

HB0545S02 compared with HB0545

~~{Omitted text}~~ shows text that was in HB0545 but was omitted in HB0545S02

inserted text shows text that was not in HB0545 but was inserted into HB0545S02

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

1

Budgetary Modifications

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Val L. Peterson

Senate Sponsor:

2

3

LONG TITLE

4

General Description:

5

This bill modifies provisions related to ~~{state budgeting}~~ public funds.

6

Highlighted Provisions:

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This bill:

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▸ changes the name of:

9

• the Agriculture Conservation Easement Account; and

10

• the LeRay McAllister Working Farm and Ranch Fund;

11

▸ repeals the following accounts and funds, including related references:

12

• the Navajo Water Rights Negotiation Account;

13

• the Conversion to Alternative Fuel Grant Program Fund, including the Conversion to

Alternative Fuel Grant Program;

15

• the Wildlife Resources Conservation Easement Account;

16

• the Wild Game Meat Donation Fund; and

17

• the Colorado River Authority Restricted Account;

18

▸

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clarifies that an agency that administers a state grant on another agency's behalf shall comply with the applicable grant requirements;

- 20 ▶ clarifies that the state auditor may audit grant funds in accordance with the state auditor's authority;
- 22 ▶ ~~{ changes the default grant distribution schedule for state grants to disbursement by reimbursement; }~~
- 24 ▶ for a direct award grant, prohibits an administering agency from using grant funds to administer the grant, unless otherwise provided in the grant appropriation's intent language;
- 27 ▶ modifies certain reporting requirements for a competitive grant;
- 26 ▶ provides that a member of the Board of Examiners is disqualified from reviewing a line item overexpenditure report if the line item is part of the member's office's budget;
- 28 ▶ allows an agency to expend up to 100% of the dedicated credits revenue that the agency receives in excess of the amount appropriated, if the dedicated credits are appropriated to a specified type of fund;
- 31 ▶ amends the administration of the Industrial Assistance Account (account) by:
- 32 • ~~{ requiring legislative appropriation to deposit money into }~~ replacing the ~~{ account and }~~ annual transfer to ~~{ expend money from }~~ the account with an annual set aside; and
- 34 • ~~{ prohibiting }~~ directing the GOEO board to make recommendations to the administrator ~~{ from providing }~~ regarding applications for loans , grants, or other financial assistance from the account;
- 35 ▶ addresses the state auditor's authority related to ~~{ expenses and personnel; }~~ :
- 36 • expenses and personnel; and
- 37 • performing audits of funds and accounts to determine compliance with the law;
- 36 ▶ creates the Energy Development Infrastructure Fund to make loans to public entities to finance infrastructure development that supports nuclear power generation and transmission in the state; ~~{ and }~~
- 41 ▶ modifies the permissible uses of the Electrical Energy Development Investment Fund;
- 39 ▶ makes technical and conforming changes~~{ : }~~ ; and
- 43 ▶ includes a coordination clause that makes technical changes if this bill and H.B. 473, Colorado River Authority Amendments, both pass and become law.

45 Money Appropriated in this Bill:

- 46 ▶ This bill appropriates (\$5,000,000) in operating and capital budgets for fiscal year 2026,

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47 all of which is from the General Fund.

48 ▶ This bill appropriates \$5,000,000 in business-like activities for fiscal year 2026, all of which is
49 from the General Fund.

50 ▶ This bill appropriates \$1,638,500 in operating and capital budgets for fiscal year 2027, all of
51 which is from the General Fund.

52 ▶ This bill appropriates (\$1,638,500) in restricted fund and account transfers for fiscal year 2027,
53 all of which is from the General Fund.

54 **Other Special Clauses:**

55 This bill provides a special effective date.

56 This bill provides coordination clauses.

57 **Utah Code Sections Affected:**

58 AMENDS:

59 **4-46-102 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special Session,
Chapter 16

61 **4-46-202 (Effective 07/01/26) (Repealed 07/01/27)**, as last amended by Laws of Utah 2023,
Chapter 180

63 **4-46-301 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 143

64 **4-46-302 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special Session,
Chapter 15

66 **4-46-303 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 271

67 **4-46-304 (Effective 07/01/26) (Partially Repealed 07/01/27)**, as last amended by Laws of Utah
2025, Chapter 91

69 **4-46-401 (Effective 07/01/26) (Partially Repealed 07/01/27)**, as last amended by Laws of Utah
2023, Chapter 34

71 **17-81-501 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2025, First Special
Session, Chapter 14

73 **39A-8-104 (Effective 07/01/26)**, as last amended by Laws of Utah 2023, Chapter 180

74 **63C-25-101 (Effective 07/01/26) (Repealed 07/01/27)**, as last amended by Laws of Utah 2025,
Chapter 105

