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**General Oversight Amendments**  
2026 GENERAL SESSION  
STATE OF UTAH  
**Chief Sponsor: Daniel McCay**  
House Sponsor: Trevor Lee

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**LONG TITLE**

**General Description:**

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

**Highlighted Provisions:**

This bill:

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

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

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

28 **19-1-206 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 439  
29 **19-1-207 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 178  
30 **19-5-104.5 (Effective 05/06/26) (Repealed 07/01/29)**, as last amended by Laws of Utah  
31 2024, Chapter 178  
32 **26B-1-219 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 470  
33 **26B-3-129 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 178  
34 **36-35-101 (Effective 05/06/26)**, as enacted by Laws of Utah 2024, Chapter 178  
35 **36-35-102 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 463  
36 **52-4-205 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 391  
37 **53E-3-525 (Effective 05/06/26)**, as enacted by Laws of Utah 2025, Chapter 501  
38 **53H-1-403 (Effective 05/06/26)**, as enacted by Laws of Utah 2025, First Special Session,  
39 Chapter 8  
40 **53H-7-303 (Effective 05/06/26)**, as renumbered and amended by Laws of Utah 2025,  
41 First Special Session, Chapter 8  
42 **54-17-701 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 178  
43 **63A-5b-607 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 439  
44 **63A-13-202 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 178  
45 **63A-13-305 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 178  
46 **63G-3-102 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 483  
47 **63G-3-201 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, First Special  
48 Session, Chapter 9  
49 **63G-3-202 (Effective 05/06/26)**, as renumbered and amended by Laws of Utah 2008,  
50 Chapter 382  
51 **63G-3-301 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapters 463,  
52 483  
53 **63G-3-302 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 347  
54 **63G-3-303 (Effective 05/06/26)**, as last amended by Laws of Utah 2016, Chapter 193  
55 **63G-3-304 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 178  
56 **63G-3-305 (Effective 05/06/26)**, as last amended by Laws of Utah 2016, Chapter 193  
57 **63G-3-401 (Effective 05/06/26)**, as last amended by Laws of Utah 2021, Chapter 344  
58 **63G-3-402 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 178  
59 **63G-3-403 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 178  
60 **63G-3-502 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 178  
61 **63G-3-503 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 277

62        **63G-3-601 (Effective 05/06/26)**, as last amended by Laws of Utah 2020, Chapter 408  
63        **63O-2-403 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter -1000  
64        **72-6-107.5 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 439  
65        **79-2-404 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 439

66 ENACTS:

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

68 REPEALS:

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

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

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

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

76 (1) As used in this section:

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

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

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

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

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

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

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

88 (3) The governance committee shall:

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

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

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

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

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

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

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

123 **insurance coverage.**

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

- 130 (i) works at least 30 hours per calendar week; and  
131 (ii) meets employer eligibility waiting requirements for health care insurance, which  
132 may not exceed the first day of the calendar month following 60 days after the day  
133 on which the individual is hired.
- 134 (d) "Health benefit plan" means:  
135 (i) the same as that term is defined in Section 31A-1-301; or  
136 (ii) an employee welfare benefit plan:  
137 (A) established under the Employee Retirement Income Security Act of 1974, 29  
138 U.S.C. Sec. 1001 et seq.;  
139 (B) for an employer with 100 or more employees; and  
140 (C) in which the employer establishes a self-funded or partially self-funded group  
141 health plan to provide medical care for the employer's employees and  
142 dependents of the employees.
- 143 (e) "Qualified health coverage" means the same as that term is defined in Section  
144 26B-3-909.
- 145 (f) "Subcontractor" means the same as that term is defined in Section 63A-5b-605.
- 146 (g) "Third party administrator" or "administrator" means the same as that term is defined  
147 in Section 31A-1-301.
- 148 (2) Except as provided in Subsection (3), the requirements of this section apply to:  
149 (a) a contractor of a design or construction contract entered into by, or delegated to, the  
150 department, or a division or board of the department, on or after July 1, 2009, if the  
151 prime contract is in an aggregate amount equal to or greater than \$2,000,000; and  
152 (b) a subcontractor of a contractor of a design or construction contract entered into by, or  
153 delegated to, the department, or a division or board of the department, on or after July  
154 1, 2009, if the subcontract is in an aggregate amount equal to or greater than  
155 \$1,000,000.
- 156 (3) This section does not apply to contracts entered into by the department or a division or  
157 board of the department if:  
158 (a) the application of this section jeopardizes the receipt of federal funds;  
159 (b) the contract or agreement is between:  
160 (i) the department or a division or board of the department; and  
161 (ii)(A) another agency of the state;  
162 (B) the federal government;  
163 (C) another state;

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

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

- 232 (i) a public transit district in accordance with Section 17B-2a-818.5;
- 233 (ii) the Department of Natural Resources in accordance with Section 79-2-404;
- 234 (iii) the Division of Facilities Construction and Management in accordance with
- 235 Section 63A-5b-607;
- 236 (iv) the State Capitol Preservation Board in accordance with Section 63O-2-403;
- 237 (v) the Department of Transportation in accordance with Section 72-6-107.5; and
- 238 (vi) the Legislature's [~~Rules Review and General Oversight~~] General Oversight
- 239 Committee created in Section 36-35-102; and
- 240 (c) that establish:
- 241 (i) the requirements and procedures a contractor and a subcontractor shall follow to
- 242 demonstrate compliance with this section, including:
- 243 (A) that a contractor or subcontractor's compliance with this section is subject to
- 244 an audit by the department or the Office of the Legislative Auditor General;
- 245 (B) that a contractor that is subject to the requirements of this section shall obtain
- 246 a written statement described in Subsection (5)(a); and
- 247 (C) that a subcontractor that is subject to the requirements of this section shall
- 248 obtain a written statement described in Subsection (5)(c)(ii);
- 249 (ii) the penalties that may be imposed if a contractor or subcontractor intentionally
- 250 violates the provisions of this section, which may include:
- 251 (A) a three-month suspension of the contractor or subcontractor from entering into
- 252 future contracts with the state upon the first violation;
- 253 (B) a six-month suspension of the contractor or subcontractor from entering into
- 254 future contracts with the state upon the second violation;
- 255 (C) an action for debarment of the contractor or subcontractor in accordance with
- 256 Section 63G-6a-904 upon the third or subsequent violation; and
- 257 (D) notwithstanding Section 19-1-303, monetary penalties which may not exceed
- 258 50% of the amount necessary to purchase qualified health coverage for an
- 259 employee and the dependents of an employee of the contractor or subcontractor
- 260 who was not offered qualified health coverage during the duration of the
- 261 contract; and
- 262 (iii) a website on which the department shall post the commercially equivalent
- 263 benchmark, for the qualified health coverage identified in Subsection (1)(e), that
- 264 is provided by the Department of Health and Human Services, in accordance with
- 265 Subsection 26B-3-909(2).

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

300 Section 3. Section **19-1-207** is amended to read:

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

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

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

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

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

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

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

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

315 (iv) fail to provide regulatory relief.

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

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

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

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

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

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

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

- 334 (1) Before sending a total maximum daily load and implementation strategy to the EPA for  
335 review and approval, the Water Quality Board shall submit the total maximum daily  
336 load:
- 337 (a) for review to the Natural Resources, Agriculture, and Environment Interim  
338 Committee if the total maximum daily load will require a public or private  
339 expenditure in excess of \$10,000,000 but less than \$100,000,000 for compliance; or  
340 (b) for approval to the Legislature if the total maximum daily load will require a public  
341 or private expenditure of \$100,000,000 or more.
- 342 (2)(a) As used in this Subsection (2):
- 343 (i) "Expenditure" means the act of expending funds:
- 344 (A) by an individual public facility with a Utah Pollutant Discharge Elimination  
345 System permit, or by a group of private agricultural facilities; and  
346 (B) through an initial capital investment, or through operational costs over a  
347 three-year period.
- 348 (ii) "Utah Pollutant Discharge Elimination System" means the state permit system  
349 created in accordance with 33 U.S.C. Sec. 1342.
- 350 (b) Before the board adopts a nitrogen or phosphorus rule or standard, the board shall  
351 submit the rule or standard as directed in Subsections (2)(c) and (d).
- 352 (c)(i) If compliance with the rule or standard requires an expenditure in excess of  
353 \$250,000, but less than \$10,000,000, the board shall submit the rule or standard  
354 for review to the Natural Resources, Agriculture, and Environment Interim  
355 Committee.
- 356 (ii)(A) Except as provided in Subsection (2)(c)(ii)(B), the Natural Resources,  
357 Agriculture, and Environment Interim Committee shall review a rule or  
358 standard the board submits under Subsection (2)(c)(i) during the Natural  
359 Resources, Agriculture, and Environment Interim Committee's committee  
360 meeting immediately following the day on which the board submits the rule or  
361 standard.
- 362 (B) If the committee meeting described in Subsection (2)(c)(ii)(A) is within five  
363 days after the day on which the board submits the rule or standard for review,  
364 the Natural Resources, Agriculture, and Environment Interim Committee shall  
365 review the rule or standard during the committee meeting described in  
366 Subsection (2)(c)(ii)(A) or during the committee meeting immediately  
367 following the committee meeting described in Subsection (2)(c)(ii)(A).

- 368 (d) If compliance with the rule or standard requires an expenditure of \$10,000,000 or  
 369 more, the board shall submit the rule or standard for approval to the Legislature.
- 370 (e)(i) A facility shall estimate the cost of compliance with a board-proposed rule or  
 371 standard described in Subsection (2)(b) using:
- 372 (A) an independent, licensed engineer; and  
 373 (B) industry-accepted project cost estimate methods.
- 374 (ii) The board may evaluate and report on a compliance estimate described in  
 375 Subsection (2)(e)(i).
- 376 (f) If there is a discrepancy in the estimated cost to comply with a rule or standard, the  
 377 Office of the Legislative Fiscal Analyst shall determine the estimated cost to comply  
 378 with the rule or standard.
- 379 (3) In reviewing a rule or standard, the Natural Resources, Agriculture, and Environment  
 380 Interim Committee may:
- 381 (a) consider the impact of the rule or standard on:
- 382 (i) economic costs and benefit;  
 383 (ii) public health; and  
 384 (iii) the environment;
- 385 (b) suggest additional areas of consideration; or  
 386 (c) recommend the rule or standard to the board for:
- 387 (i) adoption; or  
 388 (ii) re-evaluation followed by further review by the Natural Resources, Agriculture,  
 389 and Environment Interim Committee.
- 390 (4) When the Natural Resources, Agriculture, and Environment Interim Committee sets the  
 391 review of a rule or standard submitted under Subsection (2)(c)(i) as an agenda item, the  
 392 committee shall:
- 393 (a) before the review, directly inform the chairs of the [~~Rules Review and General~~  
 394 ~~Oversight~~] General Oversight Committee of the coming review, including the date,  
 395 time, and place of the review; and  
 396 (b) after the review, directly inform the chairs of the [~~Rules Review and General~~  
 397 ~~Oversight~~] General Oversight Committee of the outcome of the review, including any  
 398 recommendation.

399 Section 5. Section **26B-1-219** is amended to read:

400 **26B-1-219 (Effective 05/06/26). Requirements for issuing, recommending, or**  
 401 **facilitating rationing criteria.**

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

- 436 in Section 36-35-102;
- 437 (ii) the governor or the governor's designee;
- 438 (iii) the president of the Senate or the president's designee;
- 439 (iv) the speaker of the House of Representatives or the speaker's designee;
- 440 (v) the executive director or the executive director's designee; and
- 441 (vi) if rationing criteria affect hospitals in the state, a representative of an association
- 442 representing hospitals throughout the state, as designated by the executive
- 443 director; and
- 444 (b) procedures for an emergency circumstance which shall include, at a minimum:
- 445 (i) a description of the circumstances under which emergency procedures described
- 446 in this Subsection (3)(b) may be used; and
- 447 (ii) a requirement that the department notify the individuals described in Subsections
- 448 (3)(a)(i) through (vi) as soon as practicable, but no later than 48 hours after the
- 449 rationing criteria take effect.
- 450 (4) The requirements described in this section and rules made under this section shall apply
- 451 regardless of whether rationing criteria:
- 452 (a) have the force and effect of law, or is solely advisory, informative, or descriptive;
- 453 (b) are carried out or implemented directly or indirectly by the department or by other
- 454 individuals or entities; or
- 455 (c) are developed solely by the department or in collaboration with other individuals or
- 456 entities.
- 457 (5) This section:
- 458 (a) may not be suspended under Section 53-2a-209 or any other provision of state law
- 459 relating to a state of emergency;
- 460 (b) does not limit a private entity from developing or implementing rationing criteria; and
- 461 (c) does not require the department to adopt, modify, require, facilitate, or recommend
- 462 rationing criteria that the department does not determine to be necessary or
- 463 appropriate.
- 464 (6) Subsection (2) does not apply to rationing criteria that are adopted, modified, required,
- 465 facilitated, or recommended by the department:
- 466 (a) through the regular, non-emergency rulemaking procedure described in Section
- 467 63G-3-301;
- 468 (b) if the modification is solely to correct a technical error in rationing criteria such as
- 469 correcting obvious errors and inconsistencies including those involving punctuation,

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

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

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

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

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

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

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

540 As used in this chapter:

541 (1) "Abuse of authority" means an arbitrary or capricious exercise of power that:

542 (a) adversely affects the employment rights of another; or

543 (b) results in personal gain to the person exercising the authority or to another person.

544 (2) "Agency" means the same as that term is defined in Section 63G-3-102.

545 (3) "Agency rule" means the same as the term "rule" is defined in Section 63G-3-101.

546 [~~2~~] (4) "Committee" means the [~~Rules Review and General Oversight~~] General Oversight  
547 Committee.

548 [~~3~~] (5) "Court Rule" means any of the following, whether existing, new, or proposed:

549 (a) rules of procedure, evidence, or practice for use of the courts of this state;

550 (b) rules governing and managing the appellate process adopted by the Supreme Court;

551 or

552 (c) rules adopted by the Judicial Council for the administration of the courts of the state.

553 (6) "Gross mismanagement" means action or failure to act by a person, with respect to a  
554 person's responsibility, that causes significant harm or risk of harm to the mission of the  
555 public entity or public body that employs, or is managed or controlled by, the person.

556 [~~4~~] (7) "Judicial advisory committee" means the committee that proposes to the Supreme  
557 Court rules or changes in court rules related to:

558 (a) civil procedure;

559 (b) criminal procedure;

560 (c) juvenile procedure;

561 (d) appellate procedure;

562 (e) evidence;

563 (f) professional conduct; and

564 (g) the subject matter focus of any other committee that the Supreme Court establishes  
565 to propose rules or changes in court rules to the Supreme Court.

566 [~~5~~] (8) "Judicial council" means the administrative body of the courts, established in Utah  
567 Constitution, Article VIII, Section 12, and Section 78A-2-104.

568 (9) "Legislative issue" means any issue that could impact or inform legislation or potential  
569 legislation.

