

Trevor Lee proposes the following substitute bill:

General Oversight Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Daniel McCay

House Sponsor: Trevor Lee

LONG TITLE

General Description:

This bill amends provisions related to legislative general oversight, including administrative rulemaking.

Highlighted Provisions:

This bill:

- defines terms;
- renames the Rules Review and General Oversight Committee to the General Oversight Committee (committee);
- amends the membership of the committee;
- amends provisions related to what actions the committee may take regarding hearings, bill files, and administrative rules;
- amends when the committee may close meetings;
- amends provisions related to the process and procedures for making administrative rules;
- amends the responsibilities of the Office of Administrative Rules;
- repeals the governor's authority to revive rules that the Legislature has voted to not reauthorize; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

19-1-111 (Effective 05/06/26), as enacted by Laws of Utah 2025, Chapter 156

19-1-206 (Effective 05/06/26), as last amended by Laws of Utah 2024, Chapter 439

29 **19-1-207 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 178
30 **19-5-104.5 (Effective 05/06/26) (Repealed 07/01/29)**, as last amended by Laws of Utah
31 2024, Chapter 178
32 **26B-1-219 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 470
33 **26B-3-129 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 178
34 **36-35-101 (Effective 05/06/26)**, as enacted by Laws of Utah 2024, Chapter 178
35 **36-35-102 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 463
36 **52-4-205 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 391
37 **53E-3-525 (Effective 05/06/26)**, as enacted by Laws of Utah 2025, Chapter 501
38 **53H-1-403 (Effective 05/06/26)**, as enacted by Laws of Utah 2025, First Special Session,
39 Chapter 8
40 **53H-7-303 (Effective 05/06/26)**, as renumbered and amended by Laws of Utah 2025,
41 First Special Session, Chapter 8
42 **54-17-701 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 178
43 **63A-5b-607 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 439
44 **63A-13-202 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 178
45 **63A-13-305 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 178
46 **63G-3-102 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 483
47 **63G-3-201 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, First Special
48 Session, Chapter 9
49 **63G-3-202 (Effective 05/06/26)**, as renumbered and amended by Laws of Utah 2008,
50 Chapter 382
51 **63G-3-301 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapters 463,
52 483
53 **63G-3-302 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 347
54 **63G-3-303 (Effective 05/06/26)**, as last amended by Laws of Utah 2016, Chapter 193
55 **63G-3-304 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 178
56 **63G-3-305 (Effective 05/06/26)**, as last amended by Laws of Utah 2016, Chapter 193
57 **63G-3-401 (Effective 05/06/26)**, as last amended by Laws of Utah 2021, Chapter 344
58 **63G-3-402 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 178
59 **63G-3-403 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 178
60 **63G-3-502 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 178
61 **63G-3-503 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 277
62 **63G-3-601 (Effective 05/06/26)**, as last amended by Laws of Utah 2020, Chapter 408

63 **63O-2-403 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter -1000
64 **72-6-107.5 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 439
65 **79-2-404 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 439

66 ENACTS:

67 **36-35-102.5 (Effective 05/06/26)**, Utah Code Annotated 1953

68 REPEALS:

69 **63G-3-101 (Effective 05/06/26)**, as renumbered and amended by Laws of Utah 2008,
70 Chapter 382

71

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

73 Section 1. Section **19-1-111** is amended to read:

74 **19-1-111 (Effective 05/06/26). Governance committee with local health**
75 **departments.**

76 (1) As used in this section:

77 (a) "Exempt application" means an application for federal funding that meets the criteria
78 established under Subsection (3)(g).

79 (b) "Federal funding" means a grant, contract, or other funding from the federal
80 government that could provide funds for a local health department to fulfill the duties
81 and responsibilities of the local health department.

82 (c) "Governance committee" means the committee created in Subsection (2).

83 (2) The department shall establish a committee that consists of:

84 (a) the executive director or the executive director's designee;

85 (b) two representatives of the department appointed by the executive director; and

86 (c) three representatives of local health departments appointed by a group representing
87 all the local health departments in the state.

88 (3) The governance committee shall:

89 (a) review all state and federal funding to the department to identify funding that the
90 department may use to support:

91 (i) the requirements of Subsection 26A-1-106(3); and

92 (ii) the minimum performance standards created by the department under Subsection
93 26A-1-106(4);

94 (b) review the allocation of environmental quality resources between the department and
95 the local health departments, including whether funds allocated by contract or
96 cooperative agreement were:

- 97 (i) allocated in accordance with the formula described in Section 26A-1-116; and
 98 (ii) subject to requirements satisfying or exceeding the minimum performance
 99 standards created by the department under Section 26A-1-106;
- 100 (c) evaluate rules and department policies that affect a local health department in
 101 accordance with Subsection (4);
- 102 (d) consider policy changes proposed by the department or by a local health department;
- 103 (e) coordinate the implementation of environmental quality programs to maximize
 104 environmental quality resources;
- 105 (f) except as provided by Subsection (3)(g), review each department application for any
 106 federal funding that affects a local health department before the department submits
 107 the application; and
- 108 (g) establish a process by which the committee may exempt an application for federal
 109 funding from the review required under Subsection (3)(f).
- 110 (4) When evaluating a policy or rule that affects a local health department, the governance
 111 committee shall:
- 112 (a) compute an estimate of the cost a local health department will bear to comply with
 113 the policy or rule;
- 114 (b) specify whether there is any funding provided to a local health department to
 115 implement the policy or rule; and
- 116 (c) advise whether the policy or rule is needed.
- 117 (5) The governance committee shall create bylaws to govern the committee's operations.
- 118 (6) Before November 1 of each year, the department shall provide a report to the [~~Rules~~
 119 ~~Review and General Oversight~~] General Oversight Committee regarding the
 120 determinations made under Subsection (4).

121 Section 2. Section **19-1-206** is amended to read:

122 **19-1-206 (Effective 05/06/26). Contracting powers of department -- Health**
 123 **insurance coverage.**

- 124 (1) As used in this section:
- 125 (a) "Aggregate" means the sum of all contracts, change orders, and modifications related
 126 to a single project.
- 127 (b) "Change order" means the same as that term is defined in Section 63G-6a-103.
- 128 (c) "Employee" means, as defined in Section 34A-2-104, an "employee," "worker," or
 129 "operative" who:
- 130 (i) works at least 30 hours per calendar week; and

- 131 (ii) meets employer eligibility waiting requirements for health care insurance, which
132 may not exceed the first day of the calendar month following 60 days after the day
133 on which the individual is hired.
- 134 (d) "Health benefit plan" means:
- 135 (i) the same as that term is defined in Section 31A-1-301; or
- 136 (ii) an employee welfare benefit plan:
- 137 (A) established under the Employee Retirement Income Security Act of 1974, 29
138 U.S.C. Sec. 1001 et seq.;
- 139 (B) for an employer with 100 or more employees; and
- 140 (C) in which the employer establishes a self-funded or partially self-funded group
141 health plan to provide medical care for the employer's employees and
142 dependents of the employees.
- 143 (e) "Qualified health coverage" means the same as that term is defined in Section
144 26B-3-909.
- 145 (f) "Subcontractor" means the same as that term is defined in Section 63A-5b-605.
- 146 (g) "Third party administrator" or "administrator" means the same as that term is defined
147 in Section 31A-1-301.
- 148 (2) Except as provided in Subsection (3), the requirements of this section apply to:
- 149 (a) a contractor of a design or construction contract entered into by, or delegated to, the
150 department, or a division or board of the department, on or after July 1, 2009, if the
151 prime contract is in an aggregate amount equal to or greater than \$2,000,000; and
- 152 (b) a subcontractor of a contractor of a design or construction contract entered into by, or
153 delegated to, the department, or a division or board of the department, on or after July
154 1, 2009, if the subcontract is in an aggregate amount equal to or greater than
155 \$1,000,000.
- 156 (3) This section does not apply to contracts entered into by the department or a division or
157 board of the department if:
- 158 (a) the application of this section jeopardizes the receipt of federal funds;
- 159 (b) the contract or agreement is between:
- 160 (i) the department or a division or board of the department; and
- 161 (ii)(A) another agency of the state;
- 162 (B) the federal government;
- 163 (C) another state;
- 164 (D) an interstate agency;

- 165 (E) a political subdivision of this state; or
166 (F) a political subdivision of another state;
- 167 (c) the executive director determines that applying the requirements of this section to a
168 particular contract interferes with the effective response to an immediate health and
169 safety threat from the environment; or
- 170 (d) the contract is:
- 171 (i) a sole source contract; or
172 (ii) an emergency procurement.
- 173 (4) A person that intentionally uses change orders, contract modifications, or multiple
174 contracts to circumvent the requirements of this section is guilty of an infraction.
- 175 (5)(a) A contractor subject to the requirements of this section shall demonstrate to the
176 executive director that the contractor has and will maintain an offer of qualified
177 health coverage for the contractor's employees and the employees' dependents during
178 the duration of the contract by submitting to the executive director a written
179 statement that:
- 180 (i) the contractor offers qualified health coverage that complies with Section
181 26B-3-909;
- 182 (ii) is from:
- 183 (A) an actuary selected by the contractor or the contractor's insurer;
184 (B) an underwriter who is responsible for developing the employer group's
185 premium rates; or
186 (C) if the contractor provides a health benefit plan described in Subsection
187 (1)(d)(ii), an actuary or underwriter selected by a third party administrator; and
188 (iii) was created within one year before the day on which the statement is submitted.
- 189 (b)(i) A contractor that provides a health benefit plan described in Subsection
190 (1)(d)(ii) shall provide the actuary or underwriter selected by an administrator, as
191 described in Subsection (5)(a)(ii)(C), sufficient information to determine whether
192 the contractor's contribution to the health benefit plan and the actuarial value of
193 the health benefit plan meet the requirements of qualified health coverage.
- 194 (ii) A contractor may not make a change to the contractor's contribution to the health
195 benefit plan, unless the contractor provides notice to:
- 196 (A) the actuary or underwriter selected by an administrator, as described in
197 Subsection (5)(a)(ii)(C), for the actuary or underwriter to update the written
198 statement described in Subsection (5)(a) in compliance with this section; and

- 199 (B) the department.
- 200 (c) A contractor that is subject to the requirements of this section shall:
- 201 (i) place a requirement in each of the contractor's subcontracts that a subcontractor
- 202 that is subject to the requirements of this section shall obtain and maintain an offer
- 203 of qualified health coverage for the subcontractor's employees and the employees'
- 204 dependents during the duration of the subcontract; and
- 205 (ii) obtain from a subcontractor that is subject to the requirements of this section a
- 206 written statement that:
- 207 (A) the subcontractor offers qualified health coverage that complies with Section
- 208 26B-3-909;
- 209 (B) is from an actuary selected by the subcontractor or the subcontractor's insurer,
- 210 an underwriter who is responsible for developing the employer group's
- 211 premium rates, or if the subcontractor provides a health benefit plan described
- 212 in Subsection (1)(d)(ii), an actuary or underwriter selected by an administrator;
- 213 and
- 214 (C) was created within one year before the day on which the contractor obtains the
- 215 statement.
- 216 (d)(i)(A) A contractor that fails to maintain an offer of qualified health coverage
- 217 described in Subsection (5)(a) during the duration of the contract is subject to
- 218 penalties in accordance with administrative rules adopted by the department
- 219 under Subsection (6).
- 220 (B) A contractor is not subject to penalties for the failure of a subcontractor to
- 221 obtain and maintain an offer of qualified health coverage described in
- 222 Subsection (5)(c)(i).
- 223 (ii)(A) A subcontractor that fails to obtain and maintain an offer of qualified
- 224 health coverage described in Subsection (5)(c) during the duration of the
- 225 subcontract is subject to penalties in accordance with administrative rules
- 226 adopted by the department under Subsection (6).
- 227 (B) A subcontractor is not subject to penalties for the failure of a contractor to
- 228 maintain an offer of qualified health coverage described in Subsection (5)(a).
- 229 (6) The department shall adopt administrative rules:
- 230 (a) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
- 231 (b) in coordination with:
- 232 (i) a public transit district in accordance with Section 17B-2a-818.5;

- 233 (ii) the Department of Natural Resources in accordance with Section 79-2-404;
- 234 (iii) the Division of Facilities Construction and Management in accordance with
- 235 Section 63A-5b-607;
- 236 (iv) the State Capitol Preservation Board in accordance with Section 63O-2-403;
- 237 (v) the Department of Transportation in accordance with Section 72-6-107.5; and
- 238 (vi) the Legislature's [~~Rules Review and General Oversight~~] General Oversight
- 239 Committee created in Section 36-35-102; and
- 240 (c) that establish:
- 241 (i) the requirements and procedures a contractor and a subcontractor shall follow to
- 242 demonstrate compliance with this section, including:
- 243 (A) that a contractor or subcontractor's compliance with this section is subject to
- 244 an audit by the department or the Office of the Legislative Auditor General;
- 245 (B) that a contractor that is subject to the requirements of this section shall obtain
- 246 a written statement described in Subsection (5)(a); and
- 247 (C) that a subcontractor that is subject to the requirements of this section shall
- 248 obtain a written statement described in Subsection (5)(c)(ii);
- 249 (ii) the penalties that may be imposed if a contractor or subcontractor intentionally
- 250 violates the provisions of this section, which may include:
- 251 (A) a three-month suspension of the contractor or subcontractor from entering into
- 252 future contracts with the state upon the first violation;
- 253 (B) a six-month suspension of the contractor or subcontractor from entering into
- 254 future contracts with the state upon the second violation;
- 255 (C) an action for debarment of the contractor or subcontractor in accordance with
- 256 Section 63G-6a-904 upon the third or subsequent violation; and
- 257 (D) notwithstanding Section 19-1-303, monetary penalties which may not exceed
- 258 50% of the amount necessary to purchase qualified health coverage for an
- 259 employee and the dependents of an employee of the contractor or subcontractor
- 260 who was not offered qualified health coverage during the duration of the
- 261 contract; and
- 262 (iii) a website on which the department shall post the commercially equivalent
- 263 benchmark, for the qualified health coverage identified in Subsection (1)(e), that
- 264 is provided by the Department of Health and Human Services, in accordance with
- 265 Subsection 26B-3-909(2).
- 266 (7)(a)(i) In addition to the penalties imposed under Subsection (6)(c)(ii), a contractor

- 267 or subcontractor who intentionally violates the provisions of this section is liable
268 to the employee for health care costs that would have been covered by qualified
269 health coverage.
- 270 (ii) An employer has an affirmative defense to a cause of action under Subsection
271 (7)(a)(i) if:
- 272 (A) the employer relied in good faith on a written statement described in
273 Subsection (5)(a) or (5)(c)(ii); or
- 274 (B) the department determines that compliance with this section is not required
275 under the provisions of Subsection (3).
- 276 (b) An employee has a private right of action only against the employee's employer to
277 enforce the provisions of this Subsection (7).
- 278 (8) Any penalties imposed and collected under this section shall be deposited into the
279 Medicaid Growth Reduction and Budget Stabilization Account created in Section
280 63J-1-315.
- 281 (9) The failure of a contractor or subcontractor to provide qualified health coverage as
282 required by this section:
- 283 (a) may not be the basis for a protest or other action from a prospective bidder, offeror,
284 or contractor under:
- 285 (i) Section 63G-6a-1602; or
- 286 (ii) any other provision in Title 63G, Chapter 6a, Utah Procurement Code; and
- 287 (b) may not be used by the procurement entity or a prospective bidder, offeror, or
288 contractor as a basis for any action or suit that would suspend, disrupt, or terminate
289 the design or construction.
- 290 (10) An administrator, including an administrator's actuary or underwriter, who provides a
291 written statement under Subsection (5)(a) or (c) regarding the qualified health coverage
292 of a contractor or subcontractor who provides a health benefit plan described in
293 Subsection (1)(d)(ii):
- 294 (a) subject to Subsection (10)(b), is not liable for an error in the written statement, unless
295 the administrator commits gross negligence in preparing the written statement;
- 296 (b) is not liable for any error in the written statement if the administrator relied in good
297 faith on information from the contractor or subcontractor; and
- 298 (c) may require as a condition of providing the written statement that a contractor or
299 subcontractor hold the administrator harmless for an action arising under this section.
- 300 Section 3. Section **19-1-207** is amended to read:

301 **19-1-207 (Effective 05/06/26). Regulatory certainty to support economic**
302 **recovery.**

303 (1) On or before June 30, 2021, the Air Quality Board or the Water Quality Board may not
304 make, amend, or repeal a rule related to air or water quality pursuant to this title, if
305 formal rulemaking was not initiated on or before July 1, 2020, unless the rule constitutes:

306 (a) a state rule related to a federally-delegated program;

307 (b) a rule mandated by statute to be made, amended, or repealed on or before July 1,
308 2020; or

309 (c) subject to Subsection (2), a rule that is necessary because failure to make, amend, or
310 repeal the rule will:

311 (i) cause an imminent peril to the public health, safety, or welfare;

312 (ii) cause an imminent budget reduction because of budget restraints or federal
313 requirements;

314 (iii) place the agency in violation of federal or state law; or

315 (iv) fail to provide regulatory relief.

316 (2) In addition to complying with Title 63G, Chapter 3, Utah Administrative Rulemaking
317 Act, the department shall report to the [~~Rules Review and General Oversight~~] General
318 Oversight Committee as to whether the need to act meets the requirements of Subsection
319 (1)(c).

320 (3) On or after August 31, 2020, but on or before June 30, 2021, the Air Quality Board,
321 Division of Air Quality, Water Quality Board, or Division of Water Quality may not
322 impose a new fee or increase a fee related to air or water quality pursuant to this title or
323 rules made under this title.

324 (4) Only the Legislature may extend the time limitations of this section.

325 (5) Notwithstanding the other provisions of this section, this section does not apply to a
326 rule, fee, or fee increase to the extent that the rule, fee, or fee increase applies to an
327 activity in a county of the first or second class.

328 (6) Notwithstanding the other provisions of this section, the agencies may engage with
329 stakeholders in the process of discussing, developing, and drafting a rule, fee, or fee
330 increase on or after July 1, 2020, but on or before June 30, 2021.

331 Section 4. Section **19-5-104.5** is amended to read:

332 **19-5-104.5 (Effective 05/06/26) (Repealed 07/01/29). Legislative review and**
333 **approval.**

334 (1) Before sending a total maximum daily load and implementation strategy to the EPA for

335 review and approval, the Water Quality Board shall submit the total maximum daily
336 load:

- 337 (a) for review to the Natural Resources, Agriculture, and Environment Interim
338 Committee if the total maximum daily load will require a public or private
339 expenditure in excess of \$10,000,000 but less than \$100,000,000 for compliance; or
340 (b) for approval to the Legislature if the total maximum daily load will require a public
341 or private expenditure of \$100,000,000 or more.

342 (2)(a) As used in this Subsection (2):

- 343 (i) "Expenditure" means the act of expending funds:
344 (A) by an individual public facility with a Utah Pollutant Discharge Elimination
345 System permit, or by a group of private agricultural facilities; and
346 (B) through an initial capital investment, or through operational costs over a
347 three-year period.

348 (ii) "Utah Pollutant Discharge Elimination System" means the state permit system
349 created in accordance with 33 U.S.C. Sec. 1342.

350 (b) Before the board adopts a nitrogen or phosphorus rule or standard, the board shall
351 submit the rule or standard as directed in Subsections (2)(c) and (d).

352 (c)(i) If compliance with the rule or standard requires an expenditure in excess of
353 \$250,000, but less than \$10,000,000, the board shall submit the rule or standard
354 for review to the Natural Resources, Agriculture, and Environment Interim
355 Committee.

356 (ii)(A) Except as provided in Subsection (2)(c)(ii)(B), the Natural Resources,
357 Agriculture, and Environment Interim Committee shall review a rule or
358 standard the board submits under Subsection (2)(c)(i) during the Natural
359 Resources, Agriculture, and Environment Interim Committee's committee
360 meeting immediately following the day on which the board submits the rule or
361 standard.

362 (B) If the committee meeting described in Subsection (2)(c)(ii)(A) is within five
363 days after the day on which the board submits the rule or standard for review,
364 the Natural Resources, Agriculture, and Environment Interim Committee shall
365 review the rule or standard during the committee meeting described in
366 Subsection (2)(c)(ii)(A) or during the committee meeting immediately
367 following the committee meeting described in Subsection (2)(c)(ii)(A).

