

Scott D. Sandall proposes the following substitute bill:

Funds Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Scott D. Sandall

House Sponsor: Walt Brooks

LONG TITLE

General Description:

This bill modifies provisions related to state accounts.

Highlighted Provisions:

This bill:

- ▶ allows the State Tax Commission to use money in the State Tax Commission Administrative Charge Account to offset general operational expenses;
- ▶ provides that the Department of Cultural and Community Engagement disburses money from the Nonprofit Capacity Fund;
- ▶ allows the Utah Board of Higher Education to move money across specified line items;
- ▶ provides circumstances under which an internal service fund agency may charge a rate, fee, or other charge that is less than the rate, fee, or other charge the Legislature approved;
- ▶ prohibits a fee agency from charging a fee amount that is different from the amount the Legislature approved, unless the amount is less than the approved amount and the fee agency satisfies specified notice requirements;
- ▶ addresses a fee agency's obligations if the fee agency charges a fee that exceeds the amount the Legislature approved;
- ▶ repeals the following unfunded accounts:
 - the Utah Natural Resources Legacy Fund;
 - the Intermountain Weatherization Training Fund; and
 - the Utah Children's Outdoor Recreation and Education Fund;
- ▶ repeals the Mathematical Equations Act; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

29 **Other Special Clauses:**

30 This bill provides a special effective date.

31 **Utah Code Sections Affected:**32 **AMENDS:**33 **53-2a-1102 (Effective 05/07/25)**, as last amended by Laws of Utah 2023, Chapters 34,
34 47135 **59-1-306 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 3536 **59-5-121 (Effective 05/07/25)**, as enacted by Laws of Utah 2023, Chapter 53737 **59-10-1321 (Effective 05/07/25)**, as enacted by Laws of Utah 2023, Chapter 51338 **63J-1-206 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 26839 **63J-1-410 (Effective 05/07/25)**, as last amended by Laws of Utah 2014, Chapter 23640 **63J-1-504 (Effective 07/01/25)**, as last amended by Laws of Utah 2023, Chapter 42841 **63J-1-602 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 8642 **79-2-201 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 50743 **79-7-206 (Effective 05/07/25)**, as enacted by Laws of Utah 2022, Chapter 6844 **REPEALS:**45 **23A-3-301 (Effective 05/07/25)**, as renumbered and amended by Laws of Utah 2023,
46 Chapter 10347 **23A-3-302 (Effective 05/07/25)**, as renumbered and amended by Laws of Utah 2023,
48 Chapter 10349 **23A-3-303 (Effective 05/07/25)**, as renumbered and amended by Laws of Utah 2023,
50 Chapter 10351 **23A-3-304 (Effective 05/07/25)**, as renumbered and amended by Laws of Utah 2023,
52 Chapter 10353 **23A-3-305 (Effective 05/07/25)**, as renumbered and amended by Laws of Utah 2023,
54 Chapter 10355 **23A-3-306 (Effective 05/07/25)**, as renumbered and amended by Laws of Utah 2023,
56 Chapter 10357 **35A-8-1301 (Effective 05/07/25)**, as last amended by Laws of Utah 2013, Chapter 40058 **63I-6-101 (Effective upon governor's approval)**, as enacted by Laws of Utah 2015,
59 Chapter 4960 **63I-6-102 (Effective upon governor's approval)**, as enacted by Laws of Utah 2015,
61 Chapter 4962 **63I-6-103 (Effective upon governor's approval)**, as enacted by Laws of Utah 2015,

Chapter 49

63J-3-206 (Effective upon governor's approval), as enacted by Laws of Utah 2015,

Chapter 49

79-8-304 (Effective 05/07/25), as last amended by Laws of Utah 2022, Chapter 68

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

Section 1. Section **53-2a-1102** is amended to read:

53-2a-1102 (Effective 05/07/25). Search and Rescue Financial Assistance

Program -- Uses -- Rulemaking -- Distribution.

(1) As used in this section:

(a) "Assistance card program" means the Utah Search and Rescue Assistance Card Program created within this section.

(b) "Card" means the Search and Rescue Assistance Card issued under this section to a participant.

(c) "Participant" means an individual, family, or group who is registered pursuant to this section as having a valid card at the time search, rescue, or both are provided.

(d) "Program" means the Search and Rescue Financial Assistance Program created within this section.

(e)(i) "Reimbursable base expenses" means those reasonable expenses incidental to search and rescue activities.

(ii) "Reimbursable base expenses" include:

(A) rental for fixed wing aircraft, snowmobiles, boats, and generators;

(B) replacement and upgrade of search and rescue equipment;

(C) training of search and rescue volunteers;

(D) costs of providing life insurance and workers' compensation benefits for volunteer search and rescue team members under Section 67-20-7.5; and

(E) any other equipment or expenses necessary or appropriate for conducting search and rescue activities.

(iii) "Reimbursable base expenses" do not include any salary or overtime paid to an individual on a regular or permanent payroll, including permanent part-time employees of any agency of the state.

(f) "Rescue" means search services, rescue services, or both search and rescue services.

(2) There is created the Search and Rescue Financial Assistance Program within the division.