570 (10) "Matter subject to litigation" means any issue that is directly or indirectly:

571 (a) being litigated in a court; or

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

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

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

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

- 708 (v) the Senate and House chairs of the standing committee that has jurisdiction over  
 709 the agency or judicial branch entity whose rule, policy, practice, or procedure is  
 710 the subject of the finding;
- 711 (vi) the Senate and House chairs of the appropriation subcommittee that has  
 712 jurisdiction over the agency or judicial branch entity that made the rule;
- 713 (vii) the governor; and
- 714 (viii) if the findings involve a court rule or judicial branch entity:
- 715 (A) the Judiciary Interim Committee;
- 716 (B) the Supreme Court; and
- 717 (C) the Judicial Council.
- 718 (9)(a)(i) The committee may submit a report on the committee's review under this  
 719 section to each member of the Legislature at each regular session.
- 720 (ii) The report shall include:
- 721 (A) any finding or recommendation the committee made under Subsection (8);
- 722 (B) any action an agency, the Supreme Court, or the Judicial Council took in  
 723 response to a committee recommendation; and
- 724 (C) any recommendation by the committee for legislation.
- 725 (b) If the committee receives a recommendation not to reauthorize an agency rule, as  
 726 described in Subsection 63G-3-301(13)(b), and the committee recommends to the  
 727 Legislature reauthorization of the agency rule, the committee shall submit a report to  
 728 each member of the Legislature detailing the committee's decision.
- 729 (c) The committee may open a committee bill file to draft legislation by:
- 730 (i) committee vote; or
- 731 (ii) the House and Senate chairs agreeing to open a committee bill file if:
- 732 (A) the committee has voted to grant the chairs the ability to open committee bill  
 733 files in the first meeting of the committee after the Legislature has adjourned  
 734 sine die from the annual general session; and
- 735 (B) the chairs open a committee bill during the calendar year in which the vote  
 736 described in Subsection (9)(c)(ii)(A) has occurred.
- 737 (d) The committee may open the same number of committee bill files that an interim  
 738 committee may open as described in legislative rule.
- 739 (10) Upon a majority vote of the committee, the committee may recommend that the Audit  
 740 Subcommittee prioritize an audit of an issue heard by the committee.
- 741 [~~(10) Notwithstanding any other provision of this section, when reviewing and discussing~~

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

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

810                   (B) maintain the same classification under Title 63G, Chapter 2, Government  
811                   Records Access and Management Act, that was designated by a government  
812                   entity providing the documents or materials.

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

814                   **52-4-205 (Effective 05/06/26). Purposes of closed meetings -- Certain issues**  
815 **prohibited in closed meetings.**

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

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

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

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

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

- 946 (h) a meeting of the [~~Rules Review and General Oversight~~] General Oversight  
947 Committee to review and discuss:
- 948 (i) an individual child welfare case as described in Subsection 36-35-102(3)(c); or  
949 (ii) information that is subject to a confidentiality agreement as described in  
950 Subsection 36-35-102(3)(c).
- 951 (3) In a closed meeting, a public body may not:
- 952 (a) interview a person applying to fill an elected position;  
953 (b) discuss filling a midterm vacancy or temporary absence governed by Title 20A,  
954 Chapter 1, Part 5, Candidate Vacancy and Vacancy and Temporary Absence in  
955 Elected Office; or  
956 (c) discuss the character, professional competence, or physical or mental health of the  
957 person whose name was submitted for consideration to fill a midterm vacancy or  
958 temporary absence governed by Title 20A, Chapter 1, Part 5, Candidate Vacancy and  
959 Vacancy and Temporary Absence in Elected Office.
- 960 Section 11. Section **53E-3-525** is amended to read:  
961 **53E-3-525 (Effective 05/06/26). State board transparency.**
- 962 (1) Beginning January 1, 2027, the state board shall:
- 963 (a) publish on the state board's website a record of each vote by the state board,  
964 including:  
965 (i) the date, time, and place of the meeting;  
966 (ii) the subject of the vote;  
967 (iii) the names of state board members present and absent;  
968 (iv) the result of the vote, including each board member's individual vote; and  
969 (v) the audio or video associated with the vote;
- 970 (b) distribute a contract the state board intends to consider at a meeting to each state  
971 board member at least five days before the date on which the meeting is scheduled to  
972 occur;
- 973 (c) ensure the information described in Subsection (1)(a) is accessible through a single  
974 click from the state board's home webpage; and  
975 (d) post the information required by Subsection (1)(a) within seven business days after a  
976 vote.
- 977 (2) In accordance with Title 36, Chapter 35, [~~Rules Review and General Oversight~~] General  
978 Oversight Committee, the [~~Rules Review and General Oversight~~] General Oversight  
979 Committee may request a report from the state board detailing the:

- 980 (a) implementation of the requirements of this section; and  
981 (b) the state board's compliance with the requirements of this section.

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

983 **53H-1-403 (Effective 05/06/26). Other required reports to the Legislature or**  
984 **state level entities.**

- 985 (1) The following entities shall submit reports to the Education Interim Committee as  
986 described in each referenced section:
- 987 (a) the board shall submit:
- 988 (i) an annual report regarding the board's activities and performance against the  
989 board's goals and metrics as described in Section 53H-1-203;
- 990 (ii) an annual report detailing the board's progress and recommendations on  
991 workforce related issues as described in Section 53H-1-203;
- 992 (iii) a report regarding an institution compensating a student athlete for the use of the  
993 student athlete's name, image, or likeness as described in Section 53H-6-202;
- 994 (iv) an annual report regarding the talent advisory councils as described in Section  
995 53H-13-309;
- 996 (b) the Office of Legislative Research and General Counsel shall provide a summary  
997 regarding the data collected from campus expression climate surveys as described in  
998 Section 53H-1-504;
- 999 (c) the Utah Education and Telehealth Network shall provide an annual report as  
1000 described in Section 53H-4-213.7;
- 1001 (d) an institution with and without housing facilities shall provide an annual report  
1002 regarding crime statistics as described in Section 53H-7-603;
- 1003 (e) the Center for Civic Excellence at Utah State University shall provide a report before  
1004 July 1, 2029, regarding implementation as described in Section 53H-4-307.6;
- 1005 (f) the Rocky Mountain Center for Occupational and Environmental Health Advisory  
1006 Board shall provide by July 1 each year a report as described in Section 53H-5-205;
- 1007 (g) the Utah Data Research Center shall provide an annual report as described in Section  
1008 53H-15-303;
- 1009 (h) the Higher Education and Corrections Council shall provide an annual report as  
1010 described in Section 53H-1-604; and
- 1011 (i) the commissioner shall provide, in collaboration with the entities described in  
1012 Subsection 53H-13-405(1), an annual report regarding the cooperative education  
1013 program as described in Section 53H-13-407.

- 1014 (2) The following entities shall submit reports to the Executive Appropriations Committee  
1015 as described in each referenced section:
- 1016 (a) the board shall submit:
- 1017 (i) in the September 2025 meeting, a report regarding institutions' strategic  
1018 reinvestment plans as described in Section 53H-8-210; and
- 1019 (ii) in the September 2026 and 2027 meetings, a report regarding the progress of  
1020 institutions in executing the institutions' strategic reinvestment plan as described  
1021 in Section 53H-8-210; and
- 1022 (b) the Nucleus Institute shall provide an annual report as described in Section  
1023 53H-16-406.
- 1024 (3) The following entities shall submit reports to the Natural Resources, Agriculture, and  
1025 Environment Interim Committee as described in each referenced section:
- 1026 (a) the Utah State University Bingham Entrepreneurship and Energy Research Center  
1027 shall annually report as described in Section 53H-4-316; and
- 1028 (b) the Utah State University Food Security Council shall prepare and submit an annual  
1029 written report as described in Section 53H-4-313.
- 1030 (4) The following entities shall submit reports to the Economic Development and  
1031 Workforce Services Interim Committee as described in each referenced section:
- 1032 (a) the commissioner shall provide, in collaboration with the entities described in  
1033 Subsection 53H-13-405(1), an annual report regarding the cooperative education  
1034 program as described in Section 53H-13-407;
- 1035 (b) Utah State University shall provide a report every three years regarding the remote  
1036 online opportunities program as described in Section 53H-4-312;
- 1037 (c) the Utah State University Food Security Council shall prepare and submit an annual  
1038 written report as described in Section 53H-4-313; and
- 1039 (d) the Nucleus Institute shall provide an annual report as described in Section  
1040 53H-16-406.
- 1041 (5) The ASPIRE Engineering Research Center at Utah State University shall provide an  
1042 annual report to the Transportation and Infrastructure Appropriations Subcommittee as  
1043 described in Section 53H-4-306.6.
- 1044 (6) The Utah Data Research Center shall provide an annual report to the Business and  
1045 Labor Interim Committee as described in Section 53H-15-305.
- 1046 (7) The board shall provide the following reports to state agencies and departments as  
1047 described in each referenced section:

- 1048 (a) to the Division of Facilities Construction and Management and others upon request,  
1049 an annual technical college lease report as described in Section 53H-9-602;
- 1050 (b) to the Department of Veterans and Military Affairs, an annual report regarding  
1051 number of credits awarded as described in Section 53H-3-703; and
- 1052 (c) to the [~~Rules Review and General Oversight~~] General Oversight Committee, an  
1053 annual report regarding civil liberties complaints as described in Section 53H-7-303.
- 1054 (8) The board shall provide to the general session of the Legislature for budget  
1055 recommendation purposes an annual report regarding:
- 1056 (a) waivers of tuition as described in Section 53H-11-307; and  
1057 (b) nonresident tuition scholarships as described in Section 53H-11-405.
- 1058 (9) An institution shall provide the following reports as described in each referenced  
1059 section:
- 1060 (a) to the institution's governing board and published on the governing board's website,  
1061 the institution's required prohibited submissions described in Section 53H-1-502;
- 1062 (b) to the board, disclosures of foreign gifts received as described in Section 53H-8-503;
- 1063 (c) for a qualifying institution, to the board annually regarding the faculty incentive  
1064 component of the Engineering and Computer Science Initiative as described in  
1065 Section 53H-1-603;
- 1066 (d) for a degree-granting institution:
- 1067 (i) to the board annually regarding post-tenured data as described in Section  
1068 53H-3-406;
- 1069 (ii) to the board annually regarding technical education as described in Section  
1070 53H-3-609;
- 1071 (e) for a technical college:
- 1072 (i) to the board annually regarding secondary student needs and access to programs as  
1073 described in Section 53H-3-1203;
- 1074 (ii) to the board annually regarding annual leases as described in Section 53H-9-602;
- 1075 (f) on a date the board determines for 2026 and 2027, regarding the institution's progress  
1076 in executing the institution's strategic reinvestment plan as described in Section  
1077 53H-8-210;
- 1078 (g) in accordance with rules the board establishes, to the board annually regarding the  
1079 Opportunity scholarships awarded as described in Section 53H-11-402;
- 1080 (h) in accordance with rules the board establishes, reports related to the promise grants  
1081 as described in Section 53H-11-414;

- 1082 (i) to the board annually regarding credit for prior learning as described in Section  
1083 53H-3-702; and
- 1084 (j) for an institution with or without housing facilities, an annual report regarding crime  
1085 statistics to the Law Enforcement and Criminal Justice Interim Committee as  
1086 described in Section 53H-7-603.
- 1087 (10) An institution's board of trustees shall provide to the board annually a report regarding  
1088 any approved contracts or grants as described in Section 53H-8-208.
- 1089 (11) The commissioner shall provide the following reports as described in each referenced  
1090 section:
- 1091 (a) an annual summary report regarding institutional matches for the faculty incentive  
1092 component of the Engineering and Computer Science Initiative as described in  
1093 Section 53H-1-603; and
- 1094 (b) in collaboration with the entities described in Subsection 53H-13-405(1), an annual  
1095 report regarding the cooperative education program as described in Section  
1096 53H-13-407 to the Talent, Education, and Industry Alignment Board and the board.
- 1097 (12) The Talent Ready Utah Program shall provide an annual report to the board as  
1098 described in Section 53H-13-304.
- 1099 (13) The Utah Works Program shall provide an annual report to the board as described in  
1100 Section 53H-13-307.
- 1101 (14) The University of Utah shall provide an annual report to the governor regarding the  
1102 engineering experiment station as described in Section 53H-4-208.
- 1103 (15) The Center for Civic Excellence at Utah State University vice provost shall annually  
1104 report to the provost, the president of the institution, and the commissioner as described  
1105 in Section 53H-4-307.6.
- 1106 Section 13. Section **53H-7-303** is amended to read:
- 1107 **53H-7-303 (Effective 05/06/26). Complaint process -- Reporting.**
- 1108 (1) The board shall make rules in accordance with Title 63G, Chapter 3, Utah  
1109 Administrative Rulemaking Act, establishing a procedure whereby a student enrolled in  
1110 an institution may submit a complaint to the board alleging a policy of the institution  
1111 directly affects one or more of the student's civil liberties.
- 1112 (2)(a) When a student submits a complaint in accordance with the rules adopted under  
1113 Subsection (1), the board shall:
- 1114 (i) examine the complaint and, within 30 days after the day on which the board  
1115 receives the complaint, determine whether the complaint is made in good faith; and

- 1116 (ii)(A) if the board determines that the complaint is made in good faith, direct the  
 1117 institution against which the complaint is made to initiate rulemaking  
 1118 proceedings for the challenged policy; or  
 1119 (B) if the board determines that the complaint is made in bad faith, dismiss the  
 1120 complaint.
- 1121 (b) Before November 30 of each year, the board shall submit a report to the [~~Rules~~  
 1122 ~~Review and General Oversight~~] General Oversight Committee detailing:  
 1123 (i) the number of complaints the board received during the preceding year;  
 1124 (ii) the number of complaints the board found to be made in good faith during the  
 1125 preceding year; and  
 1126 (iii) each policy that is the subject of a good-faith complaint that the board received  
 1127 during the preceding year.
- 1128 (3) If the board directs an institution to initiate rulemaking proceedings for a challenged  
 1129 policy in accordance with this section, the institution shall initiate rulemaking  
 1130 proceedings for the policy within 60 days after the day on which the board directs the  
 1131 institution.

1132 Section 14. Section **54-17-701** is amended to read:

1133 **54-17-701 (Effective 05/06/26). Rules for carbon capture and geological storage.**

- 1134 (1) By January 1, 2011, the Division of Water Quality and the Division of Air Quality, on  
 1135 behalf of the Board of Water Quality and the Board of Air Quality, respectively, in  
 1136 collaboration with the commission and the Division of Oil, Gas, and Mining and the  
 1137 Utah Geological Survey, shall present recommended rules to the Legislature's [~~Rules~~  
 1138 ~~Review and General Oversight~~] General Oversight Committee for the following in  
 1139 connection with carbon capture and accompanying geological sequestration of captured  
 1140 carbon:
- 1141 (a) site characterization approval;  
 1142 (b) geomechanical, geochemical, and hydrogeological simulation;  
 1143 (c) risk assessment;  
 1144 (d) mitigation and remediation protocols;  
 1145 (e) issuance of permits for test, injection, and monitoring wells;  
 1146 (f) specifications for the drilling, construction, and maintenance of wells;  
 1147 (g) issues concerning ownership of subsurface rights and pore space;  
 1148 (h) allowed composition of injected matter;  
 1149 (i) testing, monitoring, measurement, and verification for the entirety of the carbon

- 1150 capture and geologic sequestration chain of operations, from the point of capture of  
1151 the carbon dioxide to the sequestration site;
- 1152 (j) closure and decommissioning procedure;
- 1153 (k) short- and long-term liability and indemnification for sequestration sites;
- 1154 (l) conversion of enhanced oil recovery operations to carbon dioxide geological  
1155 sequestration sites; and
- 1156 (m) other issues as identified.
- 1157 (2) The entities listed in Subsection (1) shall report to the Legislature's [~~Rules Review and~~  
1158 ~~General Oversight~~] General Oversight Committee any proposals for additional statutory  
1159 changes needed to implement rules contemplated under Subsection (1).
- 1160 (3) On or before July 1, 2009, the entities listed in Subsection (1) shall submit to the  
1161 Legislature's Public Utilities, Energy, and Technology and Natural Resources,  
1162 Agriculture, and Environment Interim Committees a progress report on the development  
1163 of the recommended rules required by this part.
- 1164 (4) The recommended rules developed under this section apply to the injection of carbon  
1165 dioxide and other associated injectants in allowable types of geological formations for  
1166 the purpose of reducing emissions to the atmosphere through long-term geological  
1167 sequestration as required by law or undertaken voluntarily or for subsequent beneficial  
1168 reuse.
- 1169 (5) The recommended rules developed under this section do not apply to the injection of  
1170 fluids through the use of Class II injection wells as defined in 40 C.F.R. 144.6(b) for the  
1171 purpose of enhanced hydrocarbon recovery.
- 1172 (6) Rules recommended under this section shall:
- 1173 (a) ensure that adequate health and safety standards are met;
- 1174 (b) minimize the risk of unacceptable leakage from the injection well and injection zone  
1175 for carbon capture and geologic sequestration; and
- 1176 (c) provide adequate regulatory oversight and public information concerning carbon  
1177 capture and geologic sequestration.
- 1178 Section 15. Section **63A-5b-607** is amended to read:
- 1179 **63A-5b-607 (Effective 05/06/26). Health insurance requirements -- Penalties.**
- 1180 (1) As used in this section:
- 1181 (a) "Aggregate amount" means the dollar sum of all contracts, change orders, and  
1182 modifications for a single project.
- 1183 (b) "Change order" means the same as that term is defined in Section 63G-6a-103.