76 **63G-6b-101 (Effective 07/01/26), as enacted by Laws of Utah 2024, Chapter 300**

77 **63G-6b-201 (Effective 07/01/26)**, as enacted by Laws of Utah 2024, Chapter 300

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- 78 **63G-6b-301 (Effective 07/01/26)**, as enacted by Laws of Utah 2024, Chapter 300
- 79 **63G-6b-401 (Effective 07/01/26)**, as enacted by Laws of Utah 2024, Chapter 300
- 80 **63G-9-201 (Effective 07/01/26), as last amended by Laws of Utah 2023, Chapter 16**
- 81 **63G-9-301 (Effective 07/01/26), as last amended by Laws of Utah 2009, Chapter 183**
- 82 **63I-1-223 (Effective 07/01/26)**, as last amended by Laws of Utah 2024, Third Special Session,
Chapter 5
- 84 **63I-2-263 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapters 182, 273 and 277
- 86 **63J-1-105 (Effective 07/01/26)**, as last amended by Laws of Utah 2021, Chapter 382
- 87 **63J-1-217 (Effective 07/01/26)**, as last amended by Laws of Utah 2022, Chapter 456
- 88 **63J-1-602.2 (Effective 07/01/26) (Partially Repealed 07/01/29)**, as last amended by Laws of Utah
2025, First Special Session, Chapter 17
- 90 **63M-14-102 (Effective 07/01/26)**, as enacted by Laws of Utah 2021, Chapter 179
- 91 **63N-3-103 (Effective 07/01/26)**, as last amended by Laws of Utah 2021, Chapter 282
- 92 **63N-3-105 (Effective 07/01/26)**, as last amended by Laws of Utah 2024, Chapter 159
- 93 **63N-3-106 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 113
- 94 **67-3-1 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special Session, Chapter
17
- 96 **79-6-1105 (Effective 07/01/26)**, as enacted by Laws of Utah 2025, Chapter 375
- 97 **79-6-1106 (Effective 07/01/26), as enacted by Laws of Utah 2025, Chapter 375**
- 98 ENACTS:
- 99 **79-6-410 (Effective 07/01/26)**, Utah Code Annotated 1953
- 100 REPEALS:
- 101 **19-2-301 (Effective 07/01/26) (Repealed 07/01/29)**, as enacted by Laws of Utah 2015, Chapter
381
- 103 **19-2-302 (Effective 07/01/26) (Repealed 07/01/29)**, as last amended by Laws of Utah 2016,
Chapter 369
- 105 **19-2-303 (Effective 07/01/26) (Repealed 07/01/29)**, as last amended by Laws of Utah 2016,
Chapter 369
- 107 **19-2-304 (Effective 07/01/26) (Repealed 07/01/29)**, as last amended by Laws of Utah 2016,
Chapter 369

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23A-3-204 (Effective 07/01/26) (Partially Repealed 07/01/27), as renumbered and amended by Laws of Utah 2023, Chapter 103

111 23A-3-206 (Effective 07/01/26), as renumbered and amended by Laws of Utah 2023, Chapter 103

113 51-9-701 (Effective 07/01/26), as enacted by Laws of Utah 2012, Chapter 276

114 51-9-702 (Effective 07/01/26), as last amended by Laws of Utah 2021, Chapter 412

115 63M-14-501 (Effective 07/01/26), as enacted by Laws of Utah 2021, Chapter 179

116 Utah Code Sections affected by Coordination Clause:

117 UNCODIFIED MATERIAL

118

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

120 Section 1. Section 4-46-102 is amended to read:

121 **4-46-102. Definitions.**

As used in this chapter:

111 (1) "Account" means the LeRay McAllister Working Farm and Ranch Account created in Section 4-46-301.

113 (2) "Agricultural land" means "land in agricultural use," as defined in Section 59-2-502.

114 [(2)] (3) "Board" means the Land Conservation Board established in Section 4-46-201.

115 [(3)] (4) "Conservation commission" means the Conservation Commission created in Section 4-18-104.

117 [(4)] (5) "Conservation district" means a limited purpose local government entity created under Title 17D, Chapter 3, Conservation District Act.

119 [(5)] (6) "Director" means the director of the Division of Conservation.

120 [(6)] (7) "Division" means the Division of Conservation created in Section 4-46-401.

121 [(7) "Fund" means the LeRay McAllister Working Farm and Ranch Fund created in Section 4-46-301.]

123 (8) "Land use authority" means:

124 (a) a land use authority, as defined in Section 10-20-102, of a municipality; or

125 (b) a land use authority, as defined in Section 17-79-102, of a county.

126 (9) "Local entity" means a county, city, or town.

