

HB0513 compared with HB0513S01

- 15 ▶ establishes the Legal Services Retainer Fund into which {~~the Legislature~~} each agency will
{~~appropriate the total anticipated cost of each agency's legal services from the office~~} transfer the
agency's retainer;
- 17 ▶ allows the office to use money in the Legal Services Retainer Fund to pay for the legal services
that the office charges to each agencyduring the fiscal year;
- 19 ▶ requires an agency to use the agency's existing budget to pay for any legal services charges that
exceed the agency's balance in the Legal Services Retainer Fund;
- 21 ▶ creates the {~~Public Policy Defense~~} Legal Services and Litigation Program to pay costs of
defending the state in civil litigation that meets specified criteria; {~~and~~}
- 28 ▶ provides that appropriations made to the Legal Services and Litigation Program are
nonlapsing; and
- 23 ▶ makes technical and conforming changes.

31 Money Appropriated in this Bill:

32 None

33 Other Special Clauses:

34 None

35 Utah Code Sections Affected:

36 AMENDS:

37 **52-4-205 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 391

38 **63J-1-410 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapters 350, 357

40 **63J-1-602.2 (Effective 05/06/26) (Partially Repealed 07/01/29)**, as last amended by Laws of Utah
2025, First Special Session, Chapter 17

42 ENACTS:

43 **63J-1-1001 (Effective 05/06/26)**, Utah Code Annotated 1953

44 **63J-1-1002 (Effective 05/06/26)**, Utah Code Annotated 1953

45 **63J-1-1003 (Effective 05/06/26)**, Utah Code Annotated 1953

46 **63J-1-1004 (Effective 05/06/26)**, Utah Code Annotated 1953

47 **63J-1-1005 (Effective 05/06/26)**, Utah Code Annotated 1953

48

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

50 Section 1. Section **52-4-205** is amended to read:

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- 51 **52-4-205. Purposes of closed meetings -- Certain issues prohibited in closed meetings.**
46 (1) A closed meeting described under Section 52-4-204 may only be held for:
47 (a) except as provided in Subsection (3), discussion of the character, professional competence, or
 physical or mental health of an individual;
49 (b) strategy sessions to discuss collective bargaining;
50 (c) strategy sessions to discuss pending or reasonably imminent litigation;
51 (d) strategy sessions to discuss the purchase, exchange, or lease of real property, including any form of
 a water right or water shares, or to discuss a proposed development agreement, project proposal, or
 financing proposal related to the development of land owned by the state or a political subdivision,
 if public discussion would:
56 (i) disclose the appraisal or estimated value of the property under consideration; or
57 (ii) prevent the public body from completing the transaction on the best possible terms;
59 (e) strategy sessions to discuss the sale of real property, including any form of a water right or water
 shares, if:
61 (i) public discussion of the transaction would:
62 (A) disclose the appraisal or estimated value of the property under consideration; or
64 (B) prevent the public body from completing the transaction on the best possible terms;
66 (ii) the public body previously gave public notice that the property would be offered for sale; and
68 (iii) the terms of the sale are publicly disclosed before the public body approves the sale;
70 (f) discussion regarding deployment of security personnel, devices, or systems;
71 (g) investigative proceedings regarding allegations of criminal misconduct;
72 (h) as relates to the Independent Legislative Ethics Commission, conducting business relating to the
 receipt or review of ethics complaints;
74 (i) as relates to an ethics committee of the Legislature, a purpose permitted under Section 52-4-204;
76 (j) as relates to the Independent Executive Branch Ethics Commission created in Section 63A-14-202,
 conducting business relating to an ethics complaint;
78 (k) as relates to a county legislative body, discussing commercial information as defined in Section
 59-1-404;
80 (l) as relates to the Utah Higher Education Savings Board of Trustees and its appointed board of
 directors, discussing fiduciary or commercial information;

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(m) deliberations, not including any information gathering activities, of a public body acting in the capacity of:

