (B) report any change in the number of contract employees under Subsection
255 (4)(c)(i) to the appropriate legislative appropriations subcommittee for review.

256 (d) An internal service fund agency may, in a fiscal year, charge rates, fees, and other
257 amounts that exceed the rates, fees, or amounts approved by the Legislature in an
258 appropriations act, if:

259 (i) during the immediately preceding annual general session, the Legislature
260 appropriates money to each state agency to pay for an increase in the state
261 agency's employee's compensation;

262 (ii) within 90 days after the day on which the Legislature adjourns the general session
263 sine die, the internal service fund agency submits a proposed increased rate
264 schedule to the rate committee established in Section 63A-1-114 that adjusts the
265 rates, fees, and amounts approved by the Legislature to reflect the percentage
266 increase that the Legislature appropriated for state agency employee compensation

- 267 under Subsection (4)(d)(i);
- 268 (iii) the rate committee approves the proposed increased rate schedule described in
269 Subsection (4)(d)(ii) during the meeting described in Subsection 63A-1-114(4);
270 and
- 271 (iv) the internal service fund agency uses all the revenue from the rate schedule
272 increase under this Subsection (4)(d) to increase the internal service fund agency's
273 employee's compensation in an amount equivalent to the state agency employee
274 compensation increase described in Subsection (4)(d)(i).
- 275 (5) The internal service fund agency budget request shall separately identify the capital
276 needs and the related capital budget.
- 277 (6) In the fiscal year that the accounting change referred to in Subsection 51-5-6(2) is
278 implemented by the Division of Finance, the Division of Finance shall transfer equity
279 created by that accounting change to any internal service fund agency up to the amount
280 needed to eliminate any long-term debt and deficit working capital in the fund.
- 281 (7) No new internal service fund agency may be established unless reviewed and approved
282 by the Legislature.
- 283 (8)(a) Except as provided in Subsection (8)(f), an internal service fund agency may not
284 acquire capital assets unless legislative approval for acquisition of the assets has been
285 included in an appropriations act for the internal service fund agency.
- 286 (b) An internal service fund agency may not acquire capital assets after the transfer
287 mandated by Subsection (6) has occurred unless the internal service fund agency has
288 adequate working capital.
- 289 (c) The internal service fund agency shall provide working capital from the following
290 sources in the following order:
- 291 (i) first, from operating revenues to the extent allowed by state rules and federal
292 regulations;
- 293 (ii) second, from long-term debt, subject to the restrictions of this section; and
294 (iii) last, from an appropriation.
- 295 (d)(i) To eliminate negative working capital, an internal service fund agency may
296 incur long-term debt from the General Fund or Special Revenue Funds to acquire
297 capital assets.
- 298 (ii) The internal service fund agency shall repay all long-term debt borrowed from the
299 General Fund or Special Revenue Funds by making regular payments over the
300 useful life of the asset according to the asset's depreciation schedule.

- 301 (e)(i) The Division of Finance may not allow an internal service fund agency's
 302 borrowing to exceed 90% of the net book value of the agency's capital assets as of
 303 the end of the fiscal year.
- 304 (ii) If an internal service fund agency wishes to purchase authorized assets or enter
 305 into equipment leases that would increase its borrowing beyond 90% of the net
 306 book value of the agency's capital assets, the agency may purchase those assets
 307 only with money appropriated from another fund, such as the General Fund or a
 308 special revenue fund.
- 309 (f)(i) Except as provided in Subsection (8)(f)(ii), capital assets acquired through
 310 agency appropriation may not be transferred to any internal service fund agency
 311 without legislative approval.
- 312 (ii) Vehicles acquired by agencies from appropriated funds or money appropriated to
 313 agencies to be used for vehicle purchases may be transferred to the Division of
 314 Fleet Operations and, when transferred, become part of the Fleet Operations
 315 Internal Service Fund.
- 316 (iii) Vehicles acquired with funding from sources other than state appropriations or
 317 acquired through the federal surplus property donation program may be
 318 transferred to the Division of Fleet Operations and, when transferred, become part
 319 of the Fleet Operations Internal Service Fund.
- 320 (iv) Unless otherwise approved by the Legislature, vehicles acquired under
 321 Subsection (8)(f)(iii) shall be accounted for as "do not replace" vehicles.
- 322 (9) The Division of Finance shall adopt policies and procedures related to the accounting
 323 for assets, liabilities, equity, revenues, expenditures, and transfers of internal service
 324 funds agencies.
- 325 (10) Beginning July 1, 2027, this part does not apply to charges that are:
 326 (a) for legal services provided by the Office of the Attorney General; and
 327 (b) governed by Title 63J, Chapter 1, Part 10, Funding for Attorney General Services.
 328 Section 3. Section **63J-1-602.2** is amended to read:
 329 **63J-1-602.2 (Effective 05/06/26) (Partially Repealed 07/01/29). List of nonlapsing**
 330 **appropriations to programs.**
 331 Appropriations made to the following programs are nonlapsing:
 332 (1) The Legislature and the Legislature's committees.
 333 (2) The State Board of Education, including all appropriations to agencies, line items, and
 334 programs under the jurisdiction of the State Board of Education, in accordance with