127 (10)

(a) "Open land" means land that is:

128 (i) preserved in or restored to a predominantly natural, open, and undeveloped condition; and

130 (ii) used for:

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- 131 (A) wildlife habitat;
- 132 (B) cultural or recreational use;
- 133 (C) watershed protection; or
- 134 (D) another use consistent with the preservation of the land in, or restoration of the land to, a
predominantly natural, open, and undeveloped condition.
- 136 (b) "Open land" includes land described in Subsection (10)(a) that contains facilities, including trails,
waterways, and grassy areas, that:
- 138 (i) enhance the natural, scenic, or aesthetic qualities of the land; or
- 139 (ii) facilitate the public's access to or use of the land for the enjoyment of the land's natural, scenic, or
aesthetic qualities and for compatible recreational activities.
- 141 (c) "Open land" does not include land whose predominant use is as a developed facility for active
recreational activities, including baseball, tennis, soccer, golf, or other sporting or similar activities.
- 144 (11)
- (a) "State conservation efforts" includes:
- 145 (i) efforts to optimize and preserve the uses of land for the benefit of the state's agricultural industry
and natural resources; and
- 147 (ii) conservation of working landscapes that if conserved, preserves the state's agricultural industry
and natural resources, such as working agricultural land.
- 149 (b) "State conservation efforts" does not include the purpose of opening private property to public
access without the consent of the owner of the private property.
- 151 (12)
- (a) "Working agricultural land" means agricultural land for which an owner or producer engages in
the activity of producing for commercial purposes crops, orchards, livestock, poultry, aquaculture,
livestock products, or poultry products and the facilities, equipment, and property used to facilitate
the activity.
- 155 (b) "Working agricultural land" includes an agricultural protection area established under Title 17,
Chapter 81, Agriculture, Industrial, and Critical Infrastructure Materials.
- 170 Section 2. Section **4-46-202** is amended to read:
- 171 **4-46-202. Board duties and powers -- No regulatory authority -- Criteria.**
- 161 (1) The board shall:
- 162 (a) administer the ~~[fund]~~ account as provided in this chapter; and

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- 163 (b) fulfill other responsibilities imposed on the board by the Legislature.
164 (2) The board may not exercise any regulatory authority.
165 (3) In carrying out the board's powers and duties under this chapter, the board shall adopt ranking
criteria that is substantially similar to the ranking criteria used by the Agriculture Conservation
Easement Program and Agriculture Land Easement as determined by the Natural Resources
Conservation Service under the United States Department of Agriculture.

182 Section 3. Section **4-46-301** is amended to read:

171 **Part 3. LeRay McAllister Working Farm and Ranch Account**

184 **4-46-301. LeRay McAllister Working Farm and Ranch Account.**

- 174 (1) There is created a restricted account within the General Fund entitled the "LeRay McAllister
Working Farm and Ranch [~~Fund~~] Account."
176 (2) The LeRay McAllister Working Farm and Ranch [~~Fund~~] Account shall consist of:
177 (a) appropriations by the Legislature;
178 (b) grants from federal or private sources;
179 (c) revenue paid in accordance with Section 59-2-506, 59-2-511, 59-2-1705, or 59-2-1710; and
181 (d) interest and earnings from the account.
182 (3) The Land Conservation Board created in Section 4-46-201 may use appropriations from the
[~~fund~~] account in accordance with Section 4-46-302.

196 Section 4. Section **4-46-302** is amended to read:

197 **4-46-302. Program -- Use of money in account -- Criteria -- Administration.**

- 187 (1) Subject to Subsection (2), the board shall administer the LeRay McAllister Working Farm and
Ranch [~~Fund~~] Account Program under which the board may authorize the use of money in the fund,
by grant, to:
190 (a) a local entity;
191 (b) the Department of Natural Resources created under Section 79-2-201;
192 (c) an entity within the department; or
193 (d) a charitable organization that qualifies as being tax exempt under Section 501(c)(3), Internal
Revenue Code.
195 (2)
(a) The money in the [~~fund~~] account shall be used for preserving or restoring open land and agricultural
land.