84 (i) an evaluation committee under Title 63G, Chapter 6a, Utah Procurement Code, during the process of evaluating responses to a solicitation, as defined in Section 63G-6a-103;

87 (ii) a protest officer, defined in Section 63G-6a-103, during the process of making a decision on a protest under Title 63G, Chapter 6a, Part 16, Protests; or

89 (iii) a procurement appeals panel under Title 63G, Chapter 6a, Utah Procurement Code, during the process of deciding an appeal under Title 63G, Chapter 6a, Part 17, Procurement Appeals Board;

92 (n) the purpose of considering information that is designated as a trade secret, as defined in Section 13-24-2, if the public body's consideration of the information is necessary to properly conduct a procurement under Title 63G, Chapter 6a, Utah Procurement Code;

96 (o) the purpose of discussing information provided to the public body during the procurement process under Title 63G, Chapter 6a, Utah Procurement Code, if, at the time of the meeting:

99 (i) the information may not, under Title 63G, Chapter 6a, Utah Procurement Code, be disclosed to a member of the public or to a participant in the procurement process; and

102 (ii) the public body needs to review or discuss the information to properly fulfill its role and responsibilities in the procurement process;

104 (p) as relates to the governing board of a governmental nonprofit corporation, as that term is defined in Section 11-13a-102, the purpose of discussing information that is designated as a trade secret, as that term is defined in Section 13-24-2, if:

107 (i) public knowledge of the discussion would reasonably be expected to result in injury to the owner of the trade secret; and

109 (ii) discussion of the information is necessary for the governing board to properly discharge the board's duties and conduct the board's business;

111 (q) as it relates to the Cannabis Production Establishment Licensing Advisory Board, to review confidential information regarding violations and security requirements in relation to the operation of cannabis production establishments;

114 (r) considering a loan application, if public discussion of the loan application would disclose:

116 (i) nonpublic personal financial information; or

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- (ii) a nonpublic trade secret, as defined in Section 13-24-2, or nonpublic business financial information the disclosure of which would reasonably be expected to result in unfair competitive injury to the person submitting the information;
- 120 (s) a discussion of the board of the Point of the Mountain State Land Authority, created in Section 11-59-201, regarding a potential tenant of point of the mountain state land, as defined in Section 11-59-102; or
- 123 (t) a purpose for which a meeting is required to be closed under Subsection (2).
- 124 (2) The following meetings shall be closed:
- 125 (a) a meeting of the Health and Human Services Interim Committee to review a report described in Subsection 26B-1-506(1)(a), and a response to the report described in Subsection 26B-1-506(2);
- 128 (b) a meeting of the Child Welfare Legislative Oversight Panel to:
- 129 (i) review a report described in Subsection 26B-1-506(1)(a), and a response to the report described in Subsection 26B-1-506(2); or
- 131 (ii) review and discuss an individual case, as described in Section 36-33-103;
- 132 (c) a meeting of a conservation district as defined in Section 17D-3-102 for the purpose of advising the Natural Resource Conservation Service of the United States Department of Agriculture on a farm improvement project if the discussed information is protected information under federal law;
- 136 (d) a meeting of the Compassionate Use Board established in Section 26B-1-421 for the purpose of reviewing petitions for a medical cannabis card in accordance with Section 26B-1-421;
- 139 (e) a meeting of the Colorado River Authority of Utah if:
- 140 (i) the purpose of the meeting is to discuss an interstate claim to the use of the water in the Colorado River system; and
- 142 (ii) failing to close the meeting would:
- 143 (A) reveal the contents of a record classified as protected under Subsection 63G-2-305(81);
- 145 (B) reveal a legal strategy relating to the state's claim to the use of the water in the Colorado River system;
- 147 (C) harm the ability of the Colorado River Authority of Utah or river commissioner to negotiate the best terms and conditions regarding the use of water in the Colorado River system; or
- 150 (D) give an advantage to another state or to the federal government in negotiations regarding the use of water in the Colorado River system;
- 152 (f) a meeting of the General Regulatory Sandbox Program Advisory Committee if:

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- 153 (i) the purpose of the meeting is to discuss an application for participation in the regulatory sandbox as
defined in Section 63N-16-102; and
- 155 (ii) failing to close the meeting would reveal the contents of a record classified as protected under
Subsection 63G-2-305(82);
- 157 (g) a meeting of a project entity if:
- 158 (i) the purpose of the meeting is to conduct a strategy session to discuss market conditions relevant to
a business decision regarding the value of a project entity asset if the terms of the business decision
are publicly disclosed before the decision is finalized and a public discussion would:
- 162 (A) disclose the appraisal or estimated value of the project entity asset under consideration; or
- 164 (B) prevent the project entity from completing on the best possible terms a contemplated transaction
concerning the project entity asset;
- 166 (ii) the purpose of the meeting is to discuss a record, the disclosure of which could cause commercial
injury to, or confer a competitive advantage upon a potential or actual competitor of, the project
entity;
- 169 (iii) the purpose of the meeting is to discuss a business decision, the disclosure of which could cause
commercial injury to, or confer a competitive advantage upon a potential or actual competitor of, the
project entity; or
- 172 (iv) failing to close the meeting would prevent the project entity from getting the best price on the
market;[-and]
- 174 (h) a meeting of the Rules Review and General Oversight Committee to review and discuss:
- 176 (i) an individual child welfare case as described in Subsection 36-35-102(3)(c); or
- 177 (ii) information that is subject to a confidentiality agreement as described in Subsection [~~36-35-102(3)~~
(e)-] 36-35-102(3)(c); and
- 179 (i) a meeting of the Legislative Management Committee to discuss a notice from the {office} **Office** of
the {attorney general} **Attorney General** provided in accordance with Section 63J-1-1005.
- 181 (3) In a closed meeting, a public body may not:
- 182 (a) interview a person applying to fill an elected position;
- 183 (b) discuss filling a midterm vacancy or temporary absence governed by Title 20A, Chapter 1, Part 5,
Candidate Vacancy and Vacancy and Temporary Absence in Elected Office; or
- 186 (c) discuss the character, professional competence, or physical or mental health of the person whose
name was submitted for consideration to fill a midterm vacancy or temporary absence governed by

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Title 20A, Chapter 1, Part 5, Candidate Vacancy and Vacancy and Temporary Absence in Elected Office.

197 Section 2. Section **63J-1-410** is amended to read:

198 **63J-1-410. Internal service funds -- Governance and review.**

192 (1) For purposes of this section:

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

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

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

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

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

207 (3)

(a) An internal service fund agency may not bill another agency for services that it provides for each internal service fund operated by the agency, unless the Legislature has:

210 (i) reviewed and approved each internal service fund's budget request;

211 (ii) reviewed and approved each internal service fund's rates, fees, and other amounts that it charges those who use its services and included those rates, fees, and amounts in an appropriation act;

214 (iii) approved the number of full-time positions of each internal service fund as part of the annual appropriation process;

216 (iv) reviewed the number of full-time equivalent contract employees of each internal service fund as part of the annual appropriation process; and

218 (v) appropriated to the internal service fund agency each internal service fund's estimated revenue based upon the rates and fee structure that are the basis for the estimate.