- 1184 (c) "Eligible employee" means an employee, as defined in Section 34A-2-104, who:  
1185 (i) works at least 30 hours per calendar week; and  
1186 (ii) meets the employer eligibility waiting period for qualified health insurance  
1187 coverage provided by the employer.
- 1188 (d) "Health benefit plan" means:  
1189 (i) the same as that term is defined in Section 31A-1-301; or  
1190 (ii) an employee welfare benefit plan:  
1191 (A) established under the Employee Retirement Income Security Act of 1974, 29  
1192 U.S.C. Sec. 1001 et seq.;  
1193 (B) for an employer with 100 or more employees; and  
1194 (C) in which the employer establishes a self-funded or partially self-funded group  
1195 health plan to provide medical care for the employer's employees and  
1196 dependents of the employees.
- 1197 (e) "Qualified health insurance coverage" means the same as that term is defined in  
1198 Section 26B-3-909.
- 1199 (f) "Subcontractor" means the same as that term is defined in Section 63A-5b-605.
- 1200 (g) "Third party administrator" or "administrator" means the same as that term is defined  
1201 in Section 31A-1-301.
- 1202 (2) Except as provided in Subsection (3), the requirements of this section apply to:  
1203 (a) a contractor of a design or construction contract with the division if the prime  
1204 contract is in an aggregate amount of \$2,000,000 or more; and  
1205 (b) a subcontractor of a contractor of a design or construction contract with the division  
1206 if the subcontract is in an aggregate amount of \$1,000,000 or more.
- 1207 (3) The requirements of this section do not apply to a contractor or subcontractor if:  
1208 (a) the application of this section jeopardizes the division's receipt of federal funds;  
1209 (b) the contract is a sole source contract, as defined in Section 63G-6a-103; or  
1210 (c) the contract is the result of an emergency procurement.
- 1211 (4) A person who intentionally uses a change order, contract modification, or multiple  
1212 contracts to circumvent the requirements of this section is guilty of an infraction.
- 1213 (5)(a) A contractor that is subject to the requirements of this section shall:  
1214 (i) make and maintain an offer of qualified health coverage for the contractor's  
1215 eligible employees and the eligible employees' dependents; and  
1216 (ii) submit to the director a written statement demonstrating that the contractor is in  
1217 compliance with Subsection (5)(a)(i).

- 1218 (b) A statement under Subsection (5)(a)(ii):  
1219 (i) shall be from:  
1220 (A) an actuary selected by the contractor or the contractor's insurer;  
1221 (B) an underwriter who is responsible for developing the employer group's  
1222 premium rates; or  
1223 (C) if the contractor provides a health benefit plan described in Subsection  
1224 (1)(d)(ii), an actuary or underwriter selected by a third party administrator; and  
1225 (ii) may not be created more than one year before the day on which the contractor  
1226 submits the statement to the director.
- 1227 (c)(i) A contractor that provides a health benefit plan described in Subsection  
1228 (1)(d)(ii) shall provide the actuary or underwriter selected by an administrator, as  
1229 described in Subsection (5)(b)(i)(C), sufficient information to determine whether  
1230 the contractor's contribution to the health benefit plan and the actuarial value of  
1231 the health benefit plan meet the requirements of qualified health coverage.
- 1232 (ii) A contractor may not make a change to the contractor's contribution to the health  
1233 benefit plan, unless the contractor provides notice to:  
1234 (A) the actuary or underwriter selected by an administrator, as described in  
1235 Subsection (5)(b)(i)(C), for the actuary or underwriter to update the written  
1236 statement described in Subsection (5)(a) in compliance with this section; and  
1237 (B) the division.
- 1238 (6)(a) A contractor that is subject to the requirements of this section shall:  
1239 (i) ensure that each contract the contractor enters with a subcontractor that is subject  
1240 to the requirements of this section requires the subcontractor to obtain and  
1241 maintain an offer of qualified health coverage for the subcontractor's eligible  
1242 employees and the eligible employees' dependents during the duration of the  
1243 subcontract; and  
1244 (ii) obtain from a subcontractor referred to in Subsection (6)(a)(i) a written statement  
1245 demonstrating that the subcontractor offers qualified health coverage to eligible  
1246 employees and eligible employees' dependents.
- 1247 (b) A statement under Subsection (6)(a)(ii):  
1248 (i) shall be from:  
1249 (A) an actuary selected by the subcontractor or the subcontractor's insurer;  
1250 (B) an underwriter who is responsible for developing the employer group's  
1251 premium rates; or

1252 (C) if the subcontractor provides a health benefit plan described in Subsection  
 1253 (1)(d)(ii), an actuary or underwriter selected by an administrator; and  
 1254 (ii) may not be created more than one year before the day on which the contractor  
 1255 obtains the statement from the subcontractor.

1256 (7)(a)(i) A contractor that fails to maintain an offer of qualified health coverage  
 1257 during the duration of the contract as required in this section is subject to penalties  
 1258 in accordance with administrative rules made by the division under this section, in  
 1259 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

1260 (ii) A contractor is not subject to penalties for the failure of a subcontractor to obtain  
 1261 and maintain an offer of qualified health coverage as required in this section.

1262 (b)(i) A subcontractor that fails to obtain and maintain an offer of qualified health  
 1263 coverage during the duration of the subcontract as required in this section is  
 1264 subject to penalties in accordance with administrative rules made by the division  
 1265 under this section, in accordance with Title 63G, Chapter 3, Utah Administrative  
 1266 Rulemaking Act.

1267 (ii) A subcontractor is not subject to penalties for the failure of a contractor to  
 1268 maintain an offer of qualified health coverage as required in this section.

1269 (8) The division shall make rules:

1270 (a) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;

1271 (b) in coordination with:

1272 (i) the Department of Environmental Quality in accordance with Section 19-1-206;

1273 (ii) the Department of Natural Resources in accordance with Section 79-2-404;

1274 (iii) a public transit district in accordance with Section 17B-2a-818.5;

1275 (iv) the State Capitol Preservation Board in accordance with Section 63O-2-403;

1276 (v) the Department of Transportation in accordance with Section 72-6-107.5; and

1277 (vi) the Legislature's [~~Rules Review and General Oversight~~] General Oversight  
 1278 Committee created under Section 36-35-102; and

1279 (c) that establish:

1280 (i) the requirements and procedures for a contractor and a subcontractor to  
 1281 demonstrate compliance with this section, including:

1282 (A) a provision that a contractor or subcontractor's compliance with this section is  
 1283 subject to an audit by the division or the Office of the Legislative Auditor  
 1284 General;

1285 (B) a provision that a contractor that is subject to the requirements of this section

- 1286 obtain a written statement as provided in Subsection (5); and  
1287 (C) a provision that a subcontractor that is subject to the requirements of this  
1288 section obtain a written statement as provided in Subsection (6);  
1289 (ii) the penalties that may be imposed if a contractor or subcontractor intentionally  
1290 violates the provisions of this section, which may include:  
1291 (A) a three-month suspension of the contractor or subcontractor from entering into  
1292 a future contract with the state upon the first violation;  
1293 (B) a six-month suspension of the contractor or subcontractor from entering into a  
1294 future contract with the state upon the second violation;  
1295 (C) an action for debarment of the contractor or subcontractor in accordance with  
1296 Section 63G-6a-904 upon the third or subsequent violation; and  
1297 (D) monetary penalties which may not exceed 50% of the amount necessary to  
1298 purchase qualified health coverage for eligible employees and dependents of  
1299 eligible employees of the contractor or subcontractor who were not offered  
1300 qualified health coverage during the duration of the contract; and  
1301 (iii) a website for the department to post the commercially equivalent benchmark for  
1302 the qualified health coverage that is provided by the Department of Health and  
1303 Human Services in accordance with Subsection 26B-3-909(2).  
1304 (9) During the duration of a contract, the division may perform an audit to verify a  
1305 contractor or subcontractor's compliance with this section.  
1306 (10)(a) Upon the division's request, a contractor or subcontractor shall provide the  
1307 division:  
1308 (i) a signed actuarial certification that the coverage the contractor or subcontractor  
1309 offers is qualified health coverage; or  
1310 (ii) all relevant documents and information necessary for the division to determine  
1311 compliance with this section.  
1312 (b) If a contractor or subcontractor provides the documents and information described in  
1313 Subsection (10)(a)(i), the Insurance Department shall assist the division in  
1314 determining if the coverage the contractor or subcontractor offers is qualified health  
1315 coverage.  
1316 (11)(a)(i) In addition to the penalties imposed under Subsection (7), a contractor or  
1317 subcontractor that intentionally violates the provisions of this section is liable to  
1318 an eligible employee for health care costs that would have been covered by  
1319 qualified health coverage.

- 1320 (ii) An employer has an affirmative defense to a cause of action under Subsection  
1321 (11)(a)(i) if:
- 1322 (A) the employer relied in good faith on a written statement described in  
1323 Subsection (5) or (6); or
- 1324 (B) the department determines that compliance with this section is not required  
1325 under the provisions of Subsection (3).
- 1326 (b) An eligible employee has a private right of action against the employee's employer  
1327 only as provided in this Subsection (11).
- 1328 (12) The director shall cause money collected from the imposition and collection of a  
1329 penalty under this section to be deposited into the Medicaid Growth Reduction and  
1330 Budget Stabilization Account created by Section 63J-1-315.
- 1331 (13) The failure of a contractor or subcontractor to provide qualified health coverage as  
1332 required by this section:
- 1333 (a) may not be the basis for a protest or other action from a prospective bidder, offeror,  
1334 or contractor under:
- 1335 (i) Section 63G-6a-1602; or  
1336 (ii) any other provision in Title 63G, Chapter 6a, Utah Procurement Code; and
- 1337 (b) may not be used by the procurement entity or a prospective bidder, offeror, or  
1338 contractor as a basis for any action or suit that would suspend, disrupt, or terminate  
1339 the design or construction.
- 1340 (14) An employer's waiting period for an employee to become eligible for qualified health  
1341 coverage may not extend beyond the first day of the calendar month following 60 days  
1342 after the day on which the employee is hired.
- 1343 (15) An administrator, including an administrator's actuary or underwriter, who provides a  
1344 written statement under Subsection (5)(a) or (c) regarding the qualified health coverage  
1345 of a contractor or subcontractor who provides a health benefit plan described in  
1346 Subsection (1)(d)(ii):
- 1347 (a) subject to Subsection [~~(H)~~(b)] (11)(a), is not liable for an error in the written  
1348 statement, unless the administrator commits gross negligence in preparing the written  
1349 statement;
- 1350 (b) is not liable for any error in the written statement if the administrator relied in good  
1351 faith on information from the contractor or subcontractor; and
- 1352 (c) may require as a condition of providing the written statement that a contractor or  
1353 subcontractor hold the administrator harmless for an action arising under this section.

- 1354 Section 16. Section **63A-13-202** is amended to read:
- 1355 **63A-13-202 (Effective 05/06/26). Duties and powers of inspector general and**
- 1356 **office.**
- 1357 (1) The inspector general of Medicaid services shall:
- 1358 (a) administer, direct, and manage the office;
- 1359 (b) inspect and monitor the following in relation to the state Medicaid program:
- 1360 (i) the use and expenditure of federal and state funds;
- 1361 (ii) the provision of health benefits and other services;
- 1362 (iii) implementation of, and compliance with, state and federal requirements; and
- 1363 (iv) records and recordkeeping procedures;
- 1364 (c) receive reports of potential fraud, waste, or abuse in the state Medicaid program;
- 1365 (d) investigate and identify potential or actual fraud, waste, or abuse in the state
- 1366 Medicaid program;
- 1367 (e) consult with the Centers for Medicaid and Medicare Services and other states to
- 1368 determine and implement best practices for:
- 1369 (i) educating and communicating with health care professionals and providers about
- 1370 program and audit policies and procedures;
- 1371 (ii) discovering and eliminating fraud, waste, and abuse of Medicaid funds; and
- 1372 (iii) differentiating between honest mistakes and intentional errors, or fraud, waste,
- 1373 and abuse, if the office enters into settlement negotiations with the provider or
- 1374 health care professional;
- 1375 (f) obtain, develop, and utilize computer algorithms to identify fraud, waste, or abuse in
- 1376 the state Medicaid program;
- 1377 (g) work closely with the fraud unit to identify and recover improperly or fraudulently
- 1378 expended Medicaid funds;
- 1379 (h) audit, inspect, and evaluate the functioning of the division for the purpose of making
- 1380 recommendations to the Legislature and the department to ensure that the state
- 1381 Medicaid program is managed:
- 1382 (i) in the most efficient and cost-effective manner possible; and
- 1383 (ii) in a manner that promotes adequate provider and health care professional
- 1384 participation and the provision of appropriate health benefits and services;
- 1385 (i) regularly advise the department and the division of an action that could be taken to
- 1386 ensure that the state Medicaid program is managed in the most efficient and
- 1387 cost-effective manner possible;

- 1388 (j) refer potential criminal conduct, relating to Medicaid funds or the state Medicaid  
1389 program, to the fraud unit;
- 1390 (k) refer potential criminal conduct, including relevant data from the controlled  
1391 substance database, relating to Medicaid fraud, to law enforcement in accordance  
1392 with Title 58, Chapter 37f, Controlled Substance Database Act;
- 1393 (l) determine ways to:
- 1394 (i) identify, prevent, and reduce fraud, waste, and abuse in the state Medicaid  
1395 program; and
- 1396 (ii) balance efforts to reduce costs and avoid or minimize increased costs of the state  
1397 Medicaid program with the need to encourage robust health care professional and  
1398 provider participation in the state Medicaid program;
- 1399 (m) recover improperly paid Medicaid funds;
- 1400 (n) track recovery of Medicaid funds by the state;
- 1401 (o) in accordance with Section 63A-13-502:
- 1402 (i) report on the actions and findings of the inspector general; and  
1403 (ii) make recommendations to the Legislature and the governor;
- 1404 (p) provide training to:
- 1405 (i) agencies and employees on identifying potential fraud, waste, or abuse of  
1406 Medicaid funds; and
- 1407 (ii) health care professionals and providers on program and audit policies and  
1408 compliance; and
- 1409 (q) develop and implement principles and standards for the fulfillment of the duties of  
1410 the inspector general, based on principles and standards used by:
- 1411 (i) the Federal Offices of Inspector General;  
1412 (ii) the Association of Inspectors General; and  
1413 (iii) the United States Government Accountability Office.
- 1414 (2)(a) The office may, in fulfilling the duties under Subsection (1), conduct a  
1415 performance or financial audit of:
- 1416 (i) a state executive branch entity or a local government entity, including an entity  
1417 described in Section 63A-13-301, that:
- 1418 (A) manages or oversees a state Medicaid program; or  
1419 (B) manages or oversees the use or expenditure of state or federal Medicaid funds;  
1420 or
- 1421 (ii) Medicaid funds received by a person by a grant from, or under contract with, a

