

Val L. Peterson proposes the following substitute bill:

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Budgetary Modifications
2026 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Val L. Peterson
Senate Sponsor:

LONG TITLE

General Description:

This bill modifies provisions related to public funds.

Highlighted Provisions:

This bill:

- ▶ changes the name of:
 - the Agriculture Conservation Easement Account; and
 - the LeRay McAllister Working Farm and Ranch Fund;
- ▶ repeals the following accounts and funds, including related references:
 - the Navajo Water Rights Negotiation Account;
 - the Conversion to Alternative Fuel Grant Program Fund, including the Conversion to Alternative Fuel Grant Program;
 - the Wildlife Resources Conservation Easement Account;
 - the Wild Game Meat Donation Fund; and
 - the Colorado River Authority Restricted Account;
- ▶ clarifies that an agency that administers a state grant on another agency's behalf shall comply with the applicable grant requirements;
- ▶ clarifies that the state auditor may audit grant funds in accordance with the state auditor's authority;
- ▶ for a direct award grant, prohibits an administering agency from using grant funds to administer the grant, unless otherwise provided in the grant appropriation's intent language;
- ▶ modifies certain reporting requirements for a competitive grant;
- ▶ provides that a member of the Board of Examiners is disqualified from reviewing a line item overexpenditure report if the line item is part of the member's office's budget;
- ▶ allows an agency to expend up to 100% of the dedicated credits revenue that the agency

29 receives in excess of the amount appropriated, if the dedicated credits are appropriated
 30 to a specified type of fund;

- 31 ▶ amends the administration of the Industrial Assistance Account (account) by:
 - 32 • replacing the annual transfer to the account with an annual set aside; and
 - 33 • directing the GOEO board to make recommendations to the administrator regarding
- 34 applications for loans, grants, or other financial assistance from the account;
- 35 ▶ addresses the state auditor's authority related to:
 - 36 • expenses and personnel; and
 - 37 • performing audits of funds and accounts to determine compliance with the law;
- 38 ▶ creates the Energy Development Infrastructure Fund to make loans to public entities to
- 39 finance infrastructure development that supports nuclear power generation and
- 40 transmission in the state;
- 41 ▶ modifies the permissible uses of the Electrical Energy Development Investment Fund;
- 42 ▶ makes technical and conforming changes; and
- 43 ▶ includes a coordination clause that makes technical changes if this bill and H.B. 473,
- 44 Colorado River Authority Amendments, both pass and become law.

45 **Money Appropriated in this Bill:**

46 This bill appropriates (\$5,000,000) in operating and capital budgets for fiscal year 2026,
 47 all of which is from the General Fund.

48 This bill appropriates \$5,000,000 in business-like activities for fiscal year 2026, all of which is
 49 from the General Fund.

50 This bill appropriates \$1,638,500 in operating and capital budgets for fiscal year 2027, all of
 51 which is from the General Fund.

52 This bill appropriates (\$1,638,500) in restricted fund and account transfers for fiscal year 2027,
 53 all of which is from the General Fund.

54 **Other Special Clauses:**

55 This bill provides a special effective date.

56 This bill provides coordination clauses.

57 **Utah Code Sections Affected:**

58 AMENDS:

59 **4-46-102 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
 60 Session, Chapter 16

61 **4-46-202 (Effective 07/01/26) (Repealed 07/01/27)**, as last amended by Laws of Utah
 62 2023, Chapter 180

63 **4-46-301 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 143
64 **4-46-302 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
65 Session, Chapter 15
66 **4-46-303 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 271
67 **4-46-304 (Effective 07/01/26) (Partially Repealed 07/01/27)**, as last amended by Laws of
68 Utah 2025, Chapter 91
69 **4-46-401 (Effective 07/01/26) (Partially Repealed 07/01/27)**, as last amended by Laws of
70 Utah 2023, Chapter 34
71 **17-81-501 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2025,
72 First Special Session, Chapter 14
73 **39A-8-104 (Effective 07/01/26)**, as last amended by Laws of Utah 2023, Chapter 180
74 **63C-25-101 (Effective 07/01/26) (Repealed 07/01/27)**, as last amended by Laws of Utah
75 2025, Chapter 105
76 **63G-6b-101 (Effective 07/01/26)**, as enacted by Laws of Utah 2024, Chapter 300
77 **63G-6b-201 (Effective 07/01/26)**, as enacted by Laws of Utah 2024, Chapter 300
78 **63G-6b-301 (Effective 07/01/26)**, as enacted by Laws of Utah 2024, Chapter 300
79 **63G-6b-401 (Effective 07/01/26)**, as enacted by Laws of Utah 2024, Chapter 300
80 **63G-9-201 (Effective 07/01/26)**, as last amended by Laws of Utah 2023, Chapter 16
81 **63G-9-301 (Effective 07/01/26)**, as last amended by Laws of Utah 2009, Chapter 183
82 **63I-1-223 (Effective 07/01/26)**, as last amended by Laws of Utah 2024, Third Special
83 Session, Chapter 5
84 **63I-2-263 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapters 182,
85 273 and 277
86 **63J-1-105 (Effective 07/01/26)**, as last amended by Laws of Utah 2021, Chapter 382
87 **63J-1-217 (Effective 07/01/26)**, as last amended by Laws of Utah 2022, Chapter 456
88 **63J-1-602.2 (Effective 07/01/26) (Partially Repealed 07/01/29)**, as last amended by Laws
89 of Utah 2025, First Special Session, Chapter 17
90 **63M-14-102 (Effective 07/01/26)**, as enacted by Laws of Utah 2021, Chapter 179
91 **63N-3-103 (Effective 07/01/26)**, as last amended by Laws of Utah 2021, Chapter 282
92 **63N-3-105 (Effective 07/01/26)**, as last amended by Laws of Utah 2024, Chapter 159
93 **63N-3-106 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 113
94 **67-3-1 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
95 Session, Chapter 17
96 **79-6-1105 (Effective 07/01/26)**, as enacted by Laws of Utah 2025, Chapter 375

97 **79-6-1106 (Effective 07/01/26)**, as enacted by Laws of Utah 2025, Chapter 375

98 ENACTS:

99 **79-6-410 (Effective 07/01/26)**, Utah Code Annotated 1953

100 REPEALS:

101 **19-2-301 (Effective 07/01/26) (Repealed 07/01/29)**, as enacted by Laws of Utah 2015,
102 Chapter 381

103 **19-2-302 (Effective 07/01/26) (Repealed 07/01/29)**, as last amended by Laws of Utah
104 2016, Chapter 369

105 **19-2-303 (Effective 07/01/26) (Repealed 07/01/29)**, as last amended by Laws of Utah
106 2016, Chapter 369

107 **19-2-304 (Effective 07/01/26) (Repealed 07/01/29)**, as last amended by Laws of Utah
108 2016, Chapter 369

109 **23A-3-204 (Effective 07/01/26) (Partially Repealed 07/01/27)**, as renumbered and
110 amended by Laws of Utah 2023, Chapter 103

111 **23A-3-206 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2023,
112 Chapter 103

113 **51-9-701 (Effective 07/01/26)**, as enacted by Laws of Utah 2012, Chapter 276

114 **51-9-702 (Effective 07/01/26)**, as last amended by Laws of Utah 2021, Chapter 412

115 **63M-14-501 (Effective 07/01/26)**, as enacted by Laws of Utah 2021, Chapter 179

116 **Utah Code Sections affected by Coordination Clause:**

117 **UNCODIFIED MATERIAL**

118

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

120 Section 1. Section **4-46-102** is amended to read:

121 **4-46-102 (Effective 07/01/26). Definitions.**

122 As used in this chapter:

123 (1) "Account" means the LeRay McAllister Working Farm and Ranch Account created in
124 Section 4-46-301.

125 (2) "Agricultural land" means "land in agricultural use," as defined in Section 59-2-502.

126 [(2)] (3) "Board" means the Land Conservation Board established in Section 4-46-201.

127 [(3)] (4) "Conservation commission" means the Conservation Commission created in
128 Section 4-18-104.

129 [(4)] (5) "Conservation district" means a limited purpose local government entity created
130 under Title 17D, Chapter 3, Conservation District Act.

- 131 ~~[(5)]~~ (6) "Director" means the director of the Division of Conservation.
- 132 ~~[(6)]~~ (7) "Division" means the Division of Conservation created in Section 4-46-401.
- 133 ~~[(7) "Fund" means the LeRay McAllister Working Farm and Ranch Fund created in Section~~
- 134 ~~4-46-301.]~~
- 135 (8) "Land use authority" means:
- 136 (a) a land use authority, as defined in Section 10-20-102, of a municipality; or
- 137 (b) a land use authority, as defined in Section 17-79-102, of a county.
- 138 (9) "Local entity" means a county, city, or town.
- 139 (10)(a) "Open land" means land that is:
- 140 (i) preserved in or restored to a predominantly natural, open, and undeveloped
- 141 condition; and
- 142 (ii) used for:
- 143 (A) wildlife habitat;
- 144 (B) cultural or recreational use;
- 145 (C) watershed protection; or
- 146 (D) another use consistent with the preservation of the land in, or restoration of
- 147 the land to, a predominantly natural, open, and undeveloped condition.
- 148 (b) "Open land" includes land described in Subsection (10)(a) that contains facilities,
- 149 including trails, waterways, and grassy areas, that:
- 150 (i) enhance the natural, scenic, or aesthetic qualities of the land; or
- 151 (ii) facilitate the public's access to or use of the land for the enjoyment of the land's
- 152 natural, scenic, or aesthetic qualities and for compatible recreational activities.
- 153 (c) "Open land" does not include land whose predominant use is as a developed facility
- 154 for active recreational activities, including baseball, tennis, soccer, golf, or other
- 155 sporting or similar activities.
- 156 (11)(a) "State conservation efforts" includes:
- 157 (i) efforts to optimize and preserve the uses of land for the benefit of the state's
- 158 agricultural industry and natural resources; and
- 159 (ii) conservation of working landscapes that if conserved, preserves the state's
- 160 agricultural industry and natural resources, such as working agricultural land.
- 161 (b) "State conservation efforts" does not include the purpose of opening private property
- 162 to public access without the consent of the owner of the private property.
- 163 (12)(a) "Working agricultural land" means agricultural land for which an owner or
- 164 producer engages in the activity of producing for commercial purposes crops,

165 orchards, livestock, poultry, aquaculture, livestock products, or poultry products and
 166 the facilities, equipment, and property used to facilitate the activity.

167 (b) "Working agricultural land" includes an agricultural protection area established
 168 under Title 17, Chapter 81, Agriculture, Industrial, and Critical Infrastructure
 169 Materials.

170 Section 2. Section **4-46-202** is amended to read:

171 **4-46-202 (Effective 07/01/26) (Repealed 07/01/27). Board duties and powers -- No**
 172 **regulatory authority -- Criteria.**

173 (1) The board shall:

174 (a) administer the [~~fund~~] account as provided in this chapter; and

175 (b) fulfill other responsibilities imposed on the board by the Legislature.

176 (2) The board may not exercise any regulatory authority.

177 (3) In carrying out the board's powers and duties under this chapter, the board shall adopt
 178 ranking criteria that is substantially similar to the ranking criteria used by the
 179 Agriculture Conservation Easement Program and Agriculture Land Easement as
 180 determined by the Natural Resources Conservation Service under the United States
 181 Department of Agriculture.