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

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- 225 (c) If an internal service fund agency operates an internal service fund and does not get the approvals
required under Subsection (3)(a) or (4)(c), the internal service fund agency shall rebate all rates,
fees, and amounts collected to those who use the services for the rates, fees, and amounts collected
that were not approved under Subsection (3)(a) or (4)(c).
- 230 (4)
- (a) An internal service fund agency may charge a rate, fee, or other amount that is less than the rate,
fee, or other amount established by the Legislature in an appropriations act if the internal service
fund agency first reports to the Governor's Office of Planning and Budget and the Office of the
Legislative Fiscal Analyst the internal service fund agency's justification for reducing the rate, fee,
or other amount.
- 235 (b) Except as provided in Subsections (4)(c) and (d), an internal service fund agency may not charge
rates, fees, and other amounts that exceed the rates, fees, and amounts approved by the Legislature
in an appropriations act.
- 238 (c)
- (i) An internal service fund agency that begins a new service or introduces a new product between
annual general sessions of the Legislature may, for that service or product:
- 241 (A) establish and charge an interim rate or amount;
- 242 (B) acquire contract employees, if necessary; or
- 243 (C) do a combination of Subsections (4)(c)(i)(A) and (B).
- 244 (ii) The internal service fund agency shall:
- 245 (A) submit the interim rate or amount under Subsection (4)(c)(i) to the Legislature for approval at the
next annual general session; and
- 247 (B) report any change in the number of contract employees under Subsection (4)(c)(i) to the appropriate
legislative appropriations subcommittee for review.
- 249 (d) An internal service fund agency may, in a fiscal year, charge rates, fees, and other amounts that
exceed the rates, fees, or amounts approved by the Legislature in an appropriations act, if:
- 252 (i) during the immediately preceding annual general session, the Legislature appropriates money to each
state agency to pay for an increase in the state agency's employee's compensation;
- 255 (ii) within 90 days after the day on which the Legislature adjourns the general session sine die, the
internal service fund agency submits a proposed increased rate schedule to the rate committee
established in Section 63A-1-114 that adjusts the rates, fees, and amounts approved by the

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Legislature to reflect the percentage increase that the Legislature appropriated for state agency employee compensation under Subsection (4)(d)(i);

- 261 (iii) the rate committee approves the proposed increased rate schedule described in Subsection (4)(d)(ii)
during the meeting described in Subsection 63A-1-114(4); and
- 264 (iv) the internal service fund agency uses all the revenue from the rate schedule increase under this
Subsection (4)(d) to increase the internal service fund agency's employee's compensation in an
amount equivalent to the state agency employee compensation increase described in Subsection (4)
(d)(i).
- 268 (5) The internal service fund agency budget request shall separately identify the capital needs and the
related capital budget.
- 270 (6) In the fiscal year that the accounting change referred to in Subsection 51-5-6(2) is implemented by
the Division of Finance, the Division of Finance shall transfer equity created by that accounting
change to any internal service fund agency up to the amount needed to eliminate any long-term debt
and deficit working capital in the fund.
- 274 (7) No new internal service fund agency may be established unless reviewed and approved by the
Legislature.
- 276 (8)
- (a) Except as provided in Subsection (8)(f), an internal service fund agency may not acquire capital
assets unless legislative approval for acquisition of the assets has been included in an appropriations
act for the internal service fund agency.
- 279 (b) An internal service fund agency may not acquire capital assets after the transfer mandated by
Subsection (6) has occurred unless the internal service fund agency has adequate working capital.
- 282 (c) The internal service fund agency shall provide working capital from the following sources in the
following order:
- 284 (i) first, from operating revenues to the extent allowed by state rules and federal regulations;
- 286 (ii) second, from long-term debt, subject to the restrictions of this section; and
- 287 (iii) last, from an appropriation.
- 288 (d)
- (i) To eliminate negative working capital, an internal service fund agency may incur long-term debt
from the General Fund or Special Revenue Funds to acquire capital assets.