- (3)(a) The financial program and the assistance card program shall be funded from the following revenue sources:
- (i) any voluntary contributions to the state received for search and rescue operations;
 - (ii) money received by the state under Subsection (11) and under Sections 23A-4-209, 41-22-34, and 73-18-24;
 - (iii) money deposited under Subsection 59-12-103(13);
 - (iv) contributions deposited in accordance with Section 41-1a-230.7; and
 - (v) appropriations made to the program by the Legislature.
- (b) Money received from the revenue sources in Subsections (3)(a)(i), (ii), and (iv), and 90% of the money described in Subsection (3)(a)(iii), shall be deposited into the General Fund as a dedicated credit to be used solely for the program.
- (c) Ten percent of the money described in Subsection (3)(a)(iii) shall be deposited into the General Fund as a dedicated credit to be used solely to promote the assistance card program.
- (d) Funding for the program is nonlapsing.
- (4) Subject to Subsections (3)(b) and (c), the director shall use the money described in this section to reimburse counties for all or a portion of each county's reimbursable base expenses for search and rescue operations, subject to:
- (a) the approval of the Search and Rescue Advisory Board as provided in Section 53-2a-1104;
 - (b) money available in the program; and
 - (c) rules made under Subsection (7).
- (5) Money described in Subsection (3) may not be used to reimburse for any paid personnel costs or paid man hours spent in emergency response and search and rescue related activities.
- (6) The Legislature finds that these funds are for a general and statewide public purpose.
- (7) The division, with the approval of the Search and Rescue Advisory Board, shall make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and consistent with this section:
- (a) specifying the costs that qualify as reimbursable base expenses;
 - (b) defining the procedures of counties to submit expenses and be reimbursed;
 - (c) defining a participant in the assistance card program, including:
 - (i) individuals; and
 - (ii) families and organized groups who qualify as participants;

- (d) defining the procedure for issuing a card to a participant;
- (e) defining excluded expenses that may not be reimbursed under the program, including medical expenses;
- (f) establishing the card renewal cycle for the Utah Search and Rescue Assistance Card Program;
- (g) establishing the frequency of review of the fee schedule;
- (h) providing for the administration of the program; and
- (i) providing a formula to govern the distribution of available money among the counties for uncompensated search and rescue expenses based on:
 - (i) the total qualifying expenses submitted;
 - (ii) the number of search and rescue incidents per county population;
 - (iii) the number of victims that reside outside the county; and
 - (iv) the number of volunteer hours spent in each county in emergency response and search and rescue related activities per county population.

- (8)(a) The division shall, in consultation with the Division of Outdoor Recreation, establish the fee schedule of the Utah Search and Rescue Assistance Card Program under Subsection [~~63J-1-504(7)~~] 63J-1-504(9).
- (b) The division shall provide a discount of not less than 10% of the card fee under Subsection (8)(a) to a person who has paid a fee under Section 23A-4-209, 41-22-34, or 73-18-24 during the same calendar year in which the person applies to be a participant in the assistance card program.
- (9) Counties may not bill reimbursable base expenses to an individual for costs incurred for the rescue of an individual, if the individual is a current participant in the Utah Search and Rescue Assistance Card Program at the time of rescue, unless:
 - (a) the rescuing county finds that the participant acted recklessly in creating a situation resulting in the need for the county to provide rescue services; or
 - (b) the rescuing county finds that the participant intentionally created a situation resulting in the need for the county to provide rescue services.
- (10)(a) There is created the Utah Search and Rescue Assistance Card Program. The program is located within the division.
- (b) The program may not be used to cover any expenses, such as medically related expenses, that are not reimbursable base expenses related to the rescue.
- (11)(a) To participate in the program, a person shall purchase a search and rescue assistance card from the division by paying the fee as determined by the division in

Subsection (8).

(b) The money generated by the fees shall be deposited into the General Fund as a dedicated credit for the Search and Rescue Financial Assistance Program created in this section.

(c) Participation and payment of fees by a person under Sections 23A-4-209, 41-22-34, and 73-18-24 do not constitute purchase of a card under this section.

(12) The division shall consult with the Division of Outdoor Recreation regarding:

(a) administration of the assistance card program; and

(b) outreach and marketing strategies.

(13) Pursuant to Subsection 31A-1-103(7), the Utah Search and Rescue Assistance Card Program under this section is exempt from being considered insurance as that term is defined in Section 31A-1-301.

Section 2. Section **59-1-306** is amended to read:

59-1-306 (Effective 05/07/25). Definition -- State Tax Commission

Administrative Charge Account -- Amount of administrative charge -- Deposit of revenue into the restricted account -- Interest deposited into General Fund -- Expenditure of money deposited into the restricted account.

(1) As used in this section, "qualifying tax, fee, or charge" means a tax, fee, or charge the commission administers under:

(a) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

(b) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;

(c) Section 19-6-714;

(d) Section 19-6-805;

(e) Chapter 12, Sales and Use Tax Act, other than a tax under Chapter 12, Part 1, Tax Collection, or Chapter 12, Part 18, Additional State Sales and Use Tax Act;

(f) Section 59-27-105;

(g) Chapter 31, Cannabinoid Licensing and Tax Act;

(h) Section 63H-1-205; or

(i) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service Charges.