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- 197 (b) Except as provided in Subsection (2)(c), money from the [fund] account:
198 (i) may be used to:
- 199 (A) establish a conservation easement under Title 57, Chapter 18, Land Conservation Easement Act; or
201 (B) fund similar methods to preserve open land or agricultural land; and
- 202 (ii) may not be used to purchase a fee interest in real property to preserve open land or agricultural land.
204 (c) Money from the [fund] account may be used to purchase a fee interest in real property to preserve
open land or agricultural land if:
- 206 (i) the property to be purchased is no more than 20 acres in size; and
207 (ii) with respect to a parcel purchased in a county in which over 50% of the land area is publicly owned,
real property roughly equivalent in size and located within that county is contemporaneously
transferred to private ownership from the governmental entity that purchased the fee interest in real
property.
- 211 (d) Eminent domain may not be used or threatened in connection with any purchase using money from
the [fund] account.
- 213 (e) A parcel of land larger than 20 acres in size may not be divided to create one or more parcels that
are smaller than 20 acres in order to comply with Subsection (2)(c)(i).
- 215 (f) A local entity, department, or organization under Subsection (1) may not receive money from the
[fund] account unless the local entity, department, or organization provides matching funds equal to
or greater than the amount of money received from the [fund] account.
- 219 (g) In granting money from the [fund] account, the board may impose conditions on the recipient as to
how the money is to be spent.
- 221 (h) The board shall give priority to:
222 (i) working agricultural land; and
223 (ii) after giving priority to working agricultural land under Subsection (2)(h)(i), requests from the
Department of Natural Resources for up to 20% of each annual increase in the amount of money in
the [fund] account if the money is used for the protection of wildlife or watershed.
- 227 (i)
(i) The board may not make a grant from the [fund] account that exceeds \$1,000,000 until after making
a report to the Legislative Management Committee about the grant.
- 230 (ii) The Legislative Management Committee may make a recommendation to the board concerning the
intended grant, but the recommendation is not binding on the board.

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- 233 (3) In determining the amount and type of financial assistance to provide a local entity, department, or
organization under Subsection (1) and subject to Subsection (2)(i), the board shall consider:
- 236 (a) the nature and amount of open land and agricultural land proposed to be preserved or restored;
- 238 (b) the qualities of the open land and agricultural land proposed to be preserved or restored;
- 240 (c) the cost effectiveness of the project to preserve or restore open land or agricultural land;
- 242 (d) the funds available;
- 243 (e) the number of actual and potential applications for financial assistance and the amount of money
sought by those applications;
- 245 (f) the open land preservation plan of the local entity where the project is located and the priority placed
on the project by that local entity;
- 247 (g) the effects on housing affordability and diversity; and
- 248 (h) whether the project protects against the loss of private property ownership.
- 249 (4) If a local entity, department, or organization under Subsection (1) seeks money from the
[fund] account for a project whose purpose is to protect critical watershed, the board shall require
that the needs and quality of that project be verified by the state engineer.
- 252 (5) An interest in real property purchased with money from the [fund] account shall be held and
administered by the state or a local entity.
- 254 (6)
- (a) The board may not authorize the use of money under this section for a project unless the land use
authority for the land in which the project is located consents to the project.
- 257 (b)
- (i) To obtain consent to a project, the person who is seeking money from the [fund] account shall
submit a request for consent to a project with the applicable land use authority.
- 260 (ii) The land use authority may grant or deny consent.
- 261 (iii) If the land use authority does not take action within 60 days from the day on which the request for
consent is filed with the land use authority under this Subsection (6), the board shall treat the project
as having the consent of the land use authority.
- 265 (c) An action of a land use authority under this Subsection (6) is not a land use decision subject to:
- 267 (i) Title 10, Chapter 20, Municipal Land Use, Development, and Management Act; or
- 268 (ii) Title 17, Chapter 79, County Land Use, Development, and Management Act.
- 281 Section 5. Section **4-46-303** is amended to read:

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282 **4-46-303. Board to report annually.**

The board shall submit an annual report to the Transportation and Infrastructure and Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittees:

- 273 (1) specifying the amount of each disbursement from the [~~fund~~] account;
- 274 (2) identifying the recipient of each disbursement and describing the project for which money was disbursed; and
- 276 (3) detailing the conditions, if any, placed by the board on disbursements from the [~~fund~~] account.

290 Section 6. Section **4-46-304** is amended to read:

291 **4-46-304. Agriculture Conservation Easement Fund.**

- 281 (1) There is created an expendable special revenue fund known as the Agriculture Conservation Easement [~~Account~~] Fund.
- 283 (2) The Agriculture Conservation Easement [~~Account~~] Fund consists of:
- 284 (a) conservation easement stewardship fees;
- 285 (b) grants from private foundations;
- 286 (c) grants from local governments, the state, or the federal government;
- 287 (d) grants from the Land Conservation Board created under Section 4-46-201;
- 288 (e) donations from landowners for monitoring and enforcing compliance with conservation easements;
- 290 (f) donations from any other person; and
- 291 (g) interest on [~~account~~] fund money.
- 292 (3) The department shall use money from the [~~account~~] fund to monitor and enforce compliance with conservation easements held by the department.
- 294 (4) The department may not receive or expend donations from the [~~account~~] fund to acquire conservation easements.