- 1422 state executive branch entity or a local government entity.
- 1423 (b)(i) The office may not, in fulfilling the duties under Subsection (1), amend the  
1424 state Medicaid program or change the policies and procedures of the state  
1425 Medicaid program.
- 1426 (ii) The office shall identify conflicts between the state Medicaid plan, department  
1427 administrative rules, Medicaid provider manuals, and Medicaid information  
1428 bulletins and recommend that the department reconcile inconsistencies. If the  
1429 department does not reconcile the inconsistencies, the office shall report the  
1430 inconsistencies to the Legislature's [~~Rules Review and General Oversight~~] General  
1431 Oversight Committee created in Section 36-35-102.
- 1432 (iii) Beginning July 1, 2013, the office shall review a Medicaid provider manual and  
1433 a Medicaid information bulletin in accordance with Subsection (2)(b)(ii), prior to  
1434 the department making the provider manual or Medicaid information bulletin  
1435 available to the public.
- 1436 (c) Beginning July 1, 2013, the Department of Health and Human Services shall submit  
1437 a Medicaid provider manual and a Medicaid information bulletin to the office for the  
1438 review required by Subsection (2)(b)(ii) prior to releasing the document to the public.  
1439 The department and the Office of Inspector General of Medicaid Services shall enter  
1440 into a memorandum of understanding regarding the timing of the review process  
1441 under Subsection (2)(b)(iii).
- 1442 (3)(a) The office shall, in fulfilling the duties under this section to investigate, discover,  
1443 and recover fraud, waste, and abuse in the Medicaid program, apply the state  
1444 Medicaid plan, department administrative rules, Medicaid provider manuals, and  
1445 Medicaid information bulletins in effect at the time the medical services were  
1446 provided.
- 1447 (b) A health care provider may rely on the policy interpretation included in a current  
1448 Medicaid provider manual or a current Medicaid information bulletin that is available  
1449 to the public.
- 1450 (4) The inspector general of Medicaid services, or a designee of the inspector general of  
1451 Medicaid services within the office, may take a sworn statement or administer an oath.  
1452 Section 17. Section **63A-13-305** is amended to read:  
1453 **63A-13-305 (Effective 05/06/26). Audit and investigation procedures.**
- 1454 (1)(a) The office shall, in accordance with Section 63A-13-602, adopt administrative  
1455 rules in consultation with providers and health care professionals subject to audit and

- 1456 investigation under this chapter to establish procedures for audits and investigations  
 1457 that are fair and consistent with the duties of the office under this chapter.
- 1458 (b) If the providers and health care professionals do not agree with the rules proposed or  
 1459 adopted by the office under Subsection (1)(a) or Section 63A-13-602, the providers  
 1460 or health care professionals may:
- 1461 (i) request a hearing for the proposed administrative rule or seek any other remedies  
 1462 under the provisions of Title 63G, Chapter 3, Utah Administrative Rulemaking  
 1463 Act; and
- 1464 (ii) request a review of the rule by the Legislature's [~~Rules Review and General~~  
 1465 ~~Oversight~~] General Oversight Committee created in Section 36-35-102.
- 1466 (2) The office shall notify and educate providers and health care professionals subject to  
 1467 audit and investigation under this chapter of the providers' and health care professionals'  
 1468 responsibilities and rights under the administrative rules adopted by the office under the  
 1469 provisions of this section and Section 63A-13-602.

1470 Section 18. Section **63G-3-102** is amended to read:

1471 **63G-3-102 (Effective 05/06/26). Definitions.**

1472 As used in this chapter:

- 1473 (1) "Administrative record" means information an agency relies upon when making a rule  
 1474 under this chapter including:
- 1475 (a) the proposed rule, change in the proposed rule, and the rule analysis form;  
 1476 (b) the public comment received and recorded by the agency during the public comment  
 1477 period;  
 1478 (c) the agency's response to the public comment;  
 1479 (d) the agency's analysis of the public comment; and  
 1480 (e) the agency's report of the agency's decision-making process.
- 1481 (2)(a) "Agency" [~~includes~~] means:
- 1482 (i) [~~each~~] any state board, authority, commission, institution, department, division, or  
 1483 officer; or  
 1484 (ii) any [~~other state government~~] entity that is authorized or required by law to make  
 1485 rules, adjudicate, grant or withhold licenses, grant or withhold relief from legal  
 1486 obligations, or perform other similar actions or duties delegated by law.
- 1487 (b) "Agency" does not include:
- 1488 (i) the Legislature;  
 1489 (ii) the Legislature's committees;

- 1490 (iii) the political subdivisions of the state; or  
1491 (iv) the courts.
- 1492 (3) "Bulletin" means the Utah State Bulletin.
- 1493 (4) "Catchline" means a short summary of each section, [~~part,~~]rule, or title of the code that  
1494 follows the section, [~~part,~~]rule, or title reference placed before the text of the rule and  
1495 serves the same function as boldface in legislation as described in Section 68-3-13.
- 1496 (5) "Code" means the body of all effective rules as compiled and organized by the office  
1497 and entitled "Utah Administrative Code."
- 1498 (6) "Department" means the Department of Government Operations created in Section  
1499 63A-1-104.
- 1500 (7) "Director" means the director of the office.
- 1501 (8) "Effective" means operative and enforceable.
- 1502 (9) "Executive director" means the executive director of the department.
- 1503 (10) "File" means to submit a document to the office as prescribed by the office.
- 1504 (11) "Filing date" means the day and time the document is recorded as received by the  
1505 office.
- 1506 (12) "Initiate rulemaking proceedings" means the agency's filing of a proposed rule for the  
1507 purposes of publication in accordance with Subsection 63G-3-301(4).
- 1508 ~~[(12)]~~ (13) "Interested person" means any person affected by or interested in a proposed  
1509 rule, amendment to an existing rule, or a nonsubstantive change made under Section  
1510 63G-3-402.
- 1511 ~~[(13)]~~ (14) "Office" means the Office of Administrative Rules created in Section 63G-3-401.
- 1512 ~~[(14)]~~ (15) "Order" means an agency action that determines the legal rights, duties,  
1513 privileges, immunities, or other interests of one or more specific persons, but not a class  
1514 of persons.
- 1515 ~~[(15)]~~ (16) "Person" means any individual, partnership, corporation, association,  
1516 governmental entity, or public or private organization of any character other than an  
1517 agency.
- 1518 ~~[(16)]~~ (17) "Publication" or "publish" means making a rule available to the public by  
1519 including the rule or a summary of the rule in the bulletin.
- 1520 ~~[(17)]~~ (18) "Publication date" means the inscribed date of the bulletin.
- 1521 ~~[(18) "Register" may include an electronic database.]~~
- 1522 (19)(a) "Rule" means an agency's written statement that:  
1523 (i) is explicitly or implicitly required by state or federal statute or other applicable

- 1524 law;
- 1525 (ii) implements or interprets a state or federal legal mandate; and
- 1526 (iii) applies to a class of persons or another agency.
- 1527 (b) "Rule" includes the amendment or repeal of an existing rule.
- 1528 (c) "Rule" does not mean:
- 1529 (i) orders;
- 1530 (ii) an agency's written statement that applies only to internal management and that
- 1531 does not restrict the legal rights of a public class of persons or another agency;
- 1532 (iii) the governor's executive orders or proclamations;
- 1533 (iv) opinions issued by the attorney general's office;
- 1534 (v) declaratory rulings issued by the agency according to Section 63G-4-503 except
- 1535 as required by Section 63G-3-201;
- 1536 (vi) rulings by an agency in adjudicative proceedings, except as required by
- 1537 Subsection 63G-3-201(6); or
- 1538 (vii) an agency written statement that is in violation of any state or federal law.
- 1539 (20) "Rule analysis" means the format prescribed by the office to summarize and analyze
- 1540 rules.
- 1541 (21) "Small business" means a business employing fewer than 50 persons.
- 1542 (22) "Substantial fiscal impact" means ~~[an]~~ the anticipated ~~[fiscal impact]~~ cost of a proposed
- 1543 rule of at least \$2,000,000 over a five-year period as calculated under Subsection
- 1544 63G-3-301(8)(d).
- 1545 (23) "Substantive change" means a change in a rule that affects the application or results of
- 1546 agency actions.
- 1547 Section 19. Section **63G-3-201** is amended to read:
- 1548 **63G-3-201 (Effective 05/06/26). When rulemaking is required.**
- 1549 (1) Each agency shall:
- 1550 (a) maintain a current version of ~~[its]~~ the agency's rules; and
- 1551 (b) make ~~[it]~~ the rules available to the public for inspection during ~~[its]~~ the agency's
- 1552 regular business hours.
- 1553 (2)(a) An agency may take action if authorized implicitly or explicitly by statute.
- 1554 (b) In addition to other rulemaking required by law, each agency shall make rules when
- 1555 agency action:
- 1556 ~~[(a)]~~ (i) authorizes, requires, or prohibits an action;
- 1557 ~~[(b)]~~ (ii) provides or prohibits a material benefit; and

- 1558           ~~[(e)]~~ (iii) applies to a class of persons or another agency~~[-and] .~~  
1559           ~~[(d) is explicitly or implicitly authorized by statute.]~~
- 1560       (3) Rulemaking is also required when an agency issues a written interpretation of a state or  
1561       federal legal mandate.
- 1562       (4) Rulemaking is not required when:
- 1563           (a) agency action applies only to internal agency management, inmates or residents of a  
1564           state correctional, diagnostic, or detention facility, persons under state legal custody,  
1565           patients admitted to a state hospital, members of the state retirement system, or,  
1566           except as provided in Title 53H, Chapter 7, Part 3, Student Civil Liberties Protection,  
1567           students enrolled in a state education institution;
- 1568           (b) a standardized agency manual applies only to internal fiscal or administrative details  
1569           of governmental entities supervised under statute;
- 1570           (c) an agency issues policy or other statements that are advisory, informative, or  
1571           descriptive, and do not conform to the requirements of Subsections (2) and (3); or
- 1572           (d) an agency makes nonsubstantive changes in a rule, except that the agency shall file  
1573           all nonsubstantive changes in a rule with the office.
- 1574       (5)(a) A rule shall enumerate any penalty authorized by statute that may result from its  
1575       violation, subject to Subsections (5)(b) and (c).
- 1576           (b) A violation of a rule may not be subject to the criminal penalty of a class C  
1577           misdemeanor or greater offense, except as provided under Subsection (5)(c).
- 1578           (c) A violation of a rule may be subject to a class C misdemeanor or greater criminal  
1579           penalty under Subsection (5)(a) when:
- 1580               (i) authorized by a specific state statute;
- 1581               (ii) a state law and programs under that law are established in order for the state to  
1582               obtain or maintain primacy over a federal program; or
- 1583               (iii) state civil or criminal penalties established by state statute regarding the program  
1584               are equivalent to or less than corresponding federal civil or criminal penalties.
- 1585       (6) Each agency shall enact rules incorporating the principles of law not already in [its] the  
1586       agency's rules that are established by final adjudicative decisions within 120 days after  
1587       the decision is announced in [its] the agency's cases.
- 1588       (7)(a) Each agency may enact a rule that incorporates by reference:
- 1589           (i) all or any part of another code, rule, or regulation that has been adopted by a  
1590           federal agency, an agency or political subdivision of this state, an agency of  
1591           another state, or by a nationally recognized organization or association;

- 1592 (ii) state agency implementation plans mandated by the federal government for  
 1593 participation in the federal program;
- 1594 (iii) lists, tables, illustrations, or similar materials that are subject to frequent change,  
 1595 fully described in the rule, and are available for public inspection; or
- 1596 (iv) lists, tables, illustrations, or similar materials that the director determines are too  
 1597 expensive to reproduce in the administrative code.
- 1598 (b) Rules incorporating materials by reference shall:
- 1599 (i) be enacted according to the procedures outlined in this chapter;
- 1600 (ii) state that the referenced material is incorporated by reference;
- 1601 (iii) state the date, issue, or version of the material being incorporated; and
- 1602 (iv) define specifically what material is incorporated by reference and identify any  
 1603 agency deviations from it.
- 1604 (c) The agency shall identify any substantive changes in the material incorporated by  
 1605 reference by following the rulemaking procedures of this chapter.
- 1606 (d) The agency shall maintain a complete and current copy of the referenced material  
 1607 available for public review at the agency and at the office.
- 1608 (8)(a) This chapter is not intended to inhibit the exercise of agency discretion within the  
 1609 limits prescribed by statute or agency rule.
- 1610 (b) An agency may enact a rule creating a justified exception to a rule.
- 1611 (9) An agency may obtain assistance from the attorney general to ensure that its rules meet  
 1612 legal and constitutional requirements.

1613 Section 20. Section **63G-3-202** is amended to read:

1614 **63G-3-202 (Effective 05/06/26). Rules having the effect of law.**

1615 A rule made in accordance with this chapter has the effect of law.

1616 [~~(1) An agency's written statement is a rule if it conforms to the definition of a rule under~~  
 1617 ~~Section 63G-3-102, but the written statement is not enforceable unless it is made as a~~  
 1618 ~~rule in accordance with the requirements of this chapter.]~~

1619 [~~(2) An agency's written statement that is made as a rule in accordance with the~~  
 1620 ~~requirements of this chapter is enforceable and has the effect of law.]~~

1621 Section 21. Section **63G-3-301** is amended to read:

1622 **63G-3-301 (Effective 05/06/26). Rulemaking procedure.**

1623 (1) An agency authorized to make rules is also authorized to amend or repeal those rules.