(2) There is created a restricted account within the General Fund known as the "State Tax Commission Administrative Charge Account."

(3) Subject to the other provisions of this section, the restricted account shall consist of administrative charges the commission retains and deposits in accordance with this section.

- (4) For purposes of this section, the administrative charge is a percentage of revenue the commission collects from each qualifying tax, fee, or charge of not to exceed the lesser of:
- (a) 1.5%; or
 - (b) an equal percentage of revenue the commission collects from each qualifying tax, fee, or charge sufficient to cover the cost to the commission of administering the qualifying taxes, fees, or charges.
- (5) The commission shall deposit an administrative charge into the restricted account.
- (6) Interest earned on the restricted account shall be deposited into the General Fund.
- (7) The commission shall expend money appropriated by the Legislature to the commission from the restricted account to administer qualifying taxes, fees, or charges or to offset general operational expenses.

Section 3. Section **59-5-121** is amended to read:

59-5-121 (Effective 05/07/25). Severance tax revenue for aviation fuel incentive account.

- (1) As used in this section:
- (a) "Base revenue year" means the fiscal year designated by the port authority under Subsection (3).
 - (b) "Incentive account" means the same as that term is defined in Section 11-58-208.
 - (c) "Incremental revenue" means the amount that is calculated by subtracting the net severance revenue for the base revenue year from the net severance revenue for the applicable incremental revenue year.
 - (d) "Incremental revenue year" means any of the first 10 consecutive fiscal years immediately following the base revenue year.
 - (e) "Net severance revenue" means the amount of severance tax revenue collected during a fiscal year under Section 59-5-102, after deducting the amount of severance tax revenue required to be distributed under Sections 51-9-305, 51-9-306, 59-5-116, and 59-5-119.
 - (f) "Port authority" means the Utah Inland Port Authority created in Section 11-58-201.
- (2) Subject to Subsections (3) and (4), for each of the 10 consecutive fiscal years beginning the first incremental revenue year, if incremental revenue is greater than zero, the Division of Finance shall deposit incremental revenue into the incentive account.
- (3)(a) The port authority shall designate as the base revenue year the fiscal year that:
- (i) begins on or after July 1, 2023; and

(ii) the port authority determines will precede the first fiscal year during which the effects of the aviation fuel incentive program under Section 11-58-208 on the amount of severance tax revenue under Section 59-5-102 are expected to begin to occur.

(b) No later than September 30 of the first incremental revenue year, the port authority shall provide written notification to the Division of Finance of the fiscal year that the port authority designates as the base revenue year.

(4)(a) The Division of Finance may not deposit incremental revenue under Subsection (2) that exceeds \$1,000,000 per fiscal year.

(b) The maximum cumulative amount of incremental revenue that the Division of Finance may deposit into the incentive account is \$10,000,000.

(c) If the amount of incremental revenue for any incentive year is less than \$1,000,000, the Division of Finance shall deposit into the incentive account the amount of incremental revenue available.

Section 4. Section **59-10-1321** is amended to read:

59-10-1321 (Effective 05/07/25). Contribution to the Nonprofit Capacity Fund.

(1)(a) There is created an expendable special revenue fund known as the "Nonprofit Capacity Fund."

(b) The fund shall consist of all amounts deposited into the fund in accordance with Subsection (2).

(2) Except as provided in Section 59-10-1304, a resident or nonresident individual who files an income tax return under this chapter may designate on the resident or nonresident individual's income tax return a contribution to be:

(a) deposited into the Nonprofit Capacity Fund; and

(b) expended as provided in Subsection (3).

~~[(3)(a) Each year, the commission shall disburse from the Nonprofit Capacity Fund all money deposited into the fund since the last disbursement.]~~

~~[(b) The commission shall disburse money under Subsection (3)(a) to the Department of Cultural and Community Engagement for the purpose of providing money for grants to nonprofit organizations in the state.]~~

(3) The Department of Cultural and Community Engagement may use the money in the Nonprofit Capacity Fund to provide grants to nonprofit organizations in the state.

Section 5. Section **63J-1-206** is amended to read:

63J-1-206 (Effective 05/07/25). Appropriations governed by chapter --

Restrictions on expenditures -- Transfer of funds -- Exclusion.

(1)(a) Except as provided in Subsections (1)(b) and (2)(e), or where expressly exempted in the appropriating act:

(i) all money appropriated by the Legislature is appropriated upon the terms and conditions set forth in this chapter; and

(ii) any department, agency, or institution that accepts money appropriated by the Legislature does so subject to the requirements of this chapter.

(b) This section does not apply to:

(i) the Legislature and its committees; and

(ii) the Investigation Account of the Water Resources Construction Fund, which is governed by Section 73-10-8.

(2)(a) Each item of appropriation is to be expended subject to any schedule of programs and any restriction attached to the item of appropriation, as designated by the Legislature.

