

Representative Keven J. Stratton proposes the following substitute bill:

FREE MARKET PROTECTION AND PRIVATIZATION

BOARD ACT AMENDMENTS

2013 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Keven J. Stratton

Senate Sponsor: Curtis S. Bramble

LONG TITLE

General Description:

This bill recodifies and amends the Privatization Policy Board Act, changes the membership on the board, and renames the board.

Highlighted Provisions:

This bill:

- ▶ recodifies the Privatization Policy Board Act;
- ▶ changes the name of the board to the Free Market Protection and Privatization Board;
- ▶ changes the membership and terms of members of the board;
- ▶ provides that the Governor's Office of Planning and Budget shall staff the board and permits the board to contract with a private entity for additional staff;
- ▶ revises the duties and powers of the board; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None



26 **Utah Code Sections Affected:**

27 AMENDS:

28 **10-1-119**, as enacted by Laws of Utah 2008, Chapter 23

29 **17-50-107**, as enacted by Laws of Utah 2008, Chapter 23

30 **26-18-3.3**, as enacted by Laws of Utah 2011, Chapter 162

31 ENACTS:

32 **63I-4a-201**, Utah Code Annotated 1953

33 **63I-4a-204**, Utah Code Annotated 1953

34 **63I-4a-301**, Utah Code Annotated 1953

35 **63I-4a-401**, Utah Code Annotated 1953

36 RENUMBERS AND AMENDS:

37 **63I-4a-101**, (Renumbered from 63I-4-101, as enacted by Laws of Utah 2008, Chapter
38 147)

39 **63I-4a-102**, (Renumbered from 63I-4-102, as last amended by Laws of Utah 2012,
40 Chapter 212)

41 **63I-4a-202**, (Renumbered from 63I-4-201, as last amended by Laws of Utah 2010,
42 Chapter 286)

43 **63I-4a-203**, (Renumbered from 63I-4-202, as renumbered and amended by Laws of
44 Utah 2008, Chapter 147)

45 **63I-4a-205**, (Renumbered from 63I-4-203, as enacted by Laws of Utah 2008, Chapter
46 147)

47 **63I-4a-302**, (Renumbered from 63I-4-301, as enacted by Laws of Utah 2008, Chapter
48 147)

49 **63I-4a-303**, (Renumbered from 63I-4-302, as enacted by Laws of Utah 2008, Chapter
50 147)

51 **63I-4a-304**, (Renumbered from 63I-4-303, as enacted by Laws of Utah 2008, Chapter
52 147)

53 **63I-4a-402**, (Renumbered from 63I-4-304, as enacted by Laws of Utah 2008, Chapter
54 147)

55 **Uncodified Material Affected:**

56 ENACTS UNCODIFIED MATERIAL

57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87

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

Section 1. Section **10-1-119** is amended to read:

10-1-119. Inventory of competitive activities.

(1) As used in this section:

(a) "Applicable city" means:

(i) on and after July 1, 2009, a city of the first class; and

(ii) on and after July 1, 2010, a city of the first or second class.

(b) "Competitive activity" means an activity engaged in by a city or an entity created by the city by which the city or an entity created by the city provides a good or service that is substantially similar to a good or service that is provided by a person:

(i) who is not an entity of the federal government, state government, or a political subdivision of the state; and

(ii) within the boundary of the county in which the city is located.

(c) (i) Subject to Subsection (1)(c)(ii), "entity created by the city" includes:

(A) an entity created by an interlocal agreement under Title 11, Chapter 13, Interlocal Cooperation Act, in which the city participates; and

(B) a special service district created under Title 17D, Chapter 1, Special Service District Act.

(ii) "Entity created by the city" does not include a local district created by a city under Title 17B, Limited Purpose Local Government Entities - Local Districts.

(2) (a) The governing body of an applicable city shall create an inventory of activities of the city or an entity created by the city to:

(i) classify whether an activity is a competitive activity; and

(ii) identify efforts that have been made to privatize aspects of the activity.

(b) An applicable city shall comply with this section by no later than:

(i) June 30, 2010, if the applicable city is a city of the first class; and

(ii) June 30, 2011, if the applicable city is a city of the second class.

(3) The governing body of an applicable city shall update the inventory created under this section at least every two years.

(4) An applicable city shall:

88 (a) provide a copy of the inventory and an update to the inventory to the Free Market
89 Protection and Privatization [Policy] Board created in Title 63I, Chapter [4,] 4a, Free Market
90 Protection and Privatization [Policy] Board Act; and

91 (b) make the inventory available to the public through electronic means.