1624 (2) Except as provided in Sections 63G-3-303 and 63G-3-304, when making, amending, or  
 1625 repealing a rule, agencies shall comply with:

- 1626 (a) the requirements of this section;
- 1627 (b) consistent procedures required by other statutes;
- 1628 (c) applicable federal mandates; and
- 1629 (d) rules made by the office to implement this chapter.
- 1630 (3) Subject to the requirements of this chapter, each agency shall develop and use flexible
- 1631 approaches in drafting rules that meet the needs of the agency and that involve persons
- 1632 affected by the agency's rules.
- 1633 (4)(a) Each agency shall file the agency's proposed rule and rule analysis with the office.
- 1634 (b) Rule amendments shall be marked with new language underlined and deleted
- 1635 language struck out.
- 1636 (c)(i) The office shall publish the information required under Subsection (8) on the
- 1637 rule analysis and the text of the proposed rule in the next issue of the bulletin.
- 1638 (ii) For rule amendments, only the section or subsection of the rule being amended
- 1639 need be printed.
- 1640 [~~(iii) If the director determines that the rule is too long to publish, the office shall~~
- 1641 ~~publish the rule analysis and shall publish the rule by reference to a copy on file~~
- 1642 ~~with the office.]~~
- 1643 (5) Before filing a proposed rule with the office, the agency shall conduct a thorough
- 1644 analysis, consistent with the criteria established by the Governor's Office of Planning
- 1645 and Budget, of the fiscal impact a rule may have on businesses, which criteria may
- 1646 include:
- 1647 (a) the type of industries that will be impacted by the proposed rule, and for each
- 1648 identified industry, an estimate of the total number of businesses within the industry,
- 1649 and an estimate of the number of those businesses that are small businesses;
- 1650 (b) the individual fiscal impact that would incur to a single business for a one-year
- 1651 period;
- 1652 (c) the aggregated total fiscal impact that would incur to all businesses within the state
- 1653 for a one-year period;
- 1654 (d) the total cost that would incur to all impacted entities over a five-year period; and
- 1655 (e) the department head's comments on the analysis.
- 1656 (6) If the agency reasonably expects that a proposed rule will have a measurable negative
- 1657 fiscal impact on small businesses, the agency shall consider, as allowed by federal law,
- 1658 each of the following methods of reducing the impact of the proposed rule on small
- 1659 businesses:

- 1660 (a) establishing less stringent compliance or reporting requirements for small businesses;  
1661 (b) establishing less stringent schedules or deadlines for compliance or reporting  
1662 requirements for small businesses;  
1663 (c) consolidating or simplifying compliance or reporting requirements for small  
1664 businesses;  
1665 (d) establishing performance standards for small businesses to replace design or  
1666 operational standards required in the proposed rule; and  
1667 (e) exempting small businesses from all or any part of the requirements contained in the  
1668 proposed rule.
- 1669 (7) If during the public comment period an agency receives comment that the proposed rule  
1670 will cost small business more than one day's annual average gross receipts, and the  
1671 agency had not previously performed the analysis in Subsection (6), the agency shall  
1672 perform the analysis described in Subsection (6).
- 1673 (8) The rule analysis shall contain:
- 1674 (a) a summary of the [~~rule or change~~] proposed rule;  
1675 (b) the purpose of the proposed rule or reason for the change;  
1676 (c) the statutory authority or federal requirement for the proposed rule;  
1677 (d) the anticipated cost or savings to:  
1678 (i) the state budget;  
1679 (ii) local governments;  
1680 (iii) small businesses; and  
1681 (iv) persons other than small businesses, businesses, or local governmental entities;  
1682 (e) the compliance cost for affected persons;  
1683 (f) how interested persons may review the full text of the proposed rule;  
1684 (g) how interested persons may present their views on the proposed rule;  
1685 (h) the time and place of any scheduled public hearing;  
1686 (i) the name, email, and telephone number of an agency employee who may be  
1687 contacted about the proposed rule;  
1688 (j) the name of the agency head or designee who authorized the proposed rule;  
1689 (k) the date on which the proposed rule may become effective following the public  
1690 comment period;  
1691 (l) the agency's analysis on the fiscal impact of the proposed rule as required under  
1692 Subsection (5);  
1693 (m) any additional comments the department head may choose to submit regarding the

- 1694 fiscal impact the proposed rule may have on businesses; and
- 1695 (n) if applicable, a summary of the agency's efforts to comply with the requirements of
- 1696 Subsection (6).
- 1697 (9)(a) For a rule being repealed and [~~reenacted~~] readopted, the rule analysis shall contain
- 1698 a summary that generally includes the following:
- 1699 (i) a summary of substantive provisions in the repealed rule which are eliminated
- 1700 from the [~~enacted~~] adopted rule; and
- 1701 (ii) a summary of new substantive provisions appearing only in the [~~enacted~~] adopted
- 1702 rule.
- 1703 (b) The summary required under this Subsection (9) is to aid in review and may not be
- 1704 used to contest any rule on the ground of noncompliance with the procedural
- 1705 requirements of this chapter.
- 1706 (10) An agency shall [~~mail~~] provide a copy of the rule analysis to a person that makes a
- 1707 timely request of the agency for advance notice of the agency's rulemaking proceedings
- 1708 and to any other person that, by statutory or federal mandate or in the judgment of the
- 1709 agency, should also receive notice.
- 1710 (11)(a) Following the publication date, the agency shall allow at least 30 days for public
- 1711 comment on the proposed rule.
- 1712 (b) The agency shall review and evaluate all public comments submitted in writing
- 1713 within the time period under Subsection (11)(a) or presented at public hearings
- 1714 conducted by the agency within the time period under Subsection (11)(a).
- 1715 (12)(a) Except as provided in [~~Sections~~] Section 63G-3-303, Section 63G-3-304, and
- 1716 Section 63G-3-304.1, a proposed rule becomes effective on any date specified by the
- 1717 agency that is:
- 1718 (i) no fewer than seven calendar days after the day on which the public comment
- 1719 period closes under Subsection (11); and
- 1720 (ii) no more than 120 days after the day on which the rule is published.
- 1721 (b) The agency shall provide notice of the rule's effective date to the office in the form
- 1722 required by the office.
- 1723 (c) The notice of effective date may not provide for an effective date before the day on
- 1724 which the office receives the notice.
- 1725 (d) The office shall publish notice of the effective date of the rule in the next issue of the
- 1726 bulletin.
- 1727 (e) A proposed rule lapses if a notice of effective date or a change to a proposed rule is

- 1728 not filed with the office within 120 days after the day on which the rule is published.
- 1729 (13)(a)(i) Before an agency ~~[enacts]~~ makes a proposed rule effective, the agency shall
- 1730 submit to the appropriations subcommittee and interim committee with
- 1731 jurisdiction over the agency the agency's proposed rule for review, if the proposed
- 1732 rule, over a five-year period, has ~~[a fiscal impact]~~ an anticipated cost, as calculated
- 1733 in Subsection (8)(d), of more than \$1,000,000 statewide.
- 1734 (ii) A proposed rule that is subject to Subsection (13)(e) is exempt from Subsection
- 1735 (13)(a)(i).
- 1736 (b) An appropriations subcommittee or interim committee that reviews a rule an agency
- 1737 submits under Subsection (13)(a) shall:
- 1738 (i) before the review, directly inform the chairs of the ~~[Rules Review and General~~
- 1739 ~~Oversight]~~ General Oversight Committee of the coming review, including the
- 1740 date, time, and place of the review; and
- 1741 (ii) after the review, directly inform the chairs of the ~~[Rules Review and General~~
- 1742 ~~Oversight]~~ General Oversight Committee of the outcome of the review, including
- 1743 any recommendation.
- 1744 (c) An appropriations subcommittee or interim committee that reviews a rule an agency
- 1745 submits under Subsection (13)(a) may recommend to the ~~[Rules Review and General~~
- 1746 ~~Oversight]~~ General Oversight Committee that the ~~[Rules Review and General~~
- 1747 ~~Oversight]~~ General Oversight Committee not recommend reauthorization of the rule
- 1748 in the legislation described in Section 63G-3-502.
- 1749 ~~[(d) The agency shall calculate the substantial fiscal impact in accordance with~~
- 1750 ~~Subsection (5).]~~
- 1751 ~~[(e)]~~ (d) Unless an agency cannot implement a statute or execute a federally delegated
- 1752 authority without making a rule that is estimated to have substantial fiscal impact, the
- 1753 agency may not ~~[make]~~ file the rule.
- 1754 ~~[(f)]~~ (e) The requirements described in Subsections (13)(a) and (13)(b) do not apply to:
- 1755 (i) the State Tax Commission; or
- 1756 (ii) the State Board of Education.
- 1757 ~~[(14)(a) As used in this Subsection (14), "initiate rulemaking proceedings" means the~~
- 1758 ~~filing, for the purposes of publication in accordance with Subsection (4), of an~~
- 1759 ~~agency's proposed rule that is required by state statute.]~~
- 1760 ~~[(b)]~~ (14)(a) ~~[A state]~~ An agency shall initiate rulemaking proceedings no later than 180
- 1761 days after the day on which the statutory provision that specifically requires the

1762 rulemaking takes effect, except under Subsection [(14)(e)] (14)(b).  
1763 [(e)] (b) When a statute is enacted that requires agency rulemaking and the affected  
1764 agency already has rules in place that meet the statutory requirement, the agency  
1765 shall submit the rules to the [Rules Review and General Oversight] General  
1766 Oversight Committee for review within 60 days after the day on which the statute  
1767 requiring the rulemaking takes effect.

1768 [(d)] (c) If [a state] an agency does not initiate rulemaking proceedings in accordance  
1769 with the time requirements in Subsection [(14)(b)] (14)(a), the [state] agency shall  
1770 appear before the legislative [Rules Review and General Oversight] General  
1771 Oversight Committee and provide the reasons for the delay.

1772 Section 22. Section **63G-3-302** is amended to read:

1773 **63G-3-302 (Effective 05/06/26). Public hearings.**

1774 (1) [~~An~~] Subject to Subsection (2), an agency may hold a public hearing on a proposed rule[;  
1775 amendment to a rule, or repeal of a rule] during the public comment period.

1776 (2) Except as provided in Subsection (4), an agency shall hold a public hearing on a  
1777 proposed rule[, amendment to a rule, or repeal of a rule] if:

1778 (a) a public hearing is required by state or federal mandate; or

1779 (b)(i) another state agency, 10 interested persons, or an interested association having  
1780 not fewer than 10 members request a public hearing; and

1781 (ii) the agency receives the request in writing not more than 15 days after the  
1782 publication date of the proposed rule.

1783 (3) The agency shall hold the hearing:

1784 (a) except for a rule made in accordance with Section 63G-3-304, before the proposed  
1785 rule becomes effective; and

1786 (b) no less than seven days nor more than 30 days after receipt of the request for hearing.

1787 (4) The Wildlife Board is not required to hold a public hearing on a proposed rule[;  
1788 amendment to a rule, or repeal of a rule] unless required to hold a public hearing under  
1789 Title 23A, Chapter 2, Part 3, Wildlife Board and Regional Councils.

1790 Section 23. Section **63G-3-303** is amended to read:

1791 **63G-3-303 (Effective 05/06/26). Changes in rules.**

1792 (1)(a) To change a proposed rule already published in the bulletin, an agency shall file  
1793 with the office:

1794 (i) the text of the changed proposed rule; and

1795 (ii) a rule analysis containing a description of the change and the information

- 1796 required by Section 63G-3-301.
- 1797 (b) A change to a proposed rule may not be filed more than 120 days after publication of
- 1798 the rule being changed.
- 1799 (c) The office shall publish the rule analysis for the changed rule in the bulletin.
- 1800 (d) The changed proposed rule and its associated proposed rule will become effective on
- 1801 a date specified by the agency, not less than 30 days or more than 120 days after
- 1802 publication of the last change in proposed rule.
- 1803 (e) A changed proposed rule and its associated proposed rule lapse if a notice of
- 1804 effective date or another change to a proposed rule is not filed with the office within
- 1805 120 days of publication of the last change in proposed rule.
- 1806 (f) The agency making the change to the proposed rule shall receive public comment on
- 1807 the change in accordance with Subsection 63G-3-301(11) after the change to the
- 1808 proposed rule is published under Subsection (1)(c).

1809 (2) If the rule change is nonsubstantive:

- 1810 (a) the agency need not comply with the requirements of Subsection (1); and
- 1811 (b) the agency shall notify the office of the change in writing.

1812 (3) If the rule is effective, the agency shall amend the rule according to the procedures

1813 specified in Section 63G-3-301.

1814 Section 24. Section **63G-3-304** is amended to read:

1815 **63G-3-304 (Effective 05/06/26). Emergency rulemaking procedure.**

1816 (1) All agencies shall comply with the rulemaking procedures of Section 63G-3-301 unless

1817 an agency finds that these procedures would:

- 1818 (a) cause an imminent peril to the public health, safety, or welfare;
- 1819 (b) cause an imminent budget reduction because of budget restraints or federal
- 1820 requirements; or
- 1821 (c) place the agency in violation of federal or state law.

1822 (2)(a) When finding that [its] the agency's rule is excepted from regular rulemaking

1823 procedures by this section, the agency shall file with the office~~[-and the members of~~

1824 ~~the Rules Review and General Oversight Committee]:~~

- 1825 (i) the text of the rule; and
- 1826 (ii) a rule analysis that includes the specific reasons and justifications for [its] the
- 1827 agency's findings.

1828 (b) An agency that files an emergency rule with the office under Subsection (2)(a) shall

1829 provide the information described in Subsection (2)(a) to the members of the General

- 1830 Oversight Committee when the agency files the rule with the office.
- 1831 [~~(b)~~] (c) The office shall publish the rule in the bulletin as provided in Subsection
- 1832 63G-3-301(4).
- 1833 [~~(e)~~] (d) The agency shall notify interested persons as provided in Subsection
- 1834 63G-3-301(10).
- 1835 [~~(d)~~] (e) Subject to Subsection 63G-3-502(4), the rule becomes effective for a period not
- 1836 exceeding 120 days on the date of filing or any later date designated in the rule
- 1837 analysis.
- 1838 (3) If the agency intends the rule to be effective beyond 120 days, the agency shall also
- 1839 comply with the procedures of Section 63G-3-301.
- 1840 Section 25. Section **63G-3-305** is amended to read:
- 1841 **63G-3-305 (Effective 05/06/26). Agency review of rules -- Schedule of filings --**
- 1842 **Limited exemption for certain rules.**
- 1843 (1) Each agency shall review each of [~~its~~] the agency's rules within five years after the rule's
- 1844 original effective date or within five years after the filing of the last five-year review,
- 1845 whichever is later.
- 1846 (2) An agency may consider any substantial review of a rule to be a five-year review if the
- 1847 agency also meets the requirements described in Subsection (3).
- 1848 (3) At the conclusion of its review, and no later than the deadline described in Subsection
- 1849 (1), the agency shall decide whether to continue, repeal, or amend and continue the rule
- 1850 and comply with Subsections (3)(a) through (c), as applicable.
- 1851 (a) If the agency continues the rule, the agency shall file with the office a five-year
- 1852 notice of review and statement of continuation that includes:
- 1853 (i) a concise explanation of the particular statutory provisions under which the rule is
- 1854 enacted and how these provisions authorize or require the rule;
- 1855 (ii) a summary of written comments received during and since the last five-year
- 1856 review of the rule from interested persons supporting or opposing the rule; and
- 1857 (iii) a reasoned justification for continuation of the rule, including reasons why the
- 1858 agency disagrees with comments in opposition to the rule, if any.
- 1859 (b) If the agency repeals the rule, the agency shall:
- 1860 (i) comply with Section 63G-3-301; and
- 1861 (ii) in the rule analysis described in Section 63G-3-301, state that the repeal is the
- 1862 result of the agency's five-year review under this section.
- 1863 (c) If the agency amends and continues the rule, the agency shall comply with the

- 1864 requirements described in Section 63G-3-301 and file with the office the five-year  
 1865 notice of review and statement of continuation required in Subsection (3)(a).
- 1866 (4) The office shall publish a five-year notice of review and statement of continuation in the  
 1867 bulletin[ ~~no later than one year after the deadline described in Subsection (1)~~].
- 1868 (5)(a) The office shall make a reasonable effort to notify an agency that a rule is due for  
 1869 review at least 180 days before the deadline described in Subsection (1).
- 1870 (b) The office's failure to comply with the requirement described in Subsection (5)(a)  
 1871 does not exempt an agency from complying with any provision of this section.
- 1872 (6) If an agency [~~finds~~] determines that it will not meet the deadline established in  
 1873 Subsection (1):
- 1874 (a) before the deadline described in Subsection (1), the agency may file one extension  
 1875 with the office indicating the reason for the extension; and
- 1876 (b) the office shall publish notice of the extension in the bulletin in accordance with the  
 1877 office's publication schedule established by rule under Section 63G-3-402.
- 1878 (7) An extension permits the agency to comply with the requirements described in  
 1879 Subsections (1) and (3) up to 120 days after the deadline described in Subsection (1).
- 1880 (8)(a) If an agency does not comply with the requirements described in Subsection (3),  
 1881 and does not file an extension under Subsection (6), the rule expires automatically on  
 1882 the day immediately after the date [~~of the missed deadline~~] the review was due under  
 1883 Subsection (1).
- 1884 (b) If an agency files an extension under Subsection (6) and does not comply with the  
 1885 requirements described in Subsection (3) within 120 days after the day on which the [  
 1886 ~~deadline described in~~] the review was due under Subsection (1)[~~expires~~], the rule  
 1887 expires automatically on the day immediately after the [~~date of the missed deadline~~]  
 1888 120 day extension period.
- 1889 (9) After a rule expires under Subsection (8), the office shall:
- 1890 (a) publish a notice in the next issue of the bulletin that the rule has expired and is no  
 1891 longer enforceable;
- 1892 (b) remove the rule from the code; and
- 1893 (c) notify the agency that the rule has expired.
- 1894 (10) After a rule expires, an agency must comply with the requirements of Section  
 1895 63G-3-301 to [~~reenact~~] readopt the rule.
- 1896 Section 26. Section **63G-3-401** is amended to read:
- 1897 **63G-3-401 (Effective 05/06/26). Office of Administrative Rules created --**

1898 **Director.**

1899 (1) There is created within the [~~Department of Government Operations~~] department the  
 1900 Office of Administrative Rules, to be administered by a director.