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- (ii) The internal service fund agency shall repay all long-term debt borrowed from the General Fund or Special Revenue Funds by making regular payments over the useful life of the asset according to the asset's depreciation schedule.
- 294 (e)
- (i) The Division of Finance may not allow an internal service fund agency's borrowing to exceed 90% of the net book value of the agency's capital assets as of the end of the fiscal year.
- 297 (ii) If an internal service fund agency wishes to purchase authorized assets or enter into equipment leases that would increase its borrowing beyond 90% of the net book value of the agency's capital assets, the agency may purchase those assets only with money appropriated from another fund, such as the General Fund or a special revenue fund.
- 302 (f)
- (i) Except as provided in Subsection (8)(f)(ii), capital assets acquired through agency appropriation may not be transferred to any internal service fund agency without legislative approval.
- 305 (ii) Vehicles acquired by agencies from appropriated funds or money appropriated to agencies to be used for vehicle purchases may be transferred to the Division of Fleet Operations and, when transferred, become part of the Fleet Operations Internal Service Fund.
- 309 (iii) Vehicles acquired with funding from sources other than state appropriations or acquired through the federal surplus property donation program may be transferred to the Division of Fleet Operations and, when transferred, become part of the Fleet Operations Internal Service Fund.
- 313 (iv) Unless otherwise approved by the Legislature, vehicles acquired under Subsection (8)(f)(iii) shall be accounted for as "do not replace" vehicles.
- 315 (9) The Division of Finance shall adopt policies and procedures related to the accounting for assets, liabilities, equity, revenues, expenditures, and transfers of internal service funds agencies.
- 318 (10) Beginning July 1, 2027, this part does not apply to { ~~the office of the attorney general.~~ } charges that are:
- 326 (a) for legal services provided by the Office of the Attorney General; and
- 327 (b) governed by Title 63J, Chapter 1, Part 10, Funding for Attorney General Services.
- 328 Section 3. Section **63J-1-602.2** is amended to read:
- 329 **63J-1-602.2. List of nonlapsing appropriations to programs.**
- Appropriations made to the following programs are nonlapsing:
- 323 (1) The Legislature and the Legislature's committees.

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- 324 (2) The State Board of Education, including all appropriations to agencies, line items, and programs
under the jurisdiction of the State Board of Education, in accordance with Section 53F-9-103.
- 327 (3) The Rangeland Improvement Act created in Section 4-20-101.
- 328 (4) The Percent-for-Art Program created in Section 9-6-404.
- 329 (5) The LeRay McAllister Working Farm and Ranch Fund Program created in Title 4, Chapter 46, Part
3, LeRay McAllister Working Farm and Ranch Fund.
- 331 (6) The Utah Lake Authority created in Section 11-65-201.
- 332 (7) Dedicated credits accrued to the Utah Marriage Commission as provided under Subsection
17-66-303(2)(d)(ii).
- 334 (8) The Wildlife Land and Water Acquisition Program created in Section 23A-6-205.
- 335 (9) Sanctions collected as dedicated credits from Medicaid providers under Subsection 26B-3-108(7).
- 337 (10) The primary care grant program created in Section 26B-4-310.
- 338 (11) The Opiate Overdose Outreach Pilot Program created in Section 26B-4-512.
- 339 (12) The Utah Health Care Workforce Financial Assistance Program created in Section 26B-4-702.
- 341 (13) The Rural Physician Loan Repayment Program created in Section 26B-4-703.
- 342 (14) The Utah Medical Education Council for the:
- 343 (a) administration of the Utah Medical Education Program created in Section 26B-4-707;
- 344 (b) provision of medical residency grants described in Section 26B-4-711; and
- 345 (c) provision of the forensic psychiatric fellowship grant described in Section 26B-4-712.
- 346 (15) The Division of Services for People with Disabilities, as provided in Section 26B-6-402.
- 347 (16) The Communication Habits to reduce Adolescent Threats (CHAT) Pilot Program created in
Section 26B-7-122.
- 349 (17) Funds that the Department of Alcoholic Beverage Services retains in accordance with Subsection
32B-2-301(8)(a) or (b).
- 351 (18) The General Assistance program administered by the Department of Workforce Services, as
provided in Section 35A-3-401.
- 353 (19) The Utah National Guard, created in Title 39A, National Guard and Militia Act.
- 354 (20) The Search and Rescue Financial Assistance Program, as provided in Section 53-2a-1102.
- 356 (21) The Emergency Medical Services Grant Program, as provided in Section 53-2d-207.
- 357 (22) The Motorcycle Rider Education Program, as provided in Section 53-3-905.
- 358