368 (d) If compliance with the rule or standard requires an expenditure of \$10,000,000 or

- 369 more, the board shall submit the rule or standard for approval to the Legislature.
- 370 (e)(i) A facility shall estimate the cost of compliance with a board-proposed rule or
371 standard described in Subsection (2)(b) using:
- 372 (A) an independent, licensed engineer; and
373 (B) industry-accepted project cost estimate methods.
- 374 (ii) The board may evaluate and report on a compliance estimate described in
375 Subsection (2)(e)(i).
- 376 (f) If there is a discrepancy in the estimated cost to comply with a rule or standard, the
377 Office of the Legislative Fiscal Analyst shall determine the estimated cost to comply
378 with the rule or standard.
- 379 (3) In reviewing a rule or standard, the Natural Resources, Agriculture, and Environment
380 Interim Committee may:
- 381 (a) consider the impact of the rule or standard on:
- 382 (i) economic costs and benefit;
383 (ii) public health; and
384 (iii) the environment;
- 385 (b) suggest additional areas of consideration; or
386 (c) recommend the rule or standard to the board for:
- 387 (i) adoption; or
388 (ii) re-evaluation followed by further review by the Natural Resources, Agriculture,
389 and Environment Interim Committee.
- 390 (4) When the Natural Resources, Agriculture, and Environment Interim Committee sets the
391 review of a rule or standard submitted under Subsection (2)(c)(i) as an agenda item, the
392 committee shall:
- 393 (a) before the review, directly inform the chairs of the [~~Rules Review and General~~
394 ~~Oversight~~] General Oversight Committee of the coming review, including the date,
395 time, and place of the review; and
- 396 (b) after the review, directly inform the chairs of the [~~Rules Review and General~~
397 ~~Oversight~~] General Oversight Committee of the outcome of the review, including any
398 recommendation.
- 399 Section 5. Section **26B-1-219** is amended to read:
- 400 **26B-1-219 (Effective 05/06/26). Requirements for issuing, recommending, or**
401 **facilitating rationing criteria.**
- 402 (1) As used in this section:

- 403 (a) "Health care resource" means:
- 404 (i) health care as defined in Section 78B-3-403;
- 405 (ii) a prescription drug as defined in Section 58-17b-102;
- 406 (iii) a prescription device as defined in Section 58-17b-102;
- 407 (iv) a nonprescription drug as defined in Section 58-17b-102; or
- 408 (v) any supply or treatment that is intended for use in the course of providing health
- 409 care as defined in Section 78B-3-403.
- 410 (b)(i) "Rationing criteria" means any requirement, guideline, process, or
- 411 recommendation regarding:
- 412 (A) the distribution of a scarce health care resource; or
- 413 (B) qualifications or criteria for a person to receive a scarce health care resource.
- 414 (ii) "Rationing criteria" includes crisis standards of care with respect to any health
- 415 care resource.
- 416 (c) "Scarce health care resource" means a health care resource:
- 417 (i) for which the need for the health care resource in the state or region significantly
- 418 exceeds the available supply of that health care resource in that state or region;
- 419 (ii) that, based on the circumstances described in Subsection (1)(c)(i), is distributed
- 420 or provided using written requirements, guidelines, processes, or
- 421 recommendations as a factor in the decision to distribute or provide the health care
- 422 resource; and
- 423 (iii) that the federal government has allocated to the state to distribute.
- 424 (2)(a) On or before July 1, 2022, the department shall make rules in accordance with
- 425 Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to establish a procedure
- 426 that the department will follow to adopt, modify, require, facilitate, or recommend
- 427 rationing criteria.
- 428 (b) Beginning July 1, 2022, the department may not adopt, modify, require, facilitate, or
- 429 recommend rationing criteria unless the department follows the procedure established
- 430 by the department under Subsection (2)(a).
- 431 (3) The procedures developed by the department under Subsection (2) shall include, at a
- 432 minimum:
- 433 (a) a requirement that the department notify the following individuals in writing before
- 434 rationing criteria are issued, are recommended, or take effect:
- 435 (i) the [~~Rules Review and General Oversight~~] General Oversight Committee created
- 436 in Section 36-35-102;

- 437 (ii) the governor or the governor's designee;
- 438 (iii) the president of the Senate or the president's designee;
- 439 (iv) the speaker of the House of Representatives or the speaker's designee;
- 440 (v) the executive director or the executive director's designee; and
- 441 (vi) if rationing criteria affect hospitals in the state, a representative of an association
- 442 representing hospitals throughout the state, as designated by the executive
- 443 director; and
- 444 (b) procedures for an emergency circumstance which shall include, at a minimum:
- 445 (i) a description of the circumstances under which emergency procedures described
- 446 in this Subsection (3)(b) may be used; and
- 447 (ii) a requirement that the department notify the individuals described in Subsections
- 448 (3)(a)(i) through (vi) as soon as practicable, but no later than 48 hours after the
- 449 rationing criteria take effect.
- 450 (4) The requirements described in this section and rules made under this section shall apply
- 451 regardless of whether rationing criteria:
- 452 (a) have the force and effect of law, or is solely advisory, informative, or descriptive;
- 453 (b) are carried out or implemented directly or indirectly by the department or by other
- 454 individuals or entities; or
- 455 (c) are developed solely by the department or in collaboration with other individuals or
- 456 entities.
- 457 (5) This section:
- 458 (a) may not be suspended under Section 53-2a-209 or any other provision of state law
- 459 relating to a state of emergency;
- 460 (b) does not limit a private entity from developing or implementing rationing criteria; and
- 461 (c) does not require the department to adopt, modify, require, facilitate, or recommend
- 462 rationing criteria that the department does not determine to be necessary or
- 463 appropriate.
- 464 (6) Subsection (2) does not apply to rationing criteria that are adopted, modified, required,
- 465 facilitated, or recommended by the department:
- 466 (a) through the regular, non-emergency rulemaking procedure described in Section
- 467 63G-3-301;
- 468 (b) if the modification is solely to correct a technical error in rationing criteria such as
- 469 correcting obvious errors and inconsistencies including those involving punctuation,
- 470 capitalization, cross references, numbering, and wording;

- 471 (c) to the extent that compliance with this section would result in a direct violation of
 472 federal law;
- 473 (d) that are necessary for administration of the Medicaid program;
- 474 (e) if state law explicitly authorizes the department to engage in rulemaking to establish
 475 rationing criteria; or
- 476 (f) if rationing criteria are authorized directly through a general appropriation bill that is
 477 validly enacted.

478 Section 6. Section **26B-3-129** is amended to read:

479 **26B-3-129 (Effective 05/06/26). Review of claims -- Audit and investigation**
 480 **procedures.**

- 481 (1)(a) The department shall adopt administrative rules in accordance with Title 63G,
 482 Chapter 3, Utah Administrative Rulemaking Act, and in consultation with providers
 483 and health care professionals subject to audit and investigation under the state
 484 Medicaid program, to establish procedures for audits and investigations that are fair
 485 and consistent with the duties of the department as the single state agency responsible
 486 for the administration of the Medicaid program under Section 26B-3-108 and Title
 487 XIX of the Social Security Act.
- 488 (b) If the providers and health care professionals do not agree with the rules proposed or
 489 adopted by the department under Subsection (1)(a), the providers or health care
 490 professionals may:
- 491 (i) request a hearing for the proposed administrative rule or seek any other remedies
 492 under the provisions of Title 63G, Chapter 3, Utah Administrative Rulemaking
 493 Act; and
- 494 (ii) request a review of the rule by the Legislature's [~~Rules Review and General~~
 495 ~~Oversight~~] General Oversight Committee created in Section 36-35-102.
- 496 (2) The department shall:
- 497 (a) notify and educate providers and health care professionals subject to audit and
 498 investigation under the Medicaid program of the providers' and health care
 499 professionals' responsibilities and rights under the administrative rules adopted by the
 500 department under the provisions of this section;
- 501 (b) ensure that the department, or any entity that contracts with the department to
 502 conduct audits:
- 503 (i) has on staff or contracts with a medical or dental professional who is experienced
 504 in the treatment, billing, and coding procedures used by the type of provider being

- 505 audited; and
- 506 (ii) uses the services of the appropriate professional described in Subsection [~~(3)(b)(i)~~]
- 507 (2)(b)(i) if the provider who is the subject of the audit disputes the findings of the
- 508 audit;
- 509 (c) ensure that a finding of overpayment or underpayment to a provider is not based on
- 510 extrapolation, as defined in Section 63A-13-102, unless:
- 511 (i) there is a determination that the level of payment error involving the provider
- 512 exceeds a 10% error rate:
- 513 (A) for a sample of claims for a particular service code; and
- 514 (B) over a three year period of time;
- 515 (ii) documented education intervention has failed to correct the level of payment
- 516 error; and
- 517 (iii) the value of the claims for the provider, in aggregate, exceeds \$200,000 in
- 518 reimbursement for a particular service code on an annual basis; and
- 519 (d) require that any entity with which the office contracts, for the purpose of conducting
- 520 an audit of a service provider, shall be paid on a flat fee basis for identifying both
- 521 overpayments and underpayments.
- 522 (3)(a) If the department, or a contractor on behalf of the department:
- 523 (i) intends to implement the use of extrapolation as a method of auditing claims, the
- 524 department shall, prior to adopting the extrapolation method of auditing, report [~~its~~]
- 525 the department's intent to use extrapolation to the Social Services Appropriations
- 526 Subcommittee; and
- 527 (ii) determines Subsections (2)(c)(i) through (iii) are applicable to a provider, the
- 528 department or the contractor may use extrapolation only for the service code
- 529 associated with the findings under Subsections (2)(c)(i) through (iii).
- 530 (b)(i) If extrapolation is used under this section, a provider may, at the provider's
- 531 option, appeal the results of the audit based on:
- 532 (A) each individual claim; or
- 533 (B) the extrapolation sample.
- 534 (ii) Nothing in this section limits a provider's right to appeal the audit under [~~Title~~
- 535 ~~63G, General Government,~~] Title 63G, Chapter 4, Administrative Procedures Act,
- 536 the Medicaid program and its manual or rules, or other laws or rules that may
- 537 provide remedies to providers.

538 Section 7. Section **36-35-101** is amended to read:

539 **36-35-101 (Effective 05/06/26). Definitions.**

540 As used in this chapter:

- 541 (1) "Abuse of authority" means an arbitrary or capricious exercise of power that:
 542 (a) adversely affects the employment rights of another; or
 543 (b) results in personal gain to the person exercising the authority or to another person.
- 544 (2) "Agency" means the same as that term is defined in Section 63G-3-102.
- 545 (3) "Agency rule" means the same as the term "rule" is defined in Section 63G-3-101.
- 546 [~~(2)~~] (4) "Committee" means the [~~Rules Review and General Oversight~~] General Oversight
 547 Committee.
- 548 [~~(3)~~] (5) "Court Rule" means any of the following, whether existing, new, or proposed:
 549 (a) rules of procedure, evidence, or practice for use of the courts of this state;
 550 (b) rules governing and managing the appellate process adopted by the Supreme Court;
 551 or
 552 (c) rules adopted by the Judicial Council for the administration of the courts of the state.
- 553 (6) "Gross mismanagement" means action or failure to act by a person, with respect to a
 554 person's responsibility, that causes significant harm or risk of harm to the mission of the
 555 public entity or public body that employs, or is managed or controlled by, the person.
- 556 [~~(4)~~] (7) "Judicial advisory committee" means the committee that proposes to the Supreme
 557 Court rules or changes in court rules related to:
 558 (a) civil procedure;
 559 (b) criminal procedure;
 560 (c) juvenile procedure;
 561 (d) appellate procedure;
 562 (e) evidence;
 563 (f) professional conduct; and
 564 (g) the subject matter focus of any other committee that the Supreme Court establishes
 565 to propose rules or changes in court rules to the Supreme Court.
- 566 [~~(5)~~] (8) "Judicial council" means the administrative body of the courts, established in Utah
 567 Constitution, Article VIII, Section 12, and Section 78A-2-104.
- 568 (9) "Legislative issue" means any issue that could impact or inform legislation or potential
 569 legislation.
- 570 (10) "Matter subject to litigation" means any issue that is directly or indirectly:
 571 (a) being litigated in a court; or
 572 (b) likely to be litigated in a court.

- 573 (11) "Office" means the same as that term is defined in Section 63G-3-102.
- 574 [(6)] (12) "Proposal for court rule" means the proposed language in a court rule that is
 575 submitted to:
- 576 (a) the Judicial Council;
- 577 (b) the advisory committee; or
- 578 (c) the Supreme Court.
- 579 [(7)] (13) "Rule" means an agency rule or a court rule.
- 580 (14) "Unethical conduct" means conduct that violates a provision of Title 67, Chapter 16,
 581 Utah Public Officers' and Employees' Ethics Act.
- 582 (15) "Whistleblower complaint" means a complaint by a current or former agency
 583 employee that alleges the employee's employer or former employer is:
- 584 (a) wasting or misusing public funds, property, or manpower;
- 585 (b) violating or may be violating a law, rule, or regulation adopted under the law of this
 586 state, a political subdivision of this state, or any recognized entity of the United
 587 States; or
- 588 (c) engaging in:
- 589 (i) gross mismanagement;
- 590 (ii) abuse of authority; or
- 591 (iii) unethical conduct.
- 592 Section 8. Section **36-35-102** is amended to read:
- 593 **36-35-102 (Effective 05/06/26). General Oversight Committee.**
- 594 (1)(a) There is created [~~a Rules Review and General Oversight~~] the General Oversight
 595 Committee consisting of the following [10] 13 permanent members:
- 596 (i) [~~five~~] six members of the Senate appointed by the president of the Senate, no more
 597 than [~~three~~] four of whom may be from the same political party; and
- 598 (ii) [~~five~~] seven members of the House of Representatives appointed by the speaker
 599 of the House of Representatives, no more than [~~three~~] five of whom may be from
 600 the same political party.
- 601 (b) Each permanent member shall serve[:] at the pleasure of the appointing officer.
- 602 [(i) for a two-year term; or]
- 603 [(ii) until the permanent member's successor is appointed.]
- 604 (c)(i) A vacancy exists when a permanent member ceases to be a member of the
 605 Legislature, when removed by the appointing officer, or when a permanent
 606 member resigns from the committee.

- 607 (ii) When a vacancy exists:
- 608 (A) if the departing member is a member of the Senate, the president of the Senate
- 609 shall appoint a member of the Senate to fill the vacancy; or
- 610 (B) if the departing member is a member of the House of Representatives, the
- 611 speaker of the House of Representatives shall appoint a member of the House
- 612 of Representatives to fill the vacancy.
- 613 [~~(iii) The newly appointed member shall serve the remainder of the departing~~
- 614 ~~member's unexpired term.]~~
- 615 (d)(i) The president of the Senate shall designate a member of the Senate appointed
- 616 under Subsection (1)(a)(i) as a cochair of the committee.
- 617 (ii) The speaker of the House of Representatives shall designate a member of the
- 618 House of Representatives appointed under Subsection (1)(a)(ii) as a cochair of the
- 619 committee.
- 620 (e) [~~Three-~~ Four representatives and three senators from the permanent members are a
- 621 quorum for the transaction of business at any meeting.
- 622 (f)(i) Subject to Subsection (1)(f)(ii), the committee shall meet at least once each
- 623 month to review new agency rules and court rules, amendments to existing agency
- 624 rules and court rules, and repeals of existing agency rules and court rules.
- 625 (ii) The committee chairs may suspend the meeting requirement described in
- 626 Subsection (1)(f)(i) at the committee chairs' discretion.
- 627 (2) The office shall submit a copy of each issue of the bulletin to the committee.
- 628 (3)(a) The committee shall:
- 629 (i) exercise continuous oversight of the administrative rulemaking process [~~under~~
- 630 described in Title 63G, Chapter 3, Utah Administrative Rulemaking Act[-]; and[
- 631 ~~shall,~~]
- 632 (ii) for each general session of the Legislature, request legislation that considers
- 633 legislative reauthorization of agency rules as [~~provided under~~ described in Section
- 634 63G-3-502.
- 635 (b) The committee shall examine each agency rule, including any agency rule made
- 636 according to the emergency rulemaking procedure described in Section 63G-3-304,
- 637 submitted by an agency to determine:
- 638 (i) whether the agency rule is authorized by statute;
- 639 (ii) whether the agency rule complies with legislative intent;
- 640 (iii) the agency rule's impact on the economy and the government operations of the

- 641 state and local political subdivisions;
- 642 (iv) the agency rule's impact on affected persons;
- 643 (v) the agency rule's total cost to entities regulated by the state;
- 644 (vi) the agency rule's benefit to the citizens of the state; and
- 645 (vii) whether adoption of the agency rule requires legislative review or approval.
- 646 (c) The committee may examine and review:
- 647 (i) any executive order, including an order issued [pursuant to] under Title 53,
- 648 Chapter 2a, Part 2, Disaster Response and Recovery Act;
- 649 (ii) any public health order issued during a public health emergency declared in
- 650 accordance with Title 26A, Local Health Authorities, or Title 26B, Utah Health
- 651 and Human Services Code;
- 652 (iii) any agency action or policy that:
- 653 (A) affects a class of persons other than the agency; or
- 654 (B) is contrary to legislative intent;
- 655 (iv) in accordance with [~~Subsection (10),~~] Section 36-35-102.5:
- 656 (A) an individual child welfare case; or
- 657 [~~(v)] (B) [in accordance with Subsection (11),]~~ information from an agency that is
- 658 subject to a confidentiality agreement[~~;~~] ; or
- 659 (v) any legislative issue.
- 660 (d) If the committee chooses to examine or review an order or policy described in
- 661 Subsection (3)(c), the agency that issued the order or policy shall, upon request by
- 662 the committee, provide to the committee:
- 663 (i) a copy of the order or policy; and
- 664 (ii) information related to the order or policy.
- 665 (e) The committee shall review court rules as provided in Section 36-35-103 and Section
- 666 36-35-104.
- 667 (f) The committee may close a meeting in accordance with Section 36-35-102.5.
- 668 (4)(a) To carry out the requirements of Subsection (3), the committee may examine any
- 669 other issues that the committee considers necessary.
- 670 (b) Notwithstanding anything to the contrary in this section, the committee may not
- 671 examine the internal policies, procedures, or practices of an agency or judicial branch
- 672 entity.
- 673 (c) In reviewing a rule, the committee shall follow generally accepted principles of
- 674 statutory construction.

- 675 (5) When the committee reviews an existing rule, the committee chairs:
- 676 (a) shall invite the Senate and House chairs of the standing committee and of the
- 677 appropriation subcommittee that have jurisdiction over the agency or judicial branch
- 678 entity whose existing rule is being reviewed to participate as nonvoting, ex officio
- 679 members with the committee during the review of the rule; and
- 680 (b) may notify and refer the rule to the chairs of the interim committee that has
- 681 jurisdiction over a particular agency or judicial branch entity when the committee
- 682 determines that an issue involved in the rule may be more appropriately addressed by
- 683 that committee.
- 684 (6) The committee may request that the Office of the Legislative Fiscal Analyst prepare a
- 685 fiscal note on any rule or proposal for court rule.
- 686 (7) In order to accomplish the committee's functions described in this chapter, the
- 687 committee has all the powers granted to legislative interim committees under Section
- 688 36-12-11.
- 689 (8)(a) The committee may prepare written findings of the committee's review of a rule,
- 690 proposal for court rule, policy, practice, ~~[or]~~ procedure, or legislative issue and may
- 691 include any recommendation, including:
- 692 (i) legislative action;
- 693 (ii) action by a standing committee or interim committee;
- 694 (iii) agency rulemaking action;
- 695 (iv) Supreme Court rulemaking action; or
- 696 (v) Judicial Council rulemaking action.
- 697 (b) When the committee reviews a rule, the committee shall provide to the agency or
- 698 judicial branch entity that enacted the rule:
- 699 (i) the committee's findings, if any; and
- 700 (ii) a request that the agency or judicial branch entity notify the committee of any
- 701 changes the agency or judicial branch entity makes to the rule.
- 702 (c) The committee shall provide a copy of the committee's findings described in
- 703 Subsection (8)(a), if any, to:
- 704 (i) any member of the Legislature, upon request;
- 705 (ii) any person affected by the rule, upon request;
- 706 (iii) the president of the Senate;
- 707 (iv) the speaker of the House of Representatives;
- 708 (v) the Senate and House chairs of the standing committee that has jurisdiction over

709 the agency or judicial branch entity whose rule, policy, practice, or procedure is
710 the subject of the finding;

711 (vi) the Senate and House chairs of the appropriation subcommittee that has
712 jurisdiction over the agency or judicial branch entity that made the rule;

713 (vii) the governor; and

714 (viii) if the findings involve a court rule or judicial branch entity:

715 (A) the Judiciary Interim Committee;

716 (B) the Supreme Court; and

717 (C) the Judicial Council.