1901 (2)(a) The executive director shall appoint the director.

1902 (b) The director shall hire, train, and supervise staff necessary for the office to carry out  
 1903 the provisions of this chapter.

1904 Section 27. Section **63G-3-402** is amended to read:

1905 **63G-3-402 (Effective 05/06/26). Office of Administrative Rules -- Duties**

1906 **generally.**

1907 (1) The office shall:

1908 (a) record in [a] an electronic register the receipt of all agency rules, rule analysis forms,  
 1909 and notices of effective dates;

1910 (b) make the register, copies of all proposed rules, and rulemaking documents available  
 1911 for public inspection;

1912 (c) publish all proposed rules, rule analyses, notices of effective dates, and review  
 1913 notices in the bulletin at least monthly[~~, except that the office may publish the~~  
 1914 ~~complete text of any proposed rule that the director determines is too long to print or~~  
 1915 ~~too expensive to publish by reference to the text maintained by the office];~~

1916 (d) compile, format, number, and index all effective rules in an administrative code, and  
 1917 periodically publish that code and supplements or revisions to it;

1918 (e) publish a digest of all proposed rules and notices contained in the most recent  
 1919 bulletin;

1920 (f) publish at least annually an index of all changes to the administrative code and the  
 1921 effective date of each change;

1922 (g) [~~print, or contract to print,~~] publish all rulemaking publications the director  
 1923 determines necessary to implement this chapter;

1924 (h) distribute without charge the bulletin and administrative code to state-designated  
 1925 repositories, the [~~Rules Review and General Oversight~~] General Oversight  
 1926 Committee, the Office of Legislative Research and General Counsel, and the two [  
 1927 ~~houses~~] chambers of the Legislature;

1928 (i) distribute without charge the digest and index to state legislators, agencies, political  
 1929 subdivisions on request, and the Office of Legislative Research and General Counsel;

1930 [~~(j) distribute, at prices covering publication costs, all paper rulemaking publications to~~  
 1931 ~~all other requesting persons and agencies;]~~

- 1932           ~~[(k)]~~ (j) provide agencies assistance in rulemaking;
- 1933           ~~[(h)]~~ (k) if the department operates the office as an internal service fund agency in
- 1934           accordance with Section 63A-1-109.5, submit to the Rate Committee established in
- 1935           Section 63A-1-114:
- 1936           (i) the proposed rate and fee schedule as required by Section 63A-1-114; and
- 1937           (ii) other information or analysis requested by the Rate Committee;
- 1938           ~~[(m)]~~ (l) administer this chapter and require state agencies to comply with filing,
- 1939           publication, and hearing procedures; and
- 1940           ~~[(n)]~~ (m) make technological improvements to the rulemaking process, including
- 1941           improvements to automation and digital accessibility.
- 1942           (2) The office shall establish by rule in accordance with Title 63G, Chapter 3, Utah
- 1943           Administrative Rulemaking Act, all filing, publication, and hearing procedures
- 1944           necessary to make rules under this chapter.
- 1945           (3) The office may after notifying the agency make nonsubstantive changes to rules filed
- 1946           with the office or published in the bulletin or code by:
- 1947           (a) implementing a uniform system of formatting, punctuation, capitalization,
- 1948           organization, numbering, and wording;
- 1949           (b) correcting obvious errors and inconsistencies in punctuation, capitalization,
- 1950           numbering, referencing, and wording;
- 1951           (c) changing a catchline to more accurately reflect the substance of each section, ~~[part,-]~~
- 1952           rule, or title;
- 1953           (d) updating or correcting annotations associated with a section, ~~[part,-]~~rule, or title; and
- 1954           (e) merging or determining priority of any amendment, enactment, or repeal to the same
- 1955           rule or section made effective by an agency.
- 1956           (4) In addition, the office may make the following nonsubstantive changes with the
- 1957           concurrence of the agency:
- 1958           (a) eliminate duplication within rules;
- 1959           (b) eliminate obsolete and redundant words; and
- 1960           (c) correct defective or inconsistent section and paragraph structure in arrangement of
- 1961           the subject matter of rules.
- 1962           (5)(a) For nonsubstantive changes made in accordance with Subsection (3) or (4) after
- 1963           publication of the rule in the bulletin, the office shall publish a list of nonsubstantive
- 1964           changes in the bulletin.
- 1965           (b) For each nonsubstantive change, the list shall include:

- 1966            [(a)] (i) the affected code citation;
- 1967            [(b)] (ii) a brief description of the change; and
- 1968            [(c)] (iii) the date the change was made.
- 1969            (6) All funds appropriated or collected for publishing the office's publications shall be
- 1970            nonlapsing.
- 1971            Section 28. Section **63G-3-403** is amended to read:
- 1972            **63G-3-403 (Effective 05/06/26). Repeal and reenactment of Utah Administrative**
- 1973            **Code.**
- 1974            (1) When the director determines that the Utah Administrative Code requires extensive
- 1975            revision and reorganization, the office may repeal the code and reenact a new code
- 1976            according to the requirements of this section.
- 1977            (2) The office may:
- 1978            (a) reorganize, reformat, and renumber the code;
- 1979            (b) require each agency to review its rules and make any organizational or substantive
- 1980            changes according to the requirements of Section 63G-3-303; and
- 1981            (c) require each agency to prepare a brief summary of all substantive changes made by
- 1982            the agency.
- 1983            (3) The office may make nonsubstantive changes in the code by:
- 1984            (a) adopting a uniform system of punctuation, capitalization, numbering, and wording;
- 1985            (b) eliminating duplication;
- 1986            (c) correcting defective or inconsistent section and paragraph structure in arrangement of
- 1987            the subject matter of rules;
- 1988            (d) eliminating all obsolete or redundant words;
- 1989            (e) correcting obvious errors and inconsistencies in punctuation, capitalization,
- 1990            numbering, referencing, and wording;
- 1991            (f) changing a catchline to more accurately reflect the substance of each section, [~~part,~~]
- 1992            rule, or title;
- 1993            (g) updating or correcting annotations associated with a section, [~~part,~~]rule, or title; and
- 1994            (h) merging or determining priority of any amendment, enactment, or repeal to the same
- 1995            rule or section made effective by an agency.
- 1996            (4)(a) To inform the public about the proposed code reenactment, the office shall publish
- 1997            in the bulletin:
- 1998            (i) notice of the code reenactment;
- 1999            (ii) the date, time, and place of a public hearing where members of the public may

- 2000 comment on the proposed reenactment of the code;
- 2001 (iii) locations where the proposed reenactment of the code may be reviewed; and
- 2002 (iv) agency summaries of substantive changes in the reenacted code.
- 2003 (b) To inform the public about substantive changes in agency rules contained in the
- 2004 proposed reenactment, each agency shall:
- 2005 (i) make the text of their reenacted rules available:
- 2006 (A) for public review during regular business hours; and
- 2007 (B) in an electronic version; and
- 2008 (ii) comply with the requirements of Subsection 63G-3-301(10).
- 2009 (5) The office shall hold a public hearing on the proposed code reenactment no fewer than
- 2010 30 days nor more than 45 days after the publication required by Subsection (4)(a).
- 2011 (6) The office shall distribute complete text of the proposed code reenactment without
- 2012 charge to:
- 2013 (a) state-designated repositories in Utah;
- 2014 (b) the [~~Rules Review and General Oversight~~] General Oversight Committee; and
- 2015 (c) the Office of Legislative Research and General Counsel.
- 2016 (7) The former code is repealed and the reenacted code is effective at noon on a date
- 2017 designated by the office that is not fewer than 45 days nor more than 90 days after the
- 2018 publication date required by this section.
- 2019 (8) Repeal and reenactment of the code meets the requirements of Section 63G-3-305 for a
- 2020 review of all agency rules.
- 2021 Section 29. Section **63G-3-502** is amended to read:
- 2022 **63G-3-502 (Effective 05/06/26). Legislative reauthorization of agency rules --**
- 2023 **Extension of rules by governor.**
- 2024 (1) All grants of rulemaking power from the Legislature to [a-state] an agency in any statute
- 2025 are made subject to the provisions of this section.
- 2026 (2)(a) Except as provided in Subsection (2)(b), every agency rule that is in effect on
- 2027 February 28 of any calendar year expires on May 1 of that year unless it has been
- 2028 reauthorized by the Legislature.
- 2029 (b) Notwithstanding the provisions of Subsection (2)(a), an agency's rules do not expire
- 2030 if:
- 2031 (i) the rule is explicitly mandated by a federal law or regulation; or
- 2032 (ii) a provision of Utah's constitution vests the agency with specific constitutional
- 2033 authority to regulate.

- 2034 (3)(a) The ~~[Rules Review and General Oversight]~~ General Oversight Committee shall  
 2035 have legislation prepared for the Legislature to consider the reauthorization of rules  
 2036 during its annual general session.
- 2037 (b) The legislation shall be substantially in the following form: "All rules of Utah state  
 2038 agencies are reauthorized except for the following:".
- 2039 (c) Before sending the legislation to the governor for the governor's action, the ~~[Rules~~  
 2040 ~~Review and General Oversight]~~ General Oversight Committee may send a letter to  
 2041 the governor and to the agency explaining specifically why the committee believes a  
 2042 rule should not be reauthorized.
- 2043 (d) For the purpose of this section, the entire rule, a ~~[single-]section, a subsection,~~ or any  
 2044 complete paragraph of a rule may be excepted for reauthorization in the legislation  
 2045 considered by the Legislature.
- 2046 (4) The ~~[Rules Review and General Oversight]~~ General Oversight Committee may have  
 2047 legislation prepared for consideration by the Legislature in the annual general session or  
 2048 a special session regarding any rule made according to emergency rulemaking  
 2049 procedures described in Section 63G-3-304.
- 2050 (5) The Legislature's reauthorization of a rule by legislation:
- 2051 (a) does not constitute legislative approval of the rule~~[-, nor is it admissible in any~~  
 2052 ~~proceeding as-] ; and~~
- 2053 (b) is not evidence of legislative intent.
- 2054 ~~[(6)(a) If an agency believes that a rule that has not been reauthorized by the Legislature~~  
 2055 ~~or that will be allowed to expire should continue in full force and effect and is a rule~~  
 2056 ~~within their authorized rulemaking power, the agency may seek the governor's~~  
 2057 ~~declaration extending the rule beyond the expiration date.]~~
- 2058 ~~[(b) In seeking the extension, the agency shall submit a petition to the governor that~~  
 2059 ~~affirmatively states:]~~
- 2060 ~~[(i) that the rule is necessary; and]~~
- 2061 ~~[(ii) a citation to the source of its authority to make the rule.]~~
- 2062 ~~[(c)(i) If the governor finds that the necessity does exist, and that the agency has the~~  
 2063 ~~authority to make the rule, the governor may declare the rule to be extended by~~  
 2064 ~~publishing that declaration in the Administrative Rules Bulletin on or before April~~  
 2065 ~~15 of that year.]~~
- 2066 ~~[(ii) The declaration shall set forth the rule to be extended, the reasons the extension~~  
 2067 ~~is necessary, and a citation to the source of the agency's authority to make the rule.]~~

2068 ~~[(d)]~~ (6) If the legislation required by Subsection (3) fails to pass both houses of the  
 2069 Legislature or is found to have a technical legal defect preventing reauthorization of  
 2070 administrative rules intended to be reauthorized by the Legislature, the governor may  
 2071 declare all rules to be extended by publishing a single declaration in the Administrative  
 2072 Rules Bulletin on or before June 15~~[-without meeting requirements of Subsections (6)(b)~~  
 2073 ~~and (c).]~~ .

2074 Section 30. Section **63G-3-503** is amended to read:

2075 **63G-3-503 (Effective 05/06/26). Agency rules oversight.**

2076 Oversight of the rulemaking process is conducted by the ~~[Rules Review and General~~  
 2077 ~~Oversight]~~ General Oversight Committee created in Section 36-35-102.

2078 Section 31. Section **63G-3-601** is amended to read:

2079 **63G-3-601 (Effective 05/06/26). Interested parties -- Petition for agency action.**

2080 ~~[(1) As used in this section, "initiate rulemaking proceedings" means the filing, for the~~  
 2081 ~~purposes of publication in accordance with Subsection 63G-3-301(4), of an agency's~~  
 2082 ~~proposed rule to implement a petition for the making, amendment, or repeal of a rule as~~  
 2083 ~~provided in this section.]~~

2084 ~~[(2)]~~ (1) An interested person may petition an agency to request the making, amendment, or  
 2085 repeal of a rule.

2086 ~~[(3)]~~ (2) The office shall prescribe by rule the form for petitions and the procedure for their  
 2087 submission, consideration, and disposition.

2088 ~~[(4)]~~ (3) A statement shall accompany the proposed rule~~[-or proposed amendment or repeal~~  
 2089 ~~of a rule,]~~ demonstrating that the proposed action is within the jurisdiction of the agency  
 2090 and appropriate to the powers of the agency.

2091 ~~[(5)]~~ (4) Within 60 days after submission of a petition, the agency shall~~[-either]~~ :

2092 (a) deny the petition in writing, stating ~~[its-]~~reasons for the denial~~[-]~~ ; or

2093 (b) initiate rulemaking proceedings to implement the petition.

2094 ~~[(6)]~~ (5)(a) If the petition is submitted to a board or commission that has been granted  
 2095 rulemaking authority by the Legislature, the board shall, within 45 days of the  
 2096 submission of the petition, place the petition on its agenda for review.

2097 (b) Within 80 days of the submission of the petition, the board or commission shall  
 2098 either:

2099 (i) deny the petition in writing stating its reasons for denial; or

2100 (ii) initiate rulemaking proceedings to implement the petition.

2101 ~~[(7)]~~ (6) If the agency~~[-or]~~ , board, or commission has not provided the petitioner written

2102 notice that the agency has denied the petition or initiated rulemaking proceedings to  
2103 implement the petition within the time limitations specified in Subsection [~~(5)~~] (4) or [~~(6)~~]  
2104 (5) respectively, the petitioner may seek a writ of mandamus in state district court.

2105 Section 32. Section **63O-2-403** is amended to read:

2106 **63O-2-403 (Effective 05/06/26). Contracting power of executive director --**  
2107 **Health insurance coverage.**

2108 (1) As used in this section:

2109 (a) "Aggregate" means the sum of all contracts, change orders, and modifications related  
2110 to a single project.

2111 (b) "Change order" means the same as that term is defined in Section 63G-6a-103.

2112 (c) "Employee" means, as defined in Section 34A-2-104, an "employee," "worker," or  
2113 "operative" who:

2114 (i) works at least 30 hours per calendar week; and

2115 (ii) meets employer eligibility waiting requirements for health care insurance, which  
2116 may not exceed the first of the calendar month following 60 days after the day on  
2117 which the individual is hired.