- 335 Section 53F-9-103.
- 336 (3) The Rangeland Improvement Act created in Section 4-20-101.
- 337 (4) The Percent-for-Art Program created in Section 9-6-404.
- 338 (5) The LeRay McAllister Working Farm and Ranch Fund Program created in Title 4,
339 Chapter 46, Part 3, LeRay McAllister Working Farm and Ranch Fund.
- 340 (6) The Utah Lake Authority created in Section 11-65-201.
- 341 (7) Dedicated credits accrued to the Utah Marriage Commission as provided under
342 Subsection 17-66-303(2)(d)(ii).
- 343 (8) The Wildlife Land and Water Acquisition Program created in Section 23A-6-205.
- 344 (9) Sanctions collected as dedicated credits from Medicaid providers under Subsection
345 26B-3-108(7).
- 346 (10) The primary care grant program created in Section 26B-4-310.
- 347 (11) The Opiate Overdose Outreach Pilot Program created in Section 26B-4-512.
- 348 (12) The Utah Health Care Workforce Financial Assistance Program created in Section
349 26B-4-702.
- 350 (13) The Rural Physician Loan Repayment Program created in Section 26B-4-703.
- 351 (14) The Utah Medical Education Council for the:
- 352 (a) administration of the Utah Medical Education Program created in Section 26B-4-707;
- 353 (b) provision of medical residency grants described in Section 26B-4-711; and
- 354 (c) provision of the forensic psychiatric fellowship grant described in Section 26B-4-712.
- 355 (15) The Division of Services for People with Disabilities, as provided in Section 26B-6-402.
- 356 (16) The Communication Habits to reduce Adolescent Threats (CHAT) Pilot Program
357 created in Section 26B-7-122.
- 358 (17) Funds that the Department of Alcoholic Beverage Services retains in accordance with
359 Subsection 32B-2-301(8)(a) or (b).
- 360 (18) The General Assistance program administered by the Department of Workforce
361 Services, as provided in Section 35A-3-401.
- 362 (19) The Utah National Guard, created in Title 39A, National Guard and Militia Act.
- 363 (20) The Search and Rescue Financial Assistance Program, as provided in Section
364 53-2a-1102.
- 365 (21) The Emergency Medical Services Grant Program, as provided in Section 53-2d-207.
- 366 (22) The Motorcycle Rider Education Program, as provided in Section 53-3-905.
- 367 (23) The Utah Board of Higher Education for teacher preparation programs, as provided in
368 Section 53H-5-402.