(b) Each schedule of programs or restriction attached to an appropriation item:

(i) is a restriction or limitation upon the expenditure of the respective appropriation made;

(ii) does not itself appropriate any money; and

(iii) is not itself an item of appropriation.

(c)(i) An appropriation or any surplus of any appropriation may not be diverted from any department, agency, institution, division, or line item to any other department, agency, institution, division, or line item.

(ii) If the money appropriated to an agency to pay lease payments under the program established in Section 63A-5b-703 exceeds the amount required for the agency's lease payments to the Division of Facilities Construction and Management, the agency may:

(A) transfer money from the lease payments line item to other line items within the agency; and

(B) retain and use the excess money for other purposes.

(d) The money appropriated subject to a schedule of programs or restriction may be used only for the purposes authorized.

(e) In order for a department, agency, or institution to transfer money appropriated to it from one program to another program, the department, agency, or institution shall revise its budget execution plan as provided in Section 63J-1-209.

(f)(i) The procedures for transferring money between programs within a line item as provided by Subsection (2)(e) do not apply to money appropriated to the State Board of Education for the Minimum School Program or capital outlay programs created in Title 53F, Chapter 3, State Funding -- Capital Outlay Programs.

(ii) The state superintendent may transfer money appropriated for the programs specified in Subsection (2)(f)(i) only as provided by Section 53F-2-205.

(3) Notwithstanding Subsection (2)(c)(i):

(a) the state superintendent may transfer money appropriated for the Minimum School Program between line items in accordance with Section 53F-2-205; and

(b) the Department of Government Operations may transfer money appropriated to another department, agency, institution, or division for the purpose of paying the costs of pay for performance under Section 63A-17-112.

(4) During fiscal years 2026 through 2029, the Utah Board of Higher Education may transfer money from the Utah Board of Higher Education's line item for high-value careers to the operating budgets of institutions of higher education, as defined in Section 53B-3-102, in amounts that are no greater than the amount the Legislature approves.

Section 6. Section **63J-1-410** is amended to read:

63J-1-410 (Effective 05/07/25). Internal service funds -- Governance and review.

(1) For purposes of this section:

(a) "Agency" means a department, division, office, bureau, or other unit of state government, and includes any subdivision of an agency.

(b) "Do not replace vehicles" means a vehicle accounted for in the Division of Fleet Operations for which charges to an agency for its use do not include amounts to cover depreciation or to accumulate assets to replace the vehicle at the end of its useful life.

(c) "Internal service fund agency" means an agency that provides goods or services to other agencies of state government or to other governmental units on a capital maintenance and cost reimbursement basis, and which recovers costs through interagency billings.

(d) "Revolving loan fund" means each of the revolving loan funds defined in Section 63A-3-205.

(2) An internal service fund agency is not subject to this section with respect to its administration of a revolving loan fund.

(3)(a) An internal service fund agency may not bill another agency for services that it

provides for each internal service fund operated by the agency, unless the Legislature has:

- (i) reviewed and approved each internal service fund's budget request;
- (ii) reviewed and approved each internal service fund's rates, fees, and other amounts that it charges those who use its services and included those rates, fees, and amounts in an appropriation act;
- (iii) approved the number of full-time, permanent positions of each internal service fund as part of the annual appropriation process;
- (iv) review the number of full-time equivalent contract employees of each internal service fund as part of the annual appropriation process; and
- (v) appropriated to the internal service fund agency each internal service fund's estimated revenue based upon the rates and fee structure that are the basis for the estimate.

(b) If an internal service fund agency operates more than one internal service fund within the internal service fund agency, the internal service fund agency shall comply with the review and approval requirements under Subsection (3)(a) for each internal service fund.

(c) If an internal service fund agency operates an internal service fund and does not get the approvals required under Subsection (3)(a) or ~~[(4)(b)]~~ (4)(c), the internal service fund agency shall rebate all rates, fees, and amounts collected to those who use the services for the rates, fees, and amounts collected that were not approved under Subsection (3)(a) or ~~[(4)(b)]~~ (4)(c).

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

(b) Except as provided in Subsection ~~[(4)(b)]~~ (4)(c), an internal service fund agency may not charge rates, fees, and other amounts that exceed the rates, fees, and amounts established by the Legislature in the appropriations act.

~~[(b)]~~ (c)(i) An internal service fund agency that begins a new service or introduces a new product between annual general sessions of the Legislature may, for that service or product:

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

- 369 (B) acquire contract employees, if necessary; or
370 (C) do a combination of Subsections [~~(4)(b)(i)(A) and (B)~~] (4)(c)(i)(A) and (B).
- 371 (ii) The internal service fund agency shall:
- 372 (A) submit the interim rate or amount under Subsection [~~(4)(b)(i)~~] (4)(c)(i) to the
373 Legislature for approval at the next annual general session; and
- 374 (B) report any change in the number of contract employees under Subsection [
375 ~~(4)(b)(i)~~] (4)(c)(i) to the appropriate legislative appropriations subcommittee for
376 review.
- 377 (5) The internal service fund agency budget request shall separately identify the capital
378 needs and the related capital budget.
- 379 (6) In the fiscal year that the accounting change referred to in Subsection 51-5-6(2) is
380 implemented by the Division of Finance, the Division of Finance shall transfer equity
381 created by that accounting change to any internal service fund agency up to the amount
382 needed to eliminate any long-term debt and deficit working capital in the fund.
- 383 (7) No new internal service fund agency may be established unless reviewed and approved
384 by the Legislature.
- 385 (8)(a) Except as provided in Subsection (8)(f), an internal service fund agency may not
386 acquire capital assets unless legislative approval for acquisition of the assets has been
387 included in an appropriations act for the internal service fund agency.
- 388 (b) An internal service fund agency may not acquire capital assets after the transfer
389 mandated by Subsection (6) has occurred unless the internal service fund agency has
390 adequate working capital.
- 391 (c) The internal service fund agency shall provide working capital from the following
392 sources in the following order:
- 393 (i) first, from operating revenues to the extent allowed by state rules and federal
394 regulations;
- 395 (ii) second, from long-term debt, subject to the restrictions of this section; and
396 (iii) last, from an appropriation.
- 397 (d)(i) To eliminate negative working capital, an internal service fund agency may
398 incur long-term debt from the General Fund or Special Revenue Funds to acquire
399 capital assets.
- 400 (ii) The internal service fund agency shall repay all long-term debt borrowed from the
401 General Fund or Special Revenue Funds by making regular payments over the
402 useful life of the asset according to the asset's depreciation schedule.

(e)(i) The Division of Finance may not allow an internal service fund agency's borrowing to exceed 90% of the net book value of the agency's capital assets as of the end of the fiscal year.

(ii) If an internal service fund agency wishes to purchase authorized assets or enter into equipment leases that would increase its borrowing beyond 90% of the net book value of the agency's capital assets, the agency may purchase those assets only with money appropriated from another fund, such as the General Fund or a special revenue fund.

(f)(i) Except as provided in Subsection (8)(f)(ii), capital assets acquired through agency appropriation may not be transferred to any internal service fund agency without legislative approval.

(ii) Vehicles acquired by agencies from appropriated funds or money appropriated to agencies to be used for vehicle purchases may be transferred to the Division of Fleet Operations and, when transferred, become part of the Fleet Operations Internal Service Fund.

(iii) Vehicles acquired with funding from sources other than state appropriations or acquired through the federal surplus property donation program may be transferred to the Division of Fleet Operations and, when transferred, become part of the Fleet Operations Internal Service Fund.

(iv) Unless otherwise approved by the Legislature, vehicles acquired under Subsection (8)(f)(iii) shall be accounted for as "do not replace" vehicles.

(9) The Division of Finance shall adopt policies and procedures related to the accounting for assets, liabilities, equity, revenues, expenditures, and transfers of internal service funds agencies.

Section 7. Section **63J-1-504** is amended to read:

63J-1-504 (Effective 07/01/25). Fees -- Adoption, procedure, and approval -- Establishing and assessing fees without legislative approval -- Report summarizing fees.

(1) As used in this section:

(a)(i) "Agency" means each department, commission, board, council, agency, institution, officer, corporation, fund, division, office, committee, authority, laboratory, library, unit, bureau, panel, or other administrative unit of the state.

(ii) "Agency" does not include:

(A) the Legislature or a committee or staff office of the Legislature; or

(B) the Judiciary, as that term is defined in Section 78A-2-310.

(b) "Agency's cost" means all of a fee agency's direct and indirect costs and expenses for providing the goods or service for which the fee agency charges a fee or for regulating the industry in which the persons paying the fee operate, including:

(i) salaries, benefits, contracted labor costs, travel expenses, training expenses, equipment and material costs, depreciation expense, utility costs, and other overhead costs; and

(ii) costs and expenses for administering the fee.

(c)(i) "Fee agency" means an agency that is authorized to establish and charge a service fee or a regulatory fee.

(ii) "Fee agency" does not include an internal service fund agency as defined in Section 63J-1-410.

(d) "Fee schedule" means the complete list of service fees and regulatory fees charged by a fee agency and the amount of those fees.

(e) "Regulatory fee" means a fee that a fee agency charges to cover the agency's cost of regulating the industry in which the persons paying the fee operate.

(f) "Service fee" means a fee that a fee agency charges to cover the agency's cost of providing the goods or service for which the fee is charged.

(2)(a) A fee agency that charges or intends to charge a service fee or regulatory fee shall adopt a fee schedule.

(b) A service fee or regulatory fee that a fee agency charges shall:

(i) be reasonable and fair;

(ii) reflect and be based on the agency's cost for the fee; and

(iii) be established according to a cost formula determined by the executive director of the Governor's Office of Planning and Budget and the director of the Division of Finance in conjunction with the fee agency seeking to establish the fee.

(3) Except as provided in Subsection [~~(7)~~] (9), a fee agency may not:

(a) set fees by rule; or

(b) create, change, or collect any fee unless the fee has been established according to the procedures and requirements of this section.