308 Section 7. Section **4-46-401** is amended to read:

309 **4-46-401. Division of Conservation created -- Director.**

- 299 (1) Within the department there is created the Division of Conservation.
- 300 (2)
- (a) The director is the executive and administrative head of the division.
- 301 (b) The director shall administer this part subject to the administration and general supervision of the commissioner.
- 303 (3) The division shall coordinate state conservation efforts by:

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- 304 (a) staffing the board created in Section 4-46-201;
- 305 (b) coordinating with a conservation district in accordance with Section 4-46-402;
- 306 (c) coordinating with an agency or division within the department, the Department of Natural
Resources, other state agencies, counties, cities, towns, local land trust entities, and federal agencies;
- 309 (d) facilitating obtaining federal funds in addition to state funds used for state conservation efforts;
- 311 (e) monitoring and providing for the management of conservation easements on state lands~~[, including
coordination with the Division of Wildlife Resources in the Division of Wildlife Resources'
administration of Section 23A-3-204]~~; and
- 314 (f) implementing rules made by the department in accordance with Title 63G, Chapter 3, Utah
Administrative Rulemaking Act, and Section 4-46-403.
- 316 (4) The division may cooperate with, or enter into agreements with, other agencies of this state and
federal agencies in the administration and enforcement of this chapter.

330 Section 8. Section **17-81-501** is amended to read:

331 **17-81-501. Use of money -- Criteria -- Administration.**

- 320 (1) The county treasurer shall deposit 100% of the rollback tax funds into an account or fund of the
county set aside for preserving or restoring open land and agricultural land.
- 322 (2) The rollback funds:
- 323 (a) may be used to establish a conservation easement under Title 57, Chapter 18, Land Conservation
Easement Act, or to fund similar methods to preserve open land or agricultural land; and
- 326 (b) if the property to be purchased is in a public land county, may not be used to purchase a fee
interest in real property to preserve open land or agricultural land, unless, the governmental entity
purchasing the property contemporaneously transfers to the private ownership real property, in the
same public land county, that is roughly equivalent in size to the property to be purchased.
- 331 (3) Eminent domain may not be used or threatened in connection with any purchase using the rollback
tax funds.
- 333 (4) The funds collected by the account or fund of the county may roll over from year-to-year, except
that if the county does not spend, or obligate, 100% of the rollback tax funds for a purpose described
in Subsection (2) within 10 years after the year in which the county collects the rollback tax funds,
the county shall pay the balance to the LeRay McAllister Working Farm and Ranch ~~[Fund]~~ Account
created in Section 4-46-301.

350 Section 9. Section **39A-8-104** is amended to read:

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351 **39A-8-104. Committee responsibilities.**

340 (1) The committee shall:

341 (a) identify lands to be included in the designated sentinel landscape;

342 (b) develop strategies and recommendations to encourage landowners within the sentinel landscape to voluntarily participate in and begin or continue land uses compatible with Camp Williams's military mission; and

345 (c) publish any policies and procedures as administrative rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

347 (2) In designating sentinel lands, the coordinating committee shall include all working or natural lands that the coordinating committee believes contribute to the long-term sustainability of the military missions conducted at Camp Williams.

350 (3) The committee shall determine the appropriate level of state resources required to adequately protect Camp Williams's military mission and may apply for grants from the LeRay McAllister Working Farm and Ranch [~~Fund~~] Account to aid in securing those resources.

354 (4) In determining lands to designate, the coordinating committee shall seek input from:

355 (a) the director of the Department of Defense Readiness and Environmental Protection Integration Program; and

357 (b) the director of the National Guard Bureau Army Compatible Use Buffer Program, as authorized under 10 U.S.C. Sec. 2684(a).

359 (5) The committee shall provide a written report of its activities if state funds are expended during the previous calendar year no later than July 31 annually to:

361 (a) the governor;

362 (b) the Government Operations Interim Committee; and

363 (c) the Executive Appropriations Committee.

376 Section 10. Section **63C-25-101** is amended to read:

377 **63C-25-101. Definitions.**

 As used in this chapter:

367 (1) "Authority" means the same as that term is defined in Section 63B-1-303.

368 (2) "Bond" means the same as that term is defined in Section 63B-1-101.

369 (3)

