

Jordan D. Teuscher proposes the following substitute bill:

**Statutory Intent Amendments**

2025 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jordan D. Teuscher**

Senate Sponsor: Calvin R. Musselman

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**LONG TITLE**

**General Description:**

This bill modifies or removes provisions relating to legislative intent and statutory interpretation.

**Highlighted Provisions:**

This bill:

- removes certain statements of legislative intent and statutory interpretation;
- restates, modifies, replaces, or recharacterizes certain provisions that are stated in the form of legislative intent; and
- makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

- 7-17-1**, as enacted by Laws of Utah 1979, Chapter 124
- 17-19a-206**, as last amended by Laws of Utah 2023, Chapter 178
- 17B-2a-1002**, as enacted by Laws of Utah 2007, Chapter 329
- 19-3-302**, as last amended by Laws of Utah 2011, Chapter 297
- 19-3-318**, as enacted by Laws of Utah 1999, Chapter 190
- 26B-9-202**, as last amended by Laws of Utah 2024, Chapter 366
- 31A-22-305**, as last amended by Laws of Utah 2024, Chapter 158
- 31A-22-305.3**, as last amended by Laws of Utah 2024, Chapter 158
- 32B-14-101**, as enacted by Laws of Utah 2010, Chapter 276
- 35A-8-301**, as last amended by Laws of Utah 2021, Chapter 339
- 35A-8-310**, as enacted by Laws of Utah 2021, Chapter 339 and further amended by

30 Revisor Instructions, Laws of Utah 2021, Chapter 339  
 31 **35A-8-1602**, as last amended by Laws of Utah 2013, Chapter 400  
 32 **35A-8-1703**, as last amended by Laws of Utah 2019, Chapter 136  
 33 **35A-8-1704**, as last amended by Laws of Utah 2019, Chapter 136  
 34 **53B-9-101**, as last amended by Laws of Utah 2021, Chapter 203  
 35 **53E-4-301.5**, as last amended by Laws of Utah 2019, Chapter 186  
 36 **54-5-1.5**, as last amended by Laws of Utah 2023, Chapter 23  
 37 **59-12-202**, as last amended by Laws of Utah 1994, Chapter 259  
 38 **59-12-701**, as last amended by Laws of Utah 2020, Chapter 419  
 39 **59-12-1401**, as last amended by Laws of Utah 2004, Chapter 317  
 40 **63A-3-104**, as last amended by Laws of Utah 2016, Chapter 298  
 41 **63N-1a-305**, as renumbered and amended by Laws of Utah 2021, Chapter 282  
 42 **64-9b-5**, as last amended by Laws of Utah 1997, Chapter 158  
 43 **64-13a-2**, as enacted by Laws of Utah 1985, Chapter 201  
 44 **72-5-201**, as renumbered and amended by Laws of Utah 1998, Chapter 270  
 45 **73-10-1**, as last amended by Laws of Utah 2020, Chapter 354  
 46 **77-37-1**, as enacted by Laws of Utah 1987, Chapter 194  
 47 **78B-6-102**, as last amended by Laws of Utah 2019, Chapter 335  
 48 REPEALS:  
 49 **10-1-101**, as enacted by Laws of Utah 1977, Chapter 48  
 50 **10-6-102**, as enacted by Laws of Utah 1979, Chapter 26  
 51 **26B-5-502**, as renumbered and amended by Laws of Utah 2023, Chapter 308  
 52 **26B-9-102**, as renumbered and amended by Laws of Utah 2023, Chapter 305  
 53 **34A-6-102**, as renumbered and amended by Laws of Utah 1997, Chapter 375  
 54 **35A-8-1701**, as last amended by Laws of Utah 2019, Chapter 136  
 55 **53B-8a-114**, as enacted by Laws of Utah 1996, Second Special Session, Chapters 4, 4  
 56 **63G-2-102**, as renumbered and amended by Laws of Utah 2008, Chapter 382  
 57 **67-16-2**, as last amended by Laws of Utah 1989, Chapter 147

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

60 Section 1. Section **7-17-1** is amended to read:

61 **7-17-1 . Effect of act.**

62 [~~It is the intent of the Legislature that the~~] The provisions of this act govern the rights,  
 63 duties and liabilities of borrowers and lenders with respect to reserve accounts established

64 before and after the effective date of this act.

65 Section 2. Section **17-19a-206** is amended to read:

66 **17-19a-206 . Performance audit services.**

67 (1) In a county of the first class, the county auditor shall conduct a performance audit:

68 (a) as the county auditor deems appropriate, taking into account:

69 (i) the standards of the profession;

70 (ii) the county auditor's professional judgment; and

71 (iii) the county auditor's assessment of risk and materiality; or

72 (b) as requested and engaged by the county legislative body or county executive, in  
73 accordance with the following:

74 (i) the county legislative body or county executive shall establish the goals and nature  
75 of the performance audit;

76 (ii) the county auditor shall conduct the audit in a manner consistent with the county  
77 auditor's professional judgment and statutory duties; and

78 (iii) the county legislative body or county executive and the county auditor shall  
79 agree upon the prioritization and timing of the performance audit, with terms that  
80 are consistent with the county auditor's statutory duties and available resources.

81 (2)(a) In a county of the second through sixth class, the county auditor shall conduct a  
82 performance audit under the direction and supervision of the county legislative body  
83 or county executive.

84 (b) The county legislative body or county executive shall establish the goals and nature  
85 of a performance audit conducted under Subsection (2)(a).

86 (3) A performance audit conducted under this section may include an assessment of the  
87 following:

88 (a) the honesty and integrity of financial and other affairs;

89 (b) the accuracy and reliability of financial and management reports;

90 (c) the adequacy of financial controls to safeguard public funds;

91 (d) the management and staff adherence to statute, ordinance, and policies~~[-, and~~  
92 ~~legislative intent]~~;

93 (e) the economy, efficiency, and effectiveness of operational performance;

94 (f) the accomplishment of intended objectives; and

95 (g) whether management, financial, and information systems are adequate and effective.

96 Section 3. Section **17B-2a-1002** is amended to read:

97 **17B-2a-1002 . Purpose of water conservancy districts.**

- 98 (1) It is the [~~intent of the Legislature and the~~]policy of the state to:
- 99 (a) provide for the conservation and development of the water and land resources of the  
100 state;
- 101 (b) provide for the greatest beneficial use of water within the state;
- 102 (c) control and make use of all unappropriated waters in the state and to apply those  
103 waters to direct and supplemental beneficial uses including domestic, manufacturing,  
104 irrigation, and power;
- 105 (d) obtain from water in the state the highest duty for domestic uses and irrigation of  
106 lands in the state within the terms of applicable interstate compacts and other law;
- 107 (e) cooperate with the United States and its agencies under federal reclamation or other  
108 laws and to construct, finance, operate, and maintain works in the state; and
- 109 (f) promote the greater prosperity and general welfare of the people of the state by  
110 encouraging the organization of water conservancy districts.
- 111 (2) The creation and operation of water conservancy districts are a public use to help  
112 accomplish the [~~intent and~~]policy stated in Subsection (1) and will:
- 113 (a) be essentially for the benefit and advantage of the people of the state;
- 114 (b) indirectly benefit all industries of the state;
- 115 (c) indirectly benefit the state by increasing the value of taxable property in the state;
- 116 (d) directly benefit municipalities by providing adequate supplies of water for domestic  
117 use;
- 118 (e) directly benefit lands to be irrigated or drained;
- 119 (f) directly benefit lands now under irrigation by stabilizing the flow of water in streams  
120 and by increasing flow and return flow of water to those streams; and
- 121 (g) promote the comfort, safety, and welfare of the people of the state.

122 Section 4. Section **19-3-302** is amended to read:

123 **19-3-302 . Legislative assertions and findings.**

- 124 (1)(a) The state[~~-enacts this part to prevent~~] :
- 125 (i) asserts a right and interest to prevent the placement of any high-level nuclear  
126 waste or greater than class C radioactive waste in Utah[~~.-The state also-~~] ; and
- 127 (ii) recognizes that high-level nuclear waste or greater than class C radioactive waste  
128 may be placed within the exterior boundaries of the state, pursuant to a license  
129 from the federal government, or by the federal government itself, in violation of  
130 this state law.
- 131 (b) Due to this possibility, the state also [~~enacts provisions in this part to regulate~~] asserts

132 an interest in regulating transportation, transfer, storage, decay in storage, treatment,  
133 and disposal of any high-level nuclear waste and greater than class C radioactive  
134 waste in Utah, thereby asserting and protecting the state's interests in environmental  
135 and economic resources consistent with 42 U.S.C.A. Sec. 2011 et seq., Atomic  
136 Energy Act and 42 U.S.C.A. Sec. 10101 et seq., Nuclear Waste Policy Act, should  
137 the federal government decide to authorize any entity to operate, or operate itself, in  
138 violation of this state law.

139 (2) [~~Neither~~] The state finds that the Atomic Energy Act nor the Nuclear Waste Policy Act  
140 provides for siting a large privately owned high-level nuclear waste transfer, storage,  
141 decay in storage, or treatment facility away from the vicinity of the reactors. The  
142 Atomic Energy Act and the Nuclear Waste Policy Act specifically define authorized  
143 storage and disposal programs and activities. The state in enacting this part is not  
144 preempted by federal law, since any proposed facilities that would be sited in Utah are  
145 not contemplated or authorized by federal law and, in any circumstance, this part is not  
146 contrary to or inconsistent with federal law or congressional intent.

147 (3) The state has environmental and economic interests which do not involve nuclear safety  
148 regulation, and which shall be considered and complied with in siting a high-level  
149 nuclear waste or greater than class C radioactive waste transfer, storage, decay in  
150 storage, treatment, or disposal facility and in transporting these wastes in the state.

151 (4) [~~An additional primary purpose of this part is to ensure protection of~~] The state also  
152 asserts an interest in protecting the state from nonradiological hazards associated with  
153 any waste transportation, transfer, storage, decay in storage, treatment, or disposal.

154 (5) The state recognizes the sovereign rights of Indian tribes within the state. However, any  
155 proposed transfer, storage, decay in storage, treatment, or disposal facility located on a  
156 reservation which directly affects and impacts state interests by creating off-reservation  
157 effects such as potential or actual degradation of soils and groundwater, potential or  
158 actual contamination of surface water, pollution of the ambient air, emergency planning  
159 costs, impacts on development, agriculture, and ranching, and increased transportation  
160 activity, is subject to state jurisdiction.

161 (6) There is no tradition of regulation by the Indian tribes in Utah of high-level nuclear  
162 waste or higher than class C radioactive waste. The state does have a long history of  
163 regulation of radioactive sources and natural resources and in the transfer, storage,  
164 treatment, and transportation of materials and wastes throughout the state. The state  
165 finds that its interests are even greater when nonmembers of an Indian tribe propose to

166 locate a facility on tribal trust lands primarily to avoid state regulation and state  
167 authorities under federal law.

168 (7)(a) This part [~~is not intended to~~] does not modify existing state requirements for  
169 obtaining environmental approvals, permits, and licenses, including surface and  
170 groundwater permits and air quality permits, when the permits are necessary under  
171 state and federal law to construct and operate a high-level nuclear waste or greater  
172 than class C radioactive waste transfer, storage, decay in storage, treatment, or  
173 disposal facility.

174 (b) Any source of air pollution proposed to be located within the state, including sources  
175 located within the boundaries of an Indian reservation, which will potentially or  
176 actually have a direct and significant impact on ambient air within the state, is  
177 required to obtain an approval order and permit from the state under Section 19-2-108.

178 (c) Any facility which will potentially or actually have a significant impact on the state's  
179 surface or groundwater resources is required to obtain a permit under Section  
180 19-5-107 even if located within the boundaries of an Indian reservation.

181 (8) The state finds that the transportation, transfer, storage, decay in storage, treatment, and  
182 disposal of high-level nuclear waste and greater than class C radioactive waste within  
183 the state is an ultra-hazardous activity which carries with it the risk that any release of  
184 waste may result in enormous economic and human injury.

185 Section 5. Section **19-3-318** is amended to read:

186 **19-3-318 . No limitation of liability regarding businesses involved in high level**  
187 **radioactive waste.**

188 (1) As used in this section:

189 (a) "Controlling interest" means:

190 (i) the direct or indirect possession of the power to direct or cause the direction of the  
191 management and policies of an organization, whether through the ownership of  
192 voting interests, by contract, or otherwise; or

193 (ii) the direct or indirect possession of a 10% or greater equity interest in an  
194 organization.

195 (b) "Equity interest holder" means a shareholder, member, partner, limited partner, trust  
196 beneficiary, or other person whose interest in an organization:

197 (i) is in the nature of an ownership interest;

198 (ii) entitles the person to participate in the profits and losses of the organization; or

199 (iii) is otherwise of a type generally considered to be an equity interest.

200 (c) "Organization" means a corporation, limited liability company, partnership, limited  
 201 partnership, limited liability partnership, joint venture, consortium, association, trust,  
 202 or other entity formed to undertake an enterprise or activity, whether or not for profit.

203 (d) "Parent organization" means an organization with a controlling interest in another  
 204 organization.

205 (e)(i) "Subject activity" means:

206 (A) to arrange for or engage in the transportation or transfer of high level nuclear  
 207 waste or greater than class C radioactive waste to or from a storage facility in  
 208 the state; or

209 (B) to arrange for or engage in the operation or maintenance of a storage facility  
 210 or a transfer facility for that waste.

211 (ii) "Subject activity" does not include the transportation of high level nuclear waste  
 212 or greater than class C radioactive waste by a class I railroad that was doing  
 213 business in the state as a common or contract carrier by rail prior to January 1,  
 214 1999.

215 (f) "Subsidiary organization" means an organization in which a parent organization has a  
 216 controlling interest.

217 (2)(a) The Legislature enacts this section because of the state's compelling interest in the  
 218 transportation, transfer, and storage of high level nuclear waste and greater than class  
 219 C radioactive waste in this state.~~[-] Legislative [intent] findings and assertions~~  
 220 supporting this section [is] are further described in Section 19-3-302.