182 Section 3. Section **4-46-301** is amended to read:

183 **Part 3. LeRay McAllister Working Farm and Ranch Account**

184 **4-46-301 (Effective 07/01/26). LeRay McAllister Working Farm and Ranch**
 185 **Account.**

186 (1) There is created a restricted account within the General Fund entitled the "LeRay
 187 McAllister Working Farm and Ranch [~~Fund~~] Account."

188 (2) The LeRay McAllister Working Farm and Ranch [~~Fund~~] Account shall consist of:

189 (a) appropriations by the Legislature;

190 (b) grants from federal or private sources;

191 (c) revenue paid in accordance with Section 59-2-506, 59-2-511, 59-2-1705, or
 192 59-2-1710; and

193 (d) interest and earnings from the account.

194 (3) The Land Conservation Board created in Section 4-46-201 may use appropriations from
 195 the [~~fund~~] account in accordance with Section 4-46-302.

196 Section 4. Section **4-46-302** is amended to read:

197 **4-46-302 (Effective 07/01/26). Program -- Use of money in account -- Criteria --**
 198 **Administration.**

- 199 (1) Subject to Subsection (2), the board shall administer the LeRay McAllister Working
200 Farm and Ranch [~~Fund~~] Account Program under which the board may authorize the use
201 of money in the fund, by grant, to:
- 202 (a) a local entity;
 - 203 (b) the Department of Natural Resources created under Section 79-2-201;
 - 204 (c) an entity within the department; or
 - 205 (d) a charitable organization that qualifies as being tax exempt under Section 501(c)(3),
206 Internal Revenue Code.
- 207 (2)(a) The money in the [~~fund~~] account shall be used for preserving or restoring open
208 land and agricultural land.
- 209 (b) Except as provided in Subsection (2)(c), money from the [~~fund~~] account:
 - 210 (i) may be used to:
 - 211 (A) establish a conservation easement under Title 57, Chapter 18, Land
212 Conservation Easement Act; or
 - 213 (B) fund similar methods to preserve open land or agricultural land; and
 - 214 (ii) may not be used to purchase a fee interest in real property to preserve open land
215 or agricultural land.
 - 216 (c) Money from the [~~fund~~] account may be used to purchase a fee interest in real property
217 to preserve open land or agricultural land if:
 - 218 (i) the property to be purchased is no more than 20 acres in size; and
 - 219 (ii) with respect to a parcel purchased in a county in which over 50% of the land area
220 is publicly owned, real property roughly equivalent in size and located within that
221 county is contemporaneously transferred to private ownership from the
222 governmental entity that purchased the fee interest in real property.
 - 223 (d) Eminent domain may not be used or threatened in connection with any purchase
224 using money from the [~~fund~~] account.
 - 225 (e) A parcel of land larger than 20 acres in size may not be divided to create one or more
226 parcels that are smaller than 20 acres in order to comply with Subsection (2)(c)(i).
 - 227 (f) A local entity, department, or organization under Subsection (1) may not receive
228 money from the [~~fund~~] account unless the local entity, department, or organization
229 provides matching funds equal to or greater than the amount of money received from
230 the [~~fund~~] account.
 - 231 (g) In granting money from the [~~fund~~] account, the board may impose conditions on the
232 recipient as to how the money is to be spent.

- 233 (h) The board shall give priority to:
- 234 (i) working agricultural land; and
- 235 (ii) after giving priority to working agricultural land under Subsection (2)(h)(i),
- 236 requests from the Department of Natural Resources for up to 20% of each annual
- 237 increase in the amount of money in the [fund] account if the money is used for the
- 238 protection of wildlife or watershed.
- 239 (i)(i) The board may not make a grant from the [fund] account that exceeds
- 240 \$1,000,000 until after making a report to the Legislative Management Committee
- 241 about the grant.
- 242 (ii) The Legislative Management Committee may make a recommendation to the
- 243 board concerning the intended grant, but the recommendation is not binding on
- 244 the board.
- 245 (3) In determining the amount and type of financial assistance to provide a local entity,
- 246 department, or organization under Subsection (1) and subject to Subsection (2)(i), the
- 247 board shall consider:
- 248 (a) the nature and amount of open land and agricultural land proposed to be preserved or
- 249 restored;
- 250 (b) the qualities of the open land and agricultural land proposed to be preserved or
- 251 restored;
- 252 (c) the cost effectiveness of the project to preserve or restore open land or agricultural
- 253 land;
- 254 (d) the funds available;
- 255 (e) the number of actual and potential applications for financial assistance and the
- 256 amount of money sought by those applications;
- 257 (f) the open land preservation plan of the local entity where the project is located and the
- 258 priority placed on the project by that local entity;
- 259 (g) the effects on housing affordability and diversity; and
- 260 (h) whether the project protects against the loss of private property ownership.
- 261 (4) If a local entity, department, or organization under Subsection (1) seeks money from the [
- 262 fund] account for a project whose purpose is to protect critical watershed, the board shall
- 263 require that the needs and quality of that project be verified by the state engineer.
- 264 (5) An interest in real property purchased with money from the [fund] account shall be held
- 265 and administered by the state or a local entity.
- 266 (6)(a) The board may not authorize the use of money under this section for a project

267 unless the land use authority for the land in which the project is located consents to
 268 the project.

269 (b)(i) To obtain consent to a project, the person who is seeking money from the [fund]
 270 account shall submit a request for consent to a project with the applicable land use
 271 authority.

272 (ii) The land use authority may grant or deny consent.

273 (iii) If the land use authority does not take action within 60 days from the day on
 274 which the request for consent is filed with the land use authority under this
 275 Subsection (6), the board shall treat the project as having the consent of the land
 276 use authority.

277 (c) An action of a land use authority under this Subsection (6) is not a land use decision
 278 subject to:

279 (i) Title 10, Chapter 20, Municipal Land Use, Development, and Management Act; or

280 (ii) Title 17, Chapter 79, County Land Use, Development, and Management Act.

281 Section 5. Section **4-46-303** is amended to read:

282 **4-46-303 (Effective 07/01/26). Board to report annually.**

283 The board shall submit an annual report to the Transportation and Infrastructure and
 284 Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittees:

285 (1) specifying the amount of each disbursement from the [fund] account;

286 (2) identifying the recipient of each disbursement and describing the project for which
 287 money was disbursed; and

288 (3) detailing the conditions, if any, placed by the board on disbursements from the [fund]
 289 account.

290 Section 6. Section **4-46-304** is amended to read:

291 **4-46-304 (Effective 07/01/26) (Partially Repealed 07/01/27). Agriculture**
 292 **Conservation Easement Fund.**

293 (1) There is created an expendable special revenue fund known as the Agriculture
 294 Conservation Easement [~~Account~~] Fund.

295 (2) The Agriculture Conservation Easement [~~Account~~] Fund consists of:

296 (a) conservation easement stewardship fees;

297 (b) grants from private foundations;

298 (c) grants from local governments, the state, or the federal government;

299 (d) grants from the Land Conservation Board created under Section 4-46-201;

300 (e) donations from landowners for monitoring and enforcing compliance with

- 301 conservation easements;
- 302 (f) donations from any other person; and
- 303 (g) interest on [account] fund money.
- 304 (3) The department shall use money from the [account] fund to monitor and enforce
- 305 compliance with conservation easements held by the department.
- 306 (4) The department may not receive or expend donations from the [account] fund to acquire
- 307 conservation easements.

308 Section 7. Section **4-46-401** is amended to read:

309 **4-46-401 (Effective 07/01/26) (Partially Repealed 07/01/27). Division of**

310 **Conservation created -- Director.**

- 311 (1) Within the department there is created the Division of Conservation.
- 312 (2)(a) The director is the executive and administrative head of the division.
- 313 (b) The director shall administer this part subject to the administration and general
- 314 supervision of the commissioner.
- 315 (3) The division shall coordinate state conservation efforts by:
- 316 (a) staffing the board created in Section 4-46-201;
- 317 (b) coordinating with a conservation district in accordance with Section 4-46-402;
- 318 (c) coordinating with an agency or division within the department, the Department of
- 319 Natural Resources, other state agencies, counties, cities, towns, local land trust
- 320 entities, and federal agencies;
- 321 (d) facilitating obtaining federal funds in addition to state funds used for state
- 322 conservation efforts;
- 323 (e) monitoring and providing for the management of conservation easements on state
- 324 lands[, including coordination with the Division of Wildlife Resources in the
- 325 Division of Wildlife Resources' administration of Section 23A-3-204]; and
- 326 (f) implementing rules made by the department in accordance with Title 63G, Chapter 3,
- 327 Utah Administrative Rulemaking Act, and Section 4-46-403.
- 328 (4) The division may cooperate with, or enter into agreements with, other agencies of this
- 329 state and federal agencies in the administration and enforcement of this chapter.

330 Section 8. Section **17-81-501** is amended to read:

331 **17-81-501 (Effective 07/01/26). Use of money -- Criteria -- Administration.**

- 332 (1) The county treasurer shall deposit 100% of the rollback tax funds into an account or
- 333 fund of the county set aside for preserving or restoring open land and agricultural land.
- 334 (2) The rollback funds:

- 335 (a) may be used to establish a conservation easement under Title 57, Chapter 18, Land
336 Conservation Easement Act, or to fund similar methods to preserve open land or
337 agricultural land; and
- 338 (b) if the property to be purchased is in a public land county, may not be used to
339 purchase a fee interest in real property to preserve open land or agricultural land,
340 unless, the governmental entity purchasing the property contemporaneously transfers
341 to the private ownership real property, in the same public land county, that is roughly
342 equivalent in size to the property to be purchased.
- 343 (3) Eminent domain may not be used or threatened in connection with any purchase using
344 the rollback tax funds.
- 345 (4) The funds collected by the account or fund of the county may roll over from
346 year-to-year, except that if the county does not spend, or obligate, 100% of the rollback
347 tax funds for a purpose described in Subsection (2) within 10 years after the year in
348 which the county collects the rollback tax funds, the county shall pay the balance to the
349 LeRay McAllister Working Farm and Ranch [Fund] Account created in Section 4-46-301.
- 350 Section 9. Section **39A-8-104** is amended to read:
- 351 **39A-8-104 (Effective 07/01/26). Committee responsibilities.**
- 352 (1) The committee shall:
- 353 (a) identify lands to be included in the designated sentinel landscape;
- 354 (b) develop strategies and recommendations to encourage landowners within the sentinel
355 landscape to voluntarily participate in and begin or continue land uses compatible
356 with Camp Williams's military mission; and
- 357 (c) publish any policies and procedures as administrative rules in accordance with Title
358 63G, Chapter 3, Utah Administrative Rulemaking Act.
- 359 (2) In designating sentinel lands, the coordinating committee shall include all working or
360 natural lands that the coordinating committee believes contribute to the long-term
361 sustainability of the military missions conducted at Camp Williams.
- 362 (3) The committee shall determine the appropriate level of state resources required to
363 adequately protect Camp Williams's military mission and may apply for grants from the
364 LeRay McAllister Working Farm and Ranch [Fund] Account to aid in securing those
365 resources.
- 366 (4) In determining lands to designate, the coordinating committee shall seek input from:
- 367 (a) the director of the Department of Defense Readiness and Environmental Protection
368 Integration Program; and

369 (b) the director of the National Guard Bureau Army Compatible Use Buffer Program, as
 370 authorized under 10 U.S.C. Sec. 2684(a).