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- (23) The Utah Board of Higher Education for teacher preparation programs, as provided in Section 53H-5-402.
- 360 (24) Innovation grants under Section 53G-10-608, except as provided in Subsection 53G-10-608(3).
- 362 (25) The Division of Fleet Operations for the purpose of upgrading underground storage tanks under Section 63A-9-401.
- 364 (26) The Division of Technology Services for technology innovation as provided under Section 63A-16-903.
- 366 (27) The State Capitol Preservation Board created by Section 63O-2-201.
- 367 (28) The Office of Administrative Rules for publishing, as provided in Section 63G-3-402.
- 368 (29) The Colorado River Authority of Utah, created in Title 63M, Chapter 14, Colorado River Authority of Utah Act.
- 370 (30) The Governor's Office of Economic Opportunity to fund the Enterprise Zone Act, as provided in Title 63N, Chapter 2, Part 2, Enterprise Zone Act.
- 372 (31) The Governor's Office of Economic Opportunity's Rural Employment Expansion Program, as described in Title 63N, Chapter 4, Part 4, Rural Employment Expansion Program.
- 375 (32) County correctional facility contracting program for state inmates as described in Section 64-13e-103.
- 377 (33) County correctional facility reimbursement program for state probationary inmates and state parole inmates as described in Section 64-13e-104.
- 379 (34) Programs for the Jordan River Recreation Area as described in Section 65A-2-8.
- 380 (35) The Division of Human Resource Management user training program, as provided in Section 63A-17-106.
- 382 (36) A public safety answering point's emergency telecommunications service fund, as provided in Section 69-2-301.
- 384 (37) The Traffic Noise Abatement Program created in Section 72-6-112.
- 385 (38) The money appropriated from the Navajo Water Rights Negotiation Account to the Division of Water Rights, created in Section 73-2-1.1, for purposes of participating in a settlement of federal reserved water right claims.
- 388 (39) The Judicial Council for compensation for special prosecutors, as provided in Section 77-10a-19.
- 390 (40) A state rehabilitative employment program, as provided in Section 78A-6-210.
- 391 (41) The Utah Geological Survey, as provided in Section 79-3-401.

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- 392 (42) The Bonneville Shoreline Trail Program created under Section 79-5-503.
- 393 (43) Adoption document access as provided in Sections 81-13-103, 81-13-504, and 81-13-505.
- 395 (44) Indigent defense as provided in Title 78B, Chapter 22, Part 4, Utah Indigent Defense Commission.
- 397 (45) The program established by the Division of Facilities Construction and Management under Section
63A-5b-703 under which state agencies receive an appropriation and pay lease payments for the use
and occupancy of buildings owned by the Division of Facilities Construction and Management.
- 401 (46) The State Tax Commission for reimbursing counties for deferrals in accordance with Section
59-2-1802.5.
- 403 (47) The Veterinarian Education Loan Repayment Program created in Section 4-2-902.
- 404 (48) The ~~{Public Policy Defense}~~ Legal Services and Litigation Program created in Section
63J-1-1005.
- 414 Section 4. Section 4 is enacted to read:
- 416 **63J-1-1001. Definitions.**
10. Funding for Attorney General Services
- 408 (1) "Agency" means an agency as defined in Section 63J-1-102 that receives legal services from the
office.
- 410 (2) "Biller" means an attorney or a paralegal who provides legal services to an agency on the office's
behalf.
- 412 (3) "Legal services" means any form of legal advice or legal representation that is subject to the laws of
the state.
- 414 (4) "Office" means the Office of the Attorney General.
- 415 (5) "Retainer" means the total amount an agency expects to expend during a fiscal year on legal services
provided by the office.
- 417 ~~{(6) {"Rate category" means a segment of billers defined by the office:}}~~
- 418 ~~{(a) {who have similar skills and experience; and}}~~
- 419 (b){(6) "Rate category" means a segment of billers defined by the office for whom the office charges
the same hourly rate when providing legal services to an agency.
- 421 (7) "Service-level agreement" means the written agreement described in Section 63J-1-1002.
- 429 Section 5. Section 5 is enacted to read:
- 430 **63J-1-1002. ~~{Service-level agreements--}~~ Annual retainer-- Service-level agreements.**
- 424 (1)