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- (a) "Bonding government entity" means the state or any entity that is authorized to issue bonds under any provision of state law.
- 371 (b) "Bonding government entity" includes:
- 372 (i) a bonding political subdivision; and
- 373 (ii) a public infrastructure district that is authorized to issue bonds either directly, or through the authority of a bonding political subdivision or other governmental entity.
- 376 (4) "Bonding political subdivision" means:
- 377 (a) the Utah Inland Port Authority, created in Section 11-58-201;
- 378 (b) the Military Installation Development Authority, created in Section 63H-1-201;
- 379 (c) the Point of the Mountain State Land Authority, created in Section 11-59-201;
- 380 (d) the Utah Lake Authority, created in Section 11-65-201;
- 381 (e) the State Fair Park Authority, created in Section 11-68-201; or
- 382 (f) the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201.
- 384 (5) "Commission" means the State Finance Review Commission created in Section 63C-25-201.
- 386 (6) "Concessionaire" means a person who:
- 387 (a) operates, finances, maintains, or constructs a government facility under a contract with a bonding political subdivision; and
- 389 (b) is not a bonding government entity.
- 390 (7) "Concessionaire contract" means a contract:
- 391 (a) between a bonding government entity and a concessionaire for the operation, finance, maintenance, or construction of a government facility;
- 393 (b) that authorizes the concessionaire to operate the government facility for a term of five years or longer, including any extension of the contract; and
- 395 (c) in which all or some of the annual source of payment to the concessionaire comes from state funds provided to the bonding government entity.
- 397 (8) "Creating entity" means the same as that term is defined in Section 17D-4-102.
- 398 (9) "Government facility" means infrastructure, improvements, or a building that:
- 399 (a) costs more than \$5,000,000 to construct; and
- 400 (b) has a useful life greater than five years.
- 401 (10) "Large public transit district" means the same as that term is defined in Section 17B-2a-802.
- 403

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(11) "Loan entity" means the board, person, unit, or agency with legal responsibility for making a loan from a revolving loan fund.

405 (12) "Obligation" means the same as that term is defined in Section 63B-1-303.

406 (13) "Parameters resolution" means a resolution of a bonding government entity that sets forth for proposed bonds:

408 (a) the maximum:

409 (i) amount of bonds;

410 (ii) term; and

411 (iii) interest rate; and

412 (b) the expected security for the bonds.

413 (14) "Public infrastructure district" means a public infrastructure district created under Title 17D, Chapter 4, Public Infrastructure District Act.

415 (15) "Revolving loan fund" means:

416 (a) the Water Resources Conservation and Development Fund, created in Section 73-10-24;

418 (b) the Water Resources Construction Fund, created in Section 73-10-8;

419 (c) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean Fuels and Emission Reduction Technology Program Act;

421 (d) the Water Development Security Fund and its subaccounts, created in Section 73-10c-5;

423 (e) the Agriculture Resource Development Fund, created in Section 4-18-106;

424 (f) the Utah Rural Rehabilitation Fund, created in Section 4-19-105;

425 (g) the Permanent Community Impact Fund, created in Section 35A-8-303;

426 (h) the Petroleum Storage Tank Fund, created in Section 19-6-409;

427 (i) the School Building Revolving Account, created in Section 53F-9-206;

428 (j) the State Infrastructure Bank Fund, created in Section 72-2-202;

429 (k) the Uintah Basin Revitalization Fund, created in Section 35A-8-1602;

430 (l) the Navajo Revitalization Fund, created in Section 35A-8-1704;

431 (m) the Energy Efficiency Fund, created in Section 11-45-201;

432 (n) the Brownfields Fund, created in Section 19-8-120;

433 (o) any of the enterprise revolving loan funds created in Section [~~63A-3-402~~; and] 63A-3-402;

435 (p) the Energy Development Infrastructure Fund, created in Section 79-6-410; and

436

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~~(p)~~ (q) any other revolving loan fund created in statute where the borrower from the revolving loan fund is a public non-profit entity or political subdivision, including a fund listed in Section 63A-3-205, from which a loan entity is authorized to make a loan.

440 (16)

(a) "State funds" means an appropriation by the Legislature identified as coming from the General Fund or Education Fund.

442 (b) "State funds" does not include:

443 (i) a revolving loan fund; or

444 (ii) revenues received by a bonding political subdivision from:

445 (A) a tax levied by the bonding political subdivision;

446 (B) a fee assessed by the bonding political subdivision; or

447 (C) operation of the bonding political subdivision's government facility.

448 Section 11. Section 63G-6b-101 is amended to read:

449 **63G-6b-101. Definitions.**

As use in this chapter:

463 (1)

(a) "Administering agency" means a state agency that administers a grant.

464 (b) "Administering agency" includes a state agency that wholly or partially administers a grant on another state agency's behalf.

466 (2) "Competitive grant" means a grant that is not a direct award grant.

467 (3) "Direct award grant" means a grant that is funded by money that the Legislature intends the state agency to pass through to one or more recipients without a competitive process.

469 (4)

(a) "Grant" means a state agency's expenditure of state money, or agreement to expend state money, that is:

471 (i) authorized by law;

472 (ii) made for a particular purpose; and

473 (iii) made without acquiring, or the promise of acquiring, a procurement item in exchange for the expenditure.