92 Section 2. Section **17-50-107** is amended to read:

93 **17-50-107. Inventory of competitive activities.**

94 (1) As used in this section:

95 (a) "Applicable county" means:

96 (i) on and after July 1, 2009, a county of the first class; and

97 (ii) on and after July 1, 2010, a county of the first or second class.

98 (b) "Competitive activity" means an activity engaged in by a county or an entity created
99 by the county by which the county or an entity created by the county provides a good or service
100 that is substantially similar to a good or service that is provided by a person:

101 (i) who is not an entity of the federal government, state government, or a political
102 subdivision of the state; and

103 (ii) within the boundary of the county.

104 (c) (i) Subject to Subsection (1)(c)(ii), "entity created by the county" includes:

105 (A) an entity created by an interlocal agreement under Title 11, Chapter 13, Interlocal
106 Cooperation Act, in which the county participates; and

107 (B) a special service district created under Title 17D, Chapter 1, Special Service
108 District Act.

109 (ii) "Entity created by the county" does not include a local district created by a county
110 under Title 17B, Limited Purpose Local Government Entities - Local Districts.

111 (2) (a) The governing body of an applicable county shall create an inventory of
112 activities of the county or an entity created by the county to:

113 (i) classify whether an activity is a competitive activity; and

114 (ii) identify efforts that have been made to privatize aspects of the activity.

115 (b) An applicable county shall comply with this section by no later than:

116 (i) June 30, 2010, if the applicable county is a county of the first class; and

117 (ii) June 30, 2011, if the applicable county is a county of the second class.

118 (3) The governing body of an applicable county shall update the inventory created

119 under this section at least every two years.

120 (4) An applicable county shall:

121 (a) provide a copy of the inventory and an update to the inventory to the Free Market
122 Protection and Privatization [Policy] Board created in Title 63I, Chapter ~~[4,]~~ 4a, Free Market
123 Protection and Privatization [Policy] Board Act; and

124 (b) make the inventory available to the public through electronic means.

125 Section 3. Section **26-18-3.3** is amended to read:

126 **26-18-3.3. Study of privatization of eligibility determination.**

127 (1) The department shall work with the Department of Workforce Services, the
128 Department of Human Services, and the Free Market Protection and Privatization [Policy]
129 Board created in Section ~~[63I-4-201]~~ 63I-4a-202 to study the state's eligibility determination
130 system for the state Medicaid program in accordance with this section.

131 (2) (a) The study shall include the state's eligibility determination system for the
132 following programs:

133 (i) the state Medicaid program;

134 (ii) the Utah Children's Health Insurance Program created under Chapter 40, Utah
135 Children's Health Insurance Act;

136 (iii) the Primary Care Network;

137 (iv) the Utah Premium Partnership; and

138 (v) other eligibility systems administered by the Department of Workforce Services.

139 (b) The study shall include:

140 (i) the workflow and operations of the eligibility determination systems for the
141 programs described in Subsection (2)(a); and

142 (ii) efficiencies that may be obtained through:

143 (A) consolidation of the eligibility determination systems;

144 (B) privatization of the eligibility determination systems; and

145 (C) other technology or organizational solutions for the eligibility determination
146 systems.

147 (3) The department, the Department of Workforce Services, and the Free Market
148 Protection and Privatization [Policy] Board shall, prior to October 20, 2011, report to the
149 Legislature's Health and Human Services Interim Committee and to the Social Services

150 Appropriations Subcommittee regarding the findings of the study and any recommendations
151 and options regarding the advantages and disadvantages to the state in privatizing the eligibility
152 determination system.

153 Section 4. Section **63I-4a-101**, which is renumbered from Section 63I-4-101 is
154 renumbered and amended to read:

155 **CHAPTER 4a. FREE MARKET PROTECTION AND**
156 **PRIVATIZATION BOARD ACT**

157 **Part 1. General Provisions**

158 **~~[63I-4-101]~~. 63I-4a-101. Title.**

159 (1) This chapter is known as the "Free Market Protection and Privatization [~~Policy~~]
160 Board Act."

161 (2) This part is known as "General Provisions."

162 Section 5. Section **63I-4a-102**, which is renumbered from Section 63I-4-102 is
163 renumbered and amended to read:

164 **~~[63I-4-102]~~. 63I-4a-102. Definitions.**

165 (1) (a) "Activity" means to provide a good or service.