221 (b) ~~[Limited-]~~ The state finds that:

222 (i) liability for equity interest holders is a privilege, not a right, under the law and is  
 223 meant to benefit the state and its citizens~~[-An]~~ ;

224 (ii) an organization engaging in subject activities has significant potential to affect  
 225 the health, welfare, or best interests of the state and should not have limited  
 226 liability for its equity interest holders~~[-To shield]~~ ; and

227 (iii) shielding equity interest holders from the debts and obligations of an  
 228 organization engaged in subject activities would have the effect of attracting  
 229 capital to enterprises whose goals are contrary to the state's interests.

230 (c) This section ~~[has the intent of revoking-]~~ revokes any and all statutory and common  
 231 law grants of limited liability for an equity interest holder of an organization that  
 232 chooses to engage in a subject activity in this state.

233 ~~[(d) This section shall be interpreted liberally to allow the greatest possible lawful~~

234           recourse against an equity interest holder of an organization engaged in a subject  
235           activity in this state for the debts and liabilities of that organization.]

236           [(e)] (d) This section does not reduce or affect any liability limitation otherwise granted  
237           to an organization by Utah law if that organization is not engaged in a subject activity  
238           in this state.

239 (3) Notwithstanding any law to the contrary, if a domestic or foreign organization engages  
240           in a subject activity in this state, no equity interest holder of that organization enjoys any  
241           shield or limitation of liability for the acts, omissions, debts, and obligations of the  
242           organization incurred in this state. Each equity interest holder of the organization is  
243           strictly and jointly and severally liable for all these obligations.

244 (4) Notwithstanding any law to the contrary, each officer and director of an organization  
245           engaged in a subject activity in this state is individually liable for the acts, omissions,  
246           debts, and obligations of the organization incurred in this state.

247 (5)(a) Notwithstanding any law to the contrary, if a subsidiary organization is engaged in  
248           a subject activity in this state, [~~then~~]each parent organization of the subsidiary is also  
249           considered to be engaged in a subject activity in this state. Each parent organization's  
250           equity interest holders and officers and directors are subject to this section to the  
251           same degree as the subsidiary's equity interest holders and officers and directors.

252 (b) Subsection (5)(a) applies regardless of the number of parent organizations through  
253           which the controlling interest passes in the relationship between the subsidiary and  
254           the ultimate parent organization that controls the subsidiary.

255 (6) This section does not excuse or modify the requirements imposed upon an applicant for  
256           a license by Subsection 19-3-306(9).

257           Section 6. Section **26B-9-202** is amended to read:

258           **26B-9-202 . Common-law and statutory remedies augmented by act.**

259 (1) The state of Utah, exercising its police and sovereign power, declares that the  
260           common-law and statutory remedies pertaining to family desertion and nonsupport of  
261           children shall be augmented by this part, which is directed to the real and personal  
262           property resources of the responsible parents.

263 (2) [~~In order to render resources more immediately available to meet the needs of children,~~  
264           ~~it is the legislative intent that the~~] The remedies provided in this part are in addition to,  
265           and not in lieu of, existing law.

266 [~~(3) It is declared to be the public policy of this state that this part be liberally construed~~  
267           ~~and administered to the end that children shall be maintained from the resources of~~



268 responsible parents, thereby relieving or avoiding, at least in part, the burden often borne  
 269 by the general citizenry through public assistance programs.]

270 Section 7. Section **31A-22-305** is amended to read:

271 **31A-22-305 . Uninsured motorist coverage.**

272 (1) As used in this section, "covered persons" includes:

- 273 (a) the named insured;
- 274 (b) for a claim arising on or after May 13, 2014, the named insured's dependent minor  
 275 children;
- 276 (c) persons related to the named insured by blood, marriage, adoption, or guardianship,  
 277 who are residents of the named insured's household, including those who usually  
 278 make their home in the same household but temporarily live elsewhere;
- 279 (d) any person occupying or using a motor vehicle:
  - 280 (i) referred to in the policy; or
  - 281 (ii) owned by a self-insured; and
- 282 (e) any person who is entitled to recover damages against the owner or operator of the  
 283 uninsured or underinsured motor vehicle because of bodily injury to or death of  
 284 persons under Subsection (1)(a), (b), (c), or (d).

285 (2) As used in this section, "uninsured motor vehicle" includes:

- 286 (a)(i) a motor vehicle, the operation, maintenance, or use of which is not covered  
 287 under a liability policy at the time of an injury-causing occurrence; or
- 288 (ii)(A) a motor vehicle covered with lower liability limits than required by Section  
 289 31A-22-304; and
- 290 (B) the motor vehicle described in Subsection (2)(a)(ii)(A) is uninsured to the  
 291 extent of the deficiency;
- 292 (b) an unidentified motor vehicle that left the scene of an accident proximately caused  
 293 by the motor vehicle operator;
- 294 (c) a motor vehicle covered by a liability policy, but coverage for an accident is disputed  
 295 by the liability insurer for more than 60 days or continues to be disputed for more  
 296 than 60 days; or
- 297 (d)(i) an insured motor vehicle if, before or after the accident, the liability insurer of  
 298 the motor vehicle is declared insolvent by a court of competent jurisdiction; and
- 299 (ii) the motor vehicle described in Subsection (2)(d)(i) is uninsured only to the extent  
 300 that the claim against the insolvent insurer is not paid by a guaranty association or  
 301 fund.

302 (3) Uninsured motorist coverage under Subsection 31A-22-302(1)(b) provides coverage for  
303 covered persons who are legally entitled to recover damages from owners or operators  
304 of uninsured motor vehicles because of bodily injury, sickness, disease, or death.

305 (4)(a) For new policies written on or after January 1, 2001, the limits of uninsured  
306 motorist coverage shall be equal to the lesser of the limits of the named insured's  
307 motor vehicle liability coverage or the maximum uninsured motorist coverage limits  
308 available by the insurer under the named insured's motor vehicle policy, unless a  
309 named insured rejects or purchases coverage in a lesser amount by signing an  
310 acknowledgment form that:

311 (i) is filed with the department;

312 (ii) is provided by the insurer;

313 (iii) waives the higher coverage;

314 (iv) need only state in this or similar language that uninsured motorist coverage  
315 provides benefits or protection to you and other covered persons for bodily injury  
316 resulting from an accident caused by the fault of another party where the other  
317 party has no liability insurance; and

318 (v) discloses the additional premiums required to purchase uninsured motorist  
319 coverage with limits equal to the lesser of the limits of the named insured's motor  
320 vehicle liability coverage or the maximum uninsured motorist coverage limits  
321 available by the insurer under the named insured's motor vehicle policy.

322 (b) Any selection or rejection under this Subsection (4) continues for that issuer of the  
323 liability coverage until the insured requests, in writing, a change of uninsured  
324 motorist coverage from that liability insurer.

325 (c)(i) Subsections (4)(a) and (b) apply retroactively to any claim arising on or after  
326 January 1, 2001, for which, as of May 14, 2013, an insured has not made a written  
327 demand for arbitration or filed a complaint in a court of competent jurisdiction.

328 (ii) The Legislature finds that the retroactive application of Subsections (4)(a) and (b)  
329 clarifies [~~legislative intent~~] the application of law and does not enlarge, eliminate,  
330 or destroy vested rights.

331 (d) For purposes of this Subsection (4), "new policy" means:

332 (i) any policy that is issued which does not include a renewal or reinstatement of an  
333 existing policy; or

334 (ii) a change to an existing policy that results in:

335 (A) a named insured being added to or deleted from the policy; or

- 336 (B) a change in the limits of the named insured's motor vehicle liability coverage.
- 337 (e)(i) As used in this Subsection (4)(e), "additional motor vehicle" means a change  
338 that increases the total number of vehicles insured by the policy, and does not  
339 include replacement, substitute, or temporary vehicles.
- 340 (ii) The adding of an additional motor vehicle to an existing personal lines or  
341 commercial lines policy does not constitute a new policy for purposes of  
342 Subsection (4)(d).
- 343 (iii) If an additional motor vehicle is added to a personal lines policy where uninsured  
344 motorist coverage has been rejected, or where uninsured motorist limits are lower  
345 than the named insured's motor vehicle liability limits, the insurer shall provide a  
346 notice to a named insured within 30 days that:
- 347 (A) in the same manner as described in Subsection (4)(a)(iv), explains the purpose  
348 of uninsured motorist coverage; and
- 349 (B) encourages the named insured to contact the insurance company or insurance  
350 producer for quotes as to the additional premiums required to purchase  
351 uninsured motorist coverage with limits equal to the lesser of the limits of the  
352 named insured's motor vehicle liability coverage or the maximum uninsured  
353 motorist coverage limits available by the insurer under the named insured's  
354 motor vehicle policy.
- 355 (f) A change in policy number resulting from any policy change not identified under  
356 Subsection (4)(d)(ii) does not constitute a new policy.
- 357 (g)(i) Subsection (4)(d) applies retroactively to any claim arising on or after January  
358 1, 2001, for which, as of May 1, 2012, an insured has not made a written demand  
359 for arbitration or filed a complaint in a court of competent jurisdiction.
- 360 (ii) The Legislature finds that the retroactive application of Subsection (4):
- 361 (A) does not enlarge, eliminate, or destroy vested rights; and  
362 (B) clarifies [~~legislative intent~~] the application of law.
- 363 (h) A self-insured, including a governmental entity, may elect to provide uninsured  
364 motorist coverage in an amount that is less than its maximum self-insured retention  
365 under Subsections (4)(a) and (5)(a) by issuing a declaratory memorandum or policy  
366 statement from the chief financial officer or chief risk officer that declares the:
- 367 (i) self-insured entity's coverage level; and  
368 (ii) process for filing an uninsured motorist claim.
- 369 (i) Uninsured motorist coverage may not be sold with limits that are less than the

- 370 minimum bodily injury limits for motor vehicle liability policies under Section  
371 31A-22-304.
- 372 (j) The acknowledgment under Subsection (4)(a) continues for that issuer of the  
373 uninsured motorist coverage until the named insured requests, in writing, different  
374 uninsured motorist coverage from the insurer.
- 375 (k)(i) In conjunction with the first two renewal notices sent after January 1, 2001, for  
376 policies existing on that date, the insurer shall disclose in the same medium as the  
377 premium renewal notice, an explanation of:
- 378 (A) the purpose of uninsured motorist coverage in the same manner as described  
379 in Subsection (4)(a)(iv); and
- 380 (B) a disclosure of the additional premiums required to purchase uninsured  
381 motorist coverage with limits equal to the lesser of the limits of the named  
382 insured's motor vehicle liability coverage or the maximum uninsured motorist  
383 coverage limits available by the insurer under the named insured's motor  
384 vehicle policy.
- 385 (ii) The disclosure required under Subsection (4)(k)(i) shall be sent to all named  
386 insureds that carry uninsured motorist coverage limits in an amount less than the  
387 named insured's motor vehicle liability policy limits or the maximum uninsured  
388 motorist coverage limits available by the insurer under the named insured's motor  
389 vehicle policy.
- 390 (l) For purposes of this Subsection (4), a notice or disclosure sent to a named insured in  
391 a household constitutes notice or disclosure to all insureds within the household.
- 392 (5)(a)(i) Except as provided in Subsection (5)(b), the named insured may reject  
393 uninsured motorist coverage by an express writing to the insurer that provides  
394 liability coverage under Subsection 31A-22-302(1)(a).
- 395 (ii) This rejection shall be on a form provided by the insurer that includes a  
396 reasonable explanation of the purpose of uninsured motorist coverage.
- 397 (iii) This rejection continues for that issuer of the liability coverage until the insured  
398 in writing requests uninsured motorist coverage from that liability insurer.
- 399 (b)(i) All persons, including governmental entities, that are engaged in the business  
400 of, or that accept payment for, transporting natural persons by motor vehicle, and  
401 all school districts that provide transportation services for their students, shall  
402 provide coverage for all motor vehicles used for that purpose, by purchase of a  
403 policy of insurance or by self-insurance, uninsured motorist coverage of at least

- 404 \$25,000 per person and \$500,000 per accident.
- 405 (ii) This coverage is secondary to any other insurance covering an injured covered  
406 person.
- 407 (c) Uninsured motorist coverage:
- 408 (i) in order to avoid double recovery, does not cover any benefit under Title 34A,  
409 Chapter 2, Workers' Compensation Act, or Title 34A, Chapter 3, Utah  
410 Occupational Disease Act, provided by the workers' compensation insurance  
411 carrier, uninsured employer, the Uninsured Employers' Fund created in Section  
412 34A-2-704, or the Employers' Reinsurance Fund created in Section 34A-2-702,  
413 except that:
- 414 (A) the covered person is credited an amount described in Subsection  
415 34A-2-106(5); and
- 416 (B) the benefits described in this Subsection (5)(c)(i) do not need to be paid before  
417 an uninsured motorist claim may be pursued and resolved;
- 418 (ii) may not be subrogated by the workers' compensation insurance carrier, uninsured  
419 employer, the Uninsured Employers' Fund created in Section 34A-2-704, or the  
420 Employers' Reinsurance Fund created in Section 34A-2-702;
- 421 (iii) may not be reduced by any benefits provided by the workers' compensation  
422 insurance carrier, uninsured employer, the Uninsured Employers' Fund created in  
423 Section 34A-2-704, or the Employers' Reinsurance Fund created in Section  
424 34A-2-702;
- 425 (iv) notwithstanding Subsection 31A-1-103(3)(f), may be reduced by health  
426 insurance subrogation only after the covered person has been made whole;
- 427 (v) may not be collected for bodily injury or death sustained by a person:
- 428 (A) while committing a violation of Section 41-1a-1314;
- 429 (B) who, as a passenger in a vehicle, has knowledge that the vehicle is being  
430 operated in violation of Section 41-1a-1314; or
- 431 (C) while committing a felony; and
- 432 (vi) notwithstanding Subsection (5)(c)(v), may be recovered:
- 433 (A) for a person under 18 years old who is injured within the scope of Subsection  
434 (5)(c)(v) but limited to medical and funeral expenses; or
- 435 (B) by a law enforcement officer as defined in Section 53-13-103, who is injured  
436 within the course and scope of the law enforcement officer's duties.
- 437 (d) As used in this Subsection (5), "motor vehicle" means the same as that term is