475 (b) "Grant" does not include:

476 (i) a tax credit;

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- 477 (ii) an expenditure of federal money;
- 478 (iii) public assistance, as defined in Section 26B-9-101;
- 479 (iv) a loan;
- 480 (v) a rebate;
- 481 (vi) an incentive; or
- 482 (vii) a claim payment.
- 483 (5) "Grant agreement" means the agreement between an administering agency and a grant recipient described in Subsection 63G-6b-201(4).
- 485 [~~5~~] (6) "Grant appropriation" means an appropriation the Legislature makes to an administering agency to be used for one or more grants.
- 487 [~~6~~] (7) "Grant period" means the time frame during which a grant recipient receives funds from a single grant.
- 489 [~~7~~] (8) "Multi-year grant" means a grant for which the grant period exceeds one year.
- 490 [~~8~~] (9) "Nonprofit entity" means an entity that:
- 491 (a) operates in the state;
- 492 (b) is not a government entity; and
- 493 (c) is exempt from federal income taxation under Section 501(c)(3), Internal Revenue Code.
- 495 [~~9~~] (10) "Procurement item" means the same as that term is defined in Section 63G-6a-103.
- 496 [~~10~~] (11)
- (a) "State agency" means a department, division, or other agency or instrumentality of the state.
- 498 (b) "State agency" does not include the legislative department.
- 499 [~~11~~] (12) "State money" means money that is derived from state fees or state tax revenue.
- 500 Section 12. Section **63G-6b-201** is amended to read:
- 501 **63G-6b-201. Requirements for all grants.**
- 450 ~~{(1)}~~
- 452 ~~{(a) An administering agency shall disburse grant funds in accordance with this Subsection (1).}~~
- ~~{(b) Before an administering agency disburses a grant's grant funds, the administering agency shall ensure that the grant recipient provides a detailed budget demonstrating how the grant recipient will use the grant funds.}~~
- 455 ~~{(c) An administering agency shall establish a distribution schedule that ensures accountability and responsible oversight of the use of the grant funds.}~~

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- 457 ~~{(d) An administering agency may not:}~~
- 458 ~~{(i) disburse all grant funds in a single payment, unless the administering agency makes the single payment after the grant recipient satisfies the grant recipient's performance obligations under the }[agreement described in Subsection (4)] grant agreement{; or}~~
- 461 ~~{(ii) make a grant recipient's final disbursement before the grant recipient delivers the report described in Subsection (3).}~~
- 463 ~~{(2) For a multi-year grant:}~~
- 464 ~~{(a) the grant period may not exceed five years; and}~~
- 465 ~~{(b) in the final quarter of each year of the grant period, excluding the final year, the grant recipient shall deliver to the administering agency a report that details the grant recipient's progress towards fulfilling the grant's purpose, including the annual deliverables and performance metrics described in the }[agreement made in accordance with Subsection (4)] grant agreement{.}~~
- 470 ~~{(3) An administering agency may not make the final grant funds disbursement until:}~~
- 471 ~~{(a) the grant recipient delivers to the administering agency a final report that details the extent to which the grant recipient fulfilled the grant's purpose, including the deliverables and performance metrics described in the }[agreement made in accordance with Subsection (4)] grant agreement{; and}~~
- 475 ~~{(b) the administering agency determines that the grant recipient satisfactorily produced each deliverable provided in the }[agreement described in Subsection (4)] grant agreement{.}~~
- 477 ~~{(4){} {(+)}~~ Except as otherwise provided in the grant appropriation{~~[and consistent with the other provisions of this section]~~}, an administering agency may not disburse grant funds to a grant recipient before{~~:~~}
- 480 ~~{(a)}~~ the administering agency and the grant recipient execute an agreement that contains:
- 481 ~~{(a) the disbursement schedule for the grant funds;}~~
- 482 ~~{(b){} {(i)}~~ the deliverables, reporting, and performance metrics the grant recipient will produce and use to demonstrate that the grant recipient ~~{[used the grant funds]}~~ ~~incurred each expense for which the administering agency seeks reimbursement~~ to fulfill the grant's purpose;
- 486 ~~{(c){} {(ii)}~~ if the grant is a multi-year grant, annual deliverables and performance metrics the grant recipient will produce and use to demonstrate sufficient progress towards fulfilling the grant's purpose;
- 489

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{(d)} {(iii)} a provision informing the grant recipient that disbursement of grant funds is subject to legislative appropriation; and

491 {(e)} {(iv)} the grant recipient's consent to follow-up audit and clawback of the grant funds if an audit shows that the grant funds were inappropriately used{,} ;and

493 ~~{(b) the grant recipient provides to the administering agency a detailed budget demonstrating anticipated expenses for which the grant recipient will seek reimbursement. }~~

496 ~~{(2)}~~

~~{(a) Except as otherwise provided in the grant appropriation, an administering agency may disburse grant funds only as reimbursement for an expense a grant recipient incurs during the grant period. }~~

499 ~~{(b) Before an administering agency reimburses a grant recipient for an expense using grant funds, the grant recipient shall provide to the administering agency documentation, in the form of a receipt or comparable record, that demonstrates: }~~