718 (9)(a)(i) The committee may submit a report on the committee's review under this
719 section to each member of the Legislature at each regular session.

720 (ii) The report shall include:

721 (A) any finding or recommendation the committee made under Subsection (8);

722 (B) any action an agency, the Supreme Court, or the Judicial Council took in
723 response to a committee recommendation; and

724 (C) any recommendation by the committee for legislation.

725 (b) If the committee receives a recommendation not to reauthorize an agency rule, as
726 described in Subsection 63G-3-301(13)(b), and the committee recommends to the
727 Legislature reauthorization of the agency rule, the committee shall submit a report to
728 each member of the Legislature detailing the committee's decision.

729 (c) The committee may open a committee bill file to draft legislation by:

730 (i) committee vote; or

731 (ii) the House and Senate chairs agreeing to open a committee bill file if:

732 (A) the committee has voted to grant the chairs the ability to open committee bill
733 files in the first meeting of the committee after the Legislature has adjourned
734 sine die from the annual general session; and

735 (B) the chairs open a committee bill during the calendar year in which the vote
736 described in Subsection (9)(c)(ii)(A) has occurred.

736a **Ĥ→ (d) The committee may open the same number of committee bill files that an**
736b **interim committee may open as described in legislative rule. ←Ĥ**

737 (10) Upon a majority vote of the committee, the committee may recommend that the Audit
738 Subcommittee prioritize an audit of an issue heard by the committee.

739 [~~(10) Notwithstanding any other provision of this section, when reviewing and discussing~~
740 ~~an individual child welfare case under Subsection (3)(c)(iv):]~~

- 741 ~~[(a) the committee:]~~
- 742 ~~[(i) shall close the committee's meeting in accordance with Title 52, Chapter 4, Open~~
- 743 ~~and Public Meetings Act;]~~
- 744 ~~[(ii) shall make reasonable efforts to identify and consider the concerns of all parties~~
- 745 ~~to the case; and]~~
- 746 ~~[(iii) may not make recommendations to the court, the division, or any other public~~
- 747 ~~or private entity regarding the disposition of an individual child welfare case;]~~
- 748 ~~[(b) a record of the committee regarding an individual child welfare case:]~~
- 749 ~~[(i) is classified as private under Section 63G-2-302; and]~~
- 750 ~~[(ii) may be disclosed only in accordance with federal law and Title 63G, Chapter 2,~~
- 751 ~~Government Records Access and Management Act; and]~~
- 752 ~~[(e) any documents received by the committee from the Division of Child and Family~~
- 753 ~~Services shall maintain the same classification under Title 63G, Chapter 2,~~
- 754 ~~Government Records Access and Management Act, that was designated by the~~
- 755 ~~Division of Child and Family Services.]~~
- 756 ~~[(11) Notwithstanding any other provision of this section, when reviewing information~~
- 757 ~~described in Subsection (3)(c)(v):]~~
- 758 ~~[(a) the committee shall close the committee's meeting in accordance with Title 52,~~
- 759 ~~Chapter 4, Open and Public Meetings Act;]~~
- 760 ~~[(b) a record of the committee regarding the information:]~~
- 761 ~~[(i) is classified as private under Section 63G-2-302; and]~~
- 762 ~~[(ii) may be disclosed only in accordance with federal law and Title 63G, Chapter 2,~~
- 763 ~~Government Records Access and Management Act; and]~~
- 764 ~~[(e) any documents received by the committee when reviewing the information shall~~
- 765 ~~maintain the same classification under Title 63G, Chapter 2, Government Records~~
- 766 ~~Access and Management Act, that was designated by the government entity.]~~
- 767 Section 9. Section **36-35-102.5** is enacted to read:
- 768 **36-35-102.5 (Effective 05/06/26). Closed meeting authorized.**
- 769 (1) When reviewing and discussing an individual child welfare case:
- 770 (a) the committee:
- 771 (i) shall close the committee's meeting in accordance with Title 52, Chapter 4, Open
- 772 and Public Meetings Act;
- 773 (ii) shall make reasonable efforts to identify and consider the concerns of all parties
- 774 to the case; and

- 775 (iii) may not make recommendations to the court, the division, or any other public or
776 private entity regarding the disposition of an individual child welfare case;
- 777 (b) a record of the committee regarding an individual child welfare case:
778 (i) is classified as private under Section 63G-2-302; and
779 (ii) may be disclosed only in accordance with federal law and Title 63G, Chapter 2,
780 Government Records Access and Management Act; and
- 781 (c) any documents received by the committee from the Division of Child and Family
782 Services shall maintain the same classification under Title 63G, Chapter 2,
783 Government Records Access and Management Act, that was designated by the
784 Division of Child and Family Services.
- 785 (2) When reviewing information subject to a confidentiality agreement:
786 (a) the committee shall close the committee's meeting in accordance with Title 52,
787 Chapter 4, Open and Public Meetings Act;
- 788 (b) a record of the committee regarding the information:
789 (i) is classified as private under Section 63G-2-302; and
790 (ii) may be disclosed only in accordance with federal law and Title 63G, Chapter 2,
791 Government Records Access and Management Act; and
- 792 (c) any documents received by the committee when reviewing the information shall
793 maintain the same classification under Title 63G, Chapter 2, Government Records
794 Access and Management Act, that was designated by the government entity
795 providing the documents.
- 796 (3)(a) The committee may close a committee meeting in accordance with Title 52,
797 Chapter 4, Open and Public Meetings Act, if the committee is reviewing a matter
798 subject to litigation or a whistleblower complaint.
- 799 (b) If the meeting is closed under Subsection (3)(a):
800 (i) the record of the committee related to the matter subject to litigation or
801 whistleblower complaint:
802 (A) is classified as private under Section 63G-2-302; and
803 (B) may be disclosed only in accordance with federal law and Title 63G, Chapter
804 2, Government Records Access and Management Act; and
- 805 (ii) any documents or materials received by the committee when reviewing the matter
806 subject to litigation or whistleblower shall:
807 (A) except as provided in Subsection (3)(b)(ii)(B), be classified as private; or
808 (B) maintain the same classification under Title 63G, Chapter 2, Government

809 Records Access and Management Act, that was designated by a government
810 entity providing the documents or materials.

811 Section 10. Section **52-4-205** is amended to read:

812 **52-4-205 (Effective 05/06/26). Purposes of closed meetings -- Certain issues**
813 **prohibited in closed meetings.**

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

- 815 (a) except as provided in Subsection (3), discussion of the character, professional
816 competence, or physical or mental health of an individual;
- 817 (b) strategy sessions to discuss collective bargaining;
- 818 (c) strategy sessions to discuss pending or reasonably imminent litigation;
- 819 (d) strategy sessions to discuss the purchase, exchange, or lease of real property,
820 including any form of a water right or water shares, or to discuss a proposed
821 development agreement, project proposal, or financing proposal related to the
822 development of land owned by the state or a political subdivision, if public
823 discussion would:
- 824 (i) disclose the appraisal or estimated value of the property under consideration; or
825 (ii) prevent the public body from completing the transaction on the best possible
826 terms;
- 827 (e) strategy sessions to discuss the sale of real property, including any form of a water
828 right or water shares, if:
- 829 (i) public discussion of the transaction would:
- 830 (A) disclose the appraisal or estimated value of the property under consideration;
831 or
832 (B) prevent the public body from completing the transaction on the best possible
833 terms;
- 834 (ii) the public body previously gave public notice that the property would be offered
835 for sale; and
- 836 (iii) the terms of the sale are publicly disclosed before the public body approves the
837 sale;
- 838 (f) discussion regarding deployment of security personnel, devices, or systems;
- 839 (g) investigative proceedings regarding allegations of criminal misconduct;
- 840 (h) as relates to the Independent Legislative Ethics Commission, conducting business
841 relating to the receipt or review of ethics complaints;
- 842 (i) as relates to an ethics committee of the Legislature, a purpose permitted under

- 843 Section 52-4-204;
- 844 (j) as relates to the Independent Executive Branch Ethics Commission created in Section
845 63A-14-202, conducting business relating to an ethics complaint;
- 846 (k) as relates to a county legislative body, discussing commercial information as defined
847 in Section 59-1-404;
- 848 (l) as relates to the Utah Higher Education Savings Board of Trustees and its appointed
849 board of directors, discussing fiduciary or commercial information;
- 850 (m) deliberations, not including any information gathering activities, of a public body
851 acting in the capacity of:
- 852 (i) an evaluation committee under Title 63G, Chapter 6a, Utah Procurement Code,
853 during the process of evaluating responses to a solicitation, as defined in Section
854 63G-6a-103;
- 855 (ii) a protest officer, defined in Section 63G-6a-103, during the process of making a
856 decision on a protest under Title 63G, Chapter 6a, Part 16, Protests; or
- 857 (iii) a procurement appeals panel under Title 63G, Chapter 6a, Utah Procurement
858 Code, during the process of deciding an appeal under Title 63G, Chapter 6a, Part
859 17, Procurement Appeals Board;
- 860 (n) the purpose of considering information that is designated as a trade secret, as defined
861 in Section 13-24-2, if the public body's consideration of the information is necessary
862 to properly conduct a procurement under Title 63G, Chapter 6a, Utah Procurement
863 Code;
- 864 (o) the purpose of discussing information provided to the public body during the
865 procurement process under Title 63G, Chapter 6a, Utah Procurement Code, if, at the
866 time of the meeting:
- 867 (i) the information may not, under Title 63G, Chapter 6a, Utah Procurement Code, be
868 disclosed to a member of the public or to a participant in the procurement process;
869 and
- 870 (ii) the public body needs to review or discuss the information to properly fulfill its
871 role and responsibilities in the procurement process;
- 872 (p) as relates to the governing board of a governmental nonprofit corporation, as that
873 term is defined in Section 11-13a-102, the purpose of discussing information that is
874 designated as a trade secret, as that term is defined in Section 13-24-2, if:
- 875 (i) public knowledge of the discussion would reasonably be expected to result in
876 injury to the owner of the trade secret; and

- 877 (ii) discussion of the information is necessary for the governing board to properly
 878 discharge the board's duties and conduct the board's business;
- 879 (q) as it relates to the Cannabis Production Establishment Licensing Advisory Board, to
 880 review confidential information regarding violations and security requirements in
 881 relation to the operation of cannabis production establishments;
- 882 (r) considering a loan application, if public discussion of the loan application would
 883 disclose:
- 884 (i) nonpublic personal financial information; or
 885 (ii) a nonpublic trade secret, as defined in Section 13-24-2, or nonpublic business
 886 financial information the disclosure of which would reasonably be expected to
 887 result in unfair competitive injury to the person submitting the information;
- 888 (s) a discussion of the board of the Point of the Mountain State Land Authority, created
 889 in Section 11-59-201, regarding a potential tenant of point of the mountain state land,
 890 as defined in Section 11-59-102; [~~or~~]
- 891 (t) as it relates to the General Oversight Committee, discussing matters subject to
 892 litigation and whistleblower complaints as described in Subsection 36-35-102.5(3); or
 893 [~~(t)~~] (u) a purpose for which a meeting is required to be closed under Subsection (2).
- 894 (2) The following meetings shall be closed:
- 895 (a) a meeting of the Health and Human Services Interim Committee to review a report
 896 described in Subsection 26B-1-506(1)(a), and a response to the report described in
 897 Subsection 26B-1-506(2);
- 898 (b) a meeting of the Child Welfare Legislative Oversight Panel to:
- 899 (i) review a report described in Subsection 26B-1-506(1)(a), and a response to the
 900 report described in Subsection 26B-1-506(2); or
 901 (ii) review and discuss an individual case, as described in Section 36-33-103;
- 902 (c) a meeting of a conservation district as defined in Section 17D-3-102 for the purpose
 903 of advising the Natural Resource Conservation Service of the United States
 904 Department of Agriculture on a farm improvement project if the discussed
 905 information is protected information under federal law;
- 906 (d) a meeting of the Compassionate Use Board established in Section 26B-1-421 for the
 907 purpose of reviewing petitions for a medical cannabis card in accordance with
 908 Section 26B-1-421;
- 909 (e) a meeting of the Colorado River Authority of Utah if:
- 910 (i) the purpose of the meeting is to discuss an interstate claim to the use of the water

- 911 in the Colorado River system; and
- 912 (ii) failing to close the meeting would:
- 913 (A) reveal the contents of a record classified as protected under Subsection
- 914 63G-2-305(81);
- 915 (B) reveal a legal strategy relating to the state's claim to the use of the water in the
- 916 Colorado River system;
- 917 (C) harm the ability of the Colorado River Authority of Utah or river
- 918 commissioner to negotiate the best terms and conditions regarding the use of
- 919 water in the Colorado River system; or
- 920 (D) give an advantage to another state or to the federal government in negotiations
- 921 regarding the use of water in the Colorado River system;
- 922 (f) a meeting of the General Regulatory Sandbox Program Advisory Committee if:
- 923 (i) the purpose of the meeting is to discuss an application for participation in the
- 924 regulatory sandbox as defined in Section 63N-16-102; and
- 925 (ii) failing to close the meeting would reveal the contents of a record classified as
- 926 protected under Subsection 63G-2-305(82);
- 927 (g) a meeting of a project entity if:
- 928 (i) the purpose of the meeting is to conduct a strategy session to discuss market
- 929 conditions relevant to a business decision regarding the value of a project entity
- 930 asset if the terms of the business decision are publicly disclosed before the
- 931 decision is finalized and a public discussion would:
- 932 (A) disclose the appraisal or estimated value of the project entity asset under
- 933 consideration; or
- 934 (B) prevent the project entity from completing on the best possible terms a
- 935 contemplated transaction concerning the project entity asset;
- 936 (ii) the purpose of the meeting is to discuss a record, the disclosure of which could
- 937 cause commercial injury to, or confer a competitive advantage upon a potential or
- 938 actual competitor of, the project entity;
- 939 (iii) the purpose of the meeting is to discuss a business decision, the disclosure of
- 940 which could cause commercial injury to, or confer a competitive advantage upon a
- 941 potential or actual competitor of, the project entity; or
- 942 (iv) failing to close the meeting would prevent the project entity from getting the best
- 943 price on the market; and
- 944 (h) a meeting of the [~~Rules Review and General Oversight~~] General Oversight

945 Committee to review and discuss:

946 (i) an individual child welfare case as described in Subsection 36-35-102(3)(c); or

947 (ii) information that is subject to a confidentiality agreement as described in

948 Subsection 36-35-102(3)(c).

949 (3) In a closed meeting, a public body may not:

950 (a) interview a person applying to fill an elected position;

951 (b) discuss filling a midterm vacancy or temporary absence governed by Title 20A,

952 Chapter 1, Part 5, Candidate Vacancy and Vacancy and Temporary Absence in

953 Elected Office; or

954 (c) discuss the character, professional competence, or physical or mental health of the

955 person whose name was submitted for consideration to fill a midterm vacancy or

956 temporary absence governed by Title 20A, Chapter 1, Part 5, Candidate Vacancy and

957 Vacancy and Temporary Absence in Elected Office.

958 Section 11. Section **53E-3-525** is amended to read:

959 **53E-3-525 (Effective 05/06/26). State board transparency.**

960 (1) Beginning January 1, 2027, the state board shall:

961 (a) publish on the state board's website a record of each vote by the state board,
962 including:

963 (i) the date, time, and place of the meeting;

964 (ii) the subject of the vote;

965 (iii) the names of state board members present and absent;

966 (iv) the result of the vote, including each board member's individual vote; and

967 (v) the audio or video associated with the vote;

968 (b) distribute a contract the state board intends to consider at a meeting to each state

969 board member at least five days before the date on which the meeting is scheduled to
970 occur;

971 (c) ensure the information described in Subsection (1)(a) is accessible through a single
972 click from the state board's home webpage; and

973 (d) post the information required by Subsection (1)(a) within seven business days after a
974 vote.

975 (2) In accordance with Title 36, Chapter 35, [~~Rules Review and General Oversight~~] General

976 Oversight Committee, the [~~Rules Review and General Oversight~~] General Oversight

977 Committee may request a report from the state board detailing the:

978 (a) implementation of the requirements of this section; and

979 (b) the state board's compliance with the requirements of this section.

980 Section 12. Section **53H-1-403** is amended to read:

981 **53H-1-403 (Effective 05/06/26). Other required reports to the Legislature or**
982 **state level entities.**

983 (1) The following entities shall submit reports to the Education Interim Committee as
984 described in each referenced section:

985 (a) the board shall submit:

986 (i) an annual report regarding the board's activities and performance against the
987 board's goals and metrics as described in Section 53H-1-203;

988 (ii) an annual report detailing the board's progress and recommendations on
989 workforce related issues as described in Section 53H-1-203;

990 (iii) a report regarding an institution compensating a student athlete for the use of the
991 student athlete's name, image, or likeness as described in Section 53H-6-202;

992 (iv) an annual report regarding the talent advisory councils as described in Section
993 53H-13-309;

994 (b) the Office of Legislative Research and General Counsel shall provide a summary
995 regarding the data collected from campus expression climate surveys as described in
996 Section 53H-1-504;

997 (c) the Utah Education and Telehealth Network shall provide an annual report as
998 described in Section 53H-4-213.7;

999 (d) an institution with and without housing facilities shall provide an annual report
1000 regarding crime statistics as described in Section 53H-7-603;

1001 (e) the Center for Civic Excellence at Utah State University shall provide a report before
1002 July 1, 2029, regarding implementation as described in Section 53H-4-307.6;

1003 (f) the Rocky Mountain Center for Occupational and Environmental Health Advisory
1004 Board shall provide by July 1 each year a report as described in Section 53H-5-205;

1005 (g) the Utah Data Research Center shall provide an annual report as described in Section
1006 53H-15-303;

1007 (h) the Higher Education and Corrections Council shall provide an annual report as
1008 described in Section 53H-1-604; and

1009 (i) the commissioner shall provide, in collaboration with the entities described in
1010 Subsection 53H-13-405(1), an annual report regarding the cooperative education
1011 program as described in Section 53H-13-407.