166 (b) "Activity" includes to:

167 (i) manufacture a good or service;

168 (ii) process a good or service;

169 (iii) sell a good or service;

170 (iv) offer for sale a good or service;

171 (v) rent a good or service;

172 (vi) lease a good or service;

173 (vii) deliver a good or service;

174 (viii) distribute a good or service; or

175 (ix) advertise a good or service.

176 (2) (a) Except as provided in Subsection (2)(b), "agency" means:

177 (i) the state; or

178 (ii) an entity of the state including a department, office, division, authority,
179 commission, or board.

180 (b) "Agency" does not include:

- 181 (i) the Legislature;
- 182 (ii) an entity or agency of the Legislature;
- 183 (iii) the state auditor;
- 184 (iv) the state treasurer;
- 185 (v) the Office of the Attorney General;
- 186 (vi) the Dairy Commission created in Title 4, Chapter 22, Dairy Promotion Act;
- 187 (vii) the Utah Science Center Authority created in Title 63H, Chapter 3, Utah Science
188 Center Authority;
- 189 (viii) the Heber Valley Railroad Authority created in Title 63H, Chapter 4, Heber
190 Valley Historic Railroad Authority;
- 191 (ix) the Utah State Railroad Museum Authority created in Title 63H, Chapter 5, Utah
192 State Railroad Museum Authority;
- 193 (x) the Utah Housing Corporation created in Title 35A, Chapter 8, Part 7, Utah
194 Housing Corporation Act;
- 195 (xi) the Utah State Fair Corporation created in Title 63H, Chapter 6, Utah State Fair
196 Corporation Act;
- 197 (xii) the Workers' Compensation Fund created in Title 31A, Chapter 33, Workers'
198 Compensation Fund;
- 199 (xiii) the Utah State Retirement Office created in Title 49, Chapter 11, Utah State
200 Retirement Systems Administration;
- 201 (xiv) a charter school chartered by the State Charter School Board or a board of
202 trustees of a higher education institution under Title 53A, Chapter 1a, Part 5, The Utah Charter
203 Schools Act;
- 204 (xv) the Utah Schools for the Deaf and the Blind created in Title 53A, Chapter 25b,
205 Utah Schools for the Deaf and the Blind;
- 206 (xvi) an institution of higher education as defined in Section 53B-3-102;
- 207 (xvii) the School and Institutional Trust Lands Administration created in Title 53C,
208 Chapter 1, Part 2, School and Institutional Trust Lands Administration;
- 209 (xviii) the Utah Communications Agency Network created in Title 63C, Chapter 7,
210 Utah Communications Agency Network Act; or
- 211 (xix) the Utah Capital Investment Corporation created in Title 63M, Chapter 1, Part 12,

212 Utah Venture Capital Enhancement Act.

213 (3) "Agency head" means the chief administrative officer of an agency.

214 (4) "Board" means the Free Market Protection and Privatization [Policy] Board created
215 in Section [~~63I-4-201~~] 63I-4a-202.

216 (5) "Commercial activity" means to engage in an activity that can be obtained in whole
217 or in part from a private enterprise.

218 (6) "Local entity" means:

219 (a) a political subdivision of the state, including a:

220 (i) county;

221 (ii) city;

222 (iii) town;

223 (iv) local school district;

224 (v) local district; or

225 (vi) special service district;

226 (b) an agency of an entity described in this Subsection (6), including a department,
227 office, division, authority, commission, or board; [~~and~~] or

228 (c) an entity created by an interlocal cooperative agreement under Title 11, Chapter 13,
229 Interlocal Cooperation Act, between two or more entities described in this Subsection (6).

230 (7) "Private enterprise" means a person that engages in an activity for profit[:].

231 [~~(a) manufactures a good or service;~~]

232 [~~(b) processes a good or service;~~]

233 [~~(c) sells a good or service;~~]

234 [~~(d) offers for sale a good or service;~~]

235 [~~(e) rents a good or service;~~]

236 [~~(f) leases a good or service;~~]

237 [~~(g) delivers a good or service;~~]

238 [~~(h) distributes a good or service; or~~]

239 [~~(i) advertises a good or service.~~]

240 (8) "Privatize" means that an activity engaged in by an agency is transferred so that a
241 private enterprise engages in the activity, including a transfer by:

242 (a) contract;

243 (b) transfer of property; or

244 (c) another arrangement.

245 (9) "Special district" means:

246 (a) a local district, as defined in Section 17B-1-102;

247 (b) a special service district, as defined in Section 17D-1-102; or

248 (c) a conservation district, as defined in Section 17D-3-102.