(4) Each fee agency that is proposing a new fee or proposing to change a fee shall:

(a) present each proposed fee at a public hearing, subject to the requirements of Title 52, Chapter 4, Open and Public Meetings Act;

(b) increase, decrease, or affirm each proposed fee based on the results of the public hearing;

(c) except as provided in Subsection [(8)] (10), submit the fee schedule to the Legislature as part of the agency's annual appropriations request; and

(d) modify the fee schedule as necessary to implement the Legislature's actions.

~~[(5)(a) No later than November 30, 2022, the Governor's Office of Planning and Budget and the Division of Finance shall submit a report to the Infrastructure and General Government Appropriations Subcommittee of the Legislature.]~~

~~[(b) A report under Subsection (5)(a) shall:]~~

~~[(i) provide a summary of:]~~

~~[(A) the types of service fees and regulatory fees included in the fee schedules of all fee agencies;]~~

~~[(B) the methods used by fee agencies to determine the amount of fees;]~~

~~[(C) each estimated agency's cost related to each fee;]~~

~~[(D) whether a fee is intended to cover the agency's cost related to the fee;]~~

~~[(E) whether the fee agency intends to subsidize the fee to cover the agency's cost related to the fee and, if so, the fee agency's justification for the subsidy; and]~~

~~[(F) whether the fee agency set the fee at an amount that exceeds the agency's cost related to the fee and, if so, the fee agency's justification for the excess fee; and]~~

~~[(ii) include any recommendations for improving the process described in this section.]~~

~~[(6)] (5)(a) A fee agency shall submit the fee agency's fee schedule to the Legislature for the Legislature's approval on an annual basis.~~

(b) The Legislature may approve, increase or decrease and approve, or reject any fee submitted to it by a fee agency in an appropriations act.

(6) Except as provided in Subsection (8), a fee agency may not charge a fee in an amount that is different from the amount the Legislature approved under Subsection (5).

(7) If a fee agency charges a fee in an amount that exceeds the amount the Legislature approved:

(a) the fee agency shall make all efforts to refund to each payor the amount the payor paid that exceeds the amount the Legislature approved; and

(b) the Division of Finance shall transfer into the General Fund any excess collections not refunded to payors in accordance with Subsection (7)(a).

(8) A fee agency may charge a fee that is less than the fee established by the Legislature in an appropriations act if the fee agency first reports to the Governor's Office of Planning and Budget and the Office of the Legislative Fiscal Analyst the fee agency's justification for reducing the fee.

- 505 ~~[(7)]~~ (9) After conducting the public hearing required by this section, a fee agency may
506 establish and assess fees without first obtaining legislative approval if:
- 507 (a)(i) the Legislature creates a new program that is to be funded by fees to be set by
508 the Legislature;
- 509 (ii) the new program's effective date is before the Legislature's next annual general
510 session; and
- 511 (iii) the fee agency submits the fee schedule for the new program to the Legislature
512 for its approval at a special session, if allowed in the governor's call, or at the next
513 annual general session of the Legislature, whichever is sooner; or
- 514 (b)(i) the fee agency proposes to increase or decrease an existing fee for the purpose
515 of adding or removing a transactional fee that is charged or assessed by a
516 non-governmental third party but is included as part of the fee charged by the fee
517 agency;
- 518 (ii) the amount of the increase or decrease in the fee is equal to the amount of the
519 transactional fee charged or assessed by the non-governmental third party; and
- 520 (iii) the increased or decreased fee is submitted to the Legislature for the Legislature's
521 approval at a special session, if allowed in the governor's call, or at the next
522 annual session of the Legislature, whichever is sooner.
- 523 ~~[(8)]~~ (10)(a) A fee agency that intends to change any fee shall submit to the governor, as
524 part of the agency's annual appropriation request a list that identifies:
- 525 (i) the title or purpose of the fee;
- 526 (ii) the present amount of the fee;
- 527 (iii) the proposed new amount of the fee;
- 528 (iv) the percent that the fee will have increased if the Legislature approves the higher
529 fee;
- 530 (v) the estimated total annual revenue and total estimated annual revenue change that
531 will result from the changed fee;
- 532 (vi) the account or fund into which the fee will be deposited;
- 533 (vii) the reason for the change in the fee;
- 534 (viii) the estimated number of persons to be charged the fee;
- 535 (ix) the estimated agency's cost related to the fee;
- 536 (x) whether the fee is a service fee or a regulatory fee;
- 537 (xi) whether the fee is intended to cover the agency's cost related to the fee;
- 538 (xii) whether the fee agency intends to subsidize the fee to cover the agency's cost