- 438 defined in Section 41-1a-102.
- 439 (6) When a covered person alleges that an uninsured motor vehicle under Subsection (2)(b)  
440 proximately caused an accident without touching the covered person or the motor  
441 vehicle occupied by the covered person, the covered person shall show the existence of  
442 the uninsured motor vehicle by clear and convincing evidence consisting of more than  
443 the covered person's testimony.
- 444 (7)(a) The limit of liability for uninsured motorist coverage for two or more motor  
445 vehicles may not be added together, combined, or stacked to determine the limit of  
446 insurance coverage available to an injured person for any one accident.
- 447 (b)(i) Subsection (7)(a) applies to all persons except a covered person as defined  
448 under Subsection (8)(b).
- 449 (ii) A covered person as defined under Subsection (8)(b)(ii) is entitled to the highest  
450 limits of uninsured motorist coverage afforded for any one motor vehicle that the  
451 covered person is the named insured or an insured family member.
- 452 (iii) This coverage shall be in addition to the coverage on the motor vehicle the  
453 covered person is occupying.
- 454 (iv) Neither the primary nor the secondary coverage may be set off against the other.
- 455 (c) Coverage on a motor vehicle occupied at the time of an accident shall be primary  
456 coverage, and the coverage elected by a person described under Subsections (1)(a)  
457 through (c) shall be secondary coverage.
- 458 (8)(a) Uninsured motorist coverage under this section applies to bodily injury, sickness,  
459 disease, or death of covered persons while occupying or using a motor vehicle only if  
460 the motor vehicle is described in the policy under which a claim is made, or if the  
461 motor vehicle is a newly acquired or replacement motor vehicle covered under the  
462 terms of the policy. Except as provided in Subsection (7) or this Subsection (8), a  
463 covered person injured in a motor vehicle described in a policy that includes  
464 uninsured motorist benefits may not elect to collect uninsured motorist coverage  
465 benefits from any other motor vehicle insurance policy under which the person is a  
466 covered person.
- 467 (b) Each of the following persons may also recover uninsured motorist benefits under  
468 any one other policy in which they are described as a "covered person" as defined in  
469 Subsection (1):
- 470 (i) a covered person injured as a pedestrian by an uninsured motor vehicle; and  
471 (ii) except as provided in Subsection (8)(c), a covered person injured while

- 472 occupying or using a motor vehicle that is not owned, leased, or furnished:  
473 (A) to the covered person;  
474 (B) to the covered person's spouse; or  
475 (C) to the covered person's resident parent or resident sibling.
- 476 (c)(i) A covered person may recover benefits from no more than two additional  
477 policies, one additional policy from each parent's household if the covered person  
478 is:
- 479 (A) a dependent minor of parents who reside in separate households; and  
480 (B) injured while occupying or using a motor vehicle that is not owned, leased, or  
481 furnished:  
482 (I) to the covered person;  
483 (II) to the covered person's resident parent; or  
484 (III) to the covered person's resident sibling.
- 485 (ii) Each parent's policy under this Subsection (8)(c) is liable only for the percentage  
486 of the damages that the limit of liability of each parent's policy of uninsured  
487 motorist coverage bears to the total of both parents' uninsured coverage applicable  
488 to the accident.
- 489 (d) A covered person's recovery under any available policies may not exceed the full  
490 amount of damages.
- 491 (e) A covered person in Subsection (8)(b) is not barred against making subsequent  
492 elections if recovery is unavailable under previous elections.
- 493 (f)(i) As used in this section, "interpolicy stacking" means recovering benefits for a  
494 single incident of loss under more than one insurance policy.  
495 (ii) Except to the extent permitted by Subsection (7) and this Subsection (8),  
496 interpolicy stacking is prohibited for uninsured motorist coverage.
- 497 (9)(a) When a claim is brought by a named insured or a person described in Subsection  
498 (1) and is asserted against the covered person's uninsured motorist carrier, the  
499 claimant may elect to resolve the claim:
- 500 (i) by submitting the claim to binding arbitration; or  
501 (ii) through litigation.
- 502 (b) Unless otherwise provided in the policy under which uninsured benefits are claimed,  
503 the election provided in Subsection (9)(a) is available to the claimant only, except  
504 that if the policy under which insured benefits are claimed provides that either an  
505 insured or the insurer may elect arbitration, the insured or the insurer may elect

- 506 arbitration and that election to arbitrate shall stay the litigation of the claim under  
507 Subsection (9)(a)(ii).
- 508 (c) Once the claimant has elected to commence litigation under Subsection (9)(a)(ii), the  
509 claimant may not elect to resolve the claim through binding arbitration under this  
510 section without the written consent of the uninsured motorist carrier.
- 511 (d) For purposes of the statute of limitations applicable to a claim described in  
512 Subsection (9)(a), if the claimant does not elect to resolve the claim through  
513 litigation, the claim is considered filed when the claimant submits the claim to  
514 binding arbitration in accordance with this Subsection (9).
- 515 (e)(i) Unless otherwise agreed to in writing by the parties, a claim that is submitted to  
516 binding arbitration under Subsection (9)(a)(i) shall be resolved by a single  
517 arbitrator.
- 518 (ii) All parties shall agree on the single arbitrator selected under Subsection (9)(e)(i).
- 519 (iii) If the parties are unable to agree on a single arbitrator as required under  
520 Subsection (9)(e)(ii), the parties shall select a panel of three arbitrators.
- 521 (f) If the parties select a panel of three arbitrators under Subsection (9)(e)(iii):
- 522 (i) each side shall select one arbitrator; and
- 523 (ii) the arbitrators appointed under Subsection (9)(f)(i) shall select one additional  
524 arbitrator to be included in the panel.
- 525 (g) Unless otherwise agreed to in writing:
- 526 (i) each party shall pay an equal share of the fees and costs of the arbitrator selected  
527 under Subsection (9)(e)(i); or
- 528 (ii) if an arbitration panel is selected under Subsection (9)(e)(iii):
- 529 (A) each party shall pay the fees and costs of the arbitrator selected by that party;  
530 and
- 531 (B) each party shall pay an equal share of the fees and costs of the arbitrator  
532 selected under Subsection (9)(f)(ii).
- 533 (h) Except as otherwise provided in this section or unless otherwise agreed to in writing  
534 by the parties, an arbitration proceeding conducted under this section shall be  
535 governed by Title 78B, Chapter 11, Utah Uniform Arbitration Act.
- 536 (i)(i) The arbitration shall be conducted in accordance with Rules 26(a)(4) through  
537 (f), 27 through 37, 54, and 68 of the Utah Rules of Civil Procedure, once the  
538 requirements of Subsections (10)(a) through (c) are satisfied.
- 539 (ii) The specified tier as defined by Rule 26(c)(3) of the Utah Rules of Civil



540 Procedure shall be determined based on the claimant's specific monetary amount  
541 in the written demand for payment of uninsured motorist coverage benefits as  
542 required in Subsection (10)(a)(i)(A).

543 (iii) Rules 26.1 and 26.2 of the Utah Rules of Civil Procedure do not apply to  
544 arbitration claims under this part.

545 (j) All issues of discovery shall be resolved by the arbitrator or the arbitration panel.

546 (k) A written decision by a single arbitrator or by a majority of the arbitration panel shall  
547 constitute a final decision.

548 (l)(i) Except as provided in Subsection (10), the amount of an arbitration award may  
549 not exceed the uninsured motorist policy limits of all applicable uninsured  
550 motorist policies, including applicable uninsured motorist umbrella policies.

551 (ii) If the initial arbitration award exceeds the uninsured motorist policy limits of all  
552 applicable uninsured motorist policies, the arbitration award shall be reduced to an  
553 amount equal to the combined uninsured motorist policy limits of all applicable  
554 uninsured motorist policies.

555 (m) The arbitrator or arbitration panel may not decide the issues of coverage or  
556 extra-contractual damages, including:

557 (i) whether the claimant is a covered person;

558 (ii) whether the policy extends coverage to the loss; or

559 (iii) any allegations or claims asserting consequential damages or bad faith liability.

560 (n) The arbitrator or arbitration panel may not conduct arbitration on a class-wide or  
561 class-representative basis.

562 (o) If the arbitrator or arbitration panel finds that the action was not brought, pursued, or  
563 defended in good faith, the arbitrator or arbitration panel may award reasonable  
564 attorney fees and costs against the party that failed to bring, pursue, or defend the  
565 claim in good faith.

566 (p) An arbitration award issued under this section shall be the final resolution of all  
567 claims not excluded by Subsection (9)(m) between the parties unless:

568 (i) the award was procured by corruption, fraud, or other undue means; and

569 (ii) within 20 days after service of the arbitration award, a party:

570 (A) files a complaint requesting a trial de novo in a court with jurisdiction under  
571 Title 78A, Judiciary and Judicial Administration; and

572 (B) serves the nonmoving party with a copy of the complaint requesting a trial de  
573 novo under Subsection (9)(p)(ii)(A).

- 574 (q)(i) Upon filing a complaint for a trial de novo under Subsection (9)(p), the claim  
575 shall proceed through litigation in accordance with the Utah Rules of Civil  
576 Procedure and Utah Rules of Evidence.
- 577 (ii) In accordance with Rule 38, Utah Rules of Civil Procedure, a party may request a  
578 jury trial with a complaint requesting a trial de novo under Subsection  
579 (9)(p)(ii)(A).
- 580 (r)(i) If the claimant, as the moving party in a trial de novo requested under  
581 Subsection (9)(p), does not obtain a verdict that is at least \$5,000 and is at least  
582 20% greater than the arbitration award, the claimant is responsible for all of the  
583 nonmoving party's costs.
- 584 (ii) If the uninsured motorist carrier, as the moving party in a trial de novo requested  
585 under Subsection (9)(p), does not obtain a verdict that is at least 20% less than the  
586 arbitration award, the uninsured motorist carrier is responsible for all of the  
587 nonmoving party's costs.
- 588 (iii) Except as provided in Subsection (9)(r)(iv), the costs under this Subsection (9)(r)  
589 shall include:
- 590 (A) any costs set forth in Rule 54(d), Utah Rules of Civil Procedure; and  
591 (B) the costs of expert witnesses and depositions.
- 592 (iv) An award of costs under this Subsection (9)(r) may not exceed \$2,500 unless  
593 Subsection (10)(h)(iii) applies.
- 594 (s) For purposes of determining whether a party's verdict is greater or less than the  
595 arbitration award under Subsection (9)(r), a court may not consider any recovery or  
596 other relief granted on a claim for damages if the claim for damages:
- 597 (i) was not fully disclosed in writing prior to the arbitration proceeding; or  
598 (ii) was not disclosed in response to discovery contrary to the Utah Rules of Civil  
599 Procedure.
- 600 (t) If a court determines, upon a motion of the nonmoving party, that the moving party's  
601 use of the trial de novo process was filed in bad faith in accordance with Section  
602 78B-5-825, the court may award reasonable attorney fees to the nonmoving party.
- 603 (u) Nothing in this section is intended to limit any claim under any other portion of an  
604 applicable insurance policy.
- 605 (v) If there are multiple uninsured motorist policies, as set forth in Subsection (8), the  
606 claimant may elect to arbitrate in one hearing the claims against all the uninsured  
607 motorist carriers.

- 608 (10)(a) Within 30 days after a covered person elects to submit a claim for uninsured  
609 motorist benefits to binding arbitration or files litigation, the covered person shall  
610 provide to the uninsured motorist carrier:
- 611 (i) a written demand for payment of uninsured motorist coverage benefits, setting  
612 forth:
- 613 (A) subject to Subsection (10)(l), the specific monetary amount of the demand,  
614 including a computation of the covered person's claimed past medical  
615 expenses, claimed past lost wages, and the other claimed past economic  
616 damages; and
- 617 (B) the factual and legal basis and any supporting documentation for the demand;
- 618 (ii) a written statement under oath disclosing:
- 619 (A)(I) the names and last known addresses of all health care providers who  
620 have rendered health care services to the covered person that are material to  
621 the claims for which uninsured motorist benefits are sought for a period of  
622 five years preceding the date of the event giving rise to the claim for  
623 uninsured motorist benefits up to the time the election for arbitration or  
624 litigation has been exercised; and
- 625 (II) the names and last known addresses of the health care providers who have  
626 rendered health care services to the covered person, which the covered  
627 person claims are immaterial to the claims for which uninsured motorist  
628 benefits are sought, for a period of five years preceding the date of the event  
629 giving rise to the claim for uninsured motorist benefits up to the time the  
630 election for arbitration or litigation has been exercised that have not been  
631 disclosed under Subsection (10)(a)(ii)(A)(I);
- 632 (B)(I) the names and last known addresses of all health insurers or other  
633 entities to whom the covered person has submitted claims for health care  
634 services or benefits material to the claims for which uninsured motorist  
635 benefits are sought, for a period of five years preceding the date of the event  
636 giving rise to the claim for uninsured motorist benefits up to the time the  
637 election for arbitration or litigation has been exercised; and
- 638 (II) the names and last known addresses of the health insurers or other entities  
639 to whom the covered person has submitted claims for health care services or  
640 benefits, which the covered person claims are immaterial to the claims for  
641 which uninsured motorist benefits are sought, for a period of five years

642 preceding the date of the event giving rise to the claim for uninsured  
643 motorist benefits up to the time the election for arbitration or litigation have  
644 not been disclosed;

645 (C) if lost wages, diminished earning capacity, or similar damages are claimed, all  
646 employers of the covered person for a period of five years preceding the date  
647 of the event giving rise to the claim for uninsured motorist benefits up to the  
648 time the election for arbitration or litigation has been exercised;

649 (D) other documents to reasonably support the claims being asserted; and

650 (E) all state and federal statutory lienholders including a statement as to whether  
651 the covered person is a recipient of Medicare or Medicaid benefits or Utah  
652 Children's Health Insurance Program benefits under Title 26B, Chapter 3, Part  
653 9, Utah Children's Health Insurance Program, or if the claim is subject to any  
654 other state or federal statutory liens; and

655 (iii) signed authorizations to allow the uninsured motorist carrier to only obtain  
656 records and billings from the individuals or entities disclosed under Subsections  
657 (10)(a)(ii)(A)(I), (B)(I), and (C).