371 (5) The committee shall provide a written report of its activities if state funds are expended
 372 during the previous calendar year no later than July 31 annually to:

373 (a) the governor;

374 (b) the Government Operations Interim Committee; and

375 (c) the Executive Appropriations Committee.

376 Section 10. Section **63C-25-101** is amended to read:

377 **63C-25-101 (Effective 07/01/26) (Repealed 07/01/27). Definitions.**

378 As used in this chapter:

379 (1) "Authority" means the same as that term is defined in Section 63B-1-303.

380 (2) "Bond" means the same as that term is defined in Section 63B-1-101.

381 (3)(a) "Bonding government entity" means the state or any entity that is authorized to
 382 issue bonds under any provision of state law.

383 (b) "Bonding government entity" includes:

384 (i) a bonding political subdivision; and

385 (ii) a public infrastructure district that is authorized to issue bonds either directly, or
 386 through the authority of a bonding political subdivision or other governmental
 387 entity.

388 (4) "Bonding political subdivision" means:

389 (a) the Utah Inland Port Authority, created in Section 11-58-201;

390 (b) the Military Installation Development Authority, created in Section 63H-1-201;

391 (c) the Point of the Mountain State Land Authority, created in Section 11-59-201;

392 (d) the Utah Lake Authority, created in Section 11-65-201;

393 (e) the State Fair Park Authority, created in Section 11-68-201; or

394 (f) the Utah Fairpark Area Investment and Restoration District, created in Section
 395 11-70-201.

396 (5) "Commission" means the State Finance Review Commission created in Section
 397 63C-25-201.

398 (6) "Concessionaire" means a person who:

399 (a) operates, finances, maintains, or constructs a government facility under a contract
 400 with a bonding political subdivision; and

401 (b) is not a bonding government entity.

402 (7) "Concessionaire contract" means a contract:

- 403 (a) between a bonding government entity and a concessionaire for the operation, finance,
404 maintenance, or construction of a government facility;
- 405 (b) that authorizes the concessionaire to operate the government facility for a term of
406 five years or longer, including any extension of the contract; and
- 407 (c) in which all or some of the annual source of payment to the concessionaire comes
408 from state funds provided to the bonding government entity.
- 409 (8) "Creating entity" means the same as that term is defined in Section 17D-4-102.
- 410 (9) "Government facility" means infrastructure, improvements, or a building that:
- 411 (a) costs more than \$5,000,000 to construct; and
- 412 (b) has a useful life greater than five years.
- 413 (10) "Large public transit district" means the same as that term is defined in Section
414 17B-2a-802.
- 415 (11) "Loan entity" means the board, person, unit, or agency with legal responsibility for
416 making a loan from a revolving loan fund.
- 417 (12) "Obligation" means the same as that term is defined in Section 63B-1-303.
- 418 (13) "Parameters resolution" means a resolution of a bonding government entity that sets
419 forth for proposed bonds:
- 420 (a) the maximum:
- 421 (i) amount of bonds;
- 422 (ii) term; and
- 423 (iii) interest rate; and
- 424 (b) the expected security for the bonds.
- 425 (14) "Public infrastructure district" means a public infrastructure district created under Title
426 17D, Chapter 4, Public Infrastructure District Act.
- 427 (15) "Revolving loan fund" means:
- 428 (a) the Water Resources Conservation and Development Fund, created in Section
429 73-10-24;
- 430 (b) the Water Resources Construction Fund, created in Section 73-10-8;
- 431 (c) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean Fuels
432 and Emission Reduction Technology Program Act;
- 433 (d) the Water Development Security Fund and its subaccounts, created in Section
434 73-10c-5;
- 435 (e) the Agriculture Resource Development Fund, created in Section 4-18-106;
- 436 (f) the Utah Rural Rehabilitation Fund, created in Section 4-19-105;

- 437 (g) the Permanent Community Impact Fund, created in Section 35A-8-303;
 438 (h) the Petroleum Storage Tank Fund, created in Section 19-6-409;
 439 (i) the School Building Revolving Account, created in Section 53F-9-206;
 440 (j) the State Infrastructure Bank Fund, created in Section 72-2-202;
 441 (k) the Uintah Basin Revitalization Fund, created in Section 35A-8-1602;
 442 (l) the Navajo Revitalization Fund, created in Section 35A-8-1704;
 443 (m) the Energy Efficiency Fund, created in Section 11-45-201;
 444 (n) the Brownfields Fund, created in Section 19-8-120;
 445 (o) any of the enterprise revolving loan funds created in Section [~~63A-3-402; and~~]
 446 63A-3-402;
 447 (p) the Energy Development Infrastructure Fund, created in Section 79-6-410; and
 448 [~~(p)~~] (q) any other revolving loan fund created in statute where the borrower from the
 449 revolving loan fund is a public non-profit entity or political subdivision, including a
 450 fund listed in Section 63A-3-205, from which a loan entity is authorized to make a
 451 loan.

452 (16)(a) "State funds" means an appropriation by the Legislature identified as coming
 453 from the General Fund or Education Fund.

454 (b) "State funds" does not include:

455 (i) a revolving loan fund; or

456 (ii) revenues received by a bonding political subdivision from:

457 (A) a tax levied by the bonding political subdivision;

458 (B) a fee assessed by the bonding political subdivision; or

459 (C) operation of the bonding political subdivision's government facility.

460 Section 11. Section **63G-6b-101** is amended to read:

461 **63G-6b-101 (Effective 07/01/26). Definitions.**

462 As use in this chapter:

463 (1)(a) "Administering agency" means a state agency that administers a grant.

464 (b) "Administering agency" includes a state agency that wholly or partially administers a
 465 grant on another state agency's behalf.

466 (2) "Competitive grant" means a grant that is not a direct award grant.

467 (3) "Direct award grant" means a grant that is funded by money that the Legislature intends
 468 the state agency to pass through to one or more recipients without a competitive process.

469 (4)(a) "Grant" means a state agency's expenditure of state money, or agreement to
 470 expend state money, that is:

- 471 (i) authorized by law;
- 472 (ii) made for a particular purpose; and
- 473 (iii) made without acquiring, or the promise of acquiring, a procurement item in
- 474 exchange for the expenditure.
- 475 (b) "Grant" does not include:
- 476 (i) a tax credit;
- 477 (ii) an expenditure of federal money;
- 478 (iii) public assistance, as defined in Section 26B-9-101;
- 479 (iv) a loan;
- 480 (v) a rebate;
- 481 (vi) an incentive; or
- 482 (vii) a claim payment.
- 483 (5) "Grant agreement" means the agreement between an administering agency and a grant
- 484 recipient described in Subsection 63G-6b-201(4).
- 485 [~~5~~] (6) "Grant appropriation" means an appropriation the Legislature makes to an
- 486 administering agency to be used for one or more grants.
- 487 [~~6~~] (7) "Grant period" means the time frame during which a grant recipient receives funds
- 488 from a single grant.
- 489 [~~7~~] (8) "Multi-year grant" means a grant for which the grant period exceeds one year.
- 490 [~~8~~] (9) "Nonprofit entity" means an entity that:
- 491 (a) operates in the state;
- 492 (b) is not a government entity; and
- 493 (c) is exempt from federal income taxation under Section 501(c)(3), Internal Revenue
- 494 Code.
- 495 [~~9~~] (10) "Procurement item" means the same as that term is defined in Section 63G-6a-103.
- 496 [~~10~~] (11)(a) "State agency" means a department, division, or other agency or
- 497 instrumentality of the state.
- 498 (b) "State agency" does not include the legislative department.
- 499 [~~11~~] (12) "State money" means money that is derived from state fees or state tax revenue.
- 500 Section 12. Section **63G-6b-201** is amended to read:
- 501 **63G-6b-201 (Effective 07/01/26). Requirements for all grants.**
- 502 (1)(a) An administering agency shall disburse grant funds in accordance with this
- 503 Subsection (1).
- 504 (b) Before an administering agency disburses a grant's grant funds, the administering

- 505 agency shall ensure that the grant recipient provides a detailed budget demonstrating
506 how the grant recipient will use the grant funds.
- 507 (c) An administering agency shall establish a distribution schedule that ensures
508 accountability and responsible oversight of the use of the grant funds.
- 509 (d) An administering agency may not:
- 510 (i) disburse all grant funds in a single payment, unless the administering agency
511 makes the single payment after the grant recipient satisfies the grant recipient's
512 performance obligations under the [~~agreement described in Subsection (4)] grant
513 agreement; or~~
- 514 (ii) make a grant recipient's final disbursement before the grant recipient delivers the
515 report described in Subsection (3).
- 516 (2) For a multi-year grant:
- 517 (a) the grant period may not exceed five years; and
- 518 (b) in the final quarter of each year of the grant period, excluding the final year, the grant
519 recipient shall deliver to the administering agency a report that details the grant
520 recipient's progress towards fulfilling the grant's purpose, including the annual
521 deliverables and performance metrics described in the [~~agreement made in~~
522 ~~accordance with Subsection (4)] grant agreement.~~
- 523 (3) An administering agency may not make the final grant funds disbursement until:
- 524 (a) the grant recipient delivers to the administering agency a final report that details the
525 extent to which the grant recipient fulfilled the grant's purpose, including the
526 deliverables and performance metrics described in the [~~agreement made in~~
527 ~~accordance with Subsection (4)] grant agreement; and~~
- 528 (b) the administering agency determines that the grant recipient satisfactorily produced
529 each deliverable provided in the [~~agreement described in Subsection (4)] grant
530 agreement.~~
- 531 (4) Except as otherwise provided in the grant appropriation and consistent with the other
532 provisions of this section, an administering agency may not disburse grant funds to a
533 grant recipient before the administering agency and the grant recipient execute an
534 agreement that contains:
- 535 (a) the disbursement schedule for the grant funds;
- 536 (b) the deliverables, reporting, and performance metrics the grant recipient will produce
537 and use to demonstrate that the grant recipient used the grant funds to fulfill the
538 grant's purpose;

- 539 (c) if the grant is a multi-year grant, annual deliverables and performance metrics the
 540 grant recipient will produce and use to demonstrate sufficient progress towards
 541 fulfilling the grant's purpose;
- 542 (d) a provision informing the grant recipient that disbursement of grant funds is subject
 543 to legislative appropriation; and
- 544 (e) the grant recipient's consent to follow-up audit and clawback of the grant funds if an
 545 audit shows that the grant funds were inappropriately used.
- 546 (5)(a) In accordance with Utah Constitution, Article VI, Section 33, the legislative
 547 auditor general may audit the use of any grant funds.
- 548 (b) The state auditor may audit grant funds as provided in Utah Constitution, Article VII,
 549 Section 15.
- 550 Section 13. Section **63G-6b-301** is amended to read:
- 551 **63G-6b-301 (Effective 07/01/26). Direct award grant requirements.**
- 552 (1)(a) A direct award grant is valid only if the direct award grant's grant appropriation
 553 identifies the recipient or class of recipients in the grant appropriation's intent
 554 language.
- 555 (b) For a grant appropriation that is an ongoing appropriation to fund a multi-year grant,
 556 the requirement to identify the recipient or class of recipients applies each fiscal year.
- 557 (2) If the intent language for a direct award grant's grant appropriation provides a
 558 disbursement schedule that is inconsistent with the [~~schedule described in Section~~
 559 ~~63G-6b-202]~~ requirements described in Section 63G-6b-201, for the fiscal year in which
 560 the grant appropriation is made, the schedule in the intent language controls.
- 561 (3) An administering agency may not use any portion of a direct award grant's grant
 562 appropriation to pay costs of administering the grant, unless otherwise provided in the
 563 grant appropriation's intent language.
- 564 Section 14. Section **63G-6b-401** is amended to read:
- 565 **63G-6b-401 (Effective 07/01/26). Competitive grant requirements.**
- 566 (1)(a) For a competitive grant, the administering agency shall:
- 567 (i) establish a competitive application and selection process; and
 568 (ii) award each competitive grant in accordance with the established process.
- 569 (b) As part of the competitive application process, the administering agency shall require
 570 that each applicant disclose all other state funding the applicant receives.
- 571 (2) Except as otherwise provided in the grant appropriation's intent language, an
 572 administering agency may not award a competitive grant to a recipient who has received

573 a direct award grant if:

574 (a) the direct award grant is for substantially the same purpose as the competitive grant;

575 and

576 (b) the direct award grant's grant period and the competitive grant's grant period overlap.