1012 (2) The following entities shall submit reports to the Executive Appropriations Committee

- 1013 as described in each referenced section:
- 1014 (a) the board shall submit:
- 1015 (i) in the September 2025 meeting, a report regarding institutions' strategic
- 1016 reinvestment plans as described in Section 53H-8-210; and
- 1017 (ii) in the September 2026 and 2027 meetings, a report regarding the progress of
- 1018 institutions in executing the institutions' strategic reinvestment plan as described
- 1019 in Section 53H-8-210; and
- 1020 (b) the Nucleus Institute shall provide an annual report as described in Section
- 1021 53H-16-406.
- 1022 (3) The following entities shall submit reports to the Natural Resources, Agriculture, and
- 1023 Environment Interim Committee as described in each referenced section:
- 1024 (a) the Utah State University Bingham Entrepreneurship and Energy Research Center
- 1025 shall annually report as described in Section 53H-4-316; and
- 1026 (b) the Utah State University Food Security Council shall prepare and submit an annual
- 1027 written report as described in Section 53H-4-313.
- 1028 (4) The following entities shall submit reports to the Economic Development and
- 1029 Workforce Services Interim Committee as described in each referenced section:
- 1030 (a) the commissioner shall provide, in collaboration with the entities described in
- 1031 Subsection 53H-13-405(1), an annual report regarding the cooperative education
- 1032 program as described in Section 53H-13-407;
- 1033 (b) Utah State University shall provide a report every three years regarding the remote
- 1034 online opportunities program as described in Section 53H-4-312;
- 1035 (c) the Utah State University Food Security Council shall prepare and submit an annual
- 1036 written report as described in Section 53H-4-313; and
- 1037 (d) the Nucleus Institute shall provide an annual report as described in Section
- 1038 53H-16-406.
- 1039 (5) The ASPIRE Engineering Research Center at Utah State University shall provide an
- 1040 annual report to the Transportation and Infrastructure Appropriations Subcommittee as
- 1041 described in Section 53H-4-306.6.
- 1042 (6) The Utah Data Research Center shall provide an annual report to the Business and
- 1043 Labor Interim Committee as described in Section 53H-15-305.
- 1044 (7) The board shall provide the following reports to state agencies and departments as
- 1045 described in each referenced section:
- 1046 (a) to the Division of Facilities Construction and Management and others upon request,

- 1047 an annual technical college lease report as described in Section 53H-9-602;
- 1048 (b) to the Department of Veterans and Military Affairs, an annual report regarding
- 1049 number of credits awarded as described in Section 53H-3-703; and
- 1050 (c) to the [~~Rules Review and General Oversight~~] General Oversight Committee, an
- 1051 annual report regarding civil liberties complaints as described in Section 53H-7-303.
- 1052 (8) The board shall provide to the general session of the Legislature for budget
- 1053 recommendation purposes an annual report regarding:
- 1054 (a) waivers of tuition as described in Section 53H-11-307; and
- 1055 (b) nonresident tuition scholarships as described in Section 53H-11-405.
- 1056 (9) An institution shall provide the following reports as described in each referenced
- 1057 section:
- 1058 (a) to the institution's governing board and published on the governing board's website,
- 1059 the institution's required prohibited submissions described in Section 53H-1-502;
- 1060 (b) to the board, disclosures of foreign gifts received as described in Section 53H-8-503;
- 1061 (c) for a qualifying institution, to the board annually regarding the faculty incentive
- 1062 component of the Engineering and Computer Science Initiative as described in
- 1063 Section 53H-1-603;
- 1064 (d) for a degree-granting institution:
- 1065 (i) to the board annually regarding post-tenured data as described in Section
- 1066 53H-3-406;
- 1067 (ii) to the board annually regarding technical education as described in Section
- 1068 53H-3-609;
- 1069 (e) for a technical college:
- 1070 (i) to the board annually regarding secondary student needs and access to programs as
- 1071 described in Section 53H-3-1203;
- 1072 (ii) to the board annually regarding annual leases as described in Section 53H-9-602;
- 1073 (f) on a date the board determines for 2026 and 2027, regarding the institution's progress
- 1074 in executing the institution's strategic reinvestment plan as described in Section
- 1075 53H-8-210;
- 1076 (g) in accordance with rules the board establishes, to the board annually regarding the
- 1077 Opportunity scholarships awarded as described in Section 53H-11-402;
- 1078 (h) in accordance with rules the board establishes, reports related to the promise grants
- 1079 as described in Section 53H-11-414;
- 1080 (i) to the board annually regarding credit for prior learning as described in Section

- 1081 53H-3-702; and
- 1082 (j) for an institution with or without housing facilities, an annual report regarding crime
- 1083 statistics to the Law Enforcement and Criminal Justice Interim Committee as
- 1084 described in Section 53H-7-603.
- 1085 (10) An institution's board of trustees shall provide to the board annually a report regarding
- 1086 any approved contracts or grants as described in Section 53H-8-208.
- 1087 (11) The commissioner shall provide the following reports as described in each referenced
- 1088 section:
- 1089 (a) an annual summary report regarding institutional matches for the faculty incentive
- 1090 component of the Engineering and Computer Science Initiative as described in
- 1091 Section 53H-1-603; and
- 1092 (b) in collaboration with the entities described in Subsection 53H-13-405(1), an annual
- 1093 report regarding the cooperative education program as described in Section
- 1094 53H-13-407 to the Talent, Education, and Industry Alignment Board and the board.
- 1095 (12) The Talent Ready Utah Program shall provide an annual report to the board as
- 1096 described in Section 53H-13-304.
- 1097 (13) The Utah Works Program shall provide an annual report to the board as described in
- 1098 Section 53H-13-307.
- 1099 (14) The University of Utah shall provide an annual report to the governor regarding the
- 1100 engineering experiment station as described in Section 53H-4-208.
- 1101 (15) The Center for Civic Excellence at Utah State University vice provost shall annually
- 1102 report to the provost, the president of the institution, and the commissioner as described
- 1103 in Section 53H-4-307.6.
- 1104 Section 13. Section **53H-7-303** is amended to read:
- 1105 **53H-7-303 (Effective 05/06/26). Complaint process -- Reporting.**
- 1106 (1) The board shall make rules in accordance with Title 63G, Chapter 3, Utah
- 1107 Administrative Rulemaking Act, establishing a procedure whereby a student enrolled in
- 1108 an institution may submit a complaint to the board alleging a policy of the institution
- 1109 directly affects one or more of the student's civil liberties.
- 1110 (2)(a) When a student submits a complaint in accordance with the rules adopted under
- 1111 Subsection (1), the board shall:
- 1112 (i) examine the complaint and, within 30 days after the day on which the board
- 1113 receives the complaint, determine whether the complaint is made in good faith; and
- 1114 (ii)(A) if the board determines that the complaint is made in good faith, direct the

- 1115 institution against which the complaint is made to initiate rulemaking
 1116 proceedings for the challenged policy; or
 1117 (B) if the board determines that the complaint is made in bad faith, dismiss the
 1118 complaint.
- 1119 (b) Before November 30 of each year, the board shall submit a report to the [~~Rules~~
 1120 ~~Review and General Oversight~~] General Oversight Committee detailing:
 1121 (i) the number of complaints the board received during the preceding year;
 1122 (ii) the number of complaints the board found to be made in good faith during the
 1123 preceding year; and
 1124 (iii) each policy that is the subject of a good-faith complaint that the board received
 1125 during the preceding year.
- 1126 (3) If the board directs an institution to initiate rulemaking proceedings for a challenged
 1127 policy in accordance with this section, the institution shall initiate rulemaking
 1128 proceedings for the policy within 60 days after the day on which the board directs the
 1129 institution.

1130 Section 14. Section **54-17-701** is amended to read:

1131 **54-17-701 (Effective 05/06/26). Rules for carbon capture and geological storage.**

- 1132 (1) By January 1, 2011, the Division of Water Quality and the Division of Air Quality, on
 1133 behalf of the Board of Water Quality and the Board of Air Quality, respectively, in
 1134 collaboration with the commission and the Division of Oil, Gas, and Mining and the
 1135 Utah Geological Survey, shall present recommended rules to the Legislature's [~~Rules~~
 1136 ~~Review and General Oversight~~] General Oversight Committee for the following in
 1137 connection with carbon capture and accompanying geological sequestration of captured
 1138 carbon:
- 1139 (a) site characterization approval;
 1140 (b) geomechanical, geochemical, and hydrogeological simulation;
 1141 (c) risk assessment;
 1142 (d) mitigation and remediation protocols;
 1143 (e) issuance of permits for test, injection, and monitoring wells;
 1144 (f) specifications for the drilling, construction, and maintenance of wells;
 1145 (g) issues concerning ownership of subsurface rights and pore space;
 1146 (h) allowed composition of injected matter;
 1147 (i) testing, monitoring, measurement, and verification for the entirety of the carbon
 1148 capture and geologic sequestration chain of operations, from the point of capture of

- 1149 the carbon dioxide to the sequestration site;
- 1150 (j) closure and decommissioning procedure;
- 1151 (k) short- and long-term liability and indemnification for sequestration sites;
- 1152 (l) conversion of enhanced oil recovery operations to carbon dioxide geological
- 1153 sequestration sites; and
- 1154 (m) other issues as identified.
- 1155 (2) The entities listed in Subsection (1) shall report to the Legislature's [~~Rules Review and~~
- 1156 ~~General Oversight~~] General Oversight Committee any proposals for additional statutory
- 1157 changes needed to implement rules contemplated under Subsection (1).
- 1158 (3) On or before July 1, 2009, the entities listed in Subsection (1) shall submit to the
- 1159 Legislature's Public Utilities, Energy, and Technology and Natural Resources,
- 1160 Agriculture, and Environment Interim Committees a progress report on the development
- 1161 of the recommended rules required by this part.
- 1162 (4) The recommended rules developed under this section apply to the injection of carbon
- 1163 dioxide and other associated injectants in allowable types of geological formations for
- 1164 the purpose of reducing emissions to the atmosphere through long-term geological
- 1165 sequestration as required by law or undertaken voluntarily or for subsequent beneficial
- 1166 reuse.
- 1167 (5) The recommended rules developed under this section do not apply to the injection of
- 1168 fluids through the use of Class II injection wells as defined in 40 C.F.R. 144.6(b) for the
- 1169 purpose of enhanced hydrocarbon recovery.
- 1170 (6) Rules recommended under this section shall:
- 1171 (a) ensure that adequate health and safety standards are met;
- 1172 (b) minimize the risk of unacceptable leakage from the injection well and injection zone
- 1173 for carbon capture and geologic sequestration; and
- 1174 (c) provide adequate regulatory oversight and public information concerning carbon
- 1175 capture and geologic sequestration.
- 1176 Section 15. Section **63A-5b-607** is amended to read:
- 1177 **63A-5b-607 (Effective 05/06/26). Health insurance requirements -- Penalties.**
- 1178 (1) As used in this section:
- 1179 (a) "Aggregate amount" means the dollar sum of all contracts, change orders, and
- 1180 modifications for a single project.
- 1181 (b) "Change order" means the same as that term is defined in Section 63G-6a-103.
- 1182 (c) "Eligible employee" means an employee, as defined in Section 34A-2-104, who:

- 1183 (i) works at least 30 hours per calendar week; and
1184 (ii) meets the employer eligibility waiting period for qualified health insurance
1185 coverage provided by the employer.
- 1186 (d) "Health benefit plan" means:
1187 (i) the same as that term is defined in Section 31A-1-301; or
1188 (ii) an employee welfare benefit plan:
1189 (A) established under the Employee Retirement Income Security Act of 1974, 29
1190 U.S.C. Sec. 1001 et seq.;
1191 (B) for an employer with 100 or more employees; and
1192 (C) in which the employer establishes a self-funded or partially self-funded group
1193 health plan to provide medical care for the employer's employees and
1194 dependents of the employees.
- 1195 (e) "Qualified health insurance coverage" means the same as that term is defined in
1196 Section 26B-3-909.
- 1197 (f) "Subcontractor" means the same as that term is defined in Section 63A-5b-605.
- 1198 (g) "Third party administrator" or "administrator" means the same as that term is defined
1199 in Section 31A-1-301.
- 1200 (2) Except as provided in Subsection (3), the requirements of this section apply to:
1201 (a) a contractor of a design or construction contract with the division if the prime
1202 contract is in an aggregate amount of \$2,000,000 or more; and
1203 (b) a subcontractor of a contractor of a design or construction contract with the division
1204 if the subcontract is in an aggregate amount of \$1,000,000 or more.
- 1205 (3) The requirements of this section do not apply to a contractor or subcontractor if:
1206 (a) the application of this section jeopardizes the division's receipt of federal funds;
1207 (b) the contract is a sole source contract, as defined in Section 63G-6a-103; or
1208 (c) the contract is the result of an emergency procurement.
- 1209 (4) A person who intentionally uses a change order, contract modification, or multiple
1210 contracts to circumvent the requirements of this section is guilty of an infraction.
- 1211 (5)(a) A contractor that is subject to the requirements of this section shall:
1212 (i) make and maintain an offer of qualified health coverage for the contractor's
1213 eligible employees and the eligible employees' dependents; and
1214 (ii) submit to the director a written statement demonstrating that the contractor is in
1215 compliance with Subsection (5)(a)(i).
1216 (b) A statement under Subsection (5)(a)(ii):

- 1217 (i) shall be from:
- 1218 (A) an actuary selected by the contractor or the contractor's insurer;
- 1219 (B) an underwriter who is responsible for developing the employer group's
- 1220 premium rates; or
- 1221 (C) if the contractor provides a health benefit plan described in Subsection
- 1222 (1)(d)(ii), an actuary or underwriter selected by a third party administrator; and
- 1223 (ii) may not be created more than one year before the day on which the contractor
- 1224 submits the statement to the director.
- 1225 (c)(i) A contractor that provides a health benefit plan described in Subsection
- 1226 (1)(d)(ii) shall provide the actuary or underwriter selected by an administrator, as
- 1227 described in Subsection (5)(b)(i)(C), sufficient information to determine whether
- 1228 the contractor's contribution to the health benefit plan and the actuarial value of
- 1229 the health benefit plan meet the requirements of qualified health coverage.
- 1230 (ii) A contractor may not make a change to the contractor's contribution to the health
- 1231 benefit plan, unless the contractor provides notice to:
- 1232 (A) the actuary or underwriter selected by an administrator, as described in
- 1233 Subsection (5)(b)(i)(C), for the actuary or underwriter to update the written
- 1234 statement described in Subsection (5)(a) in compliance with this section; and
- 1235 (B) the division.
- 1236 (6)(a) A contractor that is subject to the requirements of this section shall:
- 1237 (i) ensure that each contract the contractor enters with a subcontractor that is subject
- 1238 to the requirements of this section requires the subcontractor to obtain and
- 1239 maintain an offer of qualified health coverage for the subcontractor's eligible
- 1240 employees and the eligible employees' dependents during the duration of the
- 1241 subcontract; and
- 1242 (ii) obtain from a subcontractor referred to in Subsection (6)(a)(i) a written statement
- 1243 demonstrating that the subcontractor offers qualified health coverage to eligible
- 1244 employees and eligible employees' dependents.
- 1245 (b) A statement under Subsection (6)(a)(ii):
- 1246 (i) shall be from:
- 1247 (A) an actuary selected by the subcontractor or the subcontractor's insurer;
- 1248 (B) an underwriter who is responsible for developing the employer group's
- 1249 premium rates; or
- 1250 (C) if the subcontractor provides a health benefit plan described in Subsection

- 1251 (1)(d)(ii), an actuary or underwriter selected by an administrator; and
1252 (ii) may not be created more than one year before the day on which the contractor
1253 obtains the statement from the subcontractor.
- 1254 (7)(a)(i) A contractor that fails to maintain an offer of qualified health coverage
1255 during the duration of the contract as required in this section is subject to penalties
1256 in accordance with administrative rules made by the division under this section, in
1257 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
- 1258 (ii) A contractor is not subject to penalties for the failure of a subcontractor to obtain
1259 and maintain an offer of qualified health coverage as required in this section.
- 1260 (b)(i) A subcontractor that fails to obtain and maintain an offer of qualified health
1261 coverage during the duration of the subcontract as required in this section is
1262 subject to penalties in accordance with administrative rules made by the division
1263 under this section, in accordance with Title 63G, Chapter 3, Utah Administrative
1264 Rulemaking Act.
- 1265 (ii) A subcontractor is not subject to penalties for the failure of a contractor to
1266 maintain an offer of qualified health coverage as required in this section.
- 1267 (8) The division shall make rules:
- 1268 (a) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
- 1269 (b) in coordination with:
- 1270 (i) the Department of Environmental Quality in accordance with Section 19-1-206;
- 1271 (ii) the Department of Natural Resources in accordance with Section 79-2-404;
- 1272 (iii) a public transit district in accordance with Section 17B-2a-818.5;
- 1273 (iv) the State Capitol Preservation Board in accordance with Section 63O-2-403;
- 1274 (v) the Department of Transportation in accordance with Section 72-6-107.5; and
- 1275 (vi) the Legislature's [~~Rules Review and General Oversight~~] General Oversight
1276 Committee created under Section 36-35-102; and
- 1277 (c) that establish:
- 1278 (i) the requirements and procedures for a contractor and a subcontractor to
1279 demonstrate compliance with this section, including:
- 1280 (A) a provision that a contractor or subcontractor's compliance with this section is
1281 subject to an audit by the division or the Office of the Legislative Auditor
1282 General;
- 1283 (B) a provision that a contractor that is subject to the requirements of this section
1284 obtain a written statement as provided in Subsection (5); and

- 1285 (C) a provision that a subcontractor that is subject to the requirements of this
1286 section obtain a written statement as provided in Subsection (6);
- 1287 (ii) the penalties that may be imposed if a contractor or subcontractor intentionally
1288 violates the provisions of this section, which may include:
- 1289 (A) a three-month suspension of the contractor or subcontractor from entering into
1290 a future contract with the state upon the first violation;
- 1291 (B) a six-month suspension of the contractor or subcontractor from entering into a
1292 future contract with the state upon the second violation;
- 1293 (C) an action for debarment of the contractor or subcontractor in accordance with
1294 Section 63G-6a-904 upon the third or subsequent violation; and
- 1295 (D) monetary penalties which may not exceed 50% of the amount necessary to
1296 purchase qualified health coverage for eligible employees and dependents of
1297 eligible employees of the contractor or subcontractor who were not offered
1298 qualified health coverage during the duration of the contract; and
- 1299 (iii) a website for the department to post the commercially equivalent benchmark for
1300 the qualified health coverage that is provided by the Department of Health and
1301 Human Services in accordance with Subsection 26B-3-909(2).
- 1302 (9) During the duration of a contract, the division may perform an audit to verify a
1303 contractor or subcontractor's compliance with this section.
- 1304 (10)(a) Upon the division's request, a contractor or subcontractor shall provide the
1305 division:
- 1306 (i) a signed actuarial certification that the coverage the contractor or subcontractor
1307 offers is qualified health coverage; or
- 1308 (ii) all relevant documents and information necessary for the division to determine
1309 compliance with this section.
- 1310 (b) If a contractor or subcontractor provides the documents and information described in
1311 Subsection (10)(a)(i), the Insurance Department shall assist the division in
1312 determining if the coverage the contractor or subcontractor offers is qualified health
1313 coverage.
- 1314 (11)(a)(i) In addition to the penalties imposed under Subsection (7), a contractor or
1315 subcontractor that intentionally violates the provisions of this section is liable to
1316 an eligible employee for health care costs that would have been covered by
1317 qualified health coverage.
- 1318 (ii) An employer has an affirmative defense to a cause of action under Subsection

- 1319 (11)(a)(i) if:
- 1320 (A) the employer relied in good faith on a written statement described in
- 1321 Subsection (5) or (6); or
- 1322 (B) the department determines that compliance with this section is not required
- 1323 under the provisions of Subsection (3).
- 1324 (b) An eligible employee has a private right of action against the employee's employer
- 1325 only as provided in this Subsection (11).
- 1326 (12) The director shall cause money collected from the imposition and collection of a
- 1327 penalty under this section to be deposited into the Medicaid Growth Reduction and
- 1328 Budget Stabilization Account created by Section 63J-1-315.
- 1329 (13) The failure of a contractor or subcontractor to provide qualified health coverage as
- 1330 required by this section:
- 1331 (a) may not be the basis for a protest or other action from a prospective bidder, offeror,
- 1332 or contractor under:
- 1333 (i) Section 63G-6a-1602; or
- 1334 (ii) any other provision in Title 63G, Chapter 6a, Utah Procurement Code; and
- 1335 (b) may not be used by the procurement entity or a prospective bidder, offeror, or
- 1336 contractor as a basis for any action or suit that would suspend, disrupt, or terminate
- 1337 the design or construction.
- 1338 (14) An employer's waiting period for an employee to become eligible for qualified health
- 1339 coverage may not extend beyond the first day of the calendar month following 60 days
- 1340 after the day on which the employee is hired.
- 1341 (15) An administrator, including an administrator's actuary or underwriter, who provides a
- 1342 written statement under Subsection (5)(a) or (c) regarding the qualified health coverage
- 1343 of a contractor or subcontractor who provides a health benefit plan described in
- 1344 Subsection (1)(d)(ii):
- 1345 (a) subject to Subsection [~~(11)(b)~~] (11)(a), is not liable for an error in the written
- 1346 statement, unless the administrator commits gross negligence in preparing the written
- 1347 statement;
- 1348 (b) is not liable for any error in the written statement if the administrator relied in good
- 1349 faith on information from the contractor or subcontractor; and
- 1350 (c) may require as a condition of providing the written statement that a contractor or
- 1351 subcontractor hold the administrator harmless for an action arising under this section.
- 1352 Section 16. Section **63A-13-202** is amended to read:

1353 **63A-13-202 (Effective 05/06/26). Duties and powers of inspector general and**
1354 **office.**

- 1355 (1) The inspector general of Medicaid services shall:
- 1356 (a) administer, direct, and manage the office;
- 1357 (b) inspect and monitor the following in relation to the state Medicaid program:
- 1358 (i) the use and expenditure of federal and state funds;
- 1359 (ii) the provision of health benefits and other services;
- 1360 (iii) implementation of, and compliance with, state and federal requirements; and
- 1361 (iv) records and recordkeeping procedures;
- 1362 (c) receive reports of potential fraud, waste, or abuse in the state Medicaid program;
- 1363 (d) investigate and identify potential or actual fraud, waste, or abuse in the state
- 1364 Medicaid program;
- 1365 (e) consult with the Centers for Medicaid and Medicare Services and other states to
- 1366 determine and implement best practices for:
- 1367 (i) educating and communicating with health care professionals and providers about
- 1368 program and audit policies and procedures;
- 1369 (ii) discovering and eliminating fraud, waste, and abuse of Medicaid funds; and
- 1370 (iii) differentiating between honest mistakes and intentional errors, or fraud, waste,
- 1371 and abuse, if the office enters into settlement negotiations with the provider or
- 1372 health care professional;
- 1373 (f) obtain, develop, and utilize computer algorithms to identify fraud, waste, or abuse in
- 1374 the state Medicaid program;
- 1375 (g) work closely with the fraud unit to identify and recover improperly or fraudulently
- 1376 expended Medicaid funds;
- 1377 (h) audit, inspect, and evaluate the functioning of the division for the purpose of making
- 1378 recommendations to the Legislature and the department to ensure that the state
- 1379 Medicaid program is managed:
- 1380 (i) in the most efficient and cost-effective manner possible; and
- 1381 (ii) in a manner that promotes adequate provider and health care professional
- 1382 participation and the provision of appropriate health benefits and services;
- 1383 (i) regularly advise the department and the division of an action that could be taken to
- 1384 ensure that the state Medicaid program is managed in the most efficient and
- 1385 cost-effective manner possible;
- 1386 (j) refer potential criminal conduct, relating to Medicaid funds or the state Medicaid

- 1387 program, to the fraud unit;
- 1388 (k) refer potential criminal conduct, including relevant data from the controlled
1389 substance database, relating to Medicaid fraud, to law enforcement in accordance
1390 with Title 58, Chapter 37f, Controlled Substance Database Act;
- 1391 (l) determine ways to:
- 1392 (i) identify, prevent, and reduce fraud, waste, and abuse in the state Medicaid
1393 program; and
- 1394 (ii) balance efforts to reduce costs and avoid or minimize increased costs of the state
1395 Medicaid program with the need to encourage robust health care professional and
1396 provider participation in the state Medicaid program;
- 1397 (m) recover improperly paid Medicaid funds;
- 1398 (n) track recovery of Medicaid funds by the state;
- 1399 (o) in accordance with Section 63A-13-502:
- 1400 (i) report on the actions and findings of the inspector general; and
1401 (ii) make recommendations to the Legislature and the governor;
- 1402 (p) provide training to:
- 1403 (i) agencies and employees on identifying potential fraud, waste, or abuse of
1404 Medicaid funds; and
- 1405 (ii) health care professionals and providers on program and audit policies and
1406 compliance; and
- 1407 (q) develop and implement principles and standards for the fulfillment of the duties of
1408 the inspector general, based on principles and standards used by:
- 1409 (i) the Federal Offices of Inspector General;
1410 (ii) the Association of Inspectors General; and
1411 (iii) the United States Government Accountability Office.
- 1412 (2)(a) The office may, in fulfilling the duties under Subsection (1), conduct a
1413 performance or financial audit of:
- 1414 (i) a state executive branch entity or a local government entity, including an entity
1415 described in Section 63A-13-301, that:
- 1416 (A) manages or oversees a state Medicaid program; or
1417 (B) manages or oversees the use or expenditure of state or federal Medicaid funds;
1418 or
- 1419 (ii) Medicaid funds received by a person by a grant from, or under contract with, a
1420 state executive branch entity or a local government entity.

- 1421 (b)(i) The office may not, in fulfilling the duties under Subsection (1), amend the
1422 state Medicaid program or change the policies and procedures of the state
1423 Medicaid program.
- 1424 (ii) The office shall identify conflicts between the state Medicaid plan, department
1425 administrative rules, Medicaid provider manuals, and Medicaid information
1426 bulletins and recommend that the department reconcile inconsistencies. If the
1427 department does not reconcile the inconsistencies, the office shall report the
1428 inconsistencies to the Legislature's [~~Rules Review and General Oversight~~] General
1429 Oversight Committee created in Section 36-35-102.
- 1430 (iii) Beginning July 1, 2013, the office shall review a Medicaid provider manual and
1431 a Medicaid information bulletin in accordance with Subsection (2)(b)(ii), prior to
1432 the department making the provider manual or Medicaid information bulletin
1433 available to the public.
- 1434 (c) Beginning July 1, 2013, the Department of Health and Human Services shall submit
1435 a Medicaid provider manual and a Medicaid information bulletin to the office for the
1436 review required by Subsection (2)(b)(ii) prior to releasing the document to the public.
1437 The department and the Office of Inspector General of Medicaid Services shall enter
1438 into a memorandum of understanding regarding the timing of the review process
1439 under Subsection (2)(b)(iii).
- 1440 (3)(a) The office shall, in fulfilling the duties under this section to investigate, discover,
1441 and recover fraud, waste, and abuse in the Medicaid program, apply the state
1442 Medicaid plan, department administrative rules, Medicaid provider manuals, and
1443 Medicaid information bulletins in effect at the time the medical services were
1444 provided.
- 1445 (b) A health care provider may rely on the policy interpretation included in a current
1446 Medicaid provider manual or a current Medicaid information bulletin that is available
1447 to the public.
- 1448 (4) The inspector general of Medicaid services, or a designee of the inspector general of
1449 Medicaid services within the office, may take a sworn statement or administer an oath.
1450 Section 17. Section **63A-13-305** is amended to read:
1451 **63A-13-305 (Effective 05/06/26). Audit and investigation procedures.**
- 1452 (1)(a) The office shall, in accordance with Section 63A-13-602, adopt administrative
1453 rules in consultation with providers and health care professionals subject to audit and
1454 investigation under this chapter to establish procedures for audits and investigations

1455 that are fair and consistent with the duties of the office under this chapter.

1456 (b) If the providers and health care professionals do not agree with the rules proposed or
 1457 adopted by the office under Subsection (1)(a) or Section 63A-13-602, the providers
 1458 or health care professionals may:

1459 (i) request a hearing for the proposed administrative rule or seek any other remedies
 1460 under the provisions of Title 63G, Chapter 3, Utah Administrative Rulemaking
 1461 Act; and

1462 (ii) request a review of the rule by the Legislature's [~~Rules Review and General~~
 1463 ~~Oversight~~] General Oversight Committee created in Section 36-35-102.

1464 (2) The office shall notify and educate providers and health care professionals subject to
 1465 audit and investigation under this chapter of the providers' and health care professionals'
 1466 responsibilities and rights under the administrative rules adopted by the office under the
 1467 provisions of this section and Section 63A-13-602.

1468 Section 18. Section **63G-3-102** is amended to read:

1469 **63G-3-102 (Effective 05/06/26). Definitions.**

1470 As used in this chapter:

1471 (1) "Administrative record" means information an agency relies upon when making a rule
 1472 under this chapter including:

- 1473 (a) the proposed rule, change in the proposed rule, and the rule analysis form;
- 1474 (b) the public comment received and recorded by the agency during the public comment
 1475 period;
- 1476 (c) the agency's response to the public comment;
- 1477 (d) the agency's analysis of the public comment; and
- 1478 (e) the agency's report of the agency's decision-making process.

1479 (2)(a) "Agency" [~~includes~~] means:

- 1480 (i) [~~each~~] any state board, authority, commission, institution, department, division, or
 1481 officer; or
- 1482 (ii) any [~~other state government~~] entity that is authorized or required by law to make
 1483 rules, adjudicate, grant or withhold licenses, grant or withhold relief from legal
 1484 obligations, or perform other similar actions or duties delegated by law.

1485 (b) "Agency" does not include:

- 1486 (i) the Legislature;
- 1487 (ii) the Legislature's committees;
- 1488 (iii) the political subdivisions of the state; or

- 1489 (iv) the courts.
- 1490 (3) "Bulletin" means the Utah State Bulletin.
- 1491 (4) "Catchline" means a short summary of each section, [~~part,~~]rule, or title of the code that
1492 follows the section, [~~part,~~]rule, or title reference placed before the text of the rule and
1493 serves the same function as boldface in legislation as described in Section 68-3-13.
- 1494 (5) "Code" means the body of all effective rules as compiled and organized by the office
1495 and entitled "Utah Administrative Code."
- 1496 (6) "Department" means the Department of Government Operations created in Section
1497 63A-1-104.
- 1498 (7) "Director" means the director of the office.
- 1499 (8) "Effective" means operative and enforceable.
- 1500 (9) "Executive director" means the executive director of the department.
- 1501 (10) "File" means to submit a document to the office as prescribed by the office.
- 1502 (11) "Filing date" means the day and time the document is recorded as received by the
1503 office.
- 1504 (12) "Initiate rulemaking proceedings" means the agency's filing of a proposed rule for the
1505 purposes of publication in accordance with Subsection 63G-3-301(4).
- 1506 [~~(12)~~] (13) "Interested person" means any person affected by or interested in a proposed
1507 rule, amendment to an existing rule, or a nonsubstantive change made under Section
1508 63G-3-402.
- 1509 [~~(13)~~] (14) "Office" means the Office of Administrative Rules created in Section 63G-3-401.
- 1510 [~~(14)~~] (15) "Order" means an agency action that determines the legal rights, duties,
1511 privileges, immunities, or other interests of one or more specific persons, but not a class
1512 of persons.
- 1513 [~~(15)~~] (16) "Person" means any individual, partnership, corporation, association,
1514 governmental entity, or public or private organization of any character other than an
1515 agency.
- 1516 [~~(16)~~] (17) "Publication" or "publish" means making a rule available to the public by
1517 including the rule or a summary of the rule in the bulletin.
- 1518 [~~(17)~~] (18) "Publication date" means the inscribed date of the bulletin.
- 1519 [~~(18)~~] "Register" may include an electronic database.
- 1520 (19)(a) "Rule" means an agency's written statement that:
1521 (i) is explicitly or implicitly required by state or federal statute or other applicable
1522 law;

- 1523 (ii) implements or interprets a state or federal legal mandate; and
 1524 (iii) applies to a class of persons or another agency.
- 1525 (b) "Rule" includes the amendment or repeal of an existing rule.
- 1526 (c) "Rule" does not mean:
- 1527 (i) orders;
- 1528 (ii) an agency's written statement that applies only to internal management and that
 1529 does not restrict the legal rights of a public class of persons or another agency;
- 1530 (iii) the governor's executive orders or proclamations;
- 1531 (iv) opinions issued by the attorney general's office;
- 1532 (v) declaratory rulings issued by the agency according to Section 63G-4-503 except
 1533 as required by Section 63G-3-201;
- 1534 (vi) rulings by an agency in adjudicative proceedings, except as required by
 1535 Subsection 63G-3-201(6); or
- 1536 (vii) an agency written statement that is in violation of any state or federal law.
- 1537 (20) "Rule analysis" means the format prescribed by the office to summarize and analyze
 1538 rules.
- 1539 (21) "Small business" means a business employing fewer than 50 persons.
- 1540 (22) "Substantial fiscal impact" means ~~[an]~~ the anticipated ~~[fiscal impact]~~ cost of a proposed
 1541 rule of at least \$2,000,000 over a five-year period as calculated under Subsection
 1542 63G-3-301(8)(d).
- 1543 (23) "Substantive change" means a change in a rule that affects the application or results of
 1544 agency actions.
- 1545 Section 19. Section **63G-3-201** is amended to read:
- 1546 **63G-3-201 (Effective 05/06/26). When rulemaking is required.**
- 1547 (1) Each agency shall:
- 1548 (a) maintain a current version of ~~[its]~~ the agency's rules; and
- 1549 (b) make ~~[it]~~ the rules available to the public for inspection during ~~[its]~~ the agency's
 1550 regular business hours.
- 1551 (2)(a) An agency may take action if authorized implicitly or explicitly by statute.
- 1552 (b) In addition to other rulemaking required by law, each agency shall make rules when
 1553 agency action:
- 1554 ~~[(a)]~~ (i) authorizes, requires, or prohibits an action;
- 1555 ~~[(b)]~~ (ii) provides or prohibits a material benefit; and
- 1556 ~~[(c)]~~ (iii) applies to a class of persons or another agency~~[:and]~~ .

- 1557 ~~[(d) is explicitly or implicitly authorized by statute.]~~
- 1558 (3) Rulemaking is also required when an agency issues a written interpretation of a state or
1559 federal legal mandate.
- 1560 (4) Rulemaking is not required when:
- 1561 (a) agency action applies only to internal agency management, inmates or residents of a
1562 state correctional, diagnostic, or detention facility, persons under state legal custody,
1563 patients admitted to a state hospital, members of the state retirement system, or,
1564 except as provided in Title 53H, Chapter 7, Part 3, Student Civil Liberties Protection,
1565 students enrolled in a state education institution;
- 1566 (b) a standardized agency manual applies only to internal fiscal or administrative details
1567 of governmental entities supervised under statute;
- 1568 (c) an agency issues policy or other statements that are advisory, informative, or
1569 descriptive, and do not conform to the requirements of Subsections (2) and (3); or
- 1570 (d) an agency makes nonsubstantive changes in a rule, except that the agency shall file
1571 all nonsubstantive changes in a rule with the office.
- 1572 (5)(a) A rule shall enumerate any penalty authorized by statute that may result from its
1573 violation, subject to Subsections (5)(b) and (c).
- 1574 (b) A violation of a rule may not be subject to the criminal penalty of a class C
1575 misdemeanor or greater offense, except as provided under Subsection (5)(c).
- 1576 (c) A violation of a rule may be subject to a class C misdemeanor or greater criminal
1577 penalty under Subsection (5)(a) when:
- 1578 (i) authorized by a specific state statute;
- 1579 (ii) a state law and programs under that law are established in order for the state to
1580 obtain or maintain primacy over a federal program; or
- 1581 (iii) state civil or criminal penalties established by state statute regarding the program
1582 are equivalent to or less than corresponding federal civil or criminal penalties.
- 1583 (6) Each agency shall enact rules incorporating the principles of law not already in [its] the
1584 agency's rules that are established by final adjudicative decisions within 120 days after
1585 the decision is announced in [its] the agency's cases.
- 1586 (7)(a) Each agency may enact a rule that incorporates by reference:
- 1587 (i) all or any part of another code, rule, or regulation that has been adopted by a
1588 federal agency, an agency or political subdivision of this state, an agency of
1589 another state, or by a nationally recognized organization or association;
- 1590 (ii) state agency implementation plans mandated by the federal government for

- 1591 participation in the federal program;
- 1592 (iii) lists, tables, illustrations, or similar materials that are subject to frequent change,
1593 fully described in the rule, and are available for public inspection; or
- 1594 (iv) lists, tables, illustrations, or similar materials that the director determines are too
1595 expensive to reproduce in the administrative code.
- 1596 (b) Rules incorporating materials by reference shall:
- 1597 (i) be enacted according to the procedures outlined in this chapter;
- 1598 (ii) state that the referenced material is incorporated by reference;
- 1599 (iii) state the date, issue, or version of the material being incorporated; and
- 1600 (iv) define specifically what material is incorporated by reference and identify any
1601 agency deviations from it.
- 1602 (c) The agency shall identify any substantive changes in the material incorporated by
1603 reference by following the rulemaking procedures of this chapter.
- 1604 (d) The agency shall maintain a complete and current copy of the referenced material
1605 available for public review at the agency and at the office.

1606 (8)(a) This chapter is not intended to inhibit the exercise of agency discretion within the
1607 limits prescribed by statute or agency rule.

1608 (b) An agency may enact a rule creating a justified exception to a rule.

1609 (9) An agency may obtain assistance from the attorney general to ensure that its rules meet
1610 legal and constitutional requirements.

1611 Section 20. Section **63G-3-202** is amended to read:

1612 **63G-3-202 (Effective 05/06/26). Rules having the effect of law.**

1613 A rule made in accordance with this chapter has the effect of law.

1614 [~~(1) An agency's written statement is a rule if it conforms to the definition of a rule under
1615 Section 63G-3-102, but the written statement is not enforceable unless it is made as a
1616 rule in accordance with the requirements of this chapter.]~~

1617 [~~(2) An agency's written statement that is made as a rule in accordance with the
1618 requirements of this chapter is enforceable and has the effect of law.]~~

1619 Section 21. Section **63G-3-301** is amended to read:

1620 **63G-3-301 (Effective 05/06/26). Rulemaking procedure.**

1621 (1) An agency authorized to make rules is also authorized to amend or repeal those rules.