658 (b)(i) If the uninsured motorist carrier determines that the disclosure of undisclosed  
659 health care providers or health care insurers under Subsection (10)(a)(ii) is  
660 reasonably necessary, the uninsured motorist carrier may:

661 (A) make a request for the disclosure of the identity of the health care providers or  
662 health care insurers; and

663 (B) make a request for authorizations to allow the uninsured motorist carrier to  
664 only obtain records and billings from the individuals or entities not disclosed.

665 (ii) If the covered person does not provide the requested information within 10 days:

666 (A) the covered person shall disclose, in writing, the legal or factual basis for the  
667 failure to disclose the health care providers or health care insurers; and

668 (B) either the covered person or the uninsured motorist carrier may request the  
669 arbitrator or arbitration panel to resolve the issue of whether the identities or  
670 records are to be provided if the covered person has elected arbitration.

671 (iii) The time periods imposed by Subsection (10)(c)(i) are tolled pending resolution  
672 of the dispute concerning the disclosure and production of records of the health  
673 care providers or health care insurers.

674 (c)(i) An uninsured motorist carrier that receives an election for arbitration or a notice  
675 of filing litigation and the demand for payment of uninsured motorist benefits

- 676 under Subsection (10)(a)(i) shall have a reasonable time, not to exceed 60 days  
677 from the date of the demand and receipt of the items specified in Subsections  
678 (10)(a)(i) through (iii), to:
- 679 (A) provide a written response to the written demand for payment provided for in  
680 Subsection (10)(a)(i);
  - 681 (B) except as provided in Subsection (10)(c)(i)(C), tender the amount, if any, of  
682 the uninsured motorist carrier's determination of the amount owed to the  
683 covered person; and
  - 684 (C) if the covered person is a recipient of Medicare or Medicaid benefits or Utah  
685 Children's Health Insurance Program benefits under Title 26B, Chapter 3, Part  
686 9, Utah Children's Health Insurance Program, or if the claim is subject to any  
687 other state or federal statutory liens, tender the amount, if any, of the uninsured  
688 motorist carrier's determination of the amount owed to the covered person less:
    - 689 (I) if the amount of the state or federal statutory lien is established, the amount  
690 of the lien; or
    - 691 (II) if the amount of the state or federal statutory lien is not established, two  
692 times the amount of the medical expenses subject to the state or federal  
693 statutory lien until such time as the amount of the state or federal statutory  
694 lien is established.
- 695 (ii) If the amount tendered by the uninsured motorist carrier under Subsection  
696 (10)(c)(i) is the total amount of the uninsured motorist policy limits, the tendered  
697 amount shall be accepted by the covered person.
- 698 (d) A covered person who receives a written response from an uninsured motorist carrier  
699 as provided for in Subsection (10)(c)(i), may:
- 700 (i) elect to accept the amount tendered in Subsection (10)(c)(i) as payment in full of  
701 all uninsured motorist claims; or
  - 702 (ii) elect to:
    - 703 (A) accept the amount tendered in Subsection (10)(c)(i) as partial payment of all  
704 uninsured motorist claims; and
    - 705 (B) continue to litigate or arbitrate the remaining claim in accordance with the  
706 election made under Subsections (9)(a) through (c).
- 707 (e) If a covered person elects to accept the amount tendered under Subsection (10)(c)(i)  
708 as partial payment of all uninsured motorist claims, the final award obtained through  
709 arbitration, litigation, or later settlement shall be reduced by any payment made by

- 710 the uninsured motorist carrier under Subsection (10)(c)(i).
- 711 (f) In an arbitration proceeding on the remaining uninsured claims:
- 712 (i) the parties may not disclose to the arbitrator or arbitration panel the amount paid
- 713 under Subsection (10)(c)(i) until after the arbitration award has been rendered; and
- 714 (ii) the parties may not disclose the amount of the limits of uninsured motorist
- 715 benefits provided by the policy.
- 716 (g) If the final award obtained through arbitration or litigation is greater than the average
- 717 of the covered person's initial written demand for payment provided for in Subsection
- 718 (10)(a)(i) and the uninsured motorist carrier's initial written response provided for in
- 719 Subsection (10)(c)(i), the uninsured motorist carrier shall pay:
- 720 (i) the final award obtained through arbitration or litigation, except that if the award
- 721 exceeds the policy limits of the subject uninsured motorist policy by more than
- 722 \$15,000, the amount shall be reduced to an amount equal to the policy limits plus
- 723 \$15,000; and
- 724 (ii) any of the following applicable costs:
- 725 (A) any costs as set forth in Rule 54(d), Utah Rules of Civil Procedure;
- 726 (B) the arbitrator or arbitration panel's fee; and
- 727 (C) the reasonable costs of expert witnesses and depositions used in the
- 728 presentation of evidence during arbitration or litigation.
- 729 (h)(i) The covered person shall provide an affidavit of costs within five days of an
- 730 arbitration award.
- 731 (ii)(A) Objection to the affidavit of costs shall specify with particularity the costs
- 732 to which the uninsured motorist carrier objects.
- 733 (B) The objection shall be resolved by the arbitrator or arbitration panel.
- 734 (iii) The award of costs by the arbitrator or arbitration panel under Subsection
- 735 (10)(g)(ii) may not exceed \$5,000.
- 736 (i)(i) A covered person shall disclose all material information, other than rebuttal
- 737 evidence, within 30 days after a covered person elects to submit a claim for
- 738 uninsured motorist coverage benefits to binding arbitration or files litigation as
- 739 specified in Subsection (10)(a).
- 740 (ii) If the information under Subsection (10)(i)(i) is not disclosed, the covered person
- 741 may not recover costs or any amounts in excess of the policy under Subsection
- 742 (10)(g).
- 743 (j) This Subsection (10) does not limit any other cause of action that arose or may arise

- 744 against the uninsured motorist carrier from the same dispute.
- 745 (k) The provisions of this Subsection (10) only apply to motor vehicle accidents that  
746 occur on or after March 30, 2010.
- 747 (l)(i)(A) The written demand requirement in Subsection (10)(a)(i)(A) does not  
748 affect the covered person's requirement to provide a computation of any other  
749 economic damages claimed, and the one or more respondents shall have a  
750 reasonable time after the receipt of the computation of any other economic  
751 damages claimed to conduct fact and expert discovery as to any additional  
752 damages claimed.
- 753 (B) The changes made by Laws of Utah 2014, Chapter 290, Section 10, and  
754 Chapter 300, Section 10, to this Subsection (10)(l) and Subsection (10)(a)(i)(A) apply to a  
755 claim submitted to binding arbitration or through litigation on or after May 13, 2014.
- 756 (ii) The changes made by Laws of Utah 2014, Chapter 290, Section 10, and Chapter  
757 300, Section 10, to Subsections (10)(a)(ii)(A)(II) and (B)(II) apply to any claim submitted  
758 to binding arbitration or through litigation on or after May 13, 2014.
- 759 (11)(a) A person shall commence an action on a written policy or contract for uninsured  
760 motorist coverage within four years after the inception of loss.
- 761 (b) Subsection (11)(a) shall apply to all claims that have not been time barred by  
762 Subsection 31A-21-313(1)(a) as of May 14, 2019.
- 763 Section 8. Section **31A-22-305.3** is amended to read:  
764 **31A-22-305.3 . Underinsured motorist coverage.**
- 765 (1) As used in this section:
- 766 (a) "Covered person" means the same as that term is defined in Section 31A-22-305.
- 767 (b)(i) "Underinsured motor vehicle" includes a motor vehicle, the operation,  
768 maintenance, or use of which is covered under a liability policy at the time of an  
769 injury-causing occurrence, but which has insufficient liability coverage to  
770 compensate fully the injured party for all special and general damages.
- 771 (ii) The term "underinsured motor vehicle" does not include:
- 772 (A) a motor vehicle that is covered under the liability coverage of the same policy  
773 that also contains the underinsured motorist coverage;
- 774 (B) an uninsured motor vehicle as defined in Subsection 31A-22-305(2); or
- 775 (C) a motor vehicle owned or leased by:
- 776 (I) a named insured;
- 777 (II) a named insured's spouse; or

- 778 (III) a dependent of a named insured.
- 779 (2)(a) Underinsured motorist coverage under Subsection 31A-22-302(1)(c) provides  
780 coverage for a covered person who is legally entitled to recover damages from an  
781 owner or operator of an underinsured motor vehicle because of bodily injury,  
782 sickness, disease, or death.
- 783 (b) A covered person occupying or using a motor vehicle owned, leased, or furnished to  
784 the covered person, the covered person's spouse, or covered person's resident relative  
785 may recover underinsured benefits only if the motor vehicle is:
- 786 (i) described in the policy under which a claim is made; or  
787 (ii) a newly acquired or replacement motor vehicle covered under the terms of the  
788 policy.
- 789 (3)(a) For purposes of this Subsection (3), "new policy" means:
- 790 (i) any policy that is issued that does not include a renewal or reinstatement of an  
791 existing policy; or  
792 (ii) a change to an existing policy that results in:
- 793 (A) a named insured being added to or deleted from the policy; or  
794 (B) a change in the limits of the named insured's motor vehicle liability coverage.
- 795 (b) For new policies written on or after January 1, 2001, the limits of underinsured  
796 motorist coverage shall be equal to the lesser of the limits of the named insured's  
797 motor vehicle liability coverage or the maximum underinsured motorist coverage  
798 limits available by the insurer under the named insured's motor vehicle policy, unless  
799 a named insured rejects or purchases coverage in a lesser amount by signing an  
800 acknowledgment form that:
- 801 (i) is filed with the department;  
802 (ii) is provided by the insurer;  
803 (iii) waives the higher coverage;  
804 (iv) need only state in this or similar language that "underinsured motorist coverage  
805 provides benefits or protection to you and other covered persons for bodily injury  
806 resulting from an accident caused by the fault of another party where the other  
807 party has insufficient liability insurance"; and  
808 (v) discloses the additional premiums required to purchase underinsured motorist  
809 coverage with limits equal to the lesser of the limits of the named insured's motor  
810 vehicle liability coverage or the maximum underinsured motorist coverage limits  
811 available by the insurer under the named insured's motor vehicle policy.



- 812 (c) Any selection or rejection under Subsection (3)(b) continues for that issuer of the  
813 liability coverage until the insured requests, in writing, a change of underinsured  
814 motorist coverage from that liability insurer.
- 815 (d)(i) Subsections (3)(b) and (c) apply retroactively to any claim arising on or after  
816 January 1, 2001, for which, as of May 14, 2013, an insured has not made a written  
817 demand for arbitration or filed a complaint in a court of competent jurisdiction.
- 818 (ii) The Legislature finds that the retroactive application of Subsections (3)(b) and (c)  
819 clarifies [~~legislative intent~~] the application of law and does not enlarge, eliminate,  
820 or destroy vested rights.
- 821 (e)(i) As used in this Subsection (3)(e), "additional motor vehicle" means a change  
822 that increases the total number of vehicles insured by the policy, and does not  
823 include replacement, substitute, or temporary vehicles.
- 824 (ii) The adding of an additional motor vehicle to an existing personal lines or  
825 commercial lines policy does not constitute a new policy for purposes of  
826 Subsection (3)(a).
- 827 (iii) If an additional motor vehicle is added to a personal lines policy where  
828 underinsured motorist coverage has been rejected, or where underinsured motorist  
829 limits are lower than the named insured's motor vehicle liability limits, the insurer  
830 shall provide a notice to a named insured within 30 days that:
- 831 (A) in the same manner described in Subsection (3)(b)(iv), explains the purpose of  
832 underinsured motorist coverage; and
- 833 (B) encourages the named insured to contact the insurance company or insurance  
834 producer for quotes as to the additional premiums required to purchase  
835 underinsured motorist coverage with limits equal to the lesser of the limits of  
836 the named insured's motor vehicle liability coverage or the maximum  
837 underinsured motorist coverage limits available by the insurer under the named  
838 insured's motor vehicle policy.
- 839 (f) A change in policy number resulting from any policy change not identified under  
840 Subsection (3)(a)(ii) does not constitute a new policy.
- 841 (g)(i) Subsection (3)(a) applies retroactively to any claim arising on or after January  
842 1, 2001 for which, as of May 1, 2012, an insured has not made a written demand  
843 for arbitration or filed a complaint in a court of competent jurisdiction.
- 844 (ii) The Legislature finds that the retroactive application of Subsection (3)(a):  
845 (A) does not enlarge, eliminate, or destroy vested rights; and

- 846 (B) clarifies legislative intent.
- 847 (h) A self-insured, including a governmental entity, may elect to provide underinsured  
848 motorist coverage in an amount that is less than its maximum self-insured retention  
849 under Subsections (3)(b) and (l) by issuing a declaratory memorandum or policy  
850 statement from the chief financial officer or chief risk officer that declares the:
- 851 (i) self-insured entity's coverage level; and  
852 (ii) process for filing an underinsured motorist claim.
- 853 (i) Underinsured motorist coverage may not be sold with limits that are less than:  
854 (i) \$10,000 for one person in any one accident; and  
855 (ii) at least \$20,000 for two or more persons in any one accident.
- 856 (j) An acknowledgment under Subsection (3)(b) continues for that issuer of the  
857 underinsured motorist coverage until the named insured, in writing, requests different  
858 underinsured motorist coverage from the insurer.
- 859 (k)(i) The named insured's underinsured motorist coverage, as described in  
860 Subsection (2), is secondary to the liability coverage of an owner or operator of an  
861 underinsured motor vehicle, as described in Subsection (1).  
862 (ii) Underinsured motorist coverage may not be set off against the liability coverage  
863 of the owner or operator of an underinsured motor vehicle, but shall be added to,  
864 combined with, or stacked upon the liability coverage of the owner or operator of  
865 the underinsured motor vehicle to determine the limit of coverage available to the  
866 injured person.
- 867 (l)(i) In conjunction with the first two renewal notices sent after January 1, 2001, for  
868 policies existing on that date, the insurer shall disclose in the same medium as the  
869 premium renewal notice, an explanation of:  
870 (A) the purpose of underinsured motorist coverage in the same manner as  
871 described in Subsection (3)(b)(iv); and  
872 (B) a disclosure of the additional premiums required to purchase underinsured  
873 motorist coverage with limits equal to the lesser of the limits of the named  
874 insured's motor vehicle liability coverage or the maximum underinsured  
875 motorist coverage limits available by the insurer under the named insured's  
876 motor vehicle policy.
- 877 (ii) The disclosure required under this Subsection (3)(l) shall be sent to all named  
878 insureds that carry underinsured motorist coverage limits in an amount less than  
879 the named insured's motor vehicle liability policy limits or the maximum

880 underinsured motorist coverage limits available by the insurer under the named  
881 insured's motor vehicle policy.