- 539 related to the fee and, if so, the fee agency's justification for the subsidy; and
540 (xiii) whether the fee agency set the fee at an amount that exceeds the agency's cost
541 related to the fee and, if so, the fee agency's justification for the excess fee.
- 542 (b)(i) The governor may review and approve, modify and approve, or reject the fee
543 increases.
- 544 (ii) The governor shall transmit the list required by Subsection [(8)(a)] (10)(a), with
545 any modifications, to the legislative fiscal analyst with the governor's budget
546 recommendations.
- 547 (c) Bills approving any fee change shall be filed before the beginning of the Legislature's
548 annual general session, if possible.
- 549 [(9)] (11)(a) Except as provided in Subsection [(9)(b)] (11)(b), the School and
550 Institutional Trust Lands Administration, established in Section 53C-1-201, is exempt
551 from the requirements of this section.
- 552 (b) The following fees of the School and Institutional Trust Lands Administration are
553 subject to the requirements of this section: application, assignment, amendment,
554 affidavit for lost documents, name change, reinstatement, grazing nonuse, extension
555 of time, partial conveyance, patent reissue, collateral assignment, electronic payment,
556 and processing.
- 557 Section 8. Section **63J-1-602** is amended to read:
- 558 **63J-1-602 (Effective 05/07/25). Nonlapsing appropriations.**
- 559 (1) [The appropriations from a fund or account and appropriations to a program that are
560 listed in Section 63J-1-602.1 or 63J-1-602.2 are nonlapsing] Each appropriation listed in
561 Section 63J-1-602.1 or 63J-1-602.2 is nonlapsing.
- 562 (2) No appropriation from a fund or account or appropriation to a program may be treated
563 as nonlapsing unless:
- 564 (a) it is listed in Section 63J-1-602.1 or 63J-1-602.2;
- 565 (b) it is designated in a condition of appropriation in the appropriations bill; or
- 566 (c) nonlapsing authority is granted under Section 63J-1-603.
- 567 (3) Each legislative appropriations subcommittee shall review the accounts and funds that
568 have been granted nonlapsing authority under the provisions of this section or Section
569 63J-1-603.
- 570 (4) Except as provided in Subsection (5), on or before October 1 of each calendar year, an
571 agency shall submit to the legislative appropriations subcommittee with jurisdiction over
572 the agency's budget a report that describes the agency's plan to expend any nonlapsing

appropriations, including:

(a) if applicable, the results of the prior year's planned use of the agency's nonlapsing appropriations; and

(b) if the agency plans to save all or a portion of the agency's nonlapsing appropriations over multiple years to pay for an anticipated expense:

(i) the estimated cost of the expense; and

(ii) the number of years until the agency will accumulate the amount required to pay for the expense.

(5) The State Board of Education shall submit the report described in Subsections (4)(a) and (b) on or before October 10 of each calendar year.

Section 9. Section **79-2-201** is amended to read:

79-2-201 (Effective 05/07/25). Department of Natural Resources created.

(1) There is created the Department of Natural Resources.

(2) The department comprises the following:

(a) Board of Water Resources, created in Section 73-10-1.5;

(b) Board of Oil, Gas, and Mining, created in Section 40-6-4;

(c) Office of Energy Development, created in Section 79-6-401;

(d) Wildlife Board, created in Section 23A-2-301;

(e) Board of the Utah Geological Survey, created in Section 79-3-301;

(f) Water Development Coordinating Council, created in Section 73-10c-3;

(g) Division of Water Rights, created in Section 73-2-1.1;

(h) Division of Water Resources, created in Section 73-10-18;

(i) Division of Forestry, Fire, and State Lands, created in Section 65A-1-4;

(j) Division of Oil, Gas, and Mining, created in Section 40-6-15;

(k) Division of State Parks, created in Section 79-4-201;

(l) Division of Outdoor Recreation, created in Section 79-7-201;

(m) Division of Wildlife Resources, created in Section 23A-2-201;

(n) Utah Geological Survey, created in Section 79-3-201;

(o) Utah Outdoor Recreation Infrastructure Advisory Committee, created in Section 79-7-206;

(p)(i) an advisory council that includes in the advisory council's duties advising on state boating policy, authorized by Section 73-18-3.5; or

(ii) an advisory council that includes in the advisory council's duties advising on off-highway vehicle use, authorized by Section 41-22-10;

- (q) Wildlife Board Nominating Committee, created in Section 23A-2-302;
- (r) Wildlife Regional Advisory Councils, created in Section 23A-2-303;
- (s) Utah Watersheds Council, created in Section 73-10g-304; and
- ~~[(t) Utah Natural Resources Legacy Fund Board, created in Section 23A-3-305; and]~~
- ~~[(u)]~~ (t) Public Lands Policy Coordinating Office created in Section 63L-11-201.

- (3) The department shall provide office space, furnishings, and supplies to the Great Salt Lake commissioner appointed under Section 73-32-201, the Office of the Great Salt Lake Commissioner created in Section 73-32-301, and support staff for the Office of the Great Salt Lake Commissioner.

Section 10. Section **79-7-206** is amended to read:

79-7-206 (Effective 05/07/25). Utah Outdoor Recreation Infrastructure Advisory Committee.

- (1) As used in this section, "committee" means the Utah Outdoor Recreation Infrastructure Advisory Committee created in this section.