1622 (2) Except as provided in Sections 63G-3-303 and 63G-3-304, when making, amending, or
1623 repealing a rule, agencies shall comply with:

1624 (a) the requirements of this section;

- 1625 (b) consistent procedures required by other statutes;
1626 (c) applicable federal mandates; and
1627 (d) rules made by the office to implement this chapter.
- 1628 (3) Subject to the requirements of this chapter, each agency shall develop and use flexible
1629 approaches in drafting rules that meet the needs of the agency and that involve persons
1630 affected by the agency's rules.
- 1631 (4)(a) Each agency shall file the agency's proposed rule and rule analysis with the office.
1632 (b) Rule amendments shall be marked with new language underlined and deleted
1633 language struck out.
- 1634 (c)(i) The office shall publish the information required under Subsection (8) on the
1635 rule analysis and the text of the proposed rule in the next issue of the bulletin.
1636 (ii) For rule amendments, only the section or subsection of the rule being amended
1637 need be printed.
1638 [~~(iii) If the director determines that the rule is too long to publish, the office shall~~
1639 ~~publish the rule analysis and shall publish the rule by reference to a copy on file~~
1640 ~~with the office.~~]
- 1641 (5) Before filing a proposed rule with the office, the agency shall conduct a thorough
1642 analysis, consistent with the criteria established by the Governor's Office of Planning
1643 and Budget, of the fiscal impact a rule may have on businesses, which criteria may
1644 include:
- 1645 (a) the type of industries that will be impacted by the proposed rule, and for each
1646 identified industry, an estimate of the total number of businesses within the industry,
1647 and an estimate of the number of those businesses that are small businesses;
1648 (b) the individual fiscal impact that would incur to a single business for a one-year
1649 period;
1650 (c) the aggregated total fiscal impact that would incur to all businesses within the state
1651 for a one-year period;
1652 (d) the total cost that would incur to all impacted entities over a five-year period; and
1653 (e) the department head's comments on the analysis.
- 1654 (6) If the agency reasonably expects that a proposed rule will have a measurable negative
1655 fiscal impact on small businesses, the agency shall consider, as allowed by federal law,
1656 each of the following methods of reducing the impact of the proposed rule on small
1657 businesses:
1658 (a) establishing less stringent compliance or reporting requirements for small businesses;

- 1659 (b) establishing less stringent schedules or deadlines for compliance or reporting
1660 requirements for small businesses;
- 1661 (c) consolidating or simplifying compliance or reporting requirements for small
1662 businesses;
- 1663 (d) establishing performance standards for small businesses to replace design or
1664 operational standards required in the proposed rule; and
- 1665 (e) exempting small businesses from all or any part of the requirements contained in the
1666 proposed rule.
- 1667 (7) If during the public comment period an agency receives comment that the proposed rule
1668 will cost small business more than one day's annual average gross receipts, and the
1669 agency had not previously performed the analysis in Subsection (6), the agency shall
1670 perform the analysis described in Subsection (6).
- 1671 (8) The rule analysis shall contain:
- 1672 (a) a summary of the [~~rule or change~~] proposed rule;
- 1673 (b) the purpose of the proposed rule or reason for the change;
- 1674 (c) the statutory authority or federal requirement for the proposed rule;
- 1675 (d) the anticipated cost or savings to:
- 1676 (i) the state budget;
- 1677 (ii) local governments;
- 1678 (iii) small businesses; and
- 1679 (iv) persons other than small businesses, businesses, or local governmental entities;
- 1680 (e) the compliance cost for affected persons;
- 1681 (f) how interested persons may review the full text of the proposed rule;
- 1682 (g) how interested persons may present their views on the proposed rule;
- 1683 (h) the time and place of any scheduled public hearing;
- 1684 (i) the name, email, and telephone number of an agency employee who may be
1685 contacted about the proposed rule;
- 1686 (j) the name of the agency head or designee who authorized the proposed rule;
- 1687 (k) the date on which the proposed rule may become effective following the public
1688 comment period;
- 1689 (l) the agency's analysis on the fiscal impact of the proposed rule as required under
1690 Subsection (5);
- 1691 (m) any additional comments the department head may choose to submit regarding the
1692 fiscal impact the proposed rule may have on businesses; and

- 1693 (n) if applicable, a summary of the agency's efforts to comply with the requirements of
1694 Subsection (6).
- 1695 (9)(a) For a rule being repealed and [~~reenacted~~] readopted, the rule analysis shall contain
1696 a summary that generally includes the following:
- 1697 (i) a summary of substantive provisions in the repealed rule which are eliminated
1698 from the [~~enacted~~] adopted rule; and
- 1699 (ii) a summary of new substantive provisions appearing only in the [~~enacted~~] adopted
1700 rule.
- 1701 (b) The summary required under this Subsection (9) is to aid in review and may not be
1702 used to contest any rule on the ground of noncompliance with the procedural
1703 requirements of this chapter.
- 1704 (10) An agency shall [~~mail~~] provide a copy of the rule analysis to a person that makes a
1705 timely request of the agency for advance notice of the agency's rulemaking proceedings
1706 and to any other person that, by statutory or federal mandate or in the judgment of the
1707 agency, should also receive notice.
- 1708 (11)(a) Following the publication date, the agency shall allow at least 30 days for public
1709 comment on the proposed rule.
- 1710 (b) The agency shall review and evaluate all public comments submitted in writing
1711 within the time period under Subsection (11)(a) or presented at public hearings
1712 conducted by the agency within the time period under Subsection (11)(a).
- 1713 (12)(a) Except as provided in [~~Sections~~] Section 63G-3-303, Section 63G-3-304, and
1714 Section 63G-3-304.1, a proposed rule becomes effective on any date specified by the
1715 agency that is:
- 1716 (i) no fewer than seven calendar days after the day on which the public comment
1717 period closes under Subsection (11); and
- 1718 (ii) no more than 120 days after the day on which the rule is published.
- 1719 (b) The agency shall provide notice of the rule's effective date to the office in the form
1720 required by the office.
- 1721 (c) The notice of effective date may not provide for an effective date before the day on
1722 which the office receives the notice.
- 1723 (d) The office shall publish notice of the effective date of the rule in the next issue of the
1724 bulletin.
- 1725 (e) A proposed rule lapses if a notice of effective date or a change to a proposed rule is
1726 not filed with the office within 120 days after the day on which the rule is published.

- 1727 (13)(a)(i) Before an agency ~~[enacts]~~ makes a proposed rule effective, the agency shall
 1728 submit to the appropriations subcommittee and interim committee with
 1729 jurisdiction over the agency the agency's proposed rule for review, if the proposed
 1730 rule, over a five-year period, has ~~[a fiscal impact]~~ an anticipated cost, as calculated
 1731 in Subsection (8)(d), of more than \$1,000,000 statewide.
- 1732 (ii) A proposed rule that is subject to Subsection (13)(e) is exempt from Subsection
 1733 (13)(a)(i).
- 1734 (b) An appropriations subcommittee or interim committee that reviews a rule an agency
 1735 submits under Subsection (13)(a) shall:
- 1736 (i) before the review, directly inform the chairs of the ~~[Rules Review and General~~
 1737 ~~Oversight]~~ General Oversight Committee of the coming review, including the
 1738 date, time, and place of the review; and
- 1739 (ii) after the review, directly inform the chairs of the ~~[Rules Review and General~~
 1740 ~~Oversight]~~ General Oversight Committee of the outcome of the review, including
 1741 any recommendation.
- 1742 (c) An appropriations subcommittee or interim committee that reviews a rule an agency
 1743 submits under Subsection (13)(a) may recommend to the ~~[Rules Review and General~~
 1744 ~~Oversight]~~ General Oversight Committee that the ~~[Rules Review and General~~
 1745 ~~Oversight]~~ General Oversight Committee not recommend reauthorization of the rule
 1746 in the legislation described in Section 63G-3-502.
- 1747 ~~[(d) The agency shall calculate the substantial fiscal impact in accordance with~~
 1748 ~~Subsection (5).]~~
- 1749 ~~[(e)]~~ (d) Unless an agency cannot implement a statute or execute a federally delegated
 1750 authority without making a rule that is estimated to have substantial fiscal impact, the
 1751 agency may not ~~[make]~~ file the rule.
- 1752 ~~[(f)]~~ (e) The requirements described in Subsections (13)(a) and (13)(b) do not apply to:
- 1753 (i) the State Tax Commission; or
 1754 (ii) the State Board of Education.
- 1755 ~~[(14)(a) As used in this Subsection (14), "initiate rulemaking proceedings" means the~~
 1756 ~~filing, for the purposes of publication in accordance with Subsection (4), of an~~
 1757 ~~agency's proposed rule that is required by state statute.]~~
- 1758 ~~[(b)]~~ (14)(a) ~~[A state]~~ An agency shall initiate rulemaking proceedings no later than 180
 1759 days after the day on which the statutory provision that specifically requires the
 1760 rulemaking takes effect, except under Subsection ~~[(14)(e)]~~ (14)(b).

1761 [(e)] (b) When a statute is enacted that requires agency rulemaking and the affected
 1762 agency already has rules in place that meet the statutory requirement, the agency
 1763 shall submit the rules to the [~~Rules Review and General Oversight~~] General
 1764 Oversight Committee for review within 60 days after the day on which the statute
 1765 requiring the rulemaking takes effect.

1766 [(d)] (c) If [a-state] an agency does not initiate rulemaking proceedings in accordance
 1767 with the time requirements in Subsection [(14)(b)] (14)(a), the [state-]agency shall
 1768 appear before the legislative [~~Rules Review and General Oversight~~] General
 1769 Oversight Committee and provide the reasons for the delay.

1770 Section 22. Section **63G-3-302** is amended to read:

1771 **63G-3-302 (Effective 05/06/26). Public hearings.**

- 1772 (1) [~~An~~] Subject to Subsection (2), an agency may hold a public hearing on a proposed rule[;
 1773 ~~amendment to a rule, or repeal of a rule~~] during the public comment period.
- 1774 (2) Except as provided in Subsection (4), an agency shall hold a public hearing on a
 1775 proposed rule[~~, amendment to a rule, or repeal of a rule~~] if:
- 1776 (a) a public hearing is required by state or federal mandate; or
- 1777 (b)(i) another state agency, 10 interested persons, or an interested association having
 1778 not fewer than 10 members request a public hearing; and
- 1779 (ii) the agency receives the request in writing not more than 15 days after the
 1780 publication date of the proposed rule.
- 1781 (3) The agency shall hold the hearing:
- 1782 (a) except for a rule made in accordance with Section 63G-3-304, before the proposed
 1783 rule becomes effective; and
- 1784 (b) no less than seven days nor more than 30 days after receipt of the request for hearing.
- 1785 (4) The Wildlife Board is not required to hold a public hearing on a proposed rule[;
 1786 ~~amendment to a rule, or repeal of a rule~~] unless required to hold a public hearing under
 1787 Title 23A, Chapter 2, Part 3, Wildlife Board and Regional Councils.

1788 Section 23. Section **63G-3-303** is amended to read:

1789 **63G-3-303 (Effective 05/06/26). Changes in rules.**

- 1790 (1)(a) To change a proposed rule already published in the bulletin, an agency shall file
 1791 with the office:
- 1792 (i) the text of the changed proposed rule; and
- 1793 (ii) a rule analysis containing a description of the change and the information
 1794 required by Section 63G-3-301.

- 1795 (b) A change to a proposed rule may not be filed more than 120 days after publication of
 1796 the rule being changed.
- 1797 (c) The office shall publish the rule analysis for the changed rule in the bulletin.
- 1798 (d) The changed proposed rule and its associated proposed rule will become effective on
 1799 a date specified by the agency, not less than 30 days or more than 120 days after
 1800 publication of the last change in proposed rule.
- 1801 (e) A changed proposed rule and its associated proposed rule lapse if a notice of
 1802 effective date or another change to a proposed rule is not filed with the office within
 1803 120 days of publication of the last change in proposed rule.
- 1804 (f) The agency making the change to the proposed rule shall receive public comment on
 1805 the change in accordance with Subsection 63G-3-301(11) after the change to the
 1806 proposed rule is published under Subsection (1)(c).
- 1807 (2) If the rule change is nonsubstantive:
- 1808 (a) the agency need not comply with the requirements of Subsection (1); and
- 1809 (b) the agency shall notify the office of the change in writing.
- 1810 (3) If the rule is effective, the agency shall amend the rule according to the procedures
 1811 specified in Section 63G-3-301.
- 1812 Section 24. Section **63G-3-304** is amended to read:
- 1813 **63G-3-304 (Effective 05/06/26). Emergency rulemaking procedure.**
- 1814 (1) All agencies shall comply with the rulemaking procedures of Section 63G-3-301 unless
 1815 an agency finds that these procedures would:
- 1816 (a) cause an imminent peril to the public health, safety, or welfare;
- 1817 (b) cause an imminent budget reduction because of budget restraints or federal
 1818 requirements; or
- 1819 (c) place the agency in violation of federal or state law.
- 1820 (2)(a) When finding that [its] the agency's rule is excepted from regular rulemaking
 1821 procedures by this section, the agency shall file with the office ~~and the members of~~
 1822 ~~the Rules Review and General Oversight Committee~~]:
- 1823 (i) the text of the rule; and
- 1824 (ii) a rule analysis that includes the specific reasons and justifications for [its] the
 1825 agency's findings.
- 1826 (b) An agency that files an emergency rule with the office under Subsection (2)(a) shall
 1827 provide the information described in Subsection (2)(a) to the members of the General
 1828 Oversight Committee when the agency files the rule with the office.

- 1829 ~~[(b)]~~ (c) The office shall publish the rule in the bulletin as provided in Subsection
 1830 63G-3-301(4).
- 1831 ~~[(e)]~~ (d) The agency shall notify interested persons as provided in Subsection
 1832 63G-3-301(10).
- 1833 ~~[(d)]~~ (e) Subject to Subsection 63G-3-502(4), the rule becomes effective for a period not
 1834 exceeding 120 days on the date of filing or any later date designated in the rule
 1835 analysis.
- 1836 (3) If the agency intends the rule to be effective beyond 120 days, the agency shall also
 1837 comply with the procedures of Section 63G-3-301.
- 1838 Section 25. Section **63G-3-305** is amended to read:
- 1839 **63G-3-305 (Effective 05/06/26). Agency review of rules -- Schedule of filings --**
 1840 **Limited exemption for certain rules.**
- 1841 (1) Each agency shall review each of ~~[its]~~ the agency's rules within five years after the rule's
 1842 original effective date or within five years after the filing of the last five-year review,
 1843 whichever is later.
- 1844 (2) An agency may consider any substantial review of a rule to be a five-year review if the
 1845 agency also meets the requirements described in Subsection (3).
- 1846 (3) At the conclusion of its review, and no later than the deadline described in Subsection
 1847 (1), the agency shall decide whether to continue, repeal, or amend and continue the rule
 1848 and comply with Subsections (3)(a) through (c), as applicable.
- 1849 (a) If the agency continues the rule, the agency shall file with the office a five-year
 1850 notice of review and statement of continuation that includes:
- 1851 (i) a concise explanation of the particular statutory provisions under which the rule is
 1852 enacted and how these provisions authorize or require the rule;
- 1853 (ii) a summary of written comments received during and since the last five-year
 1854 review of the rule from interested persons supporting or opposing the rule; and
- 1855 (iii) a reasoned justification for continuation of the rule, including reasons why the
 1856 agency disagrees with comments in opposition to the rule, if any.
- 1857 (b) If the agency repeals the rule, the agency shall:
- 1858 (i) comply with Section 63G-3-301; and
- 1859 (ii) in the rule analysis described in Section 63G-3-301, state that the repeal is the
 1860 result of the agency's five-year review under this section.
- 1861 (c) If the agency amends and continues the rule, the agency shall comply with the
 1862 requirements described in Section 63G-3-301 and file with the office the five-year

- 1863 notice of review and statement of continuation required in Subsection (3)(a).
- 1864 (4) The office shall publish a five-year notice of review and statement of continuation in the
1865 bulletin[~~no later than one year after the deadline described in Subsection (1)~~].
- 1866 (5)(a) The office shall make a reasonable effort to notify an agency that a rule is due for
1867 review at least 180 days before the deadline described in Subsection (1).
- 1868 (b) The office's failure to comply with the requirement described in Subsection (5)(a)
1869 does not exempt an agency from complying with any provision of this section.
- 1870 (6) If an agency [~~finds~~] determines that it will not meet the deadline established in
1871 Subsection (1):
- 1872 (a) before the deadline described in Subsection (1), the agency may file one extension
1873 with the office indicating the reason for the extension; and
- 1874 (b) the office shall publish notice of the extension in the bulletin in accordance with the
1875 office's publication schedule established by rule under Section 63G-3-402.
- 1876 (7) An extension permits the agency to comply with the requirements described in
1877 Subsections (1) and (3) up to 120 days after the deadline described in Subsection (1).
- 1878 (8)(a) If an agency does not comply with the requirements described in Subsection (3),
1879 and does not file an extension under Subsection (6), the rule expires automatically on
1880 the day immediately after the date [~~of the missed deadline~~] the review was due under
1881 Subsection (1).
- 1882 (b) If an agency files an extension under Subsection (6) and does not comply with the
1883 requirements described in Subsection (3) within 120 days after the day on which the [
1884 ~~deadline described in~~] the review was due under Subsection (1)[~~expires~~], the rule
1885 expires automatically on the day immediately after the [~~date of the missed deadline~~]
1886 120 day extension period.
- 1887 (9) After a rule expires under Subsection (8), the office shall:
- 1888 (a) publish a notice in the next issue of the bulletin that the rule has expired and is no
1889 longer enforceable;
- 1890 (b) remove the rule from the code; and
- 1891 (c) notify the agency that the rule has expired.
- 1892 (10) After a rule expires, an agency must comply with the requirements of Section
1893 63G-3-301 to [~~reenact~~] readopt the rule.
- 1894 Section 26. Section **63G-3-401** is amended to read:
- 1895 **63G-3-401 (Effective 05/06/26). Office of Administrative Rules created --**
1896 **Director.**

- 1897 (1) There is created within the [~~Department of Government Operations~~] department the
 1898 Office of Administrative Rules, to be administered by a director.
- 1899 (2)(a) The executive director shall appoint the director.
- 1900 (b) The director shall hire, train, and supervise staff necessary for the office to carry out
 1901 the provisions of this chapter.
- 1902 Section 27. Section **63G-3-402** is amended to read:
- 1903 **63G-3-402 (Effective 05/06/26). Office of Administrative Rules -- Duties**
 1904 **generally.**
- 1905 (1) The office shall:
- 1906 (a) record in [a] an electronic register the receipt of all agency rules, rule analysis forms,
 1907 and notices of effective dates;
- 1908 (b) make the register, copies of all proposed rules, and rulemaking documents available
 1909 for public inspection;
- 1910 (c) publish all proposed rules, rule analyses, notices of effective dates, and review
 1911 notices in the bulletin at least monthly[~~, except that the office may publish the~~
 1912 ~~complete text of any proposed rule that the director determines is too long to print or~~
 1913 ~~too expensive to publish by reference to the text maintained by the office];~~
- 1914 (d) compile, format, number, and index all effective rules in an administrative code, and
 1915 periodically publish that code and supplements or revisions to it;
- 1916 (e) publish a digest of all proposed rules and notices contained in the most recent
 1917 bulletin;
- 1918 (f) publish at least annually an index of all changes to the administrative code and the
 1919 effective date of each change;
- 1920 (g) [~~print, or contract to print,~~] publish all rulemaking publications the director
 1921 determines necessary to implement this chapter;
- 1922 (h) distribute without charge the bulletin and administrative code to state-designated
 1923 repositories, the [~~Rules Review and General Oversight~~] General Oversight
 1924 Committee, the Office of Legislative Research and General Counsel, and the two [
 1925 ~~houses~~] chambers of the Legislature;
- 1926 (i) distribute without charge the digest and index to state legislators, agencies, political
 1927 subdivisions on request, and the Office of Legislative Research and General Counsel;
- 1928 [~~(j) distribute, at prices covering publication costs, all paper rulemaking publications to~~
 1929 ~~all other requesting persons and agencies;]~~
- 1930 [~~(k)~~] (j) provide agencies assistance in rulemaking;

- 1931 ~~(h)~~ (k) if the department operates the office as an internal service fund agency in
 1932 accordance with Section 63A-1-109.5, submit to the Rate Committee established in
 1933 Section 63A-1-114:
- 1934 (i) the proposed rate and fee schedule as required by Section 63A-1-114; and
 1935 (ii) other information or analysis requested by the Rate Committee;
- 1936 ~~(m)~~ (l) administer this chapter and require state agencies to comply with filing,
 1937 publication, and hearing procedures; and
- 1938 ~~(n)~~ (m) make technological improvements to the rulemaking process, including
 1939 improvements to automation and digital accessibility.
- 1940 (2) The office shall establish by rule in accordance with Title 63G, Chapter 3, Utah
 1941 Administrative Rulemaking Act, all filing, publication, and hearing procedures
 1942 necessary to make rules under this chapter.
- 1943 (3) The office may after notifying the agency make nonsubstantive changes to rules filed
 1944 with the office or published in the bulletin or code by:
- 1945 (a) implementing a uniform system of formatting, punctuation, capitalization,
 1946 organization, numbering, and wording;
- 1947 (b) correcting obvious errors and inconsistencies in punctuation, capitalization,
 1948 numbering, referencing, and wording;
- 1949 (c) changing a catchline to more accurately reflect the substance of each section, ~~[part,-]~~
 1950 rule, or title;
- 1951 (d) updating or correcting annotations associated with a section, ~~[part,-]~~rule, or title; and
 1952 (e) merging or determining priority of any amendment, enactment, or repeal to the same
 1953 rule or section made effective by an agency.
- 1954 (4) In addition, the office may make the following nonsubstantive changes with the
 1955 concurrence of the agency:
- 1956 (a) eliminate duplication within rules;
- 1957 (b) eliminate obsolete and redundant words; and
- 1958 (c) correct defective or inconsistent section and paragraph structure in arrangement of
 1959 the subject matter of rules.
- 1960 (5)(a) For nonsubstantive changes made in accordance with Subsection (3) or (4) after
 1961 publication of the rule in the bulletin, the office shall publish a list of nonsubstantive
 1962 changes in the bulletin.
- 1963 (b) For each nonsubstantive change, the list shall include:
- 1964 ~~(a)~~ (i) the affected code citation;