882 (m) For purposes of this Subsection (3), a notice or disclosure sent to a named insured in  
883 a household constitutes notice or disclosure to all insureds within the household.

884 (4)(a)(i) Except as provided in this Subsection (4), a covered person injured in a  
885 motor vehicle described in a policy that includes underinsured motorist benefits  
886 may not elect to collect underinsured motorist coverage benefits from another  
887 motor vehicle insurance policy.

888 (ii) The limit of liability for underinsured motorist coverage for two or more motor  
889 vehicles may not be added together, combined, or stacked to determine the limit  
890 of insurance coverage available to an injured person for any one accident.

891 (iii) Subsection (4)(a)(ii) applies to all persons except a covered person described  
892 under Subsections (4)(b)(i) and (ii).

893 (b)(i) A covered person injured as a pedestrian by an underinsured motor vehicle may  
894 recover underinsured motorist benefits under any one other policy in which they  
895 are described as a covered person.

896 (ii) Except as provided in Subsection (4)(b)(iii), a covered person injured while  
897 occupying, using, or maintaining a motor vehicle that is not owned, leased, or  
898 furnished to the covered person, the covered person's spouse, or the covered  
899 person's resident parent or resident sibling, may also recover benefits under any  
900 one other policy under which the covered person is also a covered person.

901 (iii)(A) A covered person may recover benefits from no more than two additional  
902 policies, one additional policy from each parent's household if the covered  
903 person is:

904 (I) a dependent minor of parents who reside in separate households; and

905 (II) injured while occupying or using a motor vehicle that is not owned, leased,  
906 or furnished to the covered person, the covered person's resident parent, or  
907 the covered person's resident sibling.

908 (B) Each parent's policy under this Subsection (4)(b)(iii) is liable only for the  
909 percentage of the damages that the limit of liability of each parent's policy of  
910 underinsured motorist coverage bears to the total of both parents' underinsured  
911 coverage applicable to the accident.

912 (iv) A covered person's recovery under any available policies may not exceed the full  
913 amount of damages.

- 914 (v) Underinsured coverage on a motor vehicle occupied at the time of an accident is  
915 primary coverage, and the coverage elected by a person described under  
916 Subsections 31A-22-305(1)(a), (b), and (c) is secondary coverage.
- 917 (vi) The primary and the secondary coverage may not be set off against the other.
- 918 (vii) A covered person as described under Subsection (4)(b)(i) or is entitled to the  
919 highest limits of underinsured motorist coverage under only one additional policy  
920 per household applicable to that covered person as a named insured, spouse, or  
921 relative.
- 922 (viii) A covered injured person is not barred against making subsequent elections if  
923 recovery is unavailable under previous elections.
- 924 (ix)(A) As used in this section, "interpolicy stacking" means recovering benefits  
925 for a single incident of loss under more than one insurance policy.
- 926 (B) Except to the extent permitted by this Subsection (4), interpolicy stacking is  
927 prohibited for underinsured motorist coverage.
- 928 (c) Underinsured motorist coverage:
- 929 (i) in order to avoid double recovery, does not cover any benefit under Title 34A,  
930 Chapter 2, Workers' Compensation Act, or Title 34A, Chapter 3, Utah  
931 Occupational Disease Act, provided by the workers' compensation insurance  
932 carrier, uninsured employer, the Uninsured Employers' Fund created in Section  
933 34A-2-704, or the Employers' Reinsurance Fund created in Section 34A-2-702,  
934 except that:
- 935 (A) the covered person is credited an amount described in Subsection  
936 34A-2-106(5); and
- 937 (B) the benefits described in this Subsection (4)(c)(i) do not need to be paid before  
938 an underinsured motorist claim may be pursued and resolved.
- 939 (ii) may not be subrogated by a workers' compensation insurance carrier, uninsured  
940 employer, the Uninsured Employers' Fund created in Section 34A-2-704, or the  
941 Employers' Reinsurance Fund created in Section 34A-2-702;
- 942 (iii) may not be reduced by benefits provided by the workers' compensation insurance  
943 carrier, uninsured employer, the Uninsured Employers' Fund created in Section  
944 34A-2-704, or the Employers' Reinsurance Fund created in Section 34A-2-702;
- 945 (iv) notwithstanding Subsection 31A-1-103(3)(f), may be reduced by health  
946 insurance subrogation only after the covered person is made whole;
- 947 (v) may not be collected for bodily injury or death sustained by a person:

- 948 (A) while committing a violation of Section 41-1a-1314;
- 949 (B) who, as a passenger in a vehicle, has knowledge that the vehicle is being  
950 operated in violation of Section 41-1a-1314; or
- 951 (C) while committing a felony; and
- 952 (vi) notwithstanding Subsection (4)(c)(v), may be recovered:
- 953 (A) for a person younger than 18 years old who is injured within the scope of  
954 Subsection (4)(c)(v), but is limited to medical and funeral expenses; or
- 955 (B) by a law enforcement officer as defined in Section 53-13-103, who is injured  
956 within the course and scope of the law enforcement officer's duties.
- 957 (5)(a) Notwithstanding Section 31A-21-313, an action on a written policy or contract for  
958 underinsured motorist coverage shall be commenced within four years after the  
959 inception of loss.
- 960 (b) The inception of the loss under Subsection 31A-21-313(1) for underinsured motorist  
961 claims occurs upon the date of the settlement check representing the last liability  
962 policy payment.
- 963 (6) An underinsured motorist insurer does not have a right of reimbursement against a  
964 person liable for the damages resulting from an injury-causing occurrence if the person's  
965 liability insurer has tendered the policy limit and the limits have been accepted by the  
966 claimant.
- 967 (7) Except as otherwise provided in this section, a covered person may seek, subject to the  
968 terms and conditions of the policy, additional coverage under any policy:
- 969 (a) that provides coverage for damages resulting from motor vehicle accidents; and  
970 (b) that is not required to conform to Section 31A-22-302.
- 971 (8)(a) When a claim is brought by a named insured or a person described in Subsection  
972 31A-22-305(1) and is asserted against the covered person's underinsured motorist  
973 carrier, the claimant may elect to resolve the claim:
- 974 (i) by submitting the claim to binding arbitration; or  
975 (ii) through litigation.
- 976 (b) Unless otherwise provided in the policy under which underinsured benefits are  
977 claimed, the election provided in Subsection (8)(a) is available to the claimant only,  
978 except that if the policy under which insured benefits are claimed provides that either  
979 an insured or the insurer may elect arbitration, the insured or the insurer may elect  
980 arbitration and that election to arbitrate shall stay the litigation of the claim under  
981 Subsection (8)(a)(ii).

- 982 (c) Once a claimant elects to commence litigation under Subsection (8)(a)(ii), the  
983 claimant may not elect to resolve the claim through binding arbitration under this  
984 section without the written consent of the underinsured motorist coverage carrier.
- 985 (d) For purposes of the statute of limitations applicable to a claim described in  
986 Subsection (8)(a), if the claimant does not elect to resolve the claim through  
987 litigation, the claim is considered filed when the claimant submits the claim to  
988 binding arbitration in accordance with this Subsection (8).
- 989 (e)(i) Unless otherwise agreed to in writing by the parties, a claim that is submitted to  
990 binding arbitration under Subsection (8)(a)(i) shall be resolved by a single  
991 arbitrator.
- 992 (ii) All parties shall agree on the single arbitrator selected under Subsection (8)(e)(i).
- 993 (iii) If the parties are unable to agree on a single arbitrator as required under  
994 Subsection (8)(e)(ii), the parties shall select a panel of three arbitrators.
- 995 (f) If the parties select a panel of three arbitrators under Subsection (8)(e)(iii):  
996 (i) each side shall select one arbitrator; and  
997 (ii) the arbitrators appointed under Subsection (8)(f)(i) shall select one additional  
998 arbitrator to be included in the panel.
- 999 (g) Unless otherwise agreed to in writing:  
1000 (i) each party shall pay an equal share of the fees and costs of the arbitrator selected  
1001 under Subsection (8)(e)(i); or  
1002 (ii) if an arbitration panel is selected under Subsection (8)(e)(iii):  
1003 (A) each party shall pay the fees and costs of the arbitrator selected by that party;  
1004 and  
1005 (B) each party shall pay an equal share of the fees and costs of the arbitrator  
1006 selected under Subsection (8)(f)(ii).
- 1007 (h) Except as otherwise provided in this section or unless otherwise agreed to in writing  
1008 by the parties, an arbitration proceeding conducted under this section is governed by  
1009 Title 78B, Chapter 11, Utah Uniform Arbitration Act.
- 1010 (i)(i) The arbitration shall be conducted in accordance with Rules 26(a)(4) through  
1011 (f), 27 through 37, 54, and 68 of the Utah Rules of Civil Procedure, once the  
1012 requirements of Subsections (9)(a) through (c) are satisfied.
- 1013 (ii) The specified tier as defined by Rule 26(c)(3) of the Utah Rules of Civil  
1014 Procedure shall be determined based on the claimant's specific monetary amount  
1015 in the written demand for payment of uninsured motorist coverage benefits as

- 1016 required in Subsection (9)(a)(i)(A).
- 1017 (iii) Rules 26.1 and 26.2 of the Utah Rules of Civil Procedure do not apply to  
1018 arbitration claims under this part.
- 1019 (j) An issue of discovery shall be resolved by the arbitrator or the arbitration panel.
- 1020 (k) A written decision by a single arbitrator or by a majority of the arbitration panel  
1021 constitutes a final decision.
- 1022 (l)(i) Except as provided in Subsection (9), the amount of an arbitration award may  
1023 not exceed the underinsured motorist policy limits of all applicable underinsured  
1024 motorist policies, including applicable underinsured motorist umbrella policies.
- 1025 (ii) If the initial arbitration award exceeds the underinsured motorist policy limits of  
1026 all applicable underinsured motorist policies, the arbitration award shall be  
1027 reduced to an amount equal to the combined underinsured motorist policy limits  
1028 of all applicable underinsured motorist policies.
- 1029 (m) The arbitrator or arbitration panel may not decide an issue of coverage or  
1030 extra-contractual damages, including:
- 1031 (i) whether the claimant is a covered person;  
1032 (ii) whether the policy extends coverage to the loss; or  
1033 (iii) an allegation or claim asserting consequential damages or bad faith liability.
- 1034 (n) The arbitrator or arbitration panel may not conduct arbitration on a class-wide or  
1035 class-representative basis.
- 1036 (o) If the arbitrator or arbitration panel finds that the arbitration is not brought, pursued,  
1037 or defended in good faith, the arbitrator or arbitration panel may award reasonable  
1038 attorney fees and costs against the party that failed to bring, pursue, or defend the  
1039 arbitration in good faith.
- 1040 (p) An arbitration award issued under this section shall be the final resolution of all  
1041 claims not excluded by Subsection (8)(m) between the parties unless:
- 1042 (i) the award is procured by corruption, fraud, or other undue means; or  
1043 (ii) either party, within 20 days after service of the arbitration award:
- 1044 (A) files a complaint requesting a trial de novo in the a court with jurisdiction  
1045 under Title 78A, Judiciary and Judicial Administration; and  
1046 (B) serves the nonmoving party with a copy of the complaint requesting a trial de  
1047 novo under Subsection (8)(p)(ii)(A).
- 1048 (q)(i) Upon filing a complaint for a trial de novo under Subsection (8)(p), a claim  
1049 shall proceed through litigation in accordance with the Utah Rules of Civil

- 1050 Procedure and Utah Rules of Evidence.
- 1051 (ii) In accordance with Rule 38, Utah Rules of Civil Procedure, either party may  
1052 request a jury trial with a complaint requesting a trial de novo under Subsection  
1053 (8)(p)(ii)(A).
- 1054 (r)(i) If the claimant, as the moving party in a trial de novo requested under  
1055 Subsection (8)(p), does not obtain a verdict that is at least \$5,000 and is at least  
1056 20% greater than the arbitration award, the claimant is responsible for all of the  
1057 nonmoving party's costs.
- 1058 (ii) If the underinsured motorist carrier, as the moving party in a trial de novo  
1059 requested under Subsection (8)(p), does not obtain a verdict that is at least 20%  
1060 less than the arbitration award, the underinsured motorist carrier is responsible for  
1061 all of the nonmoving party's costs.
- 1062 (iii) Except as provided in Subsection (8)(r)(iv), the costs under this Subsection (8)(r)  
1063 shall include:
- 1064 (A) any costs set forth in Rule 54(d), Utah Rules of Civil Procedure; and  
1065 (B) the costs of expert witnesses and depositions.
- 1066 (iv) An award of costs under this Subsection (8)(r) may not exceed \$2,500 unless  
1067 Subsection (9)(h)(iii) applies.
- 1068 (s) For purposes of determining whether a party's verdict is greater or less than the  
1069 arbitration award under Subsection (8)(r), a court may not consider any recovery or  
1070 other relief granted on a claim for damages if the claim for damages:
- 1071 (i) was not fully disclosed in writing prior to the arbitration proceeding; or  
1072 (ii) was not disclosed in response to discovery contrary to the Utah Rules of Civil  
1073 Procedure.
- 1074 (t) If a court determines, upon a motion of the nonmoving party, that a moving party's  
1075 use of the trial de novo process is filed in bad faith in accordance with Section  
1076 78B-5-825, the court may award reasonable attorney fees to the nonmoving party.
- 1077 (u) Nothing in this section is intended to limit a claim under another portion of an  
1078 applicable insurance policy.
- 1079 (v) If there are multiple underinsured motorist policies, as set forth in Subsection (4), the  
1080 claimant may elect to arbitrate in one hearing the claims against all the underinsured  
1081 motorist carriers.
- 1082 (9)(a) Within 30 days after a covered person elects to submit a claim for underinsured  
1083 motorist benefits to binding arbitration or files litigation, the covered person shall