- (2)(a) There is created within the division the "Utah Outdoor Recreation Infrastructure Advisory Committee" consisting of the following 17 members:

- (i) the director of the division, who shall act as chair of the committee;
- (ii) the director of the Division of State Parks, or the director of the Division of State Park's designee; and
- (iii) the following appointed by the executive director:
 - (A) one nonvoting representative of a federal land agency;
 - (B) one nonvoting representative of National Park Service's River, Trails, and Conservation Assistance Program;
 - (C) one representative of municipal government, recommended by the Utah League of Cities and Towns;
 - (D) one representative of county government, recommended by the Utah Association of Counties;
 - (E) two representatives of the outdoor industry;
 - (F) two representatives of tourism, with one focused in the hotel or lodging sector;
 - (G) one representative of the healthcare industry;
 - (H) one representative of multi-ability groups or programs;
 - (I) one representative of outdoor recreation education programming;
 - (J) one representative of nonmotorized recreation interests;
 - (K) one representative of youth conservation or service corps organization; and

- 641 (L) two representatives of motorized recreation interests.
- 642 (b) At least two of the members of the committee appointed under Subsection (2)(a)(iii)
- 643 shall represent rural interests.
- 644 (3)(a) Except as required by Subsection (3)(b), as terms of committee members
- 645 appointed under Subsection (2)(a)(iii) expire, the division shall appoint each new
- 646 member or reappointed member to a four-year term.
- 647 (b) Notwithstanding the requirements of Subsection (3)(a), the division shall, at the time
- 648 of appointment or reappointment, adjust the length of terms to ensure that the terms
- 649 of committee members appointed under Subsection (2)(a)(iii) are staggered so that
- 650 approximately half of the committee is appointed every two years.
- 651 (c) The executive director may remove an appointed member of the advisory committee
- 652 at any time, with or without cause.
- 653 (d) When a vacancy occurs in the membership for any reason, the executive director
- 654 shall appoint the replacement for the unexpired term in the same manner as the
- 655 original appointment.
- 656 (4) The majority of voting members of the committee constitutes a quorum and an action of
- 657 the majority of voting members present when a quorum is present is action by the
- 658 committee.
- 659 (5) The division shall provide administrative staff support for the committee.
- 660 (6) A member may not receive compensation or benefits for the member's service, but a
- 661 member appointed under Subsection (2)(a)(iii) may receive per diem and travel
- 662 expenses in accordance with:
- 663 (a) Section 63A-3-106;
- 664 (b) Section 63A-3-107; and
- 665 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
- 666 63A-3-107.
- 667 (7) The committee shall advise and make recommendations to the division regarding:
- 668 (a) nonmotorized recreational trails under Chapter 5, Recreational Trails;
- 669 (b) grants issued under Chapter 8, Part 2, Recreation Restoration Infrastructure Grant
- 670 Program;
- 671 ~~[(e) the administration of the fund created in Section 79-8-304;]~~
- 672 ~~[(d)]~~ (c) grants issued under Chapter 8, Part 3, Utah Children's Outdoor Recreation and
- 673 Education Grant Program; and
- 674 ~~[(e)]~~ (d) grants issued under Chapter 8, Part 4, Outdoor Recreational Infrastructure Grant

675 Program.

676 Section 11. **Repealer.**

677 This bill repeals:

678 Section **23A-3-301, (Effective 05/07/25)Definitions.**

679 Section **23A-3-302, (Effective 05/07/25)Application to mineral estates.**

680 Section **23A-3-303, (Effective 05/07/25)Reporting.**

681 Section **23A-3-304, (Effective 05/07/25)Utah Natural Resources Legacy Fund.**

682 Section **23A-3-305, (Effective 05/07/25)Utah Natural Resources Legacy Fund Board.**

683 Section **23A-3-306, (Effective 05/07/25)Uses of legacy fund.**

684 Section **35A-8-1301, (Effective 05/07/25)Creation and administration.**

685 Section **63I-6-101, (Effective upon governor's approval)Title.**

686 Section **63I-6-102, (Effective upon governor's approval)Definitions.**

687 Section **63I-6-103, (Effective upon governor's approval)Converting a formula into a**

688 **mathematical equation.**

689 Section **63J-3-206, (Effective upon governor's approval)Appropriations limit formula --**

690 **Mathematical equation.**

691 Section **79-8-304, (Effective 05/07/25)Utah Children's Outdoor Recreation and**

692 **Education Fund -- Uses -- Costs.**

693 Section 12. **Effective Date.**

694 (1) Except as provided in Subsections (2)-(3), this bill takes effect May 7, 2025.

695 (2)(a) The actions affecting sections described in Subsection (2)(b) take effect:

696 (i) except as provided in Subsection (2)(a)(ii), May 7, 2025; or

697 (ii) if approved by two-thirds of all members elected to each house:

698 (A) upon approval by the governor;

699 (B) without the governor's signature, the day following the constitutional time

700 limit of Utah Constitution, Article VII, Section 8; or

701 (C) in the case of a veto, the date of veto override.

702 (b) Subsection (2)(a) applies to the actions affecting the following sections:

703 (i) Section 63I-6-101 (Effective upon governor's approval);

704 (ii) Section 63J-3-206 (Effective upon governor's approval);

705 (iii) Section 63I-6-103 (Effective upon governor's approval); and

706 (iv) Section 63I-6-102 (Effective upon governor's approval).

707 (3) The actions affecting Section 63J-1-504 (Effective 07/01/25) take effect on July 1, 2025.