- 1965 [(b)] (ii) a brief description of the change; and
- 1966 [(e)] (iii) the date the change was made.
- 1967 (6) All funds appropriated or collected for publishing the office's publications shall be
- 1968 nonlapsing.
- 1969 Section 28. Section **63G-3-403** is amended to read:
- 1970 **63G-3-403 (Effective 05/06/26). Repeal and reenactment of Utah Administrative**
- 1971 **Code.**
- 1972 (1) When the director determines that the Utah Administrative Code requires extensive
- 1973 revision and reorganization, the office may repeal the code and reenact a new code
- 1974 according to the requirements of this section.
- 1975 (2) The office may:
- 1976 (a) reorganize, reformat, and renumber the code;
- 1977 (b) require each agency to review its rules and make any organizational or substantive
- 1978 changes according to the requirements of Section 63G-3-303; and
- 1979 (c) require each agency to prepare a brief summary of all substantive changes made by
- 1980 the agency.
- 1981 (3) The office may make nonsubstantive changes in the code by:
- 1982 (a) adopting a uniform system of punctuation, capitalization, numbering, and wording;
- 1983 (b) eliminating duplication;
- 1984 (c) correcting defective or inconsistent section and paragraph structure in arrangement of
- 1985 the subject matter of rules;
- 1986 (d) eliminating all obsolete or redundant words;
- 1987 (e) correcting obvious errors and inconsistencies in punctuation, capitalization,
- 1988 numbering, referencing, and wording;
- 1989 (f) changing a catchline to more accurately reflect the substance of each section, [~~part,~~]
- 1990 rule, or title;
- 1991 (g) updating or correcting annotations associated with a section, [~~part,~~]rule, or title; and
- 1992 (h) merging or determining priority of any amendment, enactment, or repeal to the same
- 1993 rule or section made effective by an agency.
- 1994 (4)(a) To inform the public about the proposed code reenactment, the office shall publish
- 1995 in the bulletin:
- 1996 (i) notice of the code reenactment;
- 1997 (ii) the date, time, and place of a public hearing where members of the public may
- 1998 comment on the proposed reenactment of the code;

- 1999 (iii) locations where the proposed reenactment of the code may be reviewed; and
 2000 (iv) agency summaries of substantive changes in the reenacted code.
- 2001 (b) To inform the public about substantive changes in agency rules contained in the
 2002 proposed reenactment, each agency shall:
- 2003 (i) make the text of their reenacted rules available:
- 2004 (A) for public review during regular business hours; and
 2005 (B) in an electronic version; and
- 2006 (ii) comply with the requirements of Subsection 63G-3-301(10).
- 2007 (5) The office shall hold a public hearing on the proposed code reenactment no fewer than
 2008 30 days nor more than 45 days after the publication required by Subsection (4)(a).
- 2009 (6) The office shall distribute complete text of the proposed code reenactment without
 2010 charge to:
- 2011 (a) state-designated repositories in Utah;
 2012 (b) the ~~[Rules Review and General Oversight]~~ General Oversight Committee; and
 2013 (c) the Office of Legislative Research and General Counsel.
- 2014 (7) The former code is repealed and the reenacted code is effective at noon on a date
 2015 designated by the office that is not fewer than 45 days nor more than 90 days after the
 2016 publication date required by this section.
- 2017 (8) Repeal and reenactment of the code meets the requirements of Section 63G-3-305 for a
 2018 review of all agency rules.
- 2019 Section 29. Section **63G-3-502** is amended to read:
- 2020 **63G-3-502 (Effective 05/06/26). Legislative reauthorization of agency rules --**
 2021 **Extension of rules by governor.**
- 2022 (1) All grants of rulemaking power from the Legislature to ~~[a state]~~ an agency in any statute
 2023 are made subject to the provisions of this section.
- 2024 (2)(a) Except as provided in Subsection (2)(b), every agency rule that is in effect on
 2025 February 28 of any calendar year expires on May 1 of that year unless it has been
 2026 reauthorized by the Legislature.
- 2027 (b) Notwithstanding the provisions of Subsection (2)(a), an agency's rules do not expire
 2028 if:
- 2029 (i) the rule is explicitly mandated by a federal law or regulation; or
 2030 (ii) a provision of Utah's constitution vests the agency with specific constitutional
 2031 authority to regulate.
- 2032 (3)(a) The ~~[Rules Review and General Oversight]~~ General Oversight Committee shall

- 2033 have legislation prepared for the Legislature to consider the reauthorization of rules
 2034 during its annual general session.
- 2035 (b) The legislation shall be substantially in the following form: "All rules of Utah state
 2036 agencies are reauthorized except for the following:".
- 2037 (c) Before sending the legislation to the governor for the governor's action, the [~~Rules~~
 2038 ~~Review and General Oversight~~] General Oversight Committee may send a letter to
 2039 the governor and to the agency explaining specifically why the committee believes a
 2040 rule should not be reauthorized.
- 2041 (d) For the purpose of this section, the entire rule, a [~~single~~] section, a subsection, or any
 2042 complete paragraph of a rule may be excepted for reauthorization in the legislation
 2043 considered by the Legislature.
- 2044 (4) The [~~Rules Review and General Oversight~~] General Oversight Committee may have
 2045 legislation prepared for consideration by the Legislature in the annual general session or
 2046 a special session regarding any rule made according to emergency rulemaking
 2047 procedures described in Section 63G-3-304.
- 2048 (5) The Legislature's reauthorization of a rule by legislation:
- 2049 (a) does not constitute legislative approval of the rule[~~, nor is it admissible in any~~
 2050 ~~proceeding as~~] ; and
- 2051 (b) is not evidence of legislative intent.
- 2052 [~~(6)(a) If an agency believes that a rule that has not been reauthorized by the Legislature~~
 2053 ~~or that will be allowed to expire should continue in full force and effect and is a rule~~
 2054 ~~within their authorized rulemaking power, the agency may seek the governor's~~
 2055 ~~declaration extending the rule beyond the expiration date.]~~
- 2056 [~~(b) In seeking the extension, the agency shall submit a petition to the governor that~~
 2057 ~~affirmatively states:~~]
- 2058 [(i) ~~that the rule is necessary; and~~]
- 2059 [(ii) ~~a citation to the source of its authority to make the rule.]~~
- 2060 [(c)(i) ~~If the governor finds that the necessity does exist, and that the agency has the~~
 2061 ~~authority to make the rule, the governor may declare the rule to be extended by~~
 2062 ~~publishing that declaration in the Administrative Rules Bulletin on or before April~~
 2063 ~~15 of that year.]~~
- 2064 [(ii) ~~The declaration shall set forth the rule to be extended, the reasons the extension~~
 2065 ~~is necessary, and a citation to the source of the agency's authority to make the rule.]~~
- 2066 [(d)] (6) If the legislation required by Subsection (3) fails to pass both houses of the

2067 Legislature or is found to have a technical legal defect preventing reauthorization of
 2068 administrative rules intended to be reauthorized by the Legislature, the governor may
 2069 declare all rules to be extended by publishing a single declaration in the Administrative
 2070 Rules Bulletin on or before June 15 [~~without meeting requirements of Subsections (6)(b)~~
 2071 ~~and (e).~~].

2072 Section 30. Section **63G-3-503** is amended to read:

2073 **63G-3-503 (Effective 05/06/26). Agency rules oversight.**

2074 Oversight of the rulemaking process is conducted by the [~~Rules Review and General~~
 -2075 ~~Oversight~~] General Oversight Committee created in Section 36-35-102.

2076 Section 31. Section **63G-3-601** is amended to read:

2077 **63G-3-601 (Effective 05/06/26). Interested parties -- Petition for agency action.**

2078 [(1) As used in this section, "initiate rulemaking proceedings" means the filing, for the
 2079 purposes of publication in accordance with Subsection 63G-3-301(4), of an agency's
 2080 proposed rule to implement a petition for the making, amendment, or repeal of a rule as
 2081 provided in this section.]

2082 [(2)] (1) An interested person may petition an agency to request the making, amendment, or
 2083 repeal of a rule.

2084 [(3)] (2) The office shall prescribe by rule the form for petitions and the procedure for their
 2085 submission, consideration, and disposition.

2086 [(4)] (3) A statement shall accompany the proposed rule [~~, or proposed amendment or repeal~~
 2087 ~~of a rule,~~] demonstrating that the proposed action is within the jurisdiction of the agency
 2088 and appropriate to the powers of the agency.

2089 [(5)] (4) Within 60 days after submission of a petition, the agency shall [~~either~~] :

2090 (a) deny the petition in writing, stating [~~its~~] reasons for the denial[~~;~~] ; or

2091 (b) initiate rulemaking proceedings to implement the petition.

2092 [(6)] (5)(a) If the petition is submitted to a board or commission that has been granted
 2093 rulemaking authority by the Legislature, the board shall, within 45 days of the
 2094 submission of the petition, place the petition on its agenda for review.

2095 (b) Within 80 days of the submission of the petition, the board or commission shall
 2096 either:

2097 (i) deny the petition in writing stating its reasons for denial; or

2098 (ii) initiate rulemaking proceedings to implement the petition.

2099 [(7)] (6) If the agency [~~or~~] , board, or commission has not provided the petitioner written
 2100 notice that the agency has denied the petition or initiated rulemaking proceedings to

2101 implement the petition within the time limitations specified in Subsection [~~(5)~~] (4) or [~~(6)~~]
 2102 (~~5~~) respectively, the petitioner may seek a writ of mandamus in state district court.

2103 Section 32. Section **63O-2-403** is amended to read:

2104 **63O-2-403 (Effective 05/06/26). Contracting power of executive director --**

2105 **Health insurance coverage.**

2106 (1) As used in this section:

2107 (a) "Aggregate" means the sum of all contracts, change orders, and modifications related
 2108 to a single project.

2109 (b) "Change order" means the same as that term is defined in Section 63G-6a-103.

2110 (c) "Employee" means, as defined in Section 34A-2-104, an "employee," "worker," or
 2111 "operative" who:

2112 (i) works at least 30 hours per calendar week; and

2113 (ii) meets employer eligibility waiting requirements for health care insurance, which
 2114 may not exceed the first of the calendar month following 60 days after the day on
 2115 which the individual is hired.

2116 (d) "Health benefit plan" means:

2117 (i) the same as that term is defined in Section 31A-1-301; or

2118 (ii) an employee welfare benefit plan:

2119 (A) established under the Employee Retirement Income Security Act of 1974, 29
 2120 U.S.C. Sec. 1001 et seq.;

2121 (B) for an employer with 100 or more employees; and

2122 (C) in which the employer establishes a self-funded or partially self-funded group
 2123 health plan to provide medical care for the employer's employees and
 2124 dependents of the employees.

2125 (e) "Qualified health coverage" means the same as that term is defined in Section
 2126 26B-3-909.

2127 (f) "Subcontractor" means the same as that term is defined in Section 63A-5b-605.

2128 (g) "Third party administrator" or "administrator" means the same as that term is defined
 2129 in Section 31A-1-301.

2130 (2) Except as provided in Subsection (3), the requirements of this section apply to:

2131 (a) a contractor of a design or construction contract entered into by the board, or on
 2132 behalf of the board, on or after July 1, 2009, if the prime contract is in an aggregate
 2133 amount equal to or greater than \$2,000,000; and

2134 (b) a subcontractor of a contractor of a design or construction contract entered into by

- 2135 the board, or on behalf of the board, on or after July 1, 2009, if the subcontract is in
2136 an aggregate amount equal to or greater than \$1,000,000.
- 2137 (3) The requirements of this section do not apply to a contractor or subcontractor described
2138 in Subsection (2) if:
- 2139 (a) the application of this section jeopardizes the receipt of federal funds;
2140 (b) the contract is a sole source contract; or
2141 (c) the contract is an emergency procurement.
- 2142 (4) A person that intentionally uses change orders, contract modifications, or multiple
2143 contracts to circumvent the requirements of this section is guilty of an infraction.
- 2144 (5)(a) A contractor subject to the requirements of this section shall demonstrate to the
2145 executive director that the contractor has and will maintain an offer of qualified
2146 health coverage for the contractor's employees and the employees' dependents during
2147 the duration of the contract by submitting to the executive director a written
2148 statement that:
- 2149 (i) the contractor offers qualified health coverage that complies with Section
2150 26B-3-909;
- 2151 (ii) is from:
- 2152 (A) an actuary selected by the contractor or the contractor's insurer;
2153 (B) an underwriter who is responsible for developing the employer group's
2154 premium rates; or
2155 (C) if the contractor provides a health benefit plan described in Subsection
2156 (1)(d)(ii), an actuary or underwriter selected by a third party administrator; and
2157 (iii) was created within one year before the day on which the statement is submitted.
- 2158 (b)(i) A contractor that provides a health benefit plan described in Subsection
2159 (1)(d)(ii) shall provide the actuary or underwriter selected by the administrator, as
2160 described in Subsection (5)(a)(ii)(C), sufficient information to determine whether
2161 the contractor's contribution to the health benefit plan and the health benefit plan's
2162 actuarial value meets the requirements of qualified health coverage.
- 2163 (ii) A contractor may not make a change to the contractor's contribution to the health
2164 benefit plan, unless the contractor provides notice to:
- 2165 (A) the actuary or underwriter selected by the administrator, as described in
2166 Subsection (5)(a)(ii)(C), for the actuary or underwriter to update the written
2167 statement described in Subsection (5)(a) in compliance with this section; and
2168 (B) the executive director.

- 2169 (c) A contractor that is subject to the requirements of this section shall:
- 2170 (i) place a requirement in each of the contractor's subcontracts that a subcontractor
- 2171 that is subject to the requirements of this section shall obtain and maintain an offer
- 2172 of qualified health coverage for the subcontractor's employees and the employees'
- 2173 dependents during the duration of the subcontract; and
- 2174 (ii) obtain from a subcontractor that is subject to the requirements of this section a
- 2175 written statement that:
- 2176 (A) the subcontractor offers qualified health coverage that complies with Section
- 2177 26B-3-909;
- 2178 (B) is from an actuary selected by the subcontractor or the subcontractor's insurer,
- 2179 an underwriter who is responsible for developing the employer group's
- 2180 premium rates, or if the subcontractor provides a health benefit plan described
- 2181 in Subsection (1)(d)(ii), an actuary or underwriter selected by an administrator;
- 2182 and
- 2183 (C) was created within one year before the day on which the contractor obtains the
- 2184 statement.
- 2185 (d)(i)(A) A contractor that fails to maintain an offer of qualified health coverage
- 2186 as described in Subsection (5)(a) during the duration of the contract is subject
- 2187 to penalties in accordance with administrative rules adopted by the division
- 2188 under Subsection (6).
- 2189 (B) A contractor is not subject to penalties for the failure of a subcontractor to
- 2190 obtain and maintain an offer of qualified health coverage described in
- 2191 Subsection (5)(c)(i).
- 2192 (ii)(A) A subcontractor that fails to obtain and maintain an offer of qualified
- 2193 health coverage described in Subsection (5)(c)(i) during the duration of the
- 2194 subcontract is subject to penalties in accordance with administrative rules
- 2195 adopted by the department under Subsection (6).
- 2196 (B) A subcontractor is not subject to penalties for the failure of a contractor to
- 2197 maintain an offer of qualified health coverage described in Subsection (5)(a).
- 2198 (6) The department shall make rules:
- 2199 (a) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
- 2200 (b) in coordination with:
- 2201 (i) the Department of Environmental Quality in accordance with Section 19-1-206;
- 2202 (ii) the Department of Natural Resources in accordance with Section 79-2-404;

- 2203 (iii) the Division of Facilities Construction and Management in accordance with
2204 Section 63A-5b-607;
- 2205 (iv) a public transit district in accordance with Section 17B-2a-818.5;
- 2206 (v) the Department of Transportation in accordance with Section 72-6-107.5; and
- 2207 (vi) the Legislature's [~~Rules Review and General Oversight~~] General Oversight
2208 Committee created in Section 36-35-102; and
- 2209 (c) that establish:
- 2210 (i) the requirements and procedures a contractor and a subcontractor shall follow to
2211 demonstrate compliance with this section, including:
- 2212 (A) that a contractor or subcontractor's compliance with this section is subject to
2213 an audit by the department or the Office of the Legislative Auditor General;
- 2214 (B) that a contractor that is subject to the requirements of this section shall obtain
2215 a written statement described in Subsection (5)(a); and
- 2216 (C) that a subcontractor that is subject to the requirements of this section shall
2217 obtain a written statement described in Subsection (5)(c)(ii);
- 2218 (ii) the penalties that may be imposed if a contractor or subcontractor intentionally
2219 violates the provisions of this section, which may include:
- 2220 (A) a three-month suspension of the contractor or subcontractor from entering into
2221 future contracts with the state upon the first violation;
- 2222 (B) a six-month suspension of the contractor or subcontractor from entering into
2223 future contracts with the state upon the second violation;
- 2224 (C) an action for debarment of the contractor or subcontractor in accordance with
2225 Section 63G-6a-904 upon the third or subsequent violation; and
- 2226 (D) monetary penalties which may not exceed 50% of the amount necessary to
2227 purchase qualified health coverage for employees and dependents of
2228 employees of the contractor or subcontractor who were not offered qualified
2229 health coverage during the duration of the contract; and
- 2230 (iii) a website on which the department shall post the commercially equivalent
2231 benchmark, for the qualified health coverage identified in Subsection (1)(e), that
2232 is provided by the Department of Health and Human Services, in accordance with
2233 Subsection 26B-3-909(2).
- 2234 (7)(a)(i) In addition to the penalties imposed under Subsection (6)(c)(ii), a contractor
2235 or subcontractor who intentionally violates the provisions of this section is liable
2236 to the employee for health care costs that would have been covered by qualified

- 2237 health coverage.
- 2238 (ii) An employer has an affirmative defense to a cause of action under Subsection
- 2239 (7)(a)(i) if:
- 2240 (A) the employer relied in good faith on a written statement described in
- 2241 Subsection (5)(a) or (5)(c)(ii); or
- 2242 (B) the department determines that compliance with this section is not required
- 2243 under the provisions of Subsection (3).
- 2244 (b) An employee has a private right of action only against the employee's employer to
- 2245 enforce the provisions of this Subsection (7).
- 2246 (8) Any penalties imposed and collected under this section shall be deposited into the
- 2247 Medicaid Growth Reduction and Budget Stabilization Account created in Section
- 2248 63J-1-315.
- 2249 (9) The failure of a contractor or subcontractor to provide qualified health coverage as
- 2250 required by this section:
- 2251 (a) may not be the basis for a protest or other action from a prospective bidder, offeror,
- 2252 or contractor under:
- 2253 (i) Section 63G-6a-1602; or
- 2254 (ii) any other provision in Title 63G, Chapter 6a, Utah Procurement Code; and
- 2255 (b) may not be used by the procurement entity or a prospective bidder, offeror, or
- 2256 contractor as a basis for any action or suit that would suspend, disrupt, or terminate
- 2257 the design or construction.
- 2258 (10) An administrator, including the administrator's actuary or underwriter, who provides a
- 2259 written statement under Subsection (5)(a) or (c) regarding the qualified health coverage
- 2260 of a contractor or subcontractor who provides a health benefit plan described in
- 2261 Subsection (1)(d)(ii):
- 2262 (a) subject to Subsection (10)(b), is not liable for an error in the written statement, unless
- 2263 the administrator commits gross negligence in preparing the written statement;
- 2264 (b) is not liable for any error in the written statement if the administrator relied in good
- 2265 faith on information from the contractor or subcontractor; and
- 2266 (c) may require as a condition of providing the written statement that a contractor or
- 2267 subcontractor hold the administrator harmless for an action arising under this section.
- 2268 Section 33. Section **72-6-107.5** is amended to read:
- 2269 **72-6-107.5 (Effective 05/06/26). Construction of improvements of highway --**
- 2270 **Contracts -- Health insurance coverage.**