- 1084 provide to the underinsured motorist carrier:
- 1085 (i) a written demand for payment of underinsured motorist coverage benefits, setting  
1086 forth:
- 1087 (A) subject to Subsection (9)(I), the specific monetary amount of the demand,  
1088 including a computation of the covered person's claimed past medical  
1089 expenses, claimed past lost wages, and all other claimed past economic  
1090 damages; and
- 1091 (B) the factual and legal basis and any supporting documentation for the demand;
- 1092 (ii) a written statement under oath disclosing:
- 1093 (A)(I) the names and last known addresses of all health care providers who  
1094 have rendered health care services to the covered person that are material to  
1095 the claims for which the underinsured motorist benefits are sought for a  
1096 period of five years preceding the date of the event giving rise to the claim  
1097 for underinsured motorist benefits up to the time the election for arbitration  
1098 or litigation has been exercised; and
- 1099 (II) the names and last known addresses of the health care providers who have  
1100 rendered health care services to the covered person, which the covered  
1101 person claims are immaterial to the claims for which underinsured motorist  
1102 benefits are sought, for a period of five years preceding the date of the event  
1103 giving rise to the claim for underinsured motorist benefits up to the time the  
1104 election for arbitration or litigation has been exercised that have not been  
1105 disclosed under Subsection (9)(a)(ii)(A)(I);
- 1106 (B)(I) the names and last known addresses of all health insurers or other  
1107 entities to whom the covered person has submitted claims for health care  
1108 services or benefits material to the claims for which underinsured motorist  
1109 benefits are sought, for a period of five years preceding the date of the event  
1110 giving rise to the claim for underinsured motorist benefits up to the time the  
1111 election for arbitration or litigation has been exercised; and
- 1112 (II) the names and last known addresses of the health insurers or other entities  
1113 to whom the covered person has submitted claims for health care services or  
1114 benefits, which the covered person claims are immaterial to the claims for  
1115 which underinsured motorist benefits are sought, for a period of five years  
1116 preceding the date of the event giving rise to the claim for underinsured  
1117 motorist benefits up to the time the election for arbitration or litigation have

- 1118 not been disclosed;
- 1119 (C) if lost wages, diminished earning capacity, or similar damages are claimed, all  
1120 employers of the covered person for a period of five years preceding the date  
1121 of the event giving rise to the claim for underinsured motorist benefits up to the  
1122 time the election for arbitration or litigation has been exercised;
- 1123 (D) other documents to reasonably support the claims being asserted; and
- 1124 (E) all state and federal statutory lienholders including a statement as to whether  
1125 the covered person is a recipient of Medicare or Medicaid benefits or Utah  
1126 Children's Health Insurance Program benefits under Title 26B, Chapter 3, Part  
1127 9, Utah Children's Health Insurance Program, or if the claim is subject to any  
1128 other state or federal statutory liens; and
- 1129 (iii) signed authorizations to allow the underinsured motorist carrier to only obtain  
1130 records and billings from the individuals or entities disclosed under Subsections  
1131 (9)(a)(ii)(A)(I), (B)(I), and (C).
- 1132 (b)(i) If the underinsured motorist carrier determines that the disclosure of  
1133 undisclosed health care providers or health care insurers under Subsection  
1134 (9)(a)(ii) is reasonably necessary, the underinsured motorist carrier may:
- 1135 (A) make a request for the disclosure of the identity of the health care providers or  
1136 health care insurers; and
- 1137 (B) make a request for authorizations to allow the underinsured motorist carrier to  
1138 only obtain records and billings from the individuals or entities not disclosed.
- 1139 (ii) If the covered person does not provide the requested information within 10 days:
- 1140 (A) the covered person shall disclose, in writing, the legal or factual basis for the  
1141 failure to disclose the health care providers or health care insurers; and
- 1142 (B) either the covered person or the underinsured motorist carrier may request the  
1143 arbitrator or arbitration panel to resolve the issue of whether the identities or  
1144 records are to be provided if the covered person has elected arbitration.
- 1145 (iii) The time periods imposed by Subsection (9)(c)(i) are tolled pending resolution of  
1146 the dispute concerning the disclosure and production of records of the health care  
1147 providers or health care insurers.
- 1148 (c)(i) An underinsured motorist carrier that receives an election for arbitration or a  
1149 notice of filing litigation and the demand for payment of underinsured motorist  
1150 benefits under Subsection (9)(a)(i) shall have a reasonable time, not to exceed 60  
1151 days from the date of the demand and receipt of the items specified in Subsections

- 1152 (9)(a)(i) through (iii), to:
- 1153 (A) provide a written response to the written demand for payment provided for in
- 1154 Subsection (9)(a)(i);
- 1155 (B) except as provided in Subsection (9)(c)(i)(C), tender the amount, if any, of the
- 1156 underinsured motorist carrier's determination of the amount owed to the
- 1157 covered person; and
- 1158 (C) if the covered person is a recipient of Medicare or Medicaid benefits or Utah
- 1159 Children's Health Insurance Program benefits under Title 26B, Chapter 3, Part
- 1160 9, Utah Children's Health Insurance Program, or if the claim is subject to any
- 1161 other state or federal statutory liens, tender the amount, if any, of the
- 1162 underinsured motorist carrier's determination of the amount owed to the
- 1163 covered person less:
- 1164 (I) if the amount of the state or federal statutory lien is established, the amount
- 1165 of the lien; or
- 1166 (II) if the amount of the state or federal statutory lien is not established, two
- 1167 times the amount of the medical expenses subject to the state or federal
- 1168 statutory lien until such time as the amount of the state or federal statutory
- 1169 lien is established.
- 1170 (ii) If the amount tendered by the underinsured motorist carrier under Subsection
- 1171 (9)(c)(i) is the total amount of the underinsured motorist policy limits, the
- 1172 tendered amount shall be accepted by the covered person.
- 1173 (d) A covered person who receives a written response from an underinsured motorist
- 1174 carrier as provided for in Subsection (9)(c)(i), may:
- 1175 (i) elect to accept the amount tendered in Subsection (9)(c)(i) as payment in full of all
- 1176 underinsured motorist claims; or
- 1177 (ii) elect to:
- 1178 (A) accept the amount tendered in Subsection (9)(c)(i) as partial payment of all
- 1179 underinsured motorist claims; and
- 1180 (B) continue to litigate or arbitrate the remaining claim in accordance with the
- 1181 election made under Subsections (8)(a) through (c).
- 1182 (e) If a covered person elects to accept the amount tendered under Subsection (9)(c)(i) as
- 1183 partial payment of all underinsured motorist claims, the final award obtained through
- 1184 arbitration, litigation, or later settlement shall be reduced by any payment made by
- 1185 the underinsured motorist carrier under Subsection (9)(c)(i).

- 1186 (f) In an arbitration proceeding on the remaining underinsured claims:  
1187 (i) the parties may not disclose to the arbitrator or arbitration panel the amount paid  
1188 under Subsection (9)(c)(i) until after the arbitration award has been rendered; and  
1189 (ii) the parties may not disclose the amount of the limits of underinsured motorist  
1190 benefits provided by the policy.
- 1191 (g) If the final award obtained through arbitration or litigation is greater than the average  
1192 of the covered person's initial written demand for payment provided for in Subsection  
1193 (9)(a)(i) and the underinsured motorist carrier's initial written response provided for  
1194 in Subsection (9)(c)(i), the underinsured motorist carrier shall pay:  
1195 (i) the final award obtained through arbitration or litigation, except that if the award  
1196 exceeds the policy limits of the subject underinsured motorist policy by more than  
1197 \$15,000, the amount shall be reduced to an amount equal to the policy limits plus  
1198 \$15,000; and  
1199 (ii) any of the following applicable costs:  
1200 (A) any costs as set forth in Rule 54(d), Utah Rules of Civil Procedure;  
1201 (B) the arbitrator or arbitration panel's fee; and  
1202 (C) the reasonable costs of expert witnesses and depositions used in the  
1203 presentation of evidence during arbitration or litigation.
- 1204 (h)(i) The covered person shall provide an affidavit of costs within five days of an  
1205 arbitration award.  
1206 (ii)(A) Objection to the affidavit of costs shall specify with particularity the costs  
1207 to which the underinsured motorist carrier objects.  
1208 (B) The objection shall be resolved by the arbitrator or arbitration panel.
- 1209 (iii) The award of costs by the arbitrator or arbitration panel under Subsection  
1210 (9)(g)(ii) may not exceed \$5,000.
- 1211 (i)(i) A covered person shall disclose all material information, other than rebuttal  
1212 evidence, within 30 days after a covered person elects to submit a claim for  
1213 underinsured motorist coverage benefits to binding arbitration or files litigation as  
1214 specified in Subsection (9)(a).  
1215 (ii) If the information under Subsection (9)(i)(i) is not disclosed, the covered person  
1216 may not recover costs or any amounts in excess of the policy under Subsection  
1217 (9)(g).
- 1218 (j) This Subsection (9) does not limit any other cause of action that arose or may arise  
1219 against the underinsured motorist carrier from the same dispute.

- 1220 (k) The provisions of this Subsection (9) only apply to motor vehicle accidents that  
 1221 occur on or after March 30, 2010.
- 1222 (l)(i) The written demand requirement in Subsection (9)(a)(i)(A) does not affect the  
 1223 covered person's requirement to provide a computation of any other economic  
 1224 damages claimed, and the one or more respondents shall have a reasonable time  
 1225 after the receipt of the computation of any other economic damages claimed to  
 1226 conduct fact and expert discovery as to any additional damages claimed. The  
 1227 changes made by Laws of Utah 2014, Chapter 290, Section 11, and Chapter 300,  
 1228 Section 11, to this Subsection (9)(l) and Subsection (9)(a)(i)(A) apply to a claim  
 1229 submitted to binding arbitration or through litigation on or after May 13, 2014.
- 1230 (ii) The changes made by Laws of Utah 2014, Chapter 290, Section 11, and Chapter  
 1231 300, Section 11, under Subsections (9)(a)(ii)(A)(II) and (B)(II) apply to a claim submitted  
 1232 to binding arbitration or through litigation on or after May 13, 2014.
- 1233 Section 9. Section **32B-14-101** is amended to read:  
 1234 **32B-14-101 . Legislative policy.**
- 1235 [~~(1) This chapter is known as the "Utah Beer Industry Distribution Act."~~]  
 1236 [~~(2)(a)~~] It is the policy of the Legislature to regulate and control the importation, sale,  
 1237 and distribution of beer within the state in the exercise of its powers under the  
 1238 Twenty-first Amendment to the Constitution of the United States and pursuant to the  
 1239 Utah Constitution.
- 1240 [~~(b) In furtherance of the policy described in Subsection (2)(a), this chapter is enacted to:]~~  
 1241 [~~(i) promote good faith and fair dealing in the business relationships between~~  
 1242 [~~suppliers, wholesalers, and retailers of beer; and]~~]  
 1243 [~~(ii) provide for the establishment and maintenance of an orderly system for the~~  
 1244 [~~distribution of beer in accordance with the laws of the state regulating the sale and~~  
 1245 [~~distribution of beer to the public.]~~]
- 1246 Section 10. Section **35A-8-301** is amended to read:  
 1247 **35A-8-301 . Legislative policy.**
- 1248 (1) [~~It is the intent of the Legislature to make available funds-~~] Funds received by the state  
 1249 from federal mineral lease revenues under Section 59-21-2, bonus payments on federal  
 1250 oil shale lease tracts U-A and U-B, and all other bonus payments on federal mineral  
 1251 leases are to be used for planning, construction and maintenance of public facilities, and  
 1252 provision of public service, subject to the limitations provided for in Section 35 of the  
 1253 Mineral Leasing Act of 1920 (41 Stat. 450, 30 U.S.C. Sec. 191).

1254 (2) To the extent allowed under the Mineral Leasing Act, any ambiguity as to whether a  
 1255 particular use of the lease revenue and bonus payments described in Subsection (1) is a  
 1256 permissible use under this part shall be resolved in favor of upholding the use.

1257 (3) ~~[The purpose of this part is to maximize the long-term benefit of funds derived from~~  
 1258 ~~these lease revenues and bonus payments by fostering funding mechanisms which will,~~  
 1259 ~~consistent with sound financial practices, result in the greatest use of financial resources~~  
 1260 ~~for the greatest number of citizens of this state, with priority]~~ Priority for the use of the  
 1261 funds described in Subsection (1) shall be given to those communities designated as  
 1262 impacted by the development of natural resources covered by the Mineral Leasing Act.

1263 (4) The policy of this state is to promote cooperation and coordination between the state  
 1264 and the state's agencies and political subdivisions with individuals, firms, and business  
 1265 organizations engaged in the development of the natural resources of this state.

1266 Section 11. Section **35A-8-310** is amended to read:

1267 **35A-8-310 . Application -- Retroactivity.**

1268 (1) The provisions of Laws of Utah 2021, Chapter 339, apply to any claim for which a court  
 1269 of competent jurisdiction has not issued a final unappealable judgment or order.

1270 (2) The Legislature finds that the provisions of Laws of Utah 2021, Chapter 339:

1271 (a) do not enlarge, eliminate, or destroy vested rights; and

1272 (b) clarify ~~[legislative intent]~~ application of the law.

1273 Section 12. Section **35A-8-1602** is amended to read:

1274 **35A-8-1602 . Uintah Basin Revitalization Fund -- Deposits and contents.**

1275 (1) In order to maximize the long-term benefit of severance taxes derived from lands held  
 1276 in trust by the United States for the Tribe and [its] the Tribe's members by fostering  
 1277 funding mechanisms that will, consistent with sound financial practices, result in the  
 1278 greatest use of financial resources for the greatest number of citizens of the Uintah  
 1279 Basin, and in order to promote cooperation and coordination between the state, its  
 1280 political subdivisions, Indian tribes, and individuals, firms, and business organizations  
 1281 engaged in the development of oil and gas interests held in trust for the Tribe and [its] the  
 1282 Tribe's members, there is created an expendable special revenue fund entitled the  
 1283 "Uintah Basin Revitalization Fund."

1284 (2) The fund consists of all money deposited to the Revitalization Fund under this part and  
 1285 Section 59-5-116.

1286 (3)(a) The Revitalization Fund shall earn interest.