249 Section 6. Section **63I-4a-201** is enacted to read:

250 **Part 2. Free Market Protection and Privatization Board**

251 **63I-4a-201. Title.**

252 This part is known as "Free Market Protection and Privatization Board."

253 Section 7. Section **63I-4a-202**, which is renumbered from Section 63I-4-201 is
254 renumbered and amended to read:

255 **[63I-4-201]. 63I-4a-202. Free Market Protection and Privatization Board --**
256 **Created -- Membership -- Operations -- Expenses.**

257 (1) (a) There is created a Privatization Policy Board composed of 17 members.

258 (b) The governor shall appoint board members as follows:

259 (i) two senators, one each from the majority and minority political parties, from names
260 recommended by the president of the Senate;

261 (ii) two representatives, one each from the majority and minority political parties, from
262 names recommended by the speaker of the House of Representatives;

263 (iii) two members representing public employees, from names recommended by the
264 largest public employees' association;

265 (iv) one member from state management;

266 (v) ~~eight~~ seven members from the private business community;

267 (vi) one member representing the Utah League of Cities and Towns from names
268 recommended by the Utah League of Cities and Towns; ~~and~~

269 (vii) one member representing the Utah Association of Counties from names
270 recommended by the Utah Association of Counties~~[-]; and~~

271 (viii) one member representing the Utah Association of Special Districts, from names
272 recommended by the Utah Association of Special Districts.

273 (2) (a) Except as ~~required by~~ provided in Subsection (2)(b), a board member~~[-(i)]~~

274 appointed under Subsection (1)(b)(i) or (ii) shall serve a two-year term; and (ii) appointed
 275 under Subsections (1)(b)(iii) through (vii)] shall serve a [four] two-year term.

276 (b) Notwithstanding the requirements of Subsection (2)(a), the governor shall, at the
 277 time of appointment or reappointment, adjust the length of terms to ensure that the terms of
 278 board members are staggered so that approximately half of the board is appointed every two
 279 years.

280 [~~(c) The governor shall on or before July 1, 2008 change the appointments to the board~~
 281 ~~to reflect the membership requirements of Subsection (1)(b).]~~

282 (3) (a) A board member shall hold office until the board member's successor is
 283 appointed and qualified.

284 (b) When a vacancy occurs in the membership for any reason, a replacement shall be
 285 appointed for the unexpired term.

286 (c) ~~Five~~ [F] **Nine** [3] [~~Six~~] ~~Five~~ members of the board constitute a quorum.

287 (d) The vote of a majority of board members voting when a quorum is present is
 288 necessary for the board to act.

289 (4) (a) The board shall select one of the members to serve as chair of the board.

290 (b) A chair shall serve as chair for a term of one-year, and may be selected as chair for
 291 more than one term.

292 [~~(5) The chief procurement officer or the chief procurement officer's designee shall~~
 293 ~~staff the board.]~~

294 (5) The Governor's Office of Planning and Budget shall staff the board. The board
 295 may contract for additional staff from the private sector under Section 63I-4a-204.

296 [~~(6)~~ (6) The board shall meet:

297 (a) at least quarterly; and

298 (b) as necessary to conduct its business, as called by the chair.

299 (7) A member may not receive compensation or benefits for the member's service, but
 300 may receive per diem and travel expenses in accordance with:

301 (a) Section 63A-3-106;

302 (b) Section 63A-3-107; and

303 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
 304 63A-3-107.

305 Section 8. Section **63I-4a-203**, which is renumbered from Section 63I-4-202 is
306 renumbered and amended to read:

307 ~~[63I-4-202].~~ **63I-4a-203. Free Market Protection and Privatization Board --**
308 **Duties.**

309 (1) The board shall:

310 (a) ~~[review]~~ determine whether ~~[or not a good or service]~~ an activity provided by an
311 agency could be privatized to provide the same types and quality of a good or service that
312 would result in cost savings;

313 (b) review privatization of ~~[a good or service]~~ an activity at the request of:

314 (i) an agency; or

315 (ii) a private enterprise;

316 (c) review issues concerning agency competition with one or more private enterprises
317 to determine:

318 (i) whether privatization:

319 (A) would be feasible;

320 (B) would result in cost savings; and

321 (C) would result in equal or better quality of a good or service; and

322 (ii) ways to eliminate any unfair competition with a private enterprise;

323 (d) recommend privatization to an agency if a proposed privatization is demonstrated
324 to provide a more cost efficient and effective manner of providing a good or service[?], taking
325 into account:

326 (i) the scope of providing the good or service;

327 (ii) whether cost savings will be realized;

328 (iii) whether quality will be improved;

329 (iv) the impact on risk management;

330 (v) the impact on timeliness;

331 (vi) the ability to accommodate fluctuating demand;

332 (vii) the ability to access outside expertise;

333 (viii) the impact on oversight;

334 (ix) the ability to develop sound policy and implement best practices; and

335 (x) legal and practical impediments to privatization;

336 (e) comply with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, in making
337 rules establishing privatization standards, procedures, and requirements;

338 (f) in fulfilling the duties described in this Subsection (1), consult with, maintain
339 communication with, and access information from[;];

340 (i) other entities promoting privatization; and

341 (ii) managers and employees in the public sector;

342 (g) comply with Part 3, Commercial Activities Inventory and Review; and

343 (h) (i) prepare an annual report for each calendar year that contains:

344 (A) information about the board's activities;

345 (B) recommendations on privatizing [~~a good or service~~] an activity provided by an
346 agency; and

347 (C) the status of the inventory created under Part 3, Commercial Activities Inventory
348 and Review;

349 (ii) submit the annual report to the Legislature and the governor by no later than
350 January 15 immediately following the calendar year for which the report is made; and

351 (iii) [~~provide~~] each interim, provide an oral report to the Government Operations
352 Interim Committee and the Economic Development and Workforce Services Interim
353 Committee.

354 (2) The board may, using the criteria described in Subsection (1), consider whether to
355 recommend privatization of an activity provided by an agency, a county, or a special district:

356 (a) on the board's own initiative;

357 (b) upon request by an agency, a county, or a special district;

358 (c) in response to a complaint that an agency, a county, or a special district is engaging
359 in unfair competition with a private enterprise; or

360 (d) in light of a proposal made by any person, regardless of whether the proposal was
361 solicited.

362 [~~(2)~~] (3) In addition to filing a copy of recommendations for privatization with an
363 agency head, the board shall file a copy of its recommendations for privatization with:

364 (a) the governor's office; and

365 (b) the Office of Legislative Fiscal Analyst for submission to the relevant legislative
366 appropriation subcommittee.

367 ~~[(3)]~~ (4) (a) The board may appoint advisory groups to conduct studies, research, or
 368 analyses, and make reports and recommendations with respect to a matter within the
 369 jurisdiction of the board.

370 (b) At least one member of the board shall serve on each advisory group.

371 ~~[(4)]~~ (5) (a) Subject to Subsection ~~[(4)]~~ (5)(b), this chapter does not preclude an agency
 372 from privatizing the provision of a good or service independent of the board.

373 (b) If an agency privatizes the provision of a good or service, the agency shall include
 374 as part of the contract that privatizes the provision of the good or service that any contractor
 375 assumes all liability to provide the good or service.

376 ~~[(5) The board may review upon the request of a local entity a matter relevant to:]~~

377 ~~[(a) (i) privatization; or]~~

378 ~~[(ii) unfair competition with one or more private enterprises; and]~~

379 ~~[(b) an activity or proposed activity of the local entity.]~~

380 Section 9. Section **63I-4a-204** is enacted to read:

381 **63I-4a-204. Staff support -- Assistance to an agency or local entity.**

382 (1) The board may, within funds appropriated by the Legislature for this purpose, issue
 383 a request for proposals to contract with a private sector person or entity to:

384 (a) provide staff support to the board;

385 (b) assist the board in conducting its duties, including completing the inventory
 386 described in Part 3, Commercial Activities Inventory and Review; and

387 (c) at the board's direction, assist an agency or a local entity to:

388 (i) develop a business case for potential privatization of an activity, using the criteria
 389 described in Subsection 63I-4a-203(1);

390 (ii) draft, issue, or evaluate a request for proposals to privatize an activity; or

391 (iii) award a contract to privatize an activity.

392 (2) The private sector person described in Subsection (1):

393 (a) may not be an advocate for or against privatization; and

394 (b) shall be neutral on the issue of privatization.