577 (3) [After] If directed in the grant appropriation's intent language, after an administering
578 agency completes a competitive application process for a competitive grant but before
579 the administering agency awards the grant, the administering agency shall report each
580 grant recipient to the legislative fiscal analyst and the Governor's Office of Planning and
581 Budget.

582 Section 15. Section **63G-9-201** is amended to read:

583 **63G-9-201 (Effective 07/01/26). Members -- Functions.**

584 (1) As used in this chapter:

585 (a) "Political subdivision" means any county, city, town, school district, community
586 reinvestment agency, special improvement or taxing district, special district, special
587 service district, an entity created by an interlocal agreement adopted under Title 11,
588 Chapter 13, Interlocal Cooperation Act, or other governmental subdivision or public
589 corporation.

590 (b) "State" means the state of Utah, and includes each office, department, division,
591 agency, authority, commission, board, institution, college, university, Children's
592 Justice Center, or other instrumentality of the state.

593 (2) [The] Subject to Section 63G-9-301, the governor, the state auditor, and the attorney
594 general shall constitute a Board of Examiners, with power to examine all claims against
595 the state or a political subdivision, for the payment of which funds appropriated by the
596 Legislature or derived from any other source are not available.

597 (3) No claim against the state or a political subdivision, for the payment of which
598 specifically designated funds are required to be appropriated by the Legislature shall be
599 passed upon by the Legislature without having been considered and acted upon by the
600 Board of Examiners.

601 (4) The governor shall be the president, and the state auditor shall be the secretary of the
602 board, and in the absence of either an officer pro tempore may be elected from among
603 the members of the board.

604 Section 16. Section **63G-9-301** is amended to read:

605 **63G-9-301 (Effective 07/01/26). Audit and approval of claims -- Overexpenditure**
606 **by agencies.**

- 607 (1)(a) The Board of Examiners shall audit any claim presented to it, if the settlement of
 608 the claim is required by law.
- 609 (b) If the claim is approved, the board shall transmit it to the Legislature with a
 610 statement of the reasons for the approval.
- 611 (2)(a) When an agency's line item appropriation has been overexpended and a written
 612 report is submitted to the board as required by Section 63J-1-217, the board shall
 613 review the report and either:
- 614 [(a)] (i) recommend and submit to the Legislature any supplemental appropriations or
 615 corrective legislation that may be needed; or
- 616 [(b)] (ii) recommend other internal procedures or policies that will make an
 617 overexpenditure in the future unlikely.
- 618 (b)(i) A member of the board may not participate in the board's review of a report
 619 under this Subsection (2) if the overexpended line item that is in the report
 620 belongs to the member's office.
- 621 (ii) When a member is disqualified under Subsection (2)(b)(i), the state treasurer shall
 622 serve in the disqualified member's position for purposes of performing the board's
 623 duties related to the report.

624 Section 17. Section **63I-1-223** is amended to read:

625 **63I-1-223 (Effective 07/01/26). Repeal dates: Title 23A.**

- 626 (1) Section 23A-2-302, Wildlife Board Nominating Committee created, is repealed July 1,
 627 2028.
- 628 (2) Section 23A-2-303, Regional advisory councils created, is repealed July 1, 2028.
- 629 [~~3) Subsection 23A-3-204(2)(c), regarding the Land Conservation Board, is repealed July~~
 630 ~~1, 2027.]~~

631 Section 18. Section **63I-2-263** is amended to read:

632 **63I-2-263 (Effective 07/01/26). Repeal dates: Titles 63A through 63O.**

- 633 (1) Title 63A, Chapter 2, Part 5, Educational Interpretation and Translation Services
 634 Procurement Advisory Council is repealed July 1, 2025.
- 635 (2) Section 63A-5b-807, Eminent domain of unincorporated city owned land, is repealed
 636 January 1, 2027.
- 637 (3) Section 63A-17-806, Definitions -- Infant at Work Pilot Program -- Administration --
 638 Report, is repealed June 30, 2026.
- 639 (4) Section 63C-1-103, Appointment and terms of boards, committees, councils, and
 640 commissions transitioning on October 1, 2024, or December 31, 2024, is repealed July

- 641 1, 2025.
- 642 (5) Section 63C-1-104, Appointment and terms of boards transitioning on October 1, 2024,
643 is repealed January 1, 2025.
- 644 (6) Subsection 63G-6a-802(1)(e), regarding a procurement for a presidential debate, is
645 repealed January 1, 2025.
- 646 (7) Subsection 63G-6a-802(3)(b)(iii), regarding a procurement for a presidential debate, is
647 repealed January 1, 2025.
- 648 (8) Subsection 63H-7a-403(2)(b), regarding the charge to maintain the public safety
649 communications network, is repealed July 1, 2033.
- 650 (9) Subsection 63J-1-602.2(30), regarding funding the Enterprise Zone Act, is repealed
651 December 31, 2026.
- 652 (10) Subsection [~~63J-1-602.2(46)~~] 63J-1-602.2(45), regarding appropriations to the State
653 Tax Commission for deferral reimbursements, is repealed July 1, 2027.
- 654 (11) Section 63M-7-221, Expungement working group, is repealed April 30, 2025.
- 655 (12) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed December 31, 2026.
- 656 Section 19. Section **63J-1-105** is amended to read:
- 657 **63J-1-105 (Effective 07/01/26). Revenue types -- Disposition of dedicated credits**
658 **and expendable receipts.**
- 659 (1)(a) Dedicated credits are subject to appropriations and the restrictions in this chapter.
- 660 (b) An agency may expend dedicated credits for any purpose within the program or line
661 item.
- 662 (2) Except as provided in Subsections (3) and (4), an agency may not expend dedicated
663 credits in excess of the amount appropriated to a line item as dedicated credits by the
664 Legislature.
- 665 (3) Each agency that receives dedicated credits revenue greater than the amount
666 appropriated to a line item by the Legislature in the annual appropriations acts may
667 expend the excess up to 25% of the amount appropriated if the expenditure is included
668 in a revised budget execution plan submitted as provided in Section 63J-1-209.
- 669 [~~(4) Notwithstanding the requirements of Subsection (3), when an agency's dedicated~~
670 ~~credits revenue represents over 90% of the budget of the line item for which the~~
671 ~~dedicated credits are collected, the agency may expend 100% of the excess of the~~
672 ~~amount appropriated if the agency submits a revised budget execution plan as provided~~
673 ~~in Subsection (3) and Section 63J-1-209.]~~
- 674 (4) Notwithstanding the requirements of Subsection (3), an agency may expend up to 100%

- 675 of the excess of the amount appropriated if:
- 676 (a)(i) the agency's dedicated credits revenue represents over 90% of the budget of the
- 677 line item for which the dedicated credits are collected; and
- 678 (ii) the agency submits a revised budget execution plan as provided in Subsection (3)
- 679 and Section 63J-1-209; or
- 680 (b) the dedicated credits are appropriated to an expendable special revenue fund, a
- 681 proprietary fund, or a fiduciary fund.
- 682 (5) An expenditure of dedicated credits in excess of amounts appropriated to a line item as
- 683 dedicated credits by the Legislature may not be used to permanently increase personnel
- 684 within the agency unless:
- 685 (a) the increase is approved by the Legislature; or
- 686 (b) the money is deposited as a dedicated credit in a line item covering tuition or federal
- 687 vocational funds at an institution of higher education.
- 688 (6)(a) All excess dedicated credits not received or expended in compliance with
- 689 Subsection (3), (4), or (7) lapse to the General Fund or other appropriate fund as free
- 690 or restricted revenue at the end of the fiscal year.
- 691 (b) The Division of Finance shall determine the appropriate fund into which the
- 692 dedicated credits lapse.
- 693 (7)(a) When an agency has a line item that is funded by more than one major revenue
- 694 type, one of which is dedicated credits, the agency shall completely expend
- 695 authorized dedicated credits within the current fiscal year and allocate unused
- 696 spending authorization among other funding sources based upon a proration of the
- 697 amounts appropriated from each of those major revenue types not attributable to
- 698 dedicated credits, unless the Legislature has designated a portion of the dedicated
- 699 credits as nonlapsing, in which case the agency shall completely expend within the
- 700 current fiscal year authorized dedicated credits minus the portion of dedicated credits
- 701 designated as nonlapsing, and allocate unused spending authorization among the
- 702 other funding sources based upon a proration of the amounts appropriated from each
- 703 of those major revenue types not attributable to dedicated credits.
- 704 (b) Nothing in Subsection (7)(a) shall be construed to allow an agency to receive and
- 705 expend dedicated credits in excess of legislative appropriations to a line item without
- 706 complying with Subsection (3) or (4).
- 707 (c) Each agency that receives dedicated credits shall report, to the Division of Finance,
- 708 any balances remaining in those funds at the conclusion of each fiscal year.

- 709 (8) Each agency shall include in its annual budget request estimates of dedicated credits
 710 revenue that is identified by, collected for, or set by the agency.
- 711 (9) Each agency may expend expendable receipts in accordance with the terms set by a
 712 nonstate entity that provides the funds.
- 713 (10)(a) Expendable receipts are not limited by appropriations.
- 714 (b) Each agency that receives expendable receipts revenue greater than the amount
 715 included for a line item by the Legislature in the annual appropriations acts may
 716 expend the excess if the expenditure is included in a revised budget execution plan
 717 submitted as provided in Section 63J-1-209.
- 718 (c) If an agency receives excess expendable receipts revenue that is more than 25%
 719 greater than the amount included for a line item by the Legislature in the annual
 720 appropriations acts, the agency shall report the excess amount, the source of the
 721 expendable receipts, and the purpose for which the expendable receipts will be
 722 expended to the Governor's Office of Planning and Budget, the legislative fiscal
 723 analyst, and the Executive Appropriations Committee within 60 days of submitting a
 724 revised budget execution plan as provided in Section 63J-1-209.