1287 (b) All interest earned on fund money shall be deposited into the fund.

1288 Section 13. Section **35A-8-1703** is amended to read:

1289 **35A-8-1703 . Purpose.**

1290 [~~(1)~~] The purpose of this part is to:

1291 [~~(a)~~] (1) maximize the long-term benefit of state severance taxes derived from lands in Utah  
 1292 held in trust by the United States for the Navajo Nation and its members by fostering  
 1293 funding mechanisms that will, consistent with sound financial practices, result in the  
 1294 greatest use of financial resources for the greatest number of citizens of San Juan  
 1295 County; and

1296 [~~(b)~~] (2) promote cooperation and coordination between the state, its political subdivisions,  
 1297 Indian tribes, and individuals, firms, and business organizations engaged in the  
 1298 development of oil and gas interests in Utah held in trust by the United States for the  
 1299 Navajo Nation and its members.

1300 [~~(2) Notwithstanding Subsection (1), the fund:]~~

1301 [~~(a) consists of state severance tax money to be spent at the discretion of the state; and]~~

1302 [~~(b) does not constitute a trust fund.]~~

1303 Section 14. Section **35A-8-1704** is amended to read:

1304 **35A-8-1704 . Navajo Revitalization Fund.**

1305 (1)(a) There is created an expendable special revenue fund called the "Navajo  
 1306 Revitalization Fund."

1307 (b) The revitalization fund shall consist of:

1308 (i) money deposited to the revitalization fund under this part;

1309 (ii) money deposited to the revitalization fund under Section 59-5-119; and

1310 (iii) any loan repayment or interest on a loan issued under this part.

1311 (2)(a) The revitalization fund shall earn interest.

1312 (b) The interest earned on revitalization fund money shall be deposited into the fund.

1313 (3) Beginning for fiscal year 2010-11, the division may use revitalization fund money for  
 1314 the administration of the revitalization fund, but this amount may not exceed 4% of the  
 1315 annual receipts to the revitalization fund.

1316 (4) The fund:

1317 (a) consists of state severance tax money to be spent at the discretion of the state; and

1318 (b) does not constitute a trust fund.

1319 Section 15. Section **53B-9-101** is amended to read:

1320 **53B-9-101 . Legislative findings on higher education for senior citizens and**  
 1321 **veterans -- Tuition exemption -- Quarterly registration fee.**

1322 (1) The Legislature finds that substantial benefits would accrue to the state, as well as those  
 1323 directly involved, through making higher education more accessible to senior citizens  
 1324 and veterans who generally find themselves with more time for learning but with less  
 1325 funds for such purposes.

1326 (2) ~~[It is intended that an-]~~ An institution of higher education shall allow Utah residents who  
 1327 have reached 62 years ~~[of age]~~ old or are veterans as defined in Section 68-3-12.5 to  
 1328 enroll at the institution, in classes for which they may be qualified, on the basis of  
 1329 surplus space in regularly scheduled classes and in accordance with this chapter and  
 1330 implementing rules. ~~[-]These persons are exempt from tuition and other charges, except~~  
 1331 ~~for a quarterly registration fee established by the board.~~

1332 Section 16. Section **53E-4-301.5** is amended to read:

1333 **53E-4-301.5 . Statewide assessment.**

1334 ~~[(1) In enacting this part, the Legislature intends to determine the effectiveness of school~~  
 1335 ~~districts and schools in assisting students to master the fundamental educational skills~~  
 1336 ~~toward which instruction is directed.]~~

1337 ~~[(2)]~~ (1) The state board shall ensure that a statewide assessment provides the public, the  
 1338 Legislature, the state board, school districts, public schools, and school teachers with:  
 1339 (a) evaluative information regarding the various levels of proficiency achieved by  
 1340 students, so that they may have an additional tool to plan, measure, and evaluate the  
 1341 effectiveness of programs in the public schools; and  
 1342 (b) information to recognize excellence and to identify the need for additional resources  
 1343 or to reallocate educational resources in a manner to ensure educational opportunities  
 1344 for all students and to improve existing programs.

1345 Section 17. Section **54-5-1.5** is amended to read:

1346 **54-5-1.5 . Special regulation fee -- Supplemental Levy Committee --**  
 1347 **Supplemental fee -- Fee for electrical cooperatives.**

1348 (1) Legislative findings:

1349 (a) A special fee to defray the cost of regulation is imposed upon all public utilities  
 1350 subject to the jurisdiction of the Public Service Commission.

1351 (b) The special fee is in addition to any charge now assessed, levied, or required by law.

1352 (2)(a) The executive director of the Department of Commerce shall determine the  
 1353 special fee for the Department of Commerce.

1354 (b) The chair of the Public Service Commission shall determine the special fee for the  
 1355 Public Service Commission.



- 1356 (c) The fee shall be assessed as a uniform percentage of the gross operating revenue for  
 1357 the preceding calendar year derived from each public utility's business and operations  
 1358 during that period within this state, excluding income derived from interstate  
 1359 business. Gross operating revenue shall not include income to a wholesale electric  
 1360 cooperative derived from the sale of power to a rural electric cooperative which  
 1361 resells that power within the state.
- 1362 (3)(a) The executive director of the Department of Commerce shall notify each public  
 1363 utility subject to the provisions of this chapter of the amount of the fee.
- 1364 (b) The fee is due and payable on or before July 1 of each year.
- 1365 (4)(a) There is created a restricted account within the General Fund known as the Public  
 1366 Utility Regulatory Restricted Account.
- 1367 (b) Notwithstanding Subsection 13-1-2(3)(c), the Department of Commerce shall deposit  
 1368 a fee assessed under this section into the Public Utility Regulatory Restricted  
 1369 Account.
- 1370 (c) Within appropriations by the Legislature:
- 1371 (i) the Department of Commerce may use the funds in the Public Utility Regulatory  
 1372 Restricted Account to administer:
- 1373 (A) the Division of Public Utilities; and  
 1374 (B) the Office of Consumer Services;
- 1375 (ii) the Public Service Commission may use the funds in the Public Utility  
 1376 Regulatory Restricted Account to administer the Public Service Commission; and  
 1377 (iii) the Division of Public Utilities may use the funds in the Public Utility  
 1378 Regulatory Restricted Account to administer the Utility Bill Assistance Program  
 1379 created under Section 54-4-42.
- 1380 (d) At the end of each fiscal year, the director of the Division of Finance shall transfer  
 1381 into the General Fund any balance in the Public Utility Regulatory Restricted  
 1382 Account in excess of \$3,000,000.
- 1383 (5)(a) ~~[The Legislature intends that the public]~~ Subject to Subsection (5)(b), public  
 1384 utilities shall provide [all of the] funds for the administration, support, and  
 1385 maintenance of:
- 1386 (i) the Public Service Commission;
- 1387 (ii) state agencies within the Department of Commerce involved in the regulation of  
 1388 public utilities; and  
 1389 (iii) expenditures by the attorney general for utility regulation.

- 1390 (b) ~~[Notwithstanding Subsection (5)(a), the]~~ The fee imposed by Subsection (1) ~~[shall]~~  
1391 may not exceed the greater of:
- 1392 (i)(A) for a public utility other than an electrical cooperative, .3% of the public  
1393 utility's gross operating revenues for the preceding calendar year; or  
1394 (B) for an electrical cooperative, .15% of the electrical cooperative's gross  
1395 operating revenues for the preceding calendar year; or  
1396 (ii) \$50.
- 1397 (6)(a) There is created a Supplemental Levy Committee to levy additional assessments  
1398 on public utilities when unanticipated costs of regulation occur in any fiscal year.
- 1399 (b) The Supplemental Levy Committee shall consist of:
- 1400 (i) one member selected by the executive director of the Department of Commerce;  
1401 (ii) one member selected by the chairman of the Public Service Commission;  
1402 (iii) two members selected by the three public utilities that paid the largest percent of  
1403 the current regulatory fee; and  
1404 (iv) one member selected by the four appointed members.
- 1405 (c)(i) The members of the Supplemental Levy Committee shall be selected within 10  
1406 working days after the executive director of the Department of Commerce gives  
1407 written notice to the Public Service Commission and the public utilities that a  
1408 supplemental levy committee is needed.
- 1409 (ii) If the members of the Supplemental Levy Committee have not been appointed  
1410 within the time prescribed, the governor shall appoint the members of the  
1411 Supplemental Levy Committee.
- 1412 (d)(i) During any state fiscal year, the Supplemental Levy Committee, by a majority  
1413 vote and subject to audit by the state auditor, may impose a supplemental fee on  
1414 the regulated utilities for the purpose of defraying any increased cost of regulation.
- 1415 (ii) The supplemental fee imposed upon the utilities shall equal a percentage of their  
1416 gross operating revenue for the preceding calendar year.
- 1417 (iii) The aggregate of all fees, including any supplemental fees assessed, shall not  
1418 exceed .3% of the gross operating revenue of the utilities assessed for the  
1419 preceding calendar year.
- 1420 (iv) Payment of the supplemental fee is due within 30 days after receipt of the  
1421 assessment.
- 1422 (v) The utility may, within 10 days after receipt of assessment, request a hearing  
1423 before the Public Service Commission if it questions the need for, or the

- 1424                   reasonableness of, the supplemental fee.
- 1425           (e)(i) Any supplemental fee collected to defray the cost of regulation shall be
- 1426                   transferred to the state treasurer as a departmental collection.
- 1427           (ii) Supplemental fees are excess collections, credited according to the procedures of
- 1428                   Section 63J-1-105.
- 1429           (iii) Charges billed to the Department of Commerce by any other state department,
- 1430                   institution, or agency for services rendered in connection with regulation of a
- 1431                   utility shall be credited by the state treasurer from the special or supplemental fees
- 1432                   collected to the appropriations account of the entity providing that service
- 1433                   according to the procedures provided in Title 63J, Chapter 1, Budgetary
- 1434                   Procedures Act.
- 1435   (7)(a) For purposes of this section, "electrical cooperative" means:
- 1436           (i) a distribution electrical cooperative; or
- 1437           (ii) a wholesale electrical cooperative.
- 1438   (b) Subject to Subsection (7)(c), if the regulation of one or more electrical cooperatives
- 1439           causes unanticipated costs of regulation in a fiscal year, the commission may impose
- 1440           a supplemental fee on the one or more electrical cooperatives in this state responsible
- 1441           for the increased cost of regulation.
- 1442   (c) The aggregate of all fees imposed under this section on an electrical cooperative in a
- 1443           calendar year shall not exceed the greater of:
- 1444           (i) .3% of the electrical cooperative's gross operating revenues for the preceding
- 1445                   calendar year; or
- 1446           (ii) \$50.
- 1447           Section 18. Section **59-12-202** is amended to read:
- 1448           **59-12-202 . Legislative findings -- Commission authority.**
- 1449   ~~[(1) It is the purpose of this part to provide the counties, cities, and towns of the state with~~
- 1450           ~~an added source of revenue and to thereby assist them to meet their growing financial~~
- 1451           ~~needs. It is the legislative intent that this added revenue be used to the greatest possible~~
- 1452           ~~extent by the counties, cities, and towns to finance their capital outlay requirements and~~
- 1453           ~~to service their bonded indebtedness.]~~
- 1454   ~~[(2)] (1) [It is the purpose of this part to provide an orderly and efficient system of~~
- 1455           ~~administering, operating, and enforcing the state and local option sales and use tax.]~~
- 1456           The Legislature finds that[-] :
- 1457           (a) intervention by counties, cities, and towns into the administration, operation, and

1458 enforcement of the local sales and use tax, particularly in the hearing and appeal  
 1459 process, increases the cost of administering both the local option sales and use tax  
 1460 and the state sales and use tax proceedings, and substantially delays the receipt of  
 1461 revenues for counties, cities, towns, and the state~~[-The Legislature finds that ] ; and~~  
 1462 (b) the interests and concerns of counties, cities, and towns can be adequately protected  
 1463 through the commission's enforcement efforts.~~[-It is therefore the Legislature's intent~~  
 1464 ~~to grant the commission]~~

1465 (2) The commission has exclusive authority to[-] :

1466 (a) administer, operate, and enforce the local option sales and use tax, without  
 1467 interference from counties, cities, ~~[and]~~ or towns~~[-and to-] ; and~~

1468 (b) allow intervention by ~~[any]~~ a county, city, or town only in the limited circumstances  
 1469 where a particular hearing or appeal may result in a significant lessening of the  
 1470 revenues of ~~[any]~~ a single county, city, or town.

1471 Section 19. Section **59-12-701** is amended to read:

1472 **59-12-701 . Legislative findings.**

1473 The Utah Legislature finds and declares that:

1474 (1) ~~[Recreational]~~ recreational and zoological facilities and the botanical, cultural, and  
 1475 zoological organizations of the state of Utah enhance the quality of life of Utah's  
 1476 citizens, as well as the continuing growth of Utah's tourist, convention, and recreational  
 1477 industries~~[-] ;~~

1478 (2) Utah was the first state in this nation to create and financially support a state arts agency  
 1479 and remains committed to the nurturing and growth of cultural pursuits~~[-] ;~~

1480 (3) Utah has provided, and intends to continue, the financial support of recreational and  
 1481 zoological facilities and the botanical, cultural, and zoological organizations of this state~~[-] ;~~

1482 (4) ~~[The-]~~ the state's support of its recreational and zoological facilities and its botanical,  
 1483 cultural, and zoological organizations has not been sufficient to assure the continuing  
 1484 existence and growth of these facilities and organizations, and the Legislature believes  
 1485 that local government may wish to play a greater role in the support of these  
 1486 organizations~~[-] ; and~~

1487 ~~[(5) Without jeopardizing the state's ongoing support of its recreational and zoological~~  
 1488 ~~facilities and its botanical, cultural, and zoological organizations, the Legislature intends~~  
 1489 ~~to permit the counties of the state of Utah to enhance public financial support of Utah's~~  
 1490 ~~publicly owned or operated recreational and zoological facilities, and botanical, cultural,~~  
 1491 ~~and zoological organizations owned or operated by institutions or private nonprofit~~

1492 organizations, through the imposition of a county sales and use tax.]  
 1493 [(6)] (5) [In] in a county of the first class, it is necessary and appropriate to allocate a tax  
 1494 imposed under this part in a manner that provides adequate predictable support to a fixed  
 1495 number of botanical and cultural organizations and that gives the county legislative body  
 1496 discretion to allocate the tax revenues to other botanical and cultural organizations.