395 Section 10. Section **63I-4a-205**, which is renumbered from Section 63I-4-203 is
 396 renumbered and amended to read:

397 ~~[63I-4-203].~~ **63I-4a-205. Board accounting method.**

398 The board by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
399 Rulemaking Act, shall establish an accounting method that:

400 (1) is similar to generally accepted accounting principles used by a private enterprise;

401 (2) allows an agency to identify the total actual cost of engaging in a commercial
402 activity in a manner similar to how a private enterprise identifies the total actual cost to the
403 private enterprise, including the following:

404 (a) a labor expense, [~~such as~~] including:

405 (i) compensation and benefits;

406 (ii) a cost of training;

407 (iii) a cost of paying overtime;

408 (iv) a cost of supervising labor; or

409 (v) another personnel expense;

410 (b) an operating cost, [~~such as~~] including:

411 (i) vehicle maintenance and repair;

412 (ii) a marketing, advertising, or other sales expense;

413 (iii) an office expense;

414 (iv) a cost of an accounting operation, [~~such as~~] including billing;

415 (v) an insurance expense;

416 (vi) a real estate or equipment cost;

417 (vii) a debt service cost; or

418 (viii) a proportionate amount of other overhead or of a capital expense, such as vehicle
419 depreciation and depreciation of other fixed assets;

420 (c) a contract management cost; and

421 (d) another cost particular to a person supplying the good or service; and

422 (3) provides a process to estimate the taxes an agency would pay related to engaging in
423 a commercial activity if the agency were required to pay federal, state, and local taxes to the
424 same extent as a private enterprise engaging in the commercial activity.

425 Section 11. Section **63I-4a-301** is enacted to read:

426 **Part 3. Commercial Activities Inventory and Review**

427 **63I-4a-301. Title.**

428 This part is known as "Commercial Activities Inventory and Review."

429 Section 12. Section **63I-4a-302**, which is renumbered from Section 63I-4-301 is
430 renumbered and amended to read:

431 ~~[63I-4-301].~~ **63I-4a-302. Board to create inventory.**

432 ~~[(1) By no later than June 30, 2009] At least every two years,~~ the board shall ~~[create]~~
433 compile and make available to the public, by electronic means, an updated inventory of
434 activities of the agencies in [this] the state to classify whether each activity is:

435 ~~[(a)]~~ (1) a commercial activity; or

436 ~~[(b)]~~ (2) an inherently governmental activity.

437 ~~[(2) The board shall update the inventory created under this section at least every two~~
438 ~~years.]~~

439 ~~[(3) The board shall make the inventory available to the public through electronic~~
440 ~~means.]~~

441 Section 13. Section **63I-4a-303**, which is renumbered from Section 63I-4-302 is
442 renumbered and amended to read:

443 ~~[63I-4-302].~~ **63I-4a-303. Governor to require review of commercial activities.**

444 ~~[Beginning with fiscal year 2009-10, the] The~~ governor ~~[shall at least once every two~~
445 ~~fiscal years] may:~~

446 (1) select ~~[at least three]~~ one or more commercial activities that are being performed by
447 an agency for examination; and

448 (2) require the Governor's Office of Planning and Budget to conduct the examination
449 and make the determinations and recommendations described in Subsections 63I-4a-203(1)(a),
450 (c), and (d).

451 Section 14. Section **63I-4a-304**, which is renumbered from Section 63I-4-303 is
452 renumbered and amended to read:

453 ~~[63I-4-303].~~ **63I-4a-304. Duties of the Governor's Office of Planning and**
454 **Budget.**

455 (1) The Governor's Office of Planning and Budget shall:

456 (a) determine the amount of an appropriation that is no longer needed by an executive
457 branch agency because all or a portion of the agency's provision of a good or service is
458 privatized; and

459 (b) adjust the governor's budget recommendations to reflect the amount determined

460 under Subsection (1)(a).

461 (2) The Governor's Office of Planning and Budget shall report its findings to the
462 Legislature.

463 (3) This section does not prevent the governor from recommending in a budget
464 recommendation the restoration of a portion of the appropriation to an agency that is reduced
465 under this section.

466 Section 15. Section **63I-4a-401** is enacted to read:

467 **Part 4. Miscellaneous Provisions**

468 **63I-4a-401. Title.**

469 This part is known as "Miscellaneous Provisions."

470 Section 16. Section **63I-4a-402**, which is renumbered from Section 63I-4-304 is
471 renumbered and amended to read:

472 **[63I-4-304]. 63I-4a-402. Government immunity.**

473 (1) This chapter or the inclusion of an activity on an inventory made under this chapter
474 may not be construed as a waiver of any right, claim, or defense of immunity that an agency
475 may have under Title 63G, Chapter 7, Governmental Immunity Act of Utah, or other law.

476 (2) The inclusion in an inventory of an activity as a commercial activity for purposes of
477 this chapter may not be construed to find that the activity does not constitute an exercise of a
478 governmental function.