725 Section 20. Section **63J-1-217** is amended to read:

726 **63J-1-217 (Effective 07/01/26). Overexpenditure of budget by agency --**

727 **Prorating budget income shortfall.**

- 728 (1) Expenditures of departments, agencies, and institutions of state government shall be
 729 kept within revenues available for such expenditures.
- 730 (2)(a) Line items of appropriation shall not be overexpended.
- 731 (b) Notwithstanding Subsection (2)(a), if an agency's line item is overexpended at the
 732 close of a fiscal year:
- 733 (i) the director of the Division of Finance may make payments from the line item to
 734 vendors for goods or services that were received on or before June 30; and
- 735 (ii) the director of the Division of Finance shall immediately reduce the agency's line
 736 item budget in the current year by the amount of the overexpenditure.
- 737 (c) Each agency with an overexpended line item shall:
- 738 (i) prepare a written report explaining the reasons for the overexpenditure; and
- 739 (ii) present the report to:
- 740 (A) the Board of Examiners as required by Section 63G-9-301; and
- 741 (B) the Office of the Legislative Fiscal Analyst.
- 742 (3)(a) As used in this Subsection (3):

- 743 (i) " Income Tax Fund budget deficit" has the same meaning as in Section 63J-1-312;
 744 and
 745 (ii) "General Fund budget deficit" has the same meaning as in Section 63J-1-312.
- 746 (b) If an Income Tax Fund budget deficit or a General Fund budget deficit exists and the
 747 adopted estimated revenues were prepared in consensus with the Governor's Office of
 748 Planning and Budget, the governor shall:
- 749 (i) direct state agencies to reduce commitments and expenditures by an amount
 750 proportionate to the amount of the deficiency; and
 751 (ii) direct the Division of Finance to reduce allotments to institutions of higher
 752 education by an amount proportionate to the amount of the deficiency.
- 753 (c) The governor's directions under Subsection (3)(b) are rescinded when the Legislature
 754 rectifies the Income Tax Fund budget deficit and the General Fund budget deficit.
- 755 (4)(a) A department may not receive an advance of funds that cannot be covered by
 756 anticipated revenue within the budget execution plan of the fiscal year, unless the
 757 governor allocates money from the governor's emergency appropriations.
- 758 (b) All allocations made from the governor's emergency appropriations shall be reported
 759 to ~~[the budget subcommittee of]~~the Legislative Management Committee by notifying
 760 the Office of the Legislative Fiscal Analyst at least 15 days before the effective date
 761 of the allocation.
- 762 (c) Emergency appropriations shall be allocated only to support activities having
 763 existing legislative approval and appropriation, and may not be allocated to any
 764 activity or function rejected directly or indirectly by the Legislature.

765 Section 21. Section **63J-1-602.2** is amended to read:

766 **63J-1-602.2 (Effective 07/01/26) (Partially Repealed 07/01/29). List of nonlapsing**
 767 **appropriations to programs.**

768 Appropriations made to the following programs are nonlapsing:

- 769 (1) The Legislature and the Legislature's committees.
 770 (2) The State Board of Education, including all appropriations to agencies, line items, and
 771 programs under the jurisdiction of the State Board of Education, in accordance with
 772 Section 53F-9-103.
 773 (3) The Rangeland Improvement Act created in Section 4-20-101.
 774 (4) The Percent-for-Art Program created in Section 9-6-404.
 775 (5) The LeRay McAllister Working Farm and Ranch ~~[Fund]~~ Account Program created in
 776 Title 4, Chapter 46, Part 3, LeRay McAllister Working Farm and Ranch Fund.

- 777 (6) The Utah Lake Authority created in Section 11-65-201.
- 778 (7) Dedicated credits accrued to the Utah Marriage Commission as provided under
779 Subsection 17-66-303(2)(d)(ii).
- 780 (8) The Wildlife Land and Water Acquisition Program created in Section 23A-6-205.
- 781 (9) Sanctions collected as dedicated credits from Medicaid providers under Subsection
782 26B-3-108(7).
- 783 (10) The primary care grant program created in Section 26B-4-310.
- 784 (11) The Opiate Overdose Outreach Pilot Program created in Section 26B-4-512.
- 785 (12) The Utah Health Care Workforce Financial Assistance Program created in Section
786 26B-4-702.
- 787 (13) The Rural Physician Loan Repayment Program created in Section 26B-4-703.
- 788 (14) The Utah Medical Education Council for the:
- 789 (a) administration of the Utah Medical Education Program created in Section 26B-4-707;
790 (b) provision of medical residency grants described in Section 26B-4-711; and
791 (c) provision of the forensic psychiatric fellowship grant described in Section 26B-4-712.
- 792 (15) The Division of Services for People with Disabilities, as provided in Section 26B-6-402.
- 793 (16) The Communication Habits to reduce Adolescent Threats (CHAT) Pilot Program
794 created in Section 26B-7-122.
- 795 (17) Funds that the Department of Alcoholic Beverage Services retains in accordance with
796 Subsection 32B-2-301(8)(a) or (b).
- 797 (18) The General Assistance program administered by the Department of Workforce
798 Services, as provided in Section 35A-3-401.
- 799 (19) The Utah National Guard, created in Title 39A, National Guard and Militia Act.
- 800 (20) The Search and Rescue Financial Assistance Program, as provided in Section
801 53-2a-1102.
- 802 (21) The Emergency Medical Services Grant Program, as provided in Section 53-2d-207.
- 803 (22) The Motorcycle Rider Education Program, as provided in Section 53-3-905.
- 804 (23) The Utah Board of Higher Education for teacher preparation programs, as provided in
805 Section 53H-5-402.
- 806 (24) Innovation grants under Section 53G-10-608, except as provided in Subsection
807 53G-10-608(3).
- 808 (25) The Division of Fleet Operations for the purpose of upgrading underground storage
809 tanks under Section 63A-9-401.
- 810 (26) The Division of Technology Services for technology innovation as provided under

- 811 Section 63A-16-903.
- 812 (27) The State Capitol Preservation Board created by Section 63O-2-201.
- 813 (28) The Office of Administrative Rules for publishing, as provided in Section 63G-3-402.
- 814 (29) The Colorado River Authority of Utah, created in Title 63M, Chapter 14, Colorado
815 River Authority of Utah Act.
- 816 (30) The Governor's Office of Economic Opportunity to fund the Enterprise Zone Act, as
817 provided in Title 63N, Chapter 2, Part 2, Enterprise Zone Act.
- 818 (31) The Governor's Office of Economic Opportunity's Rural Employment Expansion
819 Program, as described in Title 63N, Chapter 4, Part 4, Rural Employment Expansion
820 Program.
- 821 (32) County correctional facility contracting program for state inmates as described in
822 Section 64-13e-103.
- 823 (33) County correctional facility reimbursement program for state probationary inmates and
824 state parole inmates as described in Section 64-13e-104.
- 825 (34) Programs for the Jordan River Recreation Area as described in Section 65A-2-8.
- 826 (35) The Division of Human Resource Management user training program, as provided in
827 Section 63A-17-106.
- 828 (36) A public safety answering point's emergency telecommunications service fund, as
829 provided in Section 69-2-301.
- 830 (37) The Traffic Noise Abatement Program created in Section 72-6-112.
- 831 [~~(38) The money appropriated from the Navajo Water Rights Negotiation Account to the~~
832 ~~Division of Water Rights, created in Section 73-2-1.1, for purposes of participating in a~~
833 ~~settlement of federal reserved water right claims.]~~
- 834 [(39)] (38) The Judicial Council for compensation for special prosecutors, as provided in
835 Section 77-10a-19.
- 836 [(40)] (39) A state rehabilitative employment program, as provided in Section 78A-6-210.
- 837 [(41)] (40) The Utah Geological Survey, as provided in Section 79-3-401.
- 838 [(42)] (41) The Bonneville Shoreline Trail Program created under Section 79-5-503.
- 839 [(43)] (42) Adoption document access as provided in Sections 81-13-103, 81-13-504, and
840 81-13-505.
- 841 [(44)] (43) Indigent defense as provided in Title 78B, Chapter 22, Part 4, Utah Indigent
842 Defense Commission.
- 843 [(45)] (44) The program established by the Division of Facilities Construction and
844 Management under Section 63A-5b-703 under which state agencies receive an

845 appropriation and pay lease payments for the use and occupancy of buildings owned by
846 the Division of Facilities Construction and Management.

847 [(46)] (45) The State Tax Commission for reimbursing counties for deferrals in accordance
848 with Section 59-2-1802.5.

849 [(47)] (46) The Veterinarian Education Loan Repayment Program created in Section 4-2-902.
850 Section 22. Section **63M-14-102** is amended to read:

851 **63M-14-102 (Effective 07/01/26). Definitions.**

852 As used in this chapter:

853 (1) "Appointing authority" means an authority named in Section 63M-14-202 that appoints
854 an authority member for a Colorado River authority area.

855 (2) "Authority" means the Colorado River Authority of Utah created by Section
856 63M-14-201.

857 (3) "Authority member" means a person appointed as a member of the authority under
858 Section 63M-14-202 or designated as a member of the authority.

859 (4) "Chair" means the chair of the authority.

860 (5) "Colorado River Basin States" means Arizona, California, Colorado, Nevada, New
861 Mexico, Utah, and Wyoming.

862 (6) "Colorado River authority area" means the geographic area designated by Subsection
863 63M-14-202(2).

864 (7) "Colorado River system" means the entire drainage of the Colorado River in Utah
865 including both the main stem of the Colorado River and the Colorado River's tributaries.

866 (8) "Law of the river" means the compacts, federal laws, treaties, court decisions and
867 decrees, contracts, and regulatory guidelines that underlie and authorize the management
868 and operation of the Colorado River.

869 [~~(9) "Restricted account" means the Colorado River Authority Restricted Account created
870 in Section 63M-14-501.~~]

871 [(10)] (9) "River commissioner" means the person appointed under Section 63M-14-301.

872 Section 23. Section **63N-3-103** is amended to read:

873 **63N-3-103 (Effective 07/01/26). Industrial Assistance Account created -- Uses --**
874 **Administrator duties -- Costs.**

875 (1) There is created a restricted account within the General Fund known as the "Industrial
876 Assistance Account."[-]

877 (2) The account consists of appropriations made by the Legislature.

878 [(2)] (3) The administrator shall administer the restricted account.

879 [~~(3)~~] (4) The administrator may hire appropriate support staff to perform the duties required
880 under this section.

881 [~~(4)~~] (5) The cost of administering the restricted account shall be paid from money in the
882 restricted account.

883 [~~(5)~~] (6) Interest accrued from investment of money in the restricted account shall remain in
884 the restricted account.

885 [~~(6)~~] (7) The office shall review the activities and progress of grant recipients under this
886 chapter on a regular basis and, as part of the office's annual written report described in
887 Section 63N-1a-306, report on the economic impact of activities funded by each grant.
888 Section 24. Section **63N-3-105** is amended to read:

889 **63N-3-105 (Effective 07/01/26). Qualification for assistance -- Application**
890 **requirements.**

891 (1) Subject to the requirements of this part, the administrator may provide loans, grants, or
892 other financial assistance from the restricted account to an entity offering an economic
893 opportunity if that entity:

- 894 (a) applies to the administrator in a form approved by the administrator; and
- 895 (b) meets the qualifications of Subsection (2).