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- (a) Beginning July 1, 2027, in accordance with this part, the office shall ~~{charge}~~ invoice each agency for legal services the office provides.
- 426 (b) The office shall calculate the amount the office ~~{charges}~~ invoices based on:
- 427 (i) the actual time expended by a biller, recorded in increments of no greater than fifteen minutes; and
- 429 (ii) an hourly rate the office establishes for the biller's rate category.
- 430 (c) The office shall ensure that the hourly rate the office establishes for a rate category reflects the total compensation of billers in the rate category, plus a reasonable overhead allocation.
- 440 (2)
- (a) Before October 1 each year:
- 433 (2){(i) ~~{Before October 1 of each year,}~~ the office and each agency that requires legal services from the office during the upcoming fiscal year shall ~~{enter into a written service-level agreement that establishes}~~ jointly agree to a retainer for the upcoming fiscal year~~{:}~~ ; and
- 436 ~~{(a) {the legal services the agency expects to need from the office;}}~~
- 437 ~~{(b) {the estimated number of hours from billers in each rate category the anticipated legal services will require;}}~~
- 439 ~~{(c) {the hourly rate for each rate category the office anticipates will provide legal services to the agency;}}~~
- 441 ~~{(d) {establishes the retainer amount for the upcoming fiscal year; and}}~~
- 442 ~~{(e) {identifies the source of funding the agency will use to pay for the cost of any legal services that exceeds the retainer.}}~~
- 444 ~~{(3) }~~
- (a){(ii) ~~{On or before October 1 each year,}~~ each agency shall report to the Governor's Office of Planning and Budget the agency's retainer for the upcoming fiscal year.
- 446 (b) The governor shall account for each retainer in the proposed budget the governor submits in accordance with Section 63J-1-201.
- 448 (3) After the general session during which the Legislature considers the amounts for retainers included in the governor's budget under Subsection (2) and before the start of the fiscal year, the office and each agency shall enter into a written service-level agreement that establishes for the upcoming fiscal year:
- 452 (a) the legal services the agency anticipates needing;
- 453

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- 455 (b) for each rate category, the estimated number of hours necessary to perform the legal services
456 described in Subsection (3)(a);
- 457 (c) the hourly rate for each rate category;
- 458 (d)
- 459 (i) the amount the Legislature appropriated for the agency's retainer; or
- 460 (ii) if the office and agency determine that the amount appropriated for the agency's retainer exceeds
461 the amount the agency expects to expend on legal services under the service-level agreement, the
462 revised retainer;
- 463 (e) the source of funding the agency will use to pay for the cost of any legal services from the office that
464 exceeds the retainer described in Subsection (3)(d);
- 465 (f) processes and controls the office will use to track the agency's retainer; and
- 466 (g) how the agency will allocate available funds, including federal funds and restricted funds, to pay for
467 legal services covered by or exceeding the appropriated retainer.
- 468 (4) ~~{ Subject to legislative appropriation, the Division }~~ On July 1 following execution of { Finance
469 shall deposit each agency's retainer } the service-level agreement, each agency shall transfer into
470 the Legal Services Retainer Fund created in Section 63J-1-1004 an amount sufficient to ensure the
471 amount available in the Legal Services Retainer Fund for the agency's legal services is equal to the
472 retainer included in the service-level agreement under Subsection (3)(d).

473 Section 6. Section 6 is enacted to read:

474 **63J-1-1003. Billing.**

475 (1)

476 (a) The office shall provide each agency with a monthly billing report that accounts for all legal services
477 the office provided the agency during the immediately preceding calendar month.