- 369 (24) Innovation grants under Section 53G-10-608, except as provided in Subsection
370 53G-10-608(3).
- 371 (25) The Division of Fleet Operations for the purpose of upgrading underground storage
372 tanks under Section 63A-9-401.
- 373 (26) The Division of Technology Services for technology innovation as provided under
374 Section 63A-16-903.
- 375 (27) The State Capitol Preservation Board created by Section 63O-2-201.
- 376 (28) The Office of Administrative Rules for publishing, as provided in Section 63G-3-402.
- 377 (29) The Colorado River Authority of Utah, created in Title 63M, Chapter 14, Colorado
378 River Authority of Utah Act.
- 379 (30) The Governor's Office of Economic Opportunity to fund the Enterprise Zone Act, as
380 provided in Title 63N, Chapter 2, Part 2, Enterprise Zone Act.
- 381 (31) The Governor's Office of Economic Opportunity's Rural Employment Expansion
382 Program, as described in Title 63N, Chapter 4, Part 4, Rural Employment Expansion
383 Program.
- 384 (32) County correctional facility contracting program for state inmates as described in
385 Section 64-13e-103.
- 386 (33) County correctional facility reimbursement program for state probationary inmates and
387 state parole inmates as described in Section 64-13e-104.
- 388 (34) Programs for the Jordan River Recreation Area as described in Section 65A-2-8.
- 389 (35) The Division of Human Resource Management user training program, as provided in
390 Section 63A-17-106.
- 391 (36) A public safety answering point's emergency telecommunications service fund, as
392 provided in Section 69-2-301.
- 393 (37) The Traffic Noise Abatement Program created in Section 72-6-112.
- 394 (38) The money appropriated from the Navajo Water Rights Negotiation Account to the
395 Division of Water Rights, created in Section 73-2-1.1, for purposes of participating in a
396 settlement of federal reserved water right claims.
- 397 (39) The Judicial Council for compensation for special prosecutors, as provided in Section
398 77-10a-19.
- 399 (40) A state rehabilitative employment program, as provided in Section 78A-6-210.
- 400 (41) The Utah Geological Survey, as provided in Section 79-3-401.
- 401 (42) The Bonneville Shoreline Trail Program created under Section 79-5-503.
- 402 (43) Adoption document access as provided in Sections 81-13-103, 81-13-504, and

- 403 81-13-505.
- 404 (44) Indigent defense as provided in Title 78B, Chapter 22, Part 4, Utah Indigent Defense
405 Commission.
- 406 (45) The program established by the Division of Facilities Construction and Management
407 under Section 63A-5b-703 under which state agencies receive an appropriation and pay
408 lease payments for the use and occupancy of buildings owned by the Division of
409 Facilities Construction and Management.
- 410 (46) The State Tax Commission for reimbursing counties for deferrals in accordance with
411 Section 59-2-1802.5.

412 (47) The Veterinarian Education Loan Repayment Program created in Section 4-2-902.

413 (48) The Legal Services and Litigation Program created in Section 63J-1-1005.

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

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

416 **63J-1-1001 (Effective 05/06/26). Definitions.**

- 417 (1) "Agency" means an agency as defined in Section 63J-1-102 that receives legal services
418 from the office.
- 419 (2) "Biller" means an attorney or a paralegal who provides legal services to an agency on
420 the office's behalf.
- 421 (3) "Legal services" means any form of legal advice or legal representation that is subject to
422 the laws of the state.
- 423 (4) "Office" means the Office of the Attorney General.
- 424 (5) "Retainer" means the total amount an agency expects to expend during a fiscal year on
425 legal services provided by the office.
- 426 (6) "Rate category" means a segment of billers defined by the office for whom the office
427 charges the same hourly rate when providing legal services to an agency.
- 428 (7) "Service-level agreement" means the written agreement described in Section 63J-1-1002.

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

430 **63J-1-1002 (Effective 05/06/26). Annual retainer -- Service-level agreements.**

- 431 (1)(a) Beginning July 1, 2027, in accordance with this part, the office shall invoice each
432 agency for legal services the office provides.
- 433 (b) The office shall calculate the amount the office invoices based on:
- 434 (i) the actual time expended by a biller, recorded in increments of no greater than
435 fifteen minutes; and
- 436 (ii) an hourly rate the office establishes for the biller's rate category.