896 (2) As part of an application for receiving financial assistance under this part, an applicant
897 shall demonstrate the following to the satisfaction of the administrator:

- 898 (a) the nature of the economic opportunity and the related benefit to the economic
899 well-being of the state by providing evidence documenting the expenditure of money
900 necessitated by the economic opportunity;
- 901 (b) how the economic opportunity will act in concert with other state, federal, or local
902 agencies to achieve the economic benefit;
- 903 (c) that the applicant will expend funds in the state with employees, vendors,
904 subcontractors, or other businesses in an amount proportional with money provided
905 from the restricted account at a minimum ratio of one to one per year or other more
906 stringent requirements as established on a per project basis by the administrator;
- 907 (d) for an application for a loan, the applicant's ability to sustain economic activity in the
908 state sufficient to repay, by means of cash or appropriate credits, the loan provided by
909 the restricted account; and
- 910 (e) any other criteria the administrator considers appropriate.

911 (3)(a) The administrator may exempt an applicant from any of the requirements of
912 Subsection (2) if:

913 (i) the applicant is part of a targeted industry; or
 914 (ii) the applicant is a quasi-public corporation organized under Title 16, Chapter 6a,
 915 Utah Revised Nonprofit Corporation Act, or Title 63E, Chapter 2, Independent
 916 Corporations Act, and the applicant's operations, as demonstrated to the
 917 satisfaction of the administrator, will provide significant economic stimulus to the
 918 growth of commerce and industry in the state.

919 (b) The administrator may not exempt the applicant from the requirement under
 920 Subsection 63N-3-106(1)(b) that the loan be structured so that the repayment or
 921 return to the state equals at least the amount of the assistance together with an annual
 922 interest charge.

923 (4) The GOEO board shall make recommendations to the administrator regarding
 924 applications for loans, grants, or other financial assistance from the Industrial Assistance
 925 Account.

926 [(4)] (5) Before awarding any money under this part, the administrator shall:

- 927 (a) make findings as to whether an applicant has satisfied the requirements of Subsection
 928 (2);
 929 (b) establish benchmarks and timeframes in which progress toward the completion of the
 930 agreed upon activity is to occur;
 931 (c) monitor compliance by an applicant with any contract or agreement entered into by
 932 the applicant and the state as provided by Section 63N-3-107; and
 933 (d) make funding decisions based upon appropriate findings and compliance.

934 Section 25. Section **63N-3-106** is amended to read:

935 **63N-3-106 (Effective 07/01/26). Structure of loans, grants, and assistance --**
 936 **Repayment -- Earned credits.**

937 (1)(a) Subject to [~~Subsection (1)(b)] the other provisions of this part, the administrator
 938 has authority to determine the structure, amount, and nature of any loan, grant, or
 939 other financial assistance from the restricted account.~~

940 (b) Loans made under this part shall be structured so the intended repayment or return to
 941 the state, including cash or credit, equals at least the amount of the assistance
 942 together with an annual interest charge as negotiated by the administrator.

943 (c) Payments resulting from grants awarded from the restricted account shall be made
 944 only after the administrator has determined that the company has satisfied the
 945 conditions upon which the payment or earned credit was based.

946 (2)(a) The administrator may provide for a system of earned credits that may be used to

- 947 support grant payments or in lieu of cash repayment of a restricted account loan
948 obligation.
- 949 (b) The value of the credits described in Subsection (2)(a) shall be based on factors
950 determined by the administrator, including:
951 (i) the number of Utah jobs created;
952 (ii) the increased economic activity in Utah; or
953 (iii) other events and activities that occur as a result of the restricted account
954 assistance.
- 955 (3)(a) A cash loan repayment or other cash recovery from a company receiving
956 assistance under this section, including interest, shall be deposited into the restricted
957 account.
- 958 (b) The administrator and the Division of Finance shall determine the manner of
959 recognizing and accounting for the earned credits used in lieu of loan repayments or
960 to support grant payments as provided in Subsection (2).
- 961 (4)(a)(i) At the end of each fiscal year, the Division of Finance shall [~~transfer~~] set
962 aside the balance of the General Fund revenue surplus as defined in Section
963 63J-1-312 after the transfers of General Fund revenue surplus described in
964 Subsection (4)(b) to the Industrial Assistance Account in an amount equal to any
965 credit that has accrued under this part.
- 966 (ii) The [~~transfer~~] set aside under Subsection (4)(a)(i) is capped at \$50,000,000 and
967 the Division of Finance shall deposit any interest accrued above the \$50,000,000
968 cap into the General Fund.
- 969 (b) The Division of Finance shall make the [~~transfer~~] set aside required by Subsection
970 (4)(a) after the Division of Finance transfers the General Fund revenue surplus to:
971 (i) the Medicaid Growth Reduction and Budget Stabilization Restricted Account, as
972 provided in Section 63J-1-315;
973 (ii) the General Fund Budget Reserve Account, as provided in Section 63J-1-312; and
974 (iii) as provided in Section 63J-1-314:
975 (A) the Utah Wildfire Fund; and
976 (B) the State Disaster Recovery Restricted Account.
- 977 (c) These credit amounts may not be used for purposes of the restricted account as
978 provided in this part until appropriated by the Legislature.
- 979 Section 26. Section **67-3-1** is amended to read:
980 **67-3-1 (Effective 07/01/26). Functions and duties.**

- 981 (1)(a) The state auditor is the auditor of public accounts and is independent of any
982 executive or administrative officers of the state.
- 983 (b) The state auditor:
- 984 (i) is not limited in the selection of personnel~~[-or in the determination of]~~ ; and
985 (ii) may determine the reasonable and necessary expenses of the state auditor's office
986 in accordance with Title 63J, Chapter 1, Budgetary Procedures Act, and subject to
987 Title 63G, Chapter 9, Part 3, Review of Claims.
- 988 (2) The state auditor shall examine and certify annually in respect to each fiscal year,
989 financial statements showing:
- 990 (a) the condition of the state's finances;
991 (b) the revenues received or accrued;
992 (c) expenditures paid or accrued;
993 (d) the amount of unexpended or unencumbered balances of the appropriations to the
994 agencies, departments, divisions, commissions, and institutions; and
995 (e) the cash balances of the funds in the custody of the state treasurer.
- 996 (3)(a) The state auditor shall:
- 997 (i) audit each permanent fund, each special fund, the General Fund, and the accounts
998 of any department of state government or any independent agency or public
999 corporation as the law requires, as the auditor determines is necessary, or upon
1000 request of the governor or the Legislature;
- 1001 (ii) perform the audits in accordance with generally accepted auditing standards and
1002 other auditing procedures as promulgated by recognized authoritative bodies; and
1003 (iii) as the auditor determines is necessary, conduct the audits to determine:
- 1004 (A) honesty and integrity in fiscal affairs;
1005 (B) accuracy and reliability of financial statements;
1006 (C) effectiveness and adequacy of financial controls; and
1007 (D) ~~[compliance with the law]~~ whether the entity responsible for the audited fund
1008 or account has engaged in financial practices, used public funds, or managed
1009 public property in a manner that complies with the applicable legal
1010 requirements identified in connection with the audit.
- 1011 (b) If any state entity receives federal funding, the state auditor shall ensure that the
1012 audit is performed in accordance with federal audit requirements.
- 1013 (c)(i) The costs of the federal compliance portion of the audit may be paid from an
1014 appropriation to the state auditor from the General Fund.

- 1015 (ii) If an appropriation is not provided, or if the federal government does not
1016 specifically provide for payment of audit costs, the costs of the federal compliance
1017 portions of the audit shall be allocated on the basis of the percentage that each
1018 state entity's federal funding bears to the total federal funds received by the state.
- 1019 (iii) The allocation shall be adjusted to reflect any reduced audit time required to
1020 audit funds passed through the state to local governments and to reflect any
1021 reduction in audit time obtained through the use of internal auditors working
1022 under the direction of the state auditor.
- 1023 (4)(a) Except as provided in Subsection (4)(b), the state auditor shall, in addition to
1024 financial audits, and as the auditor determines is necessary, conduct performance and
1025 special purpose audits, examinations, and reviews of any entity that receives public
1026 funds, including a determination of any or all of the following:
- 1027 (i) the honesty and integrity of all the entity's fiscal affairs;
1028 (ii) whether the entity's administrators have faithfully complied with legislative intent;
1029 (iii) whether the entity's operations have been conducted in an efficient, effective, and
1030 cost-efficient manner;
1031 (iv) whether the entity's programs have been effective in accomplishing the intended
1032 objectives; and
1033 (v) whether the entity's management, control, and information systems are adequate,
1034 effective, and secure.
- 1035 (b) The auditor may not conduct performance and special purpose audits, examinations,
1036 and reviews of any entity that receives public funds if the entity:
- 1037 (i) has an elected auditor; and
1038 (ii) has, within the entity's last budget year, had the entity's financial statements or
1039 performance formally reviewed by another outside auditor.
- 1040 (5) The state auditor:
- 1041 (a) shall administer any oath or affirmation necessary to the performance of the duties of
1042 the auditor's office; and
1043 (b) may:
- 1044 (i) subpoena witnesses and documents, whether electronic or otherwise; and
1045 (ii) examine into any matter that the auditor considers necessary.
- 1046 (6) The state auditor may require all persons who have had the disposition or management
1047 of any property of this state or its political subdivisions to submit statements regarding
1048 the property at the time and in the form that the auditor requires.

- 1049 (7) The state auditor shall:
- 1050 (a) except where otherwise provided by law, institute suits in Salt Lake County in
- 1051 relation to the assessment, collection, and payment of revenues against:
- 1052 (i) persons who by any means have become entrusted with public money or property
- 1053 and have failed to pay over or deliver the money or property; and
- 1054 (ii) all debtors of the state;
- 1055 (b) collect and pay into the state treasury all fees received by the state auditor;
- 1056 (c) perform the duties of a member of all boards of which the state auditor is a member
- 1057 by the constitution or laws of the state, and any other duties that are prescribed by the
- 1058 constitution and by law;
- 1059 (d) stop the payment of the salary of any state official or state employee who:
- 1060 (i) refuses to settle accounts or provide required statements about the custody and
- 1061 disposition of public funds or other state property;
- 1062 (ii) refuses, neglects, or ignores the instruction of the state auditor or any controlling
- 1063 board or department head with respect to the manner of keeping prescribed
- 1064 accounts or funds; or
- 1065 (iii) fails to correct any delinquencies, improper procedures, and errors brought to the
- 1066 official's or employee's attention;
- 1067 (e) establish accounting systems, methods, and forms for public accounts in all taxing or
- 1068 fee-assessing units of the state in the interest of uniformity, efficiency, and economy;
- 1069 (f) superintend the contractual auditing of all state accounts;
- 1070 (g) subject to Subsection (8)(a), withhold state allocated funds or the disbursement of
- 1071 property taxes from a state or local taxing or fee-assessing unit, if necessary, to
- 1072 ensure that officials and employees in those taxing units comply with state laws and
- 1073 procedures in the budgeting, expenditures, and financial reporting of public funds;
- 1074 (h) subject to Subsection (9), withhold the disbursement of tax money from any county,
- 1075 if necessary, to ensure that officials and employees in the county comply with
- 1076 Section 59-2-303.1; and
- 1077 (i) withhold state allocated funds or the disbursement of property taxes from a local
- 1078 government entity or a limited purpose entity, as those terms are defined in Section
- 1079 67-1a-15 if the state auditor finds the withholding necessary to ensure that the entity
- 1080 registers and maintains the entity's registration with the lieutenant governor, in
- 1081 accordance with Section 67-1a-15.
- 1082 (8)(a) Except as otherwise provided by law, the state auditor may not withhold funds