478 (b) The office shall include in each billing report:

479 (i) an itemized accounting of the time spent on each matter for the agency;

480 (ii) the total amount charged to the agency during the reporting period;

481 (iii) the cumulative amount charged to the agency for the fiscal year to date; and

482 (iv) the remaining balance of the agency's retainer.

483 (2)

484 (a) In accordance with Section 63J-1-1004, the office shall use the agency's retainer to satisfy the
485 office's monthly charges to the agency for legal services.

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- 462 (b) If the remainder of an agency's retainer is insufficient to satisfy the office's monthly charges to
the agency, the agency shall pay the remaining balance using the funding source identified in the
service-level agreement.
- 485 (c) The office may not use an agency's retainer to pay charges incurred by another agency.
- 487 (3) For each agency under the governor's authority, the office shall provide a monthly report to the
Governor's Office of Planning and Budget that includes the information described in Subsections (1)
(b)(ii) through (iv).
- 490 Section 7. Section 7 is enacted to read:
- 491 **63J-1-1004. Legal Services Retainer Fund.**
- 467 (1) There is created an {enterprise} expendable special revenue fund known as the Legal Services
Retainer Fund.
- 468 (2) The fund consists of {agency} transfers from agencies to pay for the office's legal services,
including retainers {appropriated by} transferred into the {Legislature} account in accordance with
Section 63J-1-1002.
- 496 (3)
- 469 (3){(a)} The office shall administer the fund and may expend money from the fund as provided in this
part to pay for amounts the office charges an agency for legal services.
- 471 {(4) {At the end of each fiscal year the Division of Finance shall:} }
- 472 (a){(b)} {transfer any remaining portion of} As provided in Section 63J-1-1003, the office may not use
an agency's retainer {that was funded by restricted funds back to the funds' original source; and} to
pay charges incurred by another agency.
- 474 {(b) {[transfer]retain in the fund any remaining portion of an agency's retainer that was funded by the
General Fund to be used for the Public Policy Defense Program created in Section 63J-1-1005.} }
- 501 Section 8. Section 8 is enacted to read:
- 502 **63J-1-1005. {Public Policy Defense} Legal Services and Litigation Program.**
- 478 {(1) {There is created within the office the Public Policy Defense Program to be funded by:} }
- 479 {(a) {money [transferred to]available to be used for the program in accordance with Section
63J-1-1004; and} }
- 480 (b){(1)} There is created within the office the Legal Services and Litigation Program to be funded by
appropriations made by the Legislature.

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(2) Subject to the provisions of this section, the office shall administer the program for the purpose of ~~{defending}~~ representing the state in civil litigation that:

483 (a) challenges the constitutionality of a state statute or other legislative enactment;

484 (b) involves a matter of statewide importance; and

485 (c) is not paid for through the Risk Management Fund created in Section 63A-4-201.

486 (3) The office may expend funds from the program to pay for a matter described in Subsection (2):

488 (a) upon the attorney general's determination that the matter satisfies the criteria described in Subsection (2); and

490 (b)

~~{(i) {if the office anticipates the total cost of defending the matter will be more than \$100,000 but less than \$500,000, after providing notice to the president of the Senate and the speaker of the House of Representatives; or} }~~

493 (ii) ~~{(i) }~~ if the office anticipates the ~~{total cost of defending}~~ office's total costs related to the matter will be more than \$100,000 but less than \$500,000, after providing notice to ~~{the Legislative Management Committee.} :~~

495 ~~{(4) {Money appropriated or transferred to the program does not lapse.} }~~

516 (A) the president of the Senate and the speaker of the House of Representatives; and

518 (B) if the matter involves an agency under the governor's authority, the governor; or

520 (ii) if the office anticipates the office's total costs related to the matter will exceed \$500,000, after providing notice to:

522 (A) the Legislative Management Committee; and

523 (B) if the matter involves an agency under the governor's authority, the governor.

524 Section 9. **Effective date.**

Effective Date.

This bill takes effect on May 6, 2026.

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