- 437 (c) The office shall ensure that the hourly rate the office establishes for a rate category
438 reflects the total compensation of billers in the rate category, plus a reasonable
439 overhead allocation.
- 440 (2)(a) Before October 1 each year:
- 441 (i) the office and each agency that requires legal services from the office during the
442 upcoming fiscal year shall jointly agree to a retainer for the upcoming fiscal year;
443 and
- 444 (ii) each agency shall report to the Governor's Office of Planning and Budget the
445 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 (3) After the general session during which the Legislature considers the amounts for
449 retainers included in the governor's budget under Subsection (2) and before the start of
450 the fiscal year, the office and each agency shall enter into a written service-level
451 agreement that establishes for the upcoming fiscal year:
- 452 (a) the legal services the agency anticipates needing;
- 453 (b) for each rate category, the estimated number of hours necessary to perform the legal
454 services described in Subsection (3)(a);
- 455 (c) the hourly rate for each rate category;
- 456 (d)(i) the amount the Legislature appropriated for the agency's retainer; or
457 (ii) if the office and agency determine that the amount appropriated for the agency's
458 retainer exceeds the amount the agency expects to expend on legal services under
459 the service-level agreement, the revised retainer;
- 460 (e) the source of funding the agency will use to pay for the cost of any legal services
461 from the office that exceeds the retainer described in Subsection (3)(d);
- 462 (f) processes and controls the office will use to track the agency's retainer; and
- 463 (g) how the agency will allocate available funds, including federal funds and restricted
464 funds, to pay for legal services covered by or exceeding the appropriated retainer.
- 465 (4) On July 1 following execution of the service-level agreement, each agency shall transfer
466 into the Legal Services Retainer Fund created in Section 63J-1-1004 an amount
467 sufficient to ensure the amount available in the Legal Services Retainer Fund for the
468 agency's legal services is equal to the retainer included in the service-level agreement
469 under Subsection (3)(d).

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

471 **63J-1-1003 (Effective 05/06/26). Billing.**

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

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

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

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

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

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

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

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

485 (c) The office may not use an agency's retainer to pay charges incurred by another
486 agency.

487 (3) For each agency under the governor's authority, the office shall provide a monthly
488 report to the Governor's Office of Planning and Budget that includes the information
489 described in Subsections (1)(b)(ii) through (iv).

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

491 **63J-1-1004 (Effective 05/06/26). Legal Services Retainer Fund.**

492 (1) There is created an expendable special revenue fund known as the Legal Services
493 Retainer Fund.

494 (2) The fund consists of transfers from agencies to pay for the office's legal services,
495 including retainers transferred into the account in accordance with Section 63J-1-1002.

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

499 (b) As provided in Section 63J-1-1003, the office may not use an agency's retainer to
500 pay charges incurred by another agency.

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

502 **63J-1-1005 (Effective 05/06/26). Legal Services and Litigation Program.**

503 (1) There is created within the office the Legal Services and Litigation Program to be
504 funded by appropriations made by the Legislature.

- 505 (2) Subject to the provisions of this section, the office shall administer the program for the
506 purpose of representing the state in civil litigation that:
- 507 (a) challenges the constitutionality of a state statute or other legislative enactment;
508 (b) involves a matter of statewide importance; ~~and~~ or
509 (c) is not paid for through the Risk Management Fund created in Section 63A-4-201.
- 510 (3) The office may expend funds from the program to pay for a matter described in
511 Subsection (2):
- 512 (a) upon the attorney general's determination that the matter satisfies the criteria
513 described in Subsection (2); and
- 514 (b)(i) if the office anticipates the office's total costs related to the matter will be more
515 than \$100,000 but less than \$500,000, after providing notice to:
- 516 (A) the president of the Senate and the speaker of the House of Representatives;
517 and
- 518 (B) if the matter involves an agency under the governor's authority, the governor;
519 or
- 520 (ii) if the office anticipates the office's total costs related to the matter will exceed
521 \$500,000, after providing notice to:
- 522 (A) the Legislative Management Committee; and
523 (B) if the matter involves an agency under the governor's authority, the governor.

524 Section 9. **Effective Date.**

525 This bill takes effect on May 6, 2026.