- 1083 under Subsection (7)(g) until a state or local taxing or fee-assessing unit has received
1084 formal written notice of noncompliance from the auditor and has been given 60 days
1085 to make the specified corrections.
- 1086 (b) If, after receiving notice under Subsection (8)(a), a state or independent local
1087 fee-assessing unit that exclusively assesses fees has not made corrections to comply
1088 with state laws and procedures in the budgeting, expenditures, and financial reporting
1089 of public funds, the state auditor:
- 1090 (i) shall provide a recommended timeline for corrective actions;
- 1091 (ii) may prohibit the state or local fee-assessing unit from accessing money held by
1092 the state; and
- 1093 (iii) may prohibit a state or local fee-assessing unit from accessing money held in an
1094 account of a financial institution by filing an action in a court with jurisdiction
1095 under Title 78A, Judiciary and Judicial Administration, requesting an order of the
1096 court to prohibit a financial institution from providing the fee-assessing unit
1097 access to an account.
- 1098 (c) The state auditor shall remove a limitation on accessing funds under Subsection (8)(b)
1099 upon compliance with state laws and procedures in the budgeting, expenditures, and
1100 financial reporting of public funds.
- 1101 (d) If a local taxing or fee-assessing unit has not adopted a budget in compliance with
1102 state law, the state auditor:
- 1103 (i) shall provide notice to the taxing or fee-assessing unit of the unit's failure to
1104 comply;
- 1105 (ii) may prohibit the taxing or fee-assessing unit from accessing money held by the
1106 state; and
- 1107 (iii) may prohibit a taxing or fee-assessing unit from accessing money held in an
1108 account of a financial institution by:
- 1109 (A) contacting the taxing or fee-assessing unit's financial institution and
1110 requesting that the institution prohibit access to the account; or
- 1111 (B) filing an action in a court with jurisdiction under Title 78A, Judiciary and
1112 Judicial Administration, requesting an order of the court to prohibit a financial
1113 institution from providing the taxing or fee-assessing unit access to an account.
- 1114 (e) If the local taxing or fee-assessing unit adopts a budget in compliance with state law,
1115 the state auditor shall eliminate a limitation on accessing funds described in
1116 Subsection (8)(d).

- 1117 (9) The state auditor may not withhold funds under Subsection (7)(h) until a county has
1118 received formal written notice of noncompliance from the auditor and has been given 60
1119 days to make the specified corrections.
- 1120 (10)(a) The state auditor may not withhold funds under Subsection (7)(i) until the state
1121 auditor receives a notice of non-registration, as that term is defined in Section
1122 67-1a-15.
- 1123 (b) If the state auditor receives a notice of non-registration, the state auditor may
1124 prohibit the local government entity or limited purpose entity, as those terms are
1125 defined in Section 67-1a-15, from accessing:
- 1126 (i) money held by the state; and
1127 (ii) money held in an account of a financial institution by:
- 1128 (A) contacting the entity's financial institution and requesting that the institution
1129 prohibit access to the account; or
1130 (B) filing an action in a court with jurisdiction under Title 78A, Judiciary and
1131 Judicial Administration, requesting an order of the court to prohibit a financial
1132 institution from providing the entity access to an account.
- 1133 (c) The state auditor shall remove the prohibition on accessing funds described in
1134 Subsection (10)(b) if the state auditor received a notice of registration, as that term is
1135 defined in Section 67-1a-15, from the lieutenant governor.
- 1136 (11) Notwithstanding Subsection (7)(g), (7)(h), (7)(i), (8)(b), (8)(d), or (10)(b), the state
1137 auditor:
- 1138 (a) shall authorize a disbursement by a local government entity or limited purpose entity,
1139 as those terms are defined in Section 67-1a-15, or a state or local taxing or
1140 fee-assessing unit if the disbursement is necessary to:
- 1141 (i) avoid a major disruption in the operations of the local government entity, limited
1142 purpose entity, or state or local taxing or fee-assessing unit; or
1143 (ii) meet debt service obligations; and
1144 (b) may authorize a disbursement by a local government entity, limited purpose entity,
1145 or state or local taxing or fee-assessing unit as the state auditor determines is
1146 appropriate.
- 1147 (12)(a) The state auditor may seek relief under the Utah Rules of Civil Procedure to take
1148 temporary custody of public funds if an action is necessary to protect public funds
1149 from being improperly diverted from their intended public purpose.
- 1150 (b) If the state auditor seeks relief under Subsection (12)(a):

- 1151 (i) the state auditor is not required to exhaust the procedures in Subsection (7) or (8);
1152 and
- 1153 (ii) the state treasurer may hold the public funds in accordance with Section 67-4-1 if
1154 a court orders the public funds to be protected from improper diversion from their
1155 public purpose.
- 1156 (13) The state auditor shall:
- 1157 (a) establish audit guidelines and procedures for audits of local mental health and
1158 substance abuse authorities and their contract providers, conducted pursuant to Title
1159 17, Chapter 77, Local Health and Human Services, Title 26B, Chapter 5, Health Care
1160 - Substance Use and Mental Health, and Title 51, Chapter 2a, Accounting Reports
1161 from Political Subdivisions, Interlocal Organizations, and Other Local Entities Act;
1162 and
- 1163 (b) ensure that those guidelines and procedures provide assurances to the state that:
- 1164 (i) state and federal funds appropriated to local mental health authorities are used for
1165 mental health purposes;
- 1166 (ii) a private provider under an annual or otherwise ongoing contract to provide
1167 comprehensive mental health programs or services for a local mental health
1168 authority is in compliance with state and local contract requirements and state and
1169 federal law;
- 1170 (iii) state and federal funds appropriated to local substance abuse authorities are used
1171 for substance abuse programs and services; and
- 1172 (iv) a private provider under an annual or otherwise ongoing contract to provide
1173 comprehensive substance abuse programs or services for a local substance abuse
1174 authority is in compliance with state and local contract requirements, and state and
1175 federal law.
- 1176 (14)(a) The state auditor may, in accordance with the auditor's responsibilities for
1177 political subdivisions of the state as provided in Title 51, Chapter 2a, Accounting
1178 Reports from Political Subdivisions, Interlocal Organizations, and Other Local
1179 Entities Act, initiate audits or investigations of any political subdivision that are
1180 necessary to determine honesty and integrity in fiscal affairs, accuracy and reliability
1181 of financial statements, effectiveness, and adequacy of financial controls and
1182 compliance with the law.
- 1183 (b) If the state auditor receives notice under Subsection 11-41-104(7) from the
1184 Governor's Office of Economic Opportunity on or after July 1, 2024, the state auditor

- 1185 may initiate an audit or investigation of the public entity subject to the notice to
1186 determine compliance with Section 11-41-103.
- 1187 (15)(a) The state auditor may not audit work that the state auditor performed before
1188 becoming state auditor.
- 1189 (b) If the state auditor has previously been a responsible official in state government
1190 whose work has not yet been audited, the Legislature shall:
- 1191 (i) designate how that work shall be audited; and
1192 (ii) provide additional funding for those audits, if necessary.
- 1193 (16) The state auditor shall:
- 1194 (a) with the assistance, advice, and recommendations of an advisory committee
1195 appointed by the state auditor from among special district boards of trustees, officers,
1196 and employees and special service district boards, officers, and employees:
- 1197 (i) prepare a Uniform Accounting Manual for Special Districts that:
- 1198 (A) prescribes a uniform system of accounting and uniform budgeting and
1199 reporting procedures for special districts under Title 17B, Limited Purpose
1200 Local Government Entities - Special Districts, and special service districts
1201 under Title 17D, Chapter 1, Special Service District Act;
- 1202 (B) conforms with generally accepted accounting principles; and
1203 (C) prescribes reasonable exceptions and modifications for smaller districts to the
1204 uniform system of accounting, budgeting, and reporting;
- 1205 (ii) maintain the manual under this Subsection (16)(a) so that the manual continues to
1206 reflect generally accepted accounting principles;
- 1207 (iii) conduct a continuing review and modification of procedures in order to improve
1208 them;
- 1209 (iv) prepare and supply each district with suitable budget and reporting forms; and
1210 (v)(A) prepare instructional materials, conduct training programs, and render other
1211 services considered necessary to assist special districts and special service
1212 districts in implementing the uniform accounting, budgeting, and reporting
1213 procedures; and
1214 (B) ensure that any training described in Subsection (16)(a)(v)(A) complies with
1215 Title 63G, Chapter 22, State Training and Certification Requirements; and
- 1216 (b) continually analyze and evaluate the accounting, budgeting, and reporting practices
1217 and experiences of specific special districts and special service districts selected by
1218 the state auditor and make the information available to all districts.

- 1219 (17)(a) The following records in the custody or control of the state auditor are protected
1220 records under Title 63G, Chapter 2, Government Records Access and Management
1221 Act:
- 1222 (i) records that would disclose information relating to allegations of personal
1223 misconduct, gross mismanagement, or illegal activity of a past or present
1224 governmental employee if the information or allegation cannot be corroborated by
1225 the state auditor through other documents or evidence, and the records relating to
1226 the allegation are not relied upon by the state auditor in preparing a final audit
1227 report;
 - 1228 (ii) records and audit workpapers to the extent the workpapers would disclose the
1229 identity of an individual who during the course of an audit, communicated the
1230 existence of any waste of public funds, property, or manpower, or a violation or
1231 suspected violation of a law, rule, or regulation adopted under the laws of this
1232 state, a political subdivision of the state, or any recognized entity of the United
1233 States, if the information was disclosed on the condition that the identity of the
1234 individual be protected;
 - 1235 (iii) before an audit is completed and the final audit report is released, records or
1236 drafts circulated to an individual who is not an employee or head of a
1237 governmental entity for the individual's response or information;
 - 1238 (iv) records that would disclose an outline or part of any audit survey plans or audit
1239 program; and
 - 1240 (v) requests for audits, if disclosure would risk circumvention of an audit.
- 1241 (b) The provisions of Subsections (17)(a)(i), (ii), and (iii) do not prohibit the disclosure
1242 of records or information that relate to a violation of the law by a governmental entity
1243 or employee to a government prosecutor or peace officer.
- 1244 (c) The provisions of this Subsection (17) do not limit the authority otherwise given to
1245 the state auditor to classify a document as public, private, controlled, or protected
1246 under Title 63G, Chapter 2, Government Records Access and Management Act.
- 1247 (d)(i) As used in this Subsection (17)(d), "record dispute" means a dispute between
1248 the state auditor and the subject of an audit performed by the state auditor as to
1249 whether the state auditor may release a record, as defined in Section 63G-2-103,
1250 to the public that the state auditor gained access to in the course of the state
1251 auditor's audit but which the subject of the audit claims is not subject to disclosure
1252 under Title 63G, Chapter 2, Government Records Access and Management Act.