2118 (d) "Health benefit plan" means:

2119 (i) the same as that term is defined in Section 31A-1-301; or

2120 (ii) an employee welfare benefit plan:

2121 (A) established under the Employee Retirement Income Security Act of 1974, 29  
2122 U.S.C. Sec. 1001 et seq.;

2123 (B) for an employer with 100 or more employees; and

2124 (C) in which the employer establishes a self-funded or partially self-funded group  
2125 health plan to provide medical care for the employer's employees and  
2126 dependents of the employees.

2127 (e) "Qualified health coverage" means the same as that term is defined in Section  
2128 26B-3-909.

2129 (f) "Subcontractor" means the same as that term is defined in Section 63A-5b-605.

2130 (g) "Third party administrator" or "administrator" means the same as that term is defined  
2131 in Section 31A-1-301.

2132 (2) Except as provided in Subsection (3), the requirements of this section apply to:

2133 (a) a contractor of a design or construction contract entered into by the board, or on  
2134 behalf of the board, on or after July 1, 2009, if the prime contract is in an aggregate  
2135 amount equal to or greater than \$2,000,000; and

- 2136 (b) a subcontractor of a contractor of a design or construction contract entered into by  
2137 the board, or on behalf of the board, on or after July 1, 2009, if the subcontract is in  
2138 an aggregate amount equal to or greater than \$1,000,000.
- 2139 (3) The requirements of this section do not apply to a contractor or subcontractor described  
2140 in Subsection (2) if:
- 2141 (a) the application of this section jeopardizes the receipt of federal funds;  
2142 (b) the contract is a sole source contract; or  
2143 (c) the contract is an emergency procurement.
- 2144 (4) A person that intentionally uses change orders, contract modifications, or multiple  
2145 contracts to circumvent the requirements of this section is guilty of an infraction.
- 2146 (5)(a) A contractor subject to the requirements of this section shall demonstrate to the  
2147 executive director that the contractor has and will maintain an offer of qualified  
2148 health coverage for the contractor's employees and the employees' dependents during  
2149 the duration of the contract by submitting to the executive director a written  
2150 statement that:
- 2151 (i) the contractor offers qualified health coverage that complies with Section  
2152 26B-3-909;
- 2153 (ii) is from:
- 2154 (A) an actuary selected by the contractor or the contractor's insurer;  
2155 (B) an underwriter who is responsible for developing the employer group's  
2156 premium rates; or  
2157 (C) if the contractor provides a health benefit plan described in Subsection  
2158 (1)(d)(ii), an actuary or underwriter selected by a third party administrator; and  
2159 (iii) was created within one year before the day on which the statement is submitted.
- 2160 (b)(i) A contractor that provides a health benefit plan described in Subsection  
2161 (1)(d)(ii) shall provide the actuary or underwriter selected by the administrator, as  
2162 described in Subsection (5)(a)(ii)(C), sufficient information to determine whether  
2163 the contractor's contribution to the health benefit plan and the health benefit plan's  
2164 actuarial value meets the requirements of qualified health coverage.
- 2165 (ii) A contractor may not make a change to the contractor's contribution to the health  
2166 benefit plan, unless the contractor provides notice to:
- 2167 (A) the actuary or underwriter selected by the administrator, as described in  
2168 Subsection (5)(a)(ii)(C), for the actuary or underwriter to update the written  
2169 statement described in Subsection (5)(a) in compliance with this section; and

- 2170 (B) the executive director.
- 2171 (c) A contractor that is subject to the requirements of this section shall:
- 2172 (i) place a requirement in each of the contractor's subcontracts that a subcontractor
- 2173 that is subject to the requirements of this section shall obtain and maintain an offer
- 2174 of qualified health coverage for the subcontractor's employees and the employees'
- 2175 dependents during the duration of the subcontract; and
- 2176 (ii) obtain from a subcontractor that is subject to the requirements of this section a
- 2177 written statement that:
- 2178 (A) the subcontractor offers qualified health coverage that complies with Section
- 2179 26B-3-909;
- 2180 (B) is from an actuary selected by the subcontractor or the subcontractor's insurer,
- 2181 an underwriter who is responsible for developing the employer group's
- 2182 premium rates, or if the subcontractor provides a health benefit plan described
- 2183 in Subsection (1)(d)(ii), an actuary or underwriter selected by an administrator;
- 2184 and
- 2185 (C) was created within one year before the day on which the contractor obtains the
- 2186 statement.
- 2187 (d)(i)(A) A contractor that fails to maintain an offer of qualified health coverage
- 2188 as described in Subsection (5)(a) during the duration of the contract is subject
- 2189 to penalties in accordance with administrative rules adopted by the division
- 2190 under Subsection (6).
- 2191 (B) A contractor is not subject to penalties for the failure of a subcontractor to
- 2192 obtain and maintain an offer of qualified health coverage described in
- 2193 Subsection (5)(c)(i).
- 2194 (ii)(A) A subcontractor that fails to obtain and maintain an offer of qualified
- 2195 health coverage described in Subsection (5)(c)(i) during the duration of the
- 2196 subcontract is subject to penalties in accordance with administrative rules
- 2197 adopted by the department under Subsection (6).
- 2198 (B) A subcontractor is not subject to penalties for the failure of a contractor to
- 2199 maintain an offer of qualified health coverage described in Subsection (5)(a).
- 2200 (6) The department shall make rules:
- 2201 (a) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
- 2202 (b) in coordination with:
- 2203 (i) the Department of Environmental Quality in accordance with Section 19-1-206;

- 2204 (ii) the Department of Natural Resources in accordance with Section 79-2-404;  
2205 (iii) the Division of Facilities Construction and Management in accordance with  
2206 Section 63A-5b-607;  
2207 (iv) a public transit district in accordance with Section 17B-2a-818.5;  
2208 (v) the Department of Transportation in accordance with Section 72-6-107.5; and  
2209 (vi) the Legislature's [~~Rules Review and General Oversight~~] General Oversight  
2210 Committee created in Section 36-35-102; and  
2211 (c) that establish:
- 2212 (i) the requirements and procedures a contractor and a subcontractor shall follow to  
2213 demonstrate compliance with this section, including:
- 2214 (A) that a contractor or subcontractor's compliance with this section is subject to  
2215 an audit by the department or the Office of the Legislative Auditor General;  
2216 (B) that a contractor that is subject to the requirements of this section shall obtain  
2217 a written statement described in Subsection (5)(a); and  
2218 (C) that a subcontractor that is subject to the requirements of this section shall  
2219 obtain a written statement described in Subsection (5)(c)(ii);
- 2220 (ii) the penalties that may be imposed if a contractor or subcontractor intentionally  
2221 violates the provisions of this section, which may include:
- 2222 (A) a three-month suspension of the contractor or subcontractor from entering into  
2223 future contracts with the state upon the first violation;  
2224 (B) a six-month suspension of the contractor or subcontractor from entering into  
2225 future contracts with the state upon the second violation;  
2226 (C) an action for debarment of the contractor or subcontractor in accordance with  
2227 Section 63G-6a-904 upon the third or subsequent violation; and  
2228 (D) monetary penalties which may not exceed 50% of the amount necessary to  
2229 purchase qualified health coverage for employees and dependents of  
2230 employees of the contractor or subcontractor who were not offered qualified  
2231 health coverage during the duration of the contract; and
- 2232 (iii) a website on which the department shall post the commercially equivalent  
2233 benchmark, for the qualified health coverage identified in Subsection (1)(e), that  
2234 is provided by the Department of Health and Human Services, in accordance with  
2235 Subsection 26B-3-909(2).
- 2236 (7)(a)(i) In addition to the penalties imposed under Subsection (6)(c)(ii), a contractor  
2237 or subcontractor who intentionally violates the provisions of this section is liable

- 2238 to the employee for health care costs that would have been covered by qualified  
2239 health coverage.
- 2240 (ii) An employer has an affirmative defense to a cause of action under Subsection  
2241 (7)(a)(i) if:
- 2242 (A) the employer relied in good faith on a written statement described in  
2243 Subsection (5)(a) or (5)(c)(ii); or
- 2244 (B) the department determines that compliance with this section is not required  
2245 under the provisions of Subsection (3).
- 2246 (b) An employee has a private right of action only against the employee's employer to  
2247 enforce the provisions of this Subsection (7).
- 2248 (8) Any penalties imposed and collected under this section shall be deposited into the  
2249 Medicaid Growth Reduction and Budget Stabilization Account created in Section  
2250 63J-1-315.
- 2251 (9) The failure of a contractor or subcontractor to provide qualified health coverage as  
2252 required by this section:
- 2253 (a) may not be the basis for a protest or other action from a prospective bidder, offeror,  
2254 or contractor under:
- 2255 (i) Section 63G-6a-1602; or
- 2256 (ii) any other provision in Title 63G, Chapter 6a, Utah Procurement Code; and
- 2257 (b) may not be used by the procurement entity or a prospective bidder, offeror, or  
2258 contractor as a basis for any action or suit that would suspend, disrupt, or terminate  
2259 the design or construction.
- 2260 (10) An administrator, including the administrator's actuary or underwriter, who provides a  
2261 written statement under Subsection (5)(a) or (c) regarding the qualified health coverage  
2262 of a contractor or subcontractor who provides a health benefit plan described in  
2263 Subsection (1)(d)(ii):
- 2264 (a) subject to Subsection (10)(b), is not liable for an error in the written statement, unless  
2265 the administrator commits gross negligence in preparing the written statement;
- 2266 (b) is not liable for any error in the written statement if the administrator relied in good  
2267 faith on information from the contractor or subcontractor; and
- 2268 (c) may require as a condition of providing the written statement that a contractor or  
2269 subcontractor hold the administrator harmless for an action arising under this section.
- 2270 Section 33. Section **72-6-107.5** is amended to read:
- 2271 **72-6-107.5 (Effective 05/06/26). Construction of improvements of highway --**

2272 **Contracts -- Health insurance coverage.**

2273 (1) As used in this section:

2274 (a) "Aggregate" means the sum of all contracts, change orders, and modifications related  
2275 to a single project.

2276 (b) "Change order" means the same as that term is defined in Section 63G-6a-103.

2277 (c) "Employee" means, as defined in Section 34A-2-104, an "employee," "worker," or  
2278 "operative" who:

2279 (i) works at least 30 hours per calendar week; and

2280 (ii) meets employer eligibility waiting requirements for health care insurance, which  
2281 may not exceed the first day of the calendar month following 60 days after the day  
2282 on which the individual is hired.

2283 (d) "Health benefit plan" means:

2284 (i) the same as that term is defined in Section 31A-1-301; or

2285 (ii) an employee welfare benefit plan:

2286 (A) established under the Employee Retirement Income Security Act of 1974, 29  
2287 U.S.C. Sec. 1001 et seq.;

2288 (B) for an employer with 100 or more employees; and

2289 (C) in which the employer establishes a self-funded or partially self-funded group  
2290 health plan to provide medical care for the employer's employees and  
2291 dependents of the employees.

2292 (e) "Qualified health coverage" means the same as that term is defined in Section  
2293 26B-3-909.

2294 (f) "Subcontractor" means the same as that term is defined in Section 63A-5b-605.

2295 (g) "Third party administrator" or "administrator" means the same as that term is defined  
2296 in Section 31A-1-301.

2297 (2) Except as provided in Subsection (3), the requirements of this section apply to:

2298 (a) a contractor of a design or construction contract entered into by the department on or  
2299 after July 1, 2009, if the prime contract is in an aggregate amount equal to or greater  
2300 than \$2,000,000; and

2301 (b) a subcontractor of a contractor of a design or construction contract entered into by  
2302 the department on or after July 1, 2009, if the subcontract is in an aggregate amount  
2303 equal to or greater than \$1,000,000.

2304 (3) The requirements of this section do not apply to a contractor or subcontractor described  
2305 in Subsection (2) if:

- 2306 (a) the application of this section jeopardizes the receipt of federal funds;  
2307 (b) the contract is a sole source contract; or  
2308 (c) the contract is an emergency procurement.
- 2309 (4) A person that intentionally uses change orders, contract modifications, or multiple  
2310 contracts to circumvent the requirements of this section is guilty of an infraction.
- 2311 (5)(a) A contractor subject to the requirements of this section shall demonstrate to the  
2312 department that the contractor has and will maintain an offer of qualified health  
2313 coverage for the contractor's employees and the employees' dependents during the  
2314 duration of the contract by submitting to the department a written statement that:
- 2315 (i) the contractor offers qualified health coverage that complies with Section  
2316 26B-3-909;
- 2317 (ii) is from:
- 2318 (A) an actuary selected by the contractor or the contractor's insurer;  
2319 (B) an underwriter who is responsible for developing the employer group's  
2320 premium rates; or  
2321 (C) if the contractor provides a health benefit plan described in Subsection  
2322 (1)(d)(ii), an actuary or underwriter selected by a third party administrator; and  
2323 (iii) was created within one year before the day on which the statement is submitted.
- 2324 (b)(i) A contractor that provides a health benefit plan described in Subsection  
2325 (1)(d)(ii) shall provide the actuary or underwriter selected by an administrator, as  
2326 described in Subsection (5)(a)(ii)(C), sufficient information to determine whether  
2327 the contractor's contribution to the health benefit plan and the actuarial value of  
2328 the health benefit plan meet the requirements of qualified health coverage.
- 2329 (ii) A contractor may not make a change to the contractor's contribution to the health  
2330 benefit plan, unless the contractor provides notice to:
- 2331 (A) the actuary or underwriter selected by an administrator, as described in  
2332 Subsection (5)(a)(ii)(C), for the actuary or underwriter to update the written  
2333 statement described in Subsection (5)(a) in compliance with this section; and  
2334 (B) the department.
- 2335 (c) A contractor that is subject to the requirements of this section shall:
- 2336 (i) place a requirement in each of the contractor's subcontracts that a subcontractor  
2337 that is subject to the requirements of this section shall obtain and maintain an offer  
2338 of qualified health coverage for the subcontractor's employees and the employees'  
2339 dependents during the duration of the subcontract; and

- 2340 (ii) obtain from a subcontractor that is subject to the requirements of this section a  
 2341 written statement that:
- 2342 (A) the subcontractor offers qualified health coverage that complies with Section  
 2343 26B-3-909;
- 2344 (B) is from an actuary selected by the subcontractor or the subcontractor's insurer,  
 2345 an underwriter who is responsible for developing the employer group's  
 2346 premium rates, or if the subcontractor provides a health benefit plan described  
 2347 in Subsection (1)(d)(ii), an actuary or underwriter selected by an administrator;  
 2348 and
- 2349 (C) was created within one year before the day on which the contractor obtains the  
 2350 statement.
- 2351 (d)(i)(A) A contractor that fails to maintain an offer of qualified health coverage  
 2352 described in Subsection (5)(a) during the duration of the contract is subject to  
 2353 penalties in accordance with administrative rules adopted by the department  
 2354 under Subsection (6).
- 2355 (B) A contractor is not subject to penalties for the failure of a subcontractor to  
 2356 obtain and maintain an offer of qualified health coverage described in  
 2357 Subsection (5)(c)(i).
- 2358 (ii)(A) A subcontractor that fails to obtain and maintain an offer of qualified  
 2359 health coverage described in Subsection (5)(c) during the duration of the  
 2360 subcontract is subject to penalties in accordance with administrative rules  
 2361 adopted by the department under Subsection (6).
- 2362 (B) A subcontractor is not subject to penalties for the failure of a contractor to  
 2363 maintain an offer of qualified health coverage described in Subsection (5)(a).
- 2364 (6) The department shall adopt administrative rules:
- 2365 (a) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
- 2366 (b) in coordination with:
- 2367 (i) the Department of Environmental Quality in accordance with Section 19-1-206;
- 2368 (ii) the Department of Natural Resources in accordance with Section 79-2-404;
- 2369 (iii) the Division of Facilities Construction and Management in accordance with  
 2370 Section 63A-5b-607;
- 2371 (iv) the State Capitol Preservation Board in accordance with Section 63O-2-403;
- 2372 (v) a public transit district in accordance with Section 17B-2a-818.5; and
- 2373 (vi) the Legislature's [~~Rules Review and General Oversight~~] General Oversight