1497 Section 20. Section **59-12-1401** is amended to read:

1498 **59-12-1401 . Purpose statement -- Definitions -- Scope of part.**

- 1499 (1) [~~The purpose of~~] In relation to the tax imposed by this part[ ~~is the same for cities and~~  
 1500 ~~towns as is stated in Section 59-12-701 for counties~~] , the legislative findings described  
 1501 in Section 59-12-701 apply similarly to cities and towns as the findings apply to counties.  
 1502 (2) The definitions of Section 59-12-702 are incorporated into this part.  
 1503 (3) This part applies only to a city or town that is located within a county of the second,  
 1504 third, fourth, fifth, or sixth class as designated in Section 17-50-501.

1505 Section 21. Section **63A-3-104** is amended to read:

1506 **63A-3-104 . Appropriation for contingency purposes -- Procedure for allotment.**

- 1507 (1)(a) The Legislature shall determine the amount to be appropriated for contingency  
 1508 purposes, as well as the limits on the amount of any one allotment or total allotments  
 1509 to any one agency.  
 1510 (b) In advance of making [~~any such~~] an allotment described in Subsection (1), the  
 1511 governor shall notify the Legislature through the Office of the Legislative Fiscal  
 1512 Analyst, of [~~his or her intent to do so~~] the governor's intent to make an allotment, of  
 1513 the amount to be allotted, and the justification for the allotment.  
 1514 (2) [~~It is the intent of the Legislature that such transfers~~] Allotments described in this section:  
 1515 (a) shall be made only for unforeseeable emergencies[~~, and allotments shall~~] ; and  
 1516 (b) may not be made to correct poor budgetary practices or for purposes having no  
 1517 existing appropriation or authorization.

1518 Section 22. Section **63N-1a-305** is amended to read:

1519 **63N-1a-305 . Incentive review process.**

1520 The [~~Legislature intends that the office will~~] office shall develop an incentives review  
 1521 process under the direction of the speaker of the House and the president of the Senate.

1522 Section 23. Section **64-9b-5** is amended to read:

1523 **64-9b-5 . Use of earnings from jobs.**

1524 [~~It is the legislative intent, and inmates are encouraged,~~] Inmates are encouraged to use  
 1525 their personal earnings from jobs created under this chapter for the following:

1526 (1) for restitution to the victims of the inmate's criminal offense, where applicable;

1527 (2) for support of the inmate's family, where applicable;

1528 (3) for the inmate's personal use; and

1529 (4) for reimbursement of security, operational, and other costs incurred by the Utah

1530 Correctional Industries Division of the department in administering these projects.

1531 Section 24. Section **64-13a-2** is amended to read:

1532 **64-13a-2 . Division duties.**

1533 [~~It is the intent of the Legislature in this chapter to:~~]

1534 [~~(1) create a~~] The Division of Correctional Industries~~[which]~~:

1535 [~~(a)~~] (1) is a self-supporting organization;

1536 [~~(b)~~] (2) is profit-oriented;

1537 [~~(c)~~] (3) generates revenue for its operations and capital investment;~~[and]~~

1538 [~~(d)~~] (4) assumes responsibility for training offenders in general work habits, work skills,  
1539 and specific training skills that increase their employment prospects when released;

1540 [~~(2)~~] (5) shall provide an environment for the operation of correctional industries that

1541 closely resembles the environment for the business operations of a private corporate  
1542 entity; and

1543 [~~(3)~~] (6) [~~make the Division of Correctional Industries~~] is responsible for and accountable to

1544 the Legislature and to the governor for correctional industries programs in this state.

1545 Section 25. Section **72-5-201** is amended to read:

1546 **72-5-201 . Legislative finding -- Ensuring access.**

1547 (1)(a) The Legislature [~~recognizes~~] finds that highways provide tangible benefits to

1548 private and public lands of the state by providing access, allowing development, and

1549 facilitating production of income.

1550 (b) Many of those highways traverse state lands, including lands held by the state in trust  
1551 for the school children and public institutions of the state.

1552 (c) Many of the existing highways have been previously established without an official

1553 grant of an easement or right of entry from this state, yet these highways often are the

1554 only access to private and public lands of the state.

1555 (2) The [~~Legislature intends to establish a means for ensuring~~] state shall ensure continued

1556 access to the private and public lands of the state for the good of the people, while

1557 fulfilling its fiduciary responsibilities toward the schoolchildren by protecting their trust

1558 holdings against loss.

1559 Section 26. Section **73-10-1** is amended to read:

1560 **73-10-1 . State's policy -- Creation of revolving fund -- General construction of**  
 1561 **chapter.**

1562 (1)(a) The Legislature restates the following, previously-declared policies of the state of  
 1563 Utah~~[has heretofore declared]~~:

1564 (i) ~~[by Section 73-1-1, Utah Code Annotated 1953, that,]~~"All waters in this state,  
 1565 whether above or under the ground, are hereby declared to be the property of the  
 1566 public, subject to all existing rights to the use thereof";

1567 (ii) ~~[by Section 73-1-3, Utah Code Annotated 1953, that]~~"Beneficial use shall be the  
 1568 basis, the measure and the limit of all rights to the use of water in this state"; and

1569 (iii) ~~[by Section 17B-2a-1002 that the policy of the state is,]~~to "[~~-~~]obtain from water  
 1570 in the state the highest duty for domestic uses and irrigation of lands in the state  
 1571 within the terms of applicable interstate compacts and other law."

1572 (b) The Legislature by this chapter reiterates and reaffirms ~~[such]~~ the declaration of the  
 1573 public policy of the state of Utah, described in Subsection (1)(a).

1574 (2) It is further declared to be the policy of this chapter and of the state of Utah, and the [  
 1575 legislature] Legislature recognizes:

1576 (a) that by construction of projects based upon sound engineering the waters within the  
 1577 various counties of the state of Utah can be saved from waste and increased in  
 1578 efficiency of beneficial use by 25% to 100%;

1579 (b) that because of well-known conditions such as low prices and lack of market for  
 1580 farm products, particularly the inefficiency of water supply because of lack of late  
 1581 season water and consequent lack of financial strength, water users in small  
 1582 communities have been unable to build projects that would provide full conservation  
 1583 and beneficial use for the limited water supply in this semiarid land;

1584 (c) that water, as the property of the public, should be so managed by the public that it  
 1585 can be put to the highest use for public benefit;

1586 (d) that Congress of the United States has provided for the building of larger water  
 1587 conservation projects throughout the semiarid states, payment of the capital costs  
 1588 without interest to be made by the water users upon the basis of a fair portion of crop  
 1589 returns;

1590 (e) that the Congress of the United States has established in the department of interior  
 1591 and in the department of agriculture, various agencies having authority to develop,  
 1592 protect, and aid in putting to beneficial use the land and water resources of the United  
 1593 States and to cooperate with state agencies having similar authority;

1594 (f) that the interests of the state of Utah require that means be provided for close  
 1595 cooperation between all state and federal agencies to the end that the underground  
 1596 waters and waters of the small streams of the state, and the lands thereunder, can be  
 1597 made to yield abundantly and increase the income and well-being of the citizens of  
 1598 the state; and

1599 (g) that it appears to be sound public policy for the state of Utah to provide a revolving  
 1600 fund, to be increased at each legislative session, to the end that every mountain  
 1601 stream and every water resource within the state can be made to render the highest  
 1602 beneficial service, such fund to be so administered that no project will be built except  
 1603 upon expert engineering, financial, and geological approval.

1604 [~~(3) All of the provisions of this chapter shall be liberally construed so as to carry out and~~  
 1605 ~~put into force and effect the purposes and policies as hereinabove set forth.~~]

1606 Section 27. Section **77-37-1** is amended to read:

1607 **77-37-1 . Legislative findings.**

1608 (1)(a) The Legislature recognizes the duty of victims and witnesses of crime to fully and  
 1609 voluntarily cooperate with law enforcement and prosecutorial agencies, the essential  
 1610 nature of citizen cooperation to state and local law enforcement efforts, and the  
 1611 general effectiveness and well-being of the criminal justice system of this state.~~[In~~  
 1612 ~~this chapter, the Legislature declares its intent to]~~

1613 (b) The state shall ensure that all victims and witnesses of crime are treated with dignity,  
 1614 respect, courtesy, and sensitivity, and that the rights extended in this chapter to  
 1615 victims and witnesses of crime are honored and protected by law in a manner no less  
 1616 vigorous than protections afforded criminal defendants.

1617 (2)(a) The Legislature finds it is necessary to provide child victims and child witnesses  
 1618 with additional consideration and different treatment than that usually afforded to  
 1619 adults.~~[-]~~

1620 (b) The treatment should ensure that children's participation in the criminal justice  
 1621 process be conducted in the most effective and least traumatic, intrusive, or  
 1622 intimidating manner.

1623 Section 28. Section **78B-6-102** is amended to read:

1624 **78B-6-102 . Legislative findings -- Best interest of child -- Interests of each party.**

1625 (1) [~~It is the intent and desire of the Legislature that in-~~] In every adoption, the best interest  
 1626 of the child should govern and be of foremost concern in [~~the~~] a court's determination.

1627 (2) The court shall make a specific finding regarding the best interest of the child, taking



1628 into consideration information provided to the court pursuant to the requirements of this  
1629 chapter relating to the health, safety, and welfare of the child and the moral climate of  
1630 the potential adoptive placement.

1631 (3) The Legislature finds that the rights and interests of all parties affected by an adoption  
1632 proceeding must be considered and balanced in determining what constitutional  
1633 protections and processes are necessary and appropriate.

1634 (4) The Legislature specifically finds that it is not in a child's best interest to be adopted by  
1635 a person or persons who are cohabiting in a relationship that is not a legally valid and  
1636 binding marriage under the laws of this state. Nothing in this section limits or prohibits  
1637 the court's placement of a child with a single adult who is not cohabiting or a person  
1638 who is a relative of the child or a recognized placement under the Indian Child Welfare  
1639 Act, 25 U.S.C. Sec. 1901 et seq.

1640 (5) The Legislature also finds that:

- 1641 (a) the state has a compelling interest in providing stable and permanent homes for  
1642 adoptive children in a prompt manner, in preventing the disruption of adoptive  
1643 placements, and in holding parents accountable for meeting the needs of children;
- 1644 (b) an unmarried mother, faced with the responsibility of making crucial decisions about  
1645 the future of a newborn child, is entitled to privacy, and has the right to make timely  
1646 and appropriate decisions regarding her future and the future of the child, and is  
1647 entitled to assurance regarding the permanence of an adoptive placement;
- 1648 (c) adoptive children have a right to permanence and stability in adoptive placements;
- 1649 (d) adoptive parents have a constitutionally protected liberty and privacy interest in  
1650 retaining custody of an adopted child;
- 1651 (e) an unmarried biological father has an inchoate interest that acquires constitutional  
1652 protection only when he demonstrates a timely and full commitment to the  
1653 responsibilities of parenthood, both during pregnancy and upon the child's birth; and
- 1654 (f) the state has a compelling interest in requiring unmarried biological fathers to  
1655 demonstrate commitment by providing appropriate medical care and financial  
1656 support and by establishing legal paternity, in accordance with the requirements of  
1657 this chapter.

1658 (6)(a) In enacting this chapter, the Legislature has prescribed the conditions for  
1659 determining whether an unmarried biological father's action is sufficiently prompt  
1660 and substantial to require constitutional protection.

1661 (b) If an unmarried biological father fails to grasp the opportunities to establish a

1662 relationship with his child that are available to him, his biological parental interest  
 1663 may be lost entirely, or greatly diminished in constitutional significance by his failure  
 1664 to timely exercise it, or by his failure to strictly comply with the available legal steps  
 1665 to substantiate it.

1666 (c) A certain degree of finality is necessary in order to facilitate the state's compelling  
 1667 interest. The Legislature finds that the interests of the state, the mother, the child,  
 1668 and the adoptive parents described in this section outweigh the interest of an  
 1669 unmarried biological father who does not timely grasp the opportunity to establish  
 1670 and demonstrate a relationship with his child in accordance with the requirements of  
 1671 this chapter.

1672 (d) The Legislature finds no practical way to remove all risk of fraud or  
 1673 misrepresentation in adoption proceedings, and has provided a method for absolute  
 1674 protection of an unmarried biological father's rights by compliance with the  
 1675 provisions of this chapter. In balancing the rights and interests of the state, and of all  
 1676 parties affected by fraud, specifically the child, the adoptive parents, and the  
 1677 unmarried biological father, the Legislature has determined that the unmarried  
 1678 biological father is in the best position to prevent or ameliorate the effects of fraud  
 1679 and that, therefore, the burden of fraud shall be borne by him.

1680 (e) An unmarried biological father has the primary responsibility to protect his rights.

1681 (f) An unmarried biological father is presumed to know that the child may be adopted  
 1682 without his consent unless he strictly complies with the provisions of this chapter,  
 1683 manifests a prompt and full commitment to his parental responsibilities, and  
 1684 establishes paternity.

1685 (7) The Legislature finds that an unmarried mother has a right of privacy with regard to her  
 1686 pregnancy and adoption plan, and therefore has no legal obligation to disclose the  
 1687 identity of an unmarried biological father prior to or during an adoption proceeding, and  
 1688 has no obligation to volunteer information to the court with respect to the father.

1689 **Section 29. Repealer.**

1690 This bill repeals:

1691 **Section 10-1-101, Short title.**

1692 **Section 10-6-102, Legislative intent -- Purpose of chapter.**

1693 **Section 26B-5-502, Statement of legislative intent.**

1694 **Section 26B-9-102, Legislative intent -- Liberal construction.**

1695 **Section 34A-6-102, Legislative intent.**

- 1696 Section **35A-8-1701, Title.**
- 1697 Section **53B-8a-114, Liberal construction.**
- 1698 Section **63G-2-102, Legislative intent.**
- 1699 Section **67-16-2, Purpose of chapter.**
- 1700 Section 30. **Effective Date.**
- 1701 This bill takes effect on May 7, 2025.