- 1253 (ii) The state auditor may submit a record dispute to the director of the Government
1254 Records Office, created in Section 63A-12-202, for a determination of whether the
1255 state auditor may, in conjunction with the state auditor's release of an audit report,
1256 release to the public the record that is the subject of the record dispute.
- 1257 (iii) The state auditor or the subject of the audit may seek judicial review of the
1258 director's determination, described in Subsection (17)(d)(ii), as provided in
1259 Section 63G-2-404.
- 1260 (18) If the state auditor conducts an audit of an entity that the state auditor has previously
1261 audited and finds that the entity has not implemented a recommendation made by the
1262 state auditor in a previous audit, the state auditor shall notify the Legislative
1263 Management Committee through the Legislative Management Committee's Audit
1264 Subcommittee that the entity has not implemented that recommendation.
- 1265 (19) The state auditor shall, with the advice and consent of the Senate, appoint the state
1266 privacy auditor described in Section 67-3-13.
- 1267 (20) Except as provided in Subsection (21), the state auditor shall report, or ensure that
1268 another government entity reports, on the financial, operational, and performance
1269 metrics for the state system of higher education and the state system of public education,
1270 including metrics in relation to students, programs, and schools within those systems.
- 1271 (21)(a) Notwithstanding Subsection (20), the state auditor shall conduct regular audits of:
1272 (i) the scholarship granting organization for the Carson Smith Opportunity
1273 Scholarship Program, created in Section 53E-7-402;
1274 (ii) the State Board of Education for the Carson Smith Scholarship Program, created
1275 in Section 53F-4-302; and
1276 (iii) the scholarship program manager for the Utah Fits All Scholarship Program,
1277 created in Section 53F-6-402, including an analysis of the cost effectiveness of the
1278 program, taking into consideration the amount of the scholarship and the amount
1279 of state and local funds dedicated on a per-student basis within the traditional
1280 public education system.
- 1281 (b) Nothing in this subsection limits or impairs the authority of the State Board of
1282 Education to administer the programs described in Subsection (21)(a).
- 1283 (22) The state auditor shall, based on the information posted by the Office of Legislative
1284 Research and General Counsel under Subsection 36-12-12.1(2), for each policy, track
1285 and post the following information on the state auditor's website:
1286 (a) the information posted under Subsections 36-12-12.1(2)(a) through (e);

- 1287 (b) an indication regarding whether the policy is timely adopted, adopted late, or not
1288 adopted;
- 1289 (c) an indication regarding whether the policy complies with the requirements
1290 established by law for the policy; and
- 1291 (d) a link to the policy.
- 1292 (23)(a) A legislator may request that the state auditor conduct an inquiry to determine
1293 whether a government entity, government official, or government employee has
1294 complied with a legal obligation directly imposed, by statute, on the government
1295 entity, government official, or government employee.
- 1296 (b) The state auditor may, upon receiving a request under Subsection (23)(a), conduct
1297 the inquiry requested.
- 1298 (c) If the state auditor conducts the inquiry described in Subsection (23)(b), the state
1299 auditor shall post the results of the inquiry on the state auditor's website.
- 1300 (d) The state auditor may limit the inquiry described in this Subsection (23) to a simple
1301 determination, without conducting an audit, regarding whether the obligation was
1302 fulfilled.
- 1303 (24) The state auditor shall:
- 1304 (a) ensure compliance with Title 63G, Chapter 31, Distinctions on the Basis of Sex, in
1305 accordance with Section 63G-31-401; and
- 1306 (b) report to the Legislative Management Committee, upon request, regarding the state
1307 auditor's actions under this Subsection (24).
- 1308 (25) The state auditor shall report compliance with Sections 67-27-107, 67-27-108, and
1309 67-27-109 by:
- 1310 (a) establishing a process to receive and audit each alleged violation; and
- 1311 (b) reporting to the Legislative Management Committee, upon request, regarding the
1312 state auditor's findings and recommendations under this Subsection (25).
- 1313 (26) The state auditor shall ensure compliance with Section 63G-1-704 regarding the
1314 display of flags in or on government property.
- 1315 (27)(a) On or before January 31 each year, the state auditor shall prepare a report that
1316 states, for each entity that holds public funds as defined in Section 51-7-3, the entity's
1317 total balance, as of the last day of the immediately preceding fiscal year, of cash, cash
1318 equivalents, and investments, as those terms are defined under the standards
1319 established by the Governmental Accounting Standards Board.
- 1320 (b) The state auditor shall make the report described in Subsection (27)(a) publicly

1321 available on a website that the state auditor maintains.

1322 Section 27. Section **79-6-410** is enacted to read:

1323 **79-6-410 (Effective 07/01/26). Energy Development Infrastructure Fund.**

1324 (1) As used in this section, "public entity" means a state agency, county, municipality,
1325 special district, special service district, an intergovernmental entity organized under state
1326 law, or the military installation development authority created in Section 63H-1-201.

1327 (2) There is created a revolving loan fund known as the Energy Development Infrastructure
1328 Fund.

1329 (3) The fund consists of:

1330 (a) money the Legislature appropriates to the fund;

1331 (b) money received for repayment of a loan made from the fund; and

1332 (c) interest earned on money in the fund.

1333 (4) The office may use money in the fund to make one or more loans to one or more public
1334 entities to finance infrastructure development that supports nuclear power generation
1335 and transmission in the state.

1336 (5)(a) A public entity that borrows money from the fund shall enter into a loan
1337 agreement with the office for repayment of the money.

1338 (b)(i) The office shall ensure that a loan under this section is secured by:

1339 (A) bonds, notes, or another evidence of indebtedness validly issued under state
1340 law; or

1341 (B) revenue generated from the project.

1342 (ii) The security provided under Subsection (5)(b)(i) may include the borrower's
1343 pledge of some or all of a revenue source that the borrower controls.

1344 (c) A loan under this section shall bear interest at a rate not to exceed .5% above bond
1345 market interest rates available to the state.

1346 (6) The office may provide conditions in the loan agreement described in Subsection (5) to
1347 ensure that:

1348 (a) the proceeds of the loan will be used to pay the cost of the project; and

1349 (b) the project will be completed.

1350 (7) The office shall administer and enforce a loan under this section according to the terms
1351 of the loan agreement.

1352 Section 28. Section **79-6-1105** is amended to read:

1353 **79-6-1105 (Effective 07/01/26). Electrical Energy Development Investment Fund.**

1354 (1) There is created [~~an expendable~~] a special revenue fund known as the "Electrical Energy

1355 Development Investment Fund."

1356 (2) The fund consists of:

1357 (a) property tax differential revenue collected under Section 79-6-1104;

1358 (b) revenue from the radioactive waste facility expansion tax collected under Section
1359 59-24-103.8; and

1360 (c) revenue from a tax on new generators of radioactive waste as described in Subsection
1361 59-24-103.5(3).

1362 (3) The council shall:

1363 (a) administer the fund; and

1364 (b) use fund money only as authorized under Section 79-6-1106.

1365 Section 29. Section **79-6-1106** is amended to read:

1366 **79-6-1106 (Effective 07/01/26). Authorized uses of fund money.**

1367 (1) The council may use fund money to:

1368 (a) facilitate electrical energy infrastructure development within the state, including:

1369 (i) transmission and distribution lines;

1370 (ii) pipeline development;

1371 (iii) energy storage facilities;

1372 (iv) generation facilities;

1373 (v) related infrastructure; [~~and~~]

1374 (vi) to fund research, site selection, permitting, public outreach, and other activities
1375 related to the development of nuclear energy; and

1376 (vii) district energy systems as defined in Section 79-6-602;

1377 (b) provide matching funds for federal energy development grants;

1378 (c) support energy workforce development programs;

1379 (d) provide incentives for electrical energy development projects; and

1380 (e) pay for administrative expenses related to the council's duties.

1381 (2) Fund money derived from the radioactive waste facility expansion tax revenue collected
1382 under Section 59-24-103.8 is prioritized for activities related to the development of
1383 nuclear energy.

1384 Section 30. **Repealer.**

1385 This bill repeals:

1386 Section **19-2-301, Title.**

1387 Section **19-2-302, Definitions.**

1388 Section **19-2-303, Grants and programs -- Conditions.**

1389 Section **19-2-304, Duties and authorities -- Rulemaking.**
 1390 Section **23A-3-204, Wildlife Resources Conservation Easement Restricted Account.**
 1391 Section **23A-3-206, Donations related to donation of wild game meat -- Wild Game Meat**
 1392 **Donation Fund.**

1393 Section **51-9-701, Title.**
 1394 Section **51-9-702, Navajo Water Rights Negotiation Account -- Settlement.**
 1395 Section **63M-14-501, Colorado River Authority Restricted Account.**
 1396 Section 31. **FY 2026 Appropriations.**

1397 The following sums of money are appropriated for the fiscal year beginning July 1,
 1398 2025, and ending June 30, 2026. These are additions to amounts previously appropriated for
 1399 fiscal year 2026.

1400 Subsection 31(a). **Operating and Capital Budgets**

1401 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the
 1402 Legislature appropriates the following sums of money from the funds or accounts indicated for
 1403 the use and support of the government of the state of Utah.

1404 ITEM 1 To Department of Natural Resources - Office of Energy Development

1405 From General Fund, One-time (5,000,000)

1406 Schedule of Programs:

1407 Office of Energy Development (5,000,000)

1408 Subsection 31(b). **Business-like Activities**

1409 The Legislature has reviewed the following proprietary funds. Under the terms and
 1410 conditions of Utah Code 63J-1-410, for any included Internal Service Fund, the Legislature
 1411 approves budgets, full-time permanent positions, and capital acquisition amounts as indicated,
 1412 and appropriates to the funds, as indicated, estimated revenue from rates, fees, and other
 1413 charges. The Legislature authorizes the State Division of Finance to transfer amounts between
 1414 funds and accounts as indicated.

1415 ITEM 2 To Department of Natural Resources - Energy Development Infrastructure Fund

1416 From General Fund, One-time 5,000,000

1417 Schedule of Programs:

1418 Energy Development Infrastructure Fund 5,000,000

1419 Section 32. **FY 2027 Appropriations.**

1420 The following sums of money are appropriated for the fiscal year beginning July 1,
 1421 2026, and ending June 30, 2027. These are additions to amounts previously appropriated for
 1422 fiscal year 2027.

1423 Subsection 32(a). **Operating and Capital Budgets**

1424 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the
 1425 Legislature appropriates the following sums of money from the funds or accounts indicated for
 1426 the use and support of the government of the state of Utah.

1427 ITEM 3 To Office of the Governor - Colorado River Authority of Utah

1428 From General Fund 1,638,500

1429 Schedule of Programs:

1430 Colorado River Authority of Utah 1,638,500

1431 Subsection 32(b). **Restricted Fund and Account Transfers**

1432 The Legislature authorizes the State Division of Finance to transfer the following
 1433 amounts between the following funds or accounts as indicated. Expenditures and outlays from
 1434 the funds to which the money is transferred must be authorized by an appropriation.

1435 ITEM 4 To General Fund Restricted - Colorado River Authority Restricted Account

1436 From General Fund (1,638,500)

1437 Schedule of Programs:

1438 Colorado River Authority Restricted Account (1,638,500)

1439 The Legislature intends that the Division of
 1440 Finance transfer any balances remaining in the Colorado
 1441 River Authority Restricted Account after fiscal year 2026
 1442 closeout to Office of the Governor - Colorado River
 1443 Authority of Utah line item.

1444 Section 33. **Effective Date.**

1445 This bill takes effect on July 1, 2026.

1446 Section 34. **Coordinating H.B. 545 with H.B. 473.**

1447 If this H.B. 545, Budgetary Modifications, and H.B. 473, Colorado River Authority

1448 Amendments, both pass and become law, the Legislature intends that, on July 1, 2026, Section

1449 29 of H.B. 545 not take effect.