- 2271 (1) As used in this section:
- 2272 (a) "Aggregate" means the sum of all contracts, change orders, and modifications related
2273 to a single project.
- 2274 (b) "Change order" means the same as that term is defined in Section 63G-6a-103.
- 2275 (c) "Employee" means, as defined in Section 34A-2-104, an "employee," "worker," or
2276 "operative" who:
- 2277 (i) works at least 30 hours per calendar week; and
- 2278 (ii) meets employer eligibility waiting requirements for health care insurance, which
2279 may not exceed the first day of the calendar month following 60 days after the day
2280 on which the individual is hired.
- 2281 (d) "Health benefit plan" means:
- 2282 (i) the same as that term is defined in Section 31A-1-301; or
- 2283 (ii) an employee welfare benefit plan:
- 2284 (A) established under the Employee Retirement Income Security Act of 1974, 29
2285 U.S.C. Sec. 1001 et seq.;
- 2286 (B) for an employer with 100 or more employees; and
- 2287 (C) in which the employer establishes a self-funded or partially self-funded group
2288 health plan to provide medical care for the employer's employees and
2289 dependents of the employees.
- 2290 (e) "Qualified health coverage" means the same as that term is defined in Section
2291 26B-3-909.
- 2292 (f) "Subcontractor" means the same as that term is defined in Section 63A-5b-605.
- 2293 (g) "Third party administrator" or "administrator" means the same as that term is defined
2294 in Section 31A-1-301.
- 2295 (2) Except as provided in Subsection (3), the requirements of this section apply to:
- 2296 (a) a contractor of a design or construction contract entered into by the department on or
2297 after July 1, 2009, if the prime contract is in an aggregate amount equal to or greater
2298 than \$2,000,000; and
- 2299 (b) a subcontractor of a contractor of a design or construction contract entered into by
2300 the department on or after July 1, 2009, if the subcontract is in an aggregate amount
2301 equal to or greater than \$1,000,000.
- 2302 (3) The requirements of this section do not apply to a contractor or subcontractor described
2303 in Subsection (2) if:
- 2304 (a) the application of this section jeopardizes the receipt of federal funds;

- 2305 (b) the contract is a sole source contract; or
2306 (c) the contract is an emergency procurement.
- 2307 (4) A person that intentionally uses change orders, contract modifications, or multiple
2308 contracts to circumvent the requirements of this section is guilty of an infraction.
- 2309 (5)(a) A contractor subject to the requirements of this section shall demonstrate to the
2310 department that the contractor has and will maintain an offer of qualified health
2311 coverage for the contractor's employees and the employees' dependents during the
2312 duration of the contract by submitting to the department a written statement that:
- 2313 (i) the contractor offers qualified health coverage that complies with Section
2314 26B-3-909;
- 2315 (ii) is from:
- 2316 (A) an actuary selected by the contractor or the contractor's insurer;
2317 (B) an underwriter who is responsible for developing the employer group's
2318 premium rates; or
2319 (C) if the contractor provides a health benefit plan described in Subsection
2320 (1)(d)(ii), an actuary or underwriter selected by a third party administrator; and
2321 (iii) was created within one year before the day on which the statement is submitted.
- 2322 (b)(i) A contractor that provides a health benefit plan described in Subsection
2323 (1)(d)(ii) shall provide the actuary or underwriter selected by an administrator, as
2324 described in Subsection (5)(a)(ii)(C), sufficient information to determine whether
2325 the contractor's contribution to the health benefit plan and the actuarial value of
2326 the health benefit plan meet the requirements of qualified health coverage.
- 2327 (ii) A contractor may not make a change to the contractor's contribution to the health
2328 benefit plan, unless the contractor provides notice to:
- 2329 (A) the actuary or underwriter selected by an administrator, as described in
2330 Subsection (5)(a)(ii)(C), for the actuary or underwriter to update the written
2331 statement described in Subsection (5)(a) in compliance with this section; and
2332 (B) the department.
- 2333 (c) A contractor that is subject to the requirements of this section shall:
- 2334 (i) place a requirement in each of the contractor's subcontracts that a subcontractor
2335 that is subject to the requirements of this section shall obtain and maintain an offer
2336 of qualified health coverage for the subcontractor's employees and the employees'
2337 dependents during the duration of the subcontract; and
2338 (ii) obtain from a subcontractor that is subject to the requirements of this section a

- 2339 written statement that:
- 2340 (A) the subcontractor offers qualified health coverage that complies with Section
- 2341 26B-3-909;
- 2342 (B) is from an actuary selected by the subcontractor or the subcontractor's insurer,
- 2343 an underwriter who is responsible for developing the employer group's
- 2344 premium rates, or if the subcontractor provides a health benefit plan described
- 2345 in Subsection (1)(d)(ii), an actuary or underwriter selected by an administrator;
- 2346 and
- 2347 (C) was created within one year before the day on which the contractor obtains the
- 2348 statement.
- 2349 (d)(i)(A) A contractor that fails to maintain an offer of qualified health coverage
- 2350 described in Subsection (5)(a) during the duration of the contract is subject to
- 2351 penalties in accordance with administrative rules adopted by the department
- 2352 under Subsection (6).
- 2353 (B) A contractor is not subject to penalties for the failure of a subcontractor to
- 2354 obtain and maintain an offer of qualified health coverage described in
- 2355 Subsection (5)(c)(i).
- 2356 (ii)(A) A subcontractor that fails to obtain and maintain an offer of qualified
- 2357 health coverage described in Subsection (5)(c) during the duration of the
- 2358 subcontract is subject to penalties in accordance with administrative rules
- 2359 adopted by the department under Subsection (6).
- 2360 (B) A subcontractor is not subject to penalties for the failure of a contractor to
- 2361 maintain an offer of qualified health coverage described in Subsection (5)(a).
- 2362 (6) The department shall adopt administrative rules:
- 2363 (a) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
- 2364 (b) in coordination with:
- 2365 (i) the Department of Environmental Quality in accordance with Section 19-1-206;
- 2366 (ii) the Department of Natural Resources in accordance with Section 79-2-404;
- 2367 (iii) the Division of Facilities Construction and Management in accordance with
- 2368 Section 63A-5b-607;
- 2369 (iv) the State Capitol Preservation Board in accordance with Section 63O-2-403;
- 2370 (v) a public transit district in accordance with Section 17B-2a-818.5; and
- 2371 (vi) the Legislature's [~~Rules Review and General Oversight~~] General Oversight
- 2372 Committee created in Section 36-35-102; and

- 2373 (c) that establish:
- 2374 (i) the requirements and procedures a contractor and a subcontractor shall follow to
2375 demonstrate compliance with this section, including:
- 2376 (A) that a contractor or subcontractor's compliance with this section is subject to
2377 an audit by the department or the Office of the Legislative Auditor General;
- 2378 (B) that a contractor that is subject to the requirements of this section shall obtain
2379 a written statement described in Subsection (5)(a); and
- 2380 (C) that a subcontractor that is subject to the requirements of this section shall
2381 obtain a written statement described in Subsection (5)(c)(ii);
- 2382 (ii) the penalties that may be imposed if a contractor or subcontractor intentionally
2383 violates the provisions of this section, which may include:
- 2384 (A) a three-month suspension of the contractor or subcontractor from entering into
2385 future contracts with the state upon the first violation;
- 2386 (B) a six-month suspension of the contractor or subcontractor from entering into
2387 future contracts with the state upon the second violation;
- 2388 (C) an action for debarment of the contractor or subcontractor in accordance with
2389 Section 63G-6a-904 upon the third or subsequent violation; and
- 2390 (D) monetary penalties which may not exceed 50% of the amount necessary to
2391 purchase qualified health coverage for an employee and a dependent of the
2392 employee of the contractor or subcontractor who was not offered qualified
2393 health coverage during the duration of the contract; and
- 2394 (iii) a website on which the department shall post the commercially equivalent
2395 benchmark, for the qualified health coverage identified in Subsection (1)(e), that
2396 is provided by the Department of Health and Human Services, in accordance with
2397 Subsection 26B-3-909(2).
- 2398 (7)(a)(i) In addition to the penalties imposed under Subsection (6)(c)(ii), a contractor
2399 or subcontractor who intentionally violates the provisions of this section is liable
2400 to the employee for health care costs that would have been covered by qualified
2401 health coverage.
- 2402 (ii) An employer has an affirmative defense to a cause of action under Subsection
2403 (7)(a)(i) if:
- 2404 (A) the employer relied in good faith on a written statement described in
2405 Subsection (5)(a) or (5)(c)(ii); or
- 2406 (B) the department determines that compliance with this section is not required

- 2407 under the provisions of Subsection (3).
- 2408 (b) An employee has a private right of action only against the employee's employer to
2409 enforce the provisions of this Subsection (7).
- 2410 (8) Any penalties imposed and collected under this section shall be deposited into the
2411 Medicaid Growth Reduction and Budget Stabilization Account created in Section
2412 63J-1-315.
- 2413 (9) The failure of a contractor or subcontractor to provide qualified health coverage as
2414 required by this section:
- 2415 (a) may not be the basis for a protest or other action from a prospective bidder, offeror,
2416 or contractor under:
- 2417 (i) Section 63G-6a-1602; or
2418 (ii) any other provision in Title 63G, Chapter 6a, Utah Procurement Code; and
- 2419 (b) may not be used by the procurement entity or a prospective bidder, offeror, or
2420 contractor as a basis for any action or suit that would suspend, disrupt, or terminate
2421 the design or construction.
- 2422 (10) An administrator, including an administrator's actuary or underwriter, who provides a
2423 written statement under Subsection (5)(a) or (c) regarding the qualified health coverage
2424 of a contractor or subcontractor who provides a health benefit plan described in
2425 Subsection (1)(d)(ii):
- 2426 (a) subject to Subsection (10)(b), is not liable for an error in the written statement, unless
2427 the administrator commits gross negligence in preparing the written statement;
- 2428 (b) is not liable for any error in the written statement if the administrator relied in good
2429 faith on information from the contractor or subcontractor; and
- 2430 (c) may require as a condition of providing the written statement that a contractor or
2431 subcontractor hold the administrator harmless for an action arising under this section.
- 2432 Section 34. Section **79-2-404** is amended to read:
- 2433 **79-2-404 (Effective 05/06/26). Contracting powers of department -- Health**
2434 **insurance coverage.**
- 2435 (1) As used in this section:
- 2436 (a) "Aggregate" means the sum of all contracts, change orders, and modifications related
2437 to a single project.
- 2438 (b) "Change order" means the same as that term is defined in Section 63G-6a-103.
- 2439 (c) "Employee" means, as defined in Section 34A-2-104, an "employee," "worker," or
2440 "operative" who:

- 2441 (i) works at least 30 hours per calendar week; and
2442 (ii) meets employer eligibility waiting requirements for health care insurance, which
2443 may not exceed the first day of the calendar month following 60 days after the day
2444 on which the individual is hired.
- 2445 (d) "Health benefit plan" means:
2446 (i) the same as that term is defined in Section 31A-1-301; or
2447 (ii) an employee welfare benefit plan:
2448 (A) established under the Employee Retirement Income Security Act of 1974, 29
2449 U.S.C. Sec. 1001 et seq.;
2450 (B) for an employer with 100 or more employees; and
2451 (C) in which the employer establishes a self-funded or partially self-funded group
2452 health plan to provide medical care for the employer's employees and
2453 dependents of the employees.
- 2454 (e) "Qualified health coverage" means the same as that term is defined in Section
2455 26B-3-909.
- 2456 (f) "Subcontractor" means the same as that term is defined in Section 63A-5b-605.
- 2457 (g) "Third party administrator" or "administrator" means the same as that term is defined
2458 in Section 31A-1-301.
- 2459 (2) Except as provided in Subsection (3), the requirements of this section apply to:
2460 (a) a contractor of a design or construction contract entered into by, or delegated to, the
2461 department or a division, board, or council of the department on or after July 1, 2009,
2462 if the prime contract is in an aggregate amount equal to or greater than \$2,000,000;
2463 and
2464 (b) a subcontractor of a contractor of a design or construction contract entered into by, or
2465 delegated to, the department or a division, board, or council of the department on or
2466 after July 1, 2009, if the subcontract is in an aggregate amount equal to or greater
2467 than \$1,000,000.
- 2468 (3) This section does not apply to contracts entered into by the department or a division,
2469 board, or council of the department if:
2470 (a) the application of this section jeopardizes the receipt of federal funds;
2471 (b) the contract or agreement is between:
2472 (i) the department or a division, board, or council of the department; and
2473 (ii)(A) another agency of the state;
2474 (B) the federal government;

- 2475 (C) another state;
- 2476 (D) an interstate agency;
- 2477 (E) a political subdivision of this state; or
- 2478 (F) a political subdivision of another state; or
- 2479 (c) the contract or agreement is:
- 2480 (i) for the purpose of disbursing grants or loans authorized by statute;
- 2481 (ii) a sole source contract; or
- 2482 (iii) an emergency procurement.
- 2483 (4) A person that intentionally uses change orders, contract modifications, or multiple
- 2484 contracts to circumvent the requirements of this section is guilty of an infraction.
- 2485 (5)(a) A contractor subject to the requirements of this section shall demonstrate to the
- 2486 department that the contractor has and will maintain an offer of qualified health
- 2487 coverage for the contractor's employees and the employees' dependents during the
- 2488 duration of the contract by submitting to the department a written statement that:
- 2489 (i) the contractor offers qualified health coverage that complies with Section
- 2490 26B-3-909;
- 2491 (ii) is from:
- 2492 (A) an actuary selected by the contractor or the contractor's insurer;
- 2493 (B) an underwriter who is responsible for developing the employer group's
- 2494 premium rates; or
- 2495 (C) if the contractor provides a health benefit plan described in Subsection
- 2496 (1)(d)(ii), an actuary or underwriter selected by a third party administrator; and
- 2497 (iii) was created within one year before the day on which the statement is submitted.
- 2498 (b)(i) A contractor that provides a health benefit plan described in Subsection
- 2499 (1)(d)(ii) shall provide the actuary or underwriter selected by an administrator, as
- 2500 described in Subsection (5)(a)(ii)(C), sufficient information to determine whether
- 2501 the contractor's contribution to the health benefit plan and the actuarial value of
- 2502 the health benefit plan meet the requirements of qualified health coverage.
- 2503 (ii) A contractor may not make a change to the contractor's contribution to the health
- 2504 benefit plan, unless the contractor provides notice to:
- 2505 (A) the actuary or underwriter selected by an administrator, as described in
- 2506 Subsection (5)(a)(ii)(C), for the actuary or underwriter to update the written
- 2507 statement described in Subsection (5)(a) in compliance with this section; and
- 2508 (B) the department.

- 2509 (c) A contractor that is subject to the requirements of this section shall:
- 2510 (i) place a requirement in each of the contractor's subcontracts that a subcontractor
- 2511 that is subject to the requirements of this section shall obtain and maintain an offer
- 2512 of qualified health coverage for the subcontractor's employees and the employees'
- 2513 dependents during the duration of the subcontract; and
- 2514 (ii) obtain from a subcontractor that is subject to the requirements of this section a
- 2515 written statement that:
- 2516 (A) the subcontractor offers qualified health coverage that complies with Section
- 2517 26B-3-909;
- 2518 (B) is from an actuary selected by the subcontractor or the subcontractor's insurer,
- 2519 an underwriter who is responsible for developing the employer group's
- 2520 premium rates, or if the subcontractor provides a health benefit plan described
- 2521 in Subsection (1)(d)(ii), an actuary or underwriter selected by an administrator;
- 2522 and
- 2523 (C) was created within one year before the day on which the contractor obtains the
- 2524 statement.
- 2525 (d)(i)(A) A contractor that fails to maintain an offer of qualified health coverage
- 2526 described in Subsection (5)(a) during the duration of the contract is subject to
- 2527 penalties in accordance with administrative rules adopted by the department
- 2528 under Subsection (6).
- 2529 (B) A contractor is not subject to penalties for the failure of a subcontractor to
- 2530 obtain and maintain an offer of qualified health coverage described in
- 2531 Subsection (5)(c)(i).
- 2532 (ii)(A) A subcontractor that fails to obtain and maintain an offer of qualified
- 2533 health coverage described in Subsection (5)(c) during the duration of the
- 2534 subcontract is subject to penalties in accordance with administrative rules
- 2535 adopted by the department under Subsection (6).
- 2536 (B) A subcontractor is not subject to penalties for the failure of a contractor to
- 2537 maintain an offer of qualified health coverage described in Subsection (5)(a).
- 2538 (6) The department shall adopt administrative rules:
- 2539 (a) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
- 2540 (b) in coordination with:
- 2541 (i) the Department of Environmental Quality in accordance with Section 19-1-206;
- 2542 (ii) a public transit district in accordance with Section 17B-2a-818.5;

- 2543 (iii) the Division of Facilities Construction and Management in accordance with
2544 Section 63A-5b-607;
- 2545 (iv) the State Capitol Preservation Board in accordance with Section 63O-2-403;
- 2546 (v) the Department of Transportation in accordance with Section 72-6-107.5; and
- 2547 (vi) the Legislature's [~~Rules Review and General Oversight~~] General Oversight
2548 Committee created in Section 36-35-102; and
- 2549 (c) that establish:
- 2550 (i) the requirements and procedures a contractor and a subcontractor shall follow to
2551 demonstrate compliance with this section, including:
- 2552 (A) that a contractor or subcontractor's compliance with this section is subject to
2553 an audit by the department or the Office of the Legislative Auditor General;
- 2554 (B) that a contractor that is subject to the requirements of this section shall obtain
2555 a written statement described in Subsection (5)(a); and
- 2556 (C) that a subcontractor that is subject to the requirements of this section shall
2557 obtain a written statement described in Subsection (5)(c)(ii);
- 2558 (ii) the penalties that may be imposed if a contractor or subcontractor intentionally
2559 violates the provisions of this section, which may include:
- 2560 (A) a three-month suspension of the contractor or subcontractor from entering into
2561 future contracts with the state upon the first violation;
- 2562 (B) a six-month suspension of the contractor or subcontractor from entering into
2563 future contracts with the state upon the second violation;
- 2564 (C) an action for debarment of the contractor or subcontractor in accordance with
2565 Section 63G-6a-904 upon the third or subsequent violation; and
- 2566 (D) monetary penalties which may not exceed 50% of the amount necessary to
2567 purchase qualified health coverage for an employee and a dependent of an
2568 employee of the contractor or subcontractor who was not offered qualified
2569 health coverage during the duration of the contract; and
- 2570 (iii) a website on which the department shall post the commercially equivalent
2571 benchmark, for the qualified health coverage identified in Subsection (1)(e),
2572 provided by the Department of Health and Human Services, in accordance with
2573 Subsection 26B-3-909(2).
- 2574 (7)(a)(i) In addition to the penalties imposed under Subsection (6)(c)(ii), a contractor
2575 or subcontractor who intentionally violates the provisions of this section is liable
2576 to the employee for health care costs that would have been covered by qualified

- 2577 health coverage.
- 2578 (ii) An employer has an affirmative defense to a cause of action under Subsection
2579 (7)(a)(i) if:
- 2580 (A) the employer relied in good faith on a written statement described in
2581 Subsection (5)(a) or (5)(c)(ii); or
- 2582 (B) the department determines that compliance with this section is not required
2583 under the provisions of Subsection (3).
- 2584 (b) An employee has a private right of action only against the employee's employer to
2585 enforce the provisions of this Subsection (7).
- 2586 (8) Any penalties imposed and collected under this section shall be deposited into the
2587 Medicaid Growth Reduction and Budget Stabilization Account created in Section
2588 63J-1-315.
- 2589 (9) The failure of a contractor or subcontractor to provide qualified health coverage as
2590 required by this section:
- 2591 (a) may not be the basis for a protest or other action from a prospective bidder, offeror,
2592 or contractor under:
- 2593 (i) Section 63G-6a-1602; or
2594 (ii) any other provision in Title 63G, Chapter 6a, Utah Procurement Code; and
- 2595 (b) may not be used by the procurement entity or a prospective bidder, offeror, or
2596 contractor as a basis for any action or suit that would suspend, disrupt, or terminate
2597 the design or construction.
- 2598 (10) An administrator, including an administrator's actuary or underwriter, who provides a
2599 written statement under Subsection (5)(a) or (c) regarding the qualified health coverage
2600 of a contractor or subcontractor who provides a health benefit plan described in
2601 Subsection (1)(d)(ii):
- 2602 (a) subject to Subsection (10)(b), is not liable for an error in the written statement, unless
2603 the administrator commits gross negligence in preparing the written statement;
- 2604 (b) is not liable for any error in the written statement if the administrator relied in good
2605 faith on information from the contractor or subcontractor; and
- 2606 (c) may require as a condition of providing the written statement that a contractor or
2607 subcontractor hold the administrator harmless for an action arising under this section.
- 2608 **Section 35. Repealer.**
- 2609 This bill repeals:
- 2610 **Section 63G-3-101, Title.**

- 2611 Section 36. **Effective Date.**
- 2612 This bill takes effect on May 6, 2026.