- 2374 Committee created in Section 36-35-102; and
- 2375 (c) that establish:
- 2376 (i) the requirements and procedures a contractor and a subcontractor shall follow to
- 2377 demonstrate compliance with this section, including:
- 2378 (A) that a contractor or subcontractor's compliance with this section is subject to
- 2379 an audit by the department or the Office of the Legislative Auditor General;
- 2380 (B) that a contractor that is subject to the requirements of this section shall obtain
- 2381 a written statement described in Subsection (5)(a); and
- 2382 (C) that a subcontractor that is subject to the requirements of this section shall
- 2383 obtain a written statement described in Subsection (5)(c)(ii);
- 2384 (ii) the penalties that may be imposed if a contractor or subcontractor intentionally
- 2385 violates the provisions of this section, which may include:
- 2386 (A) a three-month suspension of the contractor or subcontractor from entering into
- 2387 future contracts with the state upon the first violation;
- 2388 (B) a six-month suspension of the contractor or subcontractor from entering into
- 2389 future contracts with the state upon the second violation;
- 2390 (C) an action for debarment of the contractor or subcontractor in accordance with
- 2391 Section 63G-6a-904 upon the third or subsequent violation; and
- 2392 (D) monetary penalties which may not exceed 50% of the amount necessary to
- 2393 purchase qualified health coverage for an employee and a dependent of the
- 2394 employee of the contractor or subcontractor who was not offered qualified
- 2395 health coverage during the duration of the contract; and
- 2396 (iii) a website on which the department shall post the commercially equivalent
- 2397 benchmark, for the qualified health coverage identified in Subsection (1)(e), that
- 2398 is provided by the Department of Health and Human Services, in accordance with
- 2399 Subsection 26B-3-909(2).
- 2400 (7)(a)(i) In addition to the penalties imposed under Subsection (6)(c)(ii), a contractor
- 2401 or subcontractor who intentionally violates the provisions of this section is liable
- 2402 to the employee for health care costs that would have been covered by qualified
- 2403 health coverage.
- 2404 (ii) An employer has an affirmative defense to a cause of action under Subsection
- 2405 (7)(a)(i) if:
- 2406 (A) the employer relied in good faith on a written statement described in
- 2407 Subsection (5)(a) or (5)(c)(ii); or

- 2408 (B) the department determines that compliance with this section is not required  
 2409 under the provisions of Subsection (3).
- 2410 (b) An employee has a private right of action only against the employee's employer to  
 2411 enforce the provisions of this Subsection (7).
- 2412 (8) Any penalties imposed and collected under this section shall be deposited into the  
 2413 Medicaid Growth Reduction and Budget Stabilization Account created in Section  
 2414 63J-1-315.
- 2415 (9) The failure of a contractor or subcontractor to provide qualified health coverage as  
 2416 required by this section:
- 2417 (a) may not be the basis for a protest or other action from a prospective bidder, offeror,  
 2418 or contractor under:
- 2419 (i) Section 63G-6a-1602; or  
 2420 (ii) any other provision in Title 63G, Chapter 6a, Utah Procurement Code; and
- 2421 (b) may not be used by the procurement entity or a prospective bidder, offeror, or  
 2422 contractor as a basis for any action or suit that would suspend, disrupt, or terminate  
 2423 the design or construction.
- 2424 (10) An administrator, including an administrator's actuary or underwriter, who provides a  
 2425 written statement under Subsection (5)(a) or (c) regarding the qualified health coverage  
 2426 of a contractor or subcontractor who provides a health benefit plan described in  
 2427 Subsection (1)(d)(ii):
- 2428 (a) subject to Subsection (10)(b), is not liable for an error in the written statement, unless  
 2429 the administrator commits gross negligence in preparing the written statement;
- 2430 (b) is not liable for any error in the written statement if the administrator relied in good  
 2431 faith on information from the contractor or subcontractor; and
- 2432 (c) may require as a condition of providing the written statement that a contractor or  
 2433 subcontractor hold the administrator harmless for an action arising under this section.
- 2434 Section 34. Section **79-2-404** is amended to read:
- 2435 **79-2-404 (Effective 05/06/26). Contracting powers of department -- Health**  
 2436 **insurance coverage.**
- 2437 (1) As used in this section:
- 2438 (a) "Aggregate" means the sum of all contracts, change orders, and modifications related  
 2439 to a single project.
- 2440 (b) "Change order" means the same as that term is defined in Section 63G-6a-103.
- 2441 (c) "Employee" means, as defined in Section 34A-2-104, an "employee," "worker," or

- 2442 "operative" who:
- 2443 (i) works at least 30 hours per calendar week; and
- 2444 (ii) meets employer eligibility waiting requirements for health care insurance, which
- 2445 may not exceed the first day of the calendar month following 60 days after the day
- 2446 on which the individual is hired.
- 2447 (d) "Health benefit plan" means:
- 2448 (i) the same as that term is defined in Section 31A-1-301; or
- 2449 (ii) an employee welfare benefit plan:
- 2450 (A) established under the Employee Retirement Income Security Act of 1974, 29
- 2451 U.S.C. Sec. 1001 et seq.;
- 2452 (B) for an employer with 100 or more employees; and
- 2453 (C) in which the employer establishes a self-funded or partially self-funded group
- 2454 health plan to provide medical care for the employer's employees and
- 2455 dependents of the employees.
- 2456 (e) "Qualified health coverage" means the same as that term is defined in Section
- 2457 26B-3-909.
- 2458 (f) "Subcontractor" means the same as that term is defined in Section 63A-5b-605.
- 2459 (g) "Third party administrator" or "administrator" means the same as that term is defined
- 2460 in Section 31A-1-301.
- 2461 (2) Except as provided in Subsection (3), the requirements of this section apply to:
- 2462 (a) a contractor of a design or construction contract entered into by, or delegated to, the
- 2463 department or a division, board, or council of the department on or after July 1, 2009,
- 2464 if the prime contract is in an aggregate amount equal to or greater than \$2,000,000;
- 2465 and
- 2466 (b) a subcontractor of a contractor of a design or construction contract entered into by, or
- 2467 delegated to, the department or a division, board, or council of the department on or
- 2468 after July 1, 2009, if the subcontract is in an aggregate amount equal to or greater
- 2469 than \$1,000,000.
- 2470 (3) This section does not apply to contracts entered into by the department or a division,
- 2471 board, or council of the department if:
- 2472 (a) the application of this section jeopardizes the receipt of federal funds;
- 2473 (b) the contract or agreement is between:
- 2474 (i) the department or a division, board, or council of the department; and
- 2475 (ii)(A) another agency of the state;

- 2476 (B) the federal government;
- 2477 (C) another state;
- 2478 (D) an interstate agency;
- 2479 (E) a political subdivision of this state; or
- 2480 (F) a political subdivision of another state; or
- 2481 (c) the contract or agreement is:
- 2482 (i) for the purpose of disbursing grants or loans authorized by statute;
- 2483 (ii) a sole source contract; or
- 2484 (iii) an emergency procurement.
- 2485 (4) A person that intentionally uses change orders, contract modifications, or multiple
- 2486 contracts to circumvent the requirements of this section is guilty of an infraction.
- 2487 (5)(a) A contractor subject to the requirements of this section shall demonstrate to the
- 2488 department that the contractor has and will maintain an offer of qualified health
- 2489 coverage for the contractor's employees and the employees' dependents during the
- 2490 duration of the contract by submitting to the department a written statement that:
- 2491 (i) the contractor offers qualified health coverage that complies with Section
- 2492 26B-3-909;
- 2493 (ii) is from:
- 2494 (A) an actuary selected by the contractor or the contractor's insurer;
- 2495 (B) an underwriter who is responsible for developing the employer group's
- 2496 premium rates; or
- 2497 (C) if the contractor provides a health benefit plan described in Subsection
- 2498 (1)(d)(ii), an actuary or underwriter selected by a third party administrator; and
- 2499 (iii) was created within one year before the day on which the statement is submitted.
- 2500 (b)(i) A contractor that provides a health benefit plan described in Subsection
- 2501 (1)(d)(ii) shall provide the actuary or underwriter selected by an administrator, as
- 2502 described in Subsection (5)(a)(ii)(C), sufficient information to determine whether
- 2503 the contractor's contribution to the health benefit plan and the actuarial value of
- 2504 the health benefit plan meet the requirements of qualified health coverage.
- 2505 (ii) A contractor may not make a change to the contractor's contribution to the health
- 2506 benefit plan, unless the contractor provides notice to:
- 2507 (A) the actuary or underwriter selected by an administrator, as described in
- 2508 Subsection (5)(a)(ii)(C), for the actuary or underwriter to update the written
- 2509 statement described in Subsection (5)(a) in compliance with this section; and

- 2510 (B) the department.
- 2511 (c) A contractor that is subject to the requirements of this section shall:
- 2512 (i) place a requirement in each of the contractor's subcontracts that a subcontractor
- 2513 that is subject to the requirements of this section shall obtain and maintain an offer
- 2514 of qualified health coverage for the subcontractor's employees and the employees'
- 2515 dependents during the duration of the subcontract; and
- 2516 (ii) obtain from a subcontractor that is subject to the requirements of this section a
- 2517 written statement that:
- 2518 (A) the subcontractor offers qualified health coverage that complies with Section
- 2519 26B-3-909;
- 2520 (B) is from an actuary selected by the subcontractor or the subcontractor's insurer,
- 2521 an underwriter who is responsible for developing the employer group's
- 2522 premium rates, or if the subcontractor provides a health benefit plan described
- 2523 in Subsection (1)(d)(ii), an actuary or underwriter selected by an administrator;
- 2524 and
- 2525 (C) was created within one year before the day on which the contractor obtains the
- 2526 statement.
- 2527 (d)(i)(A) A contractor that fails to maintain an offer of qualified health coverage
- 2528 described in Subsection (5)(a) during the duration of the contract is subject to
- 2529 penalties in accordance with administrative rules adopted by the department
- 2530 under Subsection (6).
- 2531 (B) A contractor is not subject to penalties for the failure of a subcontractor to
- 2532 obtain and maintain an offer of qualified health coverage described in
- 2533 Subsection (5)(c)(i).
- 2534 (ii)(A) A subcontractor that fails to obtain and maintain an offer of qualified
- 2535 health coverage described in Subsection (5)(c) during the duration of the
- 2536 subcontract is subject to penalties in accordance with administrative rules
- 2537 adopted by the department under Subsection (6).
- 2538 (B) A subcontractor is not subject to penalties for the failure of a contractor to
- 2539 maintain an offer of qualified health coverage described in Subsection (5)(a).
- 2540 (6) The department shall adopt administrative rules:
- 2541 (a) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
- 2542 (b) in coordination with:
- 2543 (i) the Department of Environmental Quality in accordance with Section 19-1-206;

- 2544 (ii) a public transit district in accordance with Section 17B-2a-818.5;
- 2545 (iii) the Division of Facilities Construction and Management in accordance with
- 2546 Section 63A-5b-607;
- 2547 (iv) the State Capitol Preservation Board in accordance with Section 63O-2-403;
- 2548 (v) the Department of Transportation in accordance with Section 72-6-107.5; and
- 2549 (vi) the Legislature's [~~Rules Review and General Oversight~~] General Oversight
- 2550 Committee created in Section 36-35-102; and
- 2551 (c) that establish:
- 2552 (i) the requirements and procedures a contractor and a subcontractor shall follow to
- 2553 demonstrate compliance with this section, including:
- 2554 (A) that a contractor or subcontractor's compliance with this section is subject to
- 2555 an audit by the department or the Office of the Legislative Auditor General;
- 2556 (B) that a contractor that is subject to the requirements of this section shall obtain
- 2557 a written statement described in Subsection (5)(a); and
- 2558 (C) that a subcontractor that is subject to the requirements of this section shall
- 2559 obtain a written statement described in Subsection (5)(c)(ii);
- 2560 (ii) the penalties that may be imposed if a contractor or subcontractor intentionally
- 2561 violates the provisions of this section, which may include:
- 2562 (A) a three-month suspension of the contractor or subcontractor from entering into
- 2563 future contracts with the state upon the first violation;
- 2564 (B) a six-month suspension of the contractor or subcontractor from entering into
- 2565 future contracts with the state upon the second violation;
- 2566 (C) an action for debarment of the contractor or subcontractor in accordance with
- 2567 Section 63G-6a-904 upon the third or subsequent violation; and
- 2568 (D) monetary penalties which may not exceed 50% of the amount necessary to
- 2569 purchase qualified health coverage for an employee and a dependent of an
- 2570 employee of the contractor or subcontractor who was not offered qualified
- 2571 health coverage during the duration of the contract; and
- 2572 (iii) a website on which the department shall post the commercially equivalent
- 2573 benchmark, for the qualified health coverage identified in Subsection (1)(e),
- 2574 provided by the Department of Health and Human Services, in accordance with
- 2575 Subsection 26B-3-909(2).
- 2576 (7)(a)(i) In addition to the penalties imposed under Subsection (6)(c)(ii), a contractor
- 2577 or subcontractor who intentionally violates the provisions of this section is liable

- 2578 to the employee for health care costs that would have been covered by qualified  
2579 health coverage.
- 2580 (ii) An employer has an affirmative defense to a cause of action under Subsection  
2581 (7)(a)(i) if:
- 2582 (A) the employer relied in good faith on a written statement described in  
2583 Subsection (5)(a) or (5)(c)(ii); or
- 2584 (B) the department determines that compliance with this section is not required  
2585 under the provisions of Subsection (3).
- 2586 (b) An employee has a private right of action only against the employee's employer to  
2587 enforce the provisions of this Subsection (7).
- 2588 (8) Any penalties imposed and collected under this section shall be deposited into the  
2589 Medicaid Growth Reduction and Budget Stabilization Account created in Section  
2590 63J-1-315.
- 2591 (9) The failure of a contractor or subcontractor to provide qualified health coverage as  
2592 required by this section:
- 2593 (a) may not be the basis for a protest or other action from a prospective bidder, offeror,  
2594 or contractor under:
- 2595 (i) Section 63G-6a-1602; or
- 2596 (ii) any other provision in Title 63G, Chapter 6a, Utah Procurement Code; and
- 2597 (b) may not be used by the procurement entity or a prospective bidder, offeror, or  
2598 contractor as a basis for any action or suit that would suspend, disrupt, or terminate  
2599 the design or construction.
- 2600 (10) An administrator, including an administrator's actuary or underwriter, who provides a  
2601 written statement under Subsection (5)(a) or (c) regarding the qualified health coverage  
2602 of a contractor or subcontractor who provides a health benefit plan described in  
2603 Subsection (1)(d)(ii):
- 2604 (a) subject to Subsection (10)(b), is not liable for an error in the written statement, unless  
2605 the administrator commits gross negligence in preparing the written statement;
- 2606 (b) is not liable for any error in the written statement if the administrator relied in good  
2607 faith on information from the contractor or subcontractor; and
- 2608 (c) may require as a condition of providing the written statement that a contractor or  
2609 subcontractor hold the administrator harmless for an action arising under this section.
- 2610 **Section 35. Repealer.**
- 2611 This bill repeals:

- 2612           Section **63G-3-101, Title.**
- 2613           Section 36. **Effective Date.**
- 2614           This bill takes effect on May 6, 2026.