502 ~~{(i) the amount of the expense; }~~

503 ~~{(ii) the date on which the grant recipient incurred the expense; and }~~

504 ~~{(iii) the grant recipient incurred the expense for a purpose that is consistent with the grant's purpose and the grant agreement. }~~

506 ~~{(c)}~~

~~{(i) If a grant recipient does not have a receipt or comparable record for an expense for which the grant recipient seeks reimbursement, the administering agency may not reimburse the expense unless: }~~

509 ~~{(A) the grant recipient allows an independent third party to review the grant recipient's financial records that relate to the grant; and }~~

511 ~~{(B) the independent third party provides a report to the administering agency that identifies each expense the independent third party determines is adequately supported and incurred for a purpose consistent with the grant's purpose and the grant agreement. }~~

515 ~~{(ii) After receiving a report from the independent third party under Subsection (2)(c)(i)(B), the administering agency may reimburse a grant recipient for each expense the report identifies. }~~

518 ~~{(3) An administering agency may not make a grant recipient's final disbursement before: }~~

519 ~~{(a) the grant recipient delivers to the administering agency a final report that details the extent to which the grant recipient fulfilled the grant's purpose, including the deliverables and performance metrics described in the grant agreement; and }~~

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~~{(b) the administering agency determines that the grant recipient satisfactorily produced each deliverable provided in the grant agreement.}~~

524 ~~{(4) For a multi-year grant:}~~

525 ~~{(a) the grant period may not exceed five years; and}~~

526 ~~{(b) in the final quarter of each year of the grant period, excluding the final year, the grant recipient shall deliver to the administering agency a report that details the grant recipient's progress towards fulfilling the grant's purpose, including the annual deliverables and performance metrics described in the grant agreement.}~~

530 (5)

(a) In accordance with Utah Constitution, Article VI, Section 33, the legislative auditor general may audit the use of any grant funds.

532 (b) The state auditor may audit grant funds as provided in Utah Constitution, Article VII, Section 15.

550 Section 13. Section **63G-6b-301** is amended to read:

551 **63G-6b-301. Direct award grant requirements.**

536 (1)

(a) A direct award grant is valid only if the direct award grant's grant appropriation identifies the recipient or class of recipients in the grant appropriation's intent language.

539 (b) For a grant appropriation that is an ongoing appropriation to fund a multi-year grant, the requirement to identify the recipient or class of recipients applies each fiscal year.

541 (2) If the intent language for a direct award grant's grant appropriation provides a disbursement schedule that is inconsistent with the ~~[schedule described in Section 63G-6b-202]~~ requirements described in Section 63G-6b-201, for the fiscal year in which the grant appropriation is made, the schedule in the intent language controls.

545 (3) An administering agency may not use any portion of a direct award grant's grant appropriation to pay costs of administering the grant, unless otherwise provided in the grant appropriation's intent language.

564 Section 14. Section **63G-6b-401** is amended to read:

565 **63G-6b-401. Competitive grant requirements.**

550 (1)

(a) For a competitive grant, the administering agency shall:

551 (i) establish a competitive application and selection process; and

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- 552 (ii) award each competitive grant in accordance with the established process.
- 553 (b) As part of the competitive application process, the administering agency shall require that each
applicant disclose all other state funding the applicant receives.
- 555 (2) Except as otherwise provided in the grant appropriation's intent language, an administering agency
may not award a competitive grant to a recipient who has received a direct award grant if:
- 558 (a) the direct award grant is for substantially the same purpose as the competitive grant; and
- 560 (b) the direct award grant's grant period and the competitive grant's grant period overlap.
- 561 (3) ~~[After]~~ If directed in the grant appropriation's intent language, after an administering agency
completes a competitive application process for a competitive grant but before the administering
agency awards the grant, the administering agency shall report each grant recipient to the legislative
fiscal analyst and the Governor's Office of Planning and Budget.

582 Section 15. Section 63G-9-201 is amended to read:

583 **63G-9-201. Members -- Functions.**

- 584 (1) As used in this chapter:
- 585 (a) "Political subdivision" means any county, city, town, school district, community reinvestment
agency, special improvement or taxing district, special district, special service district, an entity
created by an interlocal agreement adopted under Title 11, Chapter 13, Interlocal Cooperation Act,
or other governmental subdivision or public corporation.
- 590 (b) "State" means the state of Utah, and includes each office, department, division, agency,
authority, commission, board, institution, college, university, Children's Justice Center, or other
instrumentality of the state.
- 593 (2) ~~[The]~~ Subject to Section 63G-9-301, the governor, the state auditor, and the attorney general shall
constitute a Board of Examiners, with power to examine all claims against the state or a political
subdivision, for the payment of which funds appropriated by the Legislature or derived from any
other source are not available.
- 597 (3) No claim against the state or a political subdivision, for the payment of which specifically
designated funds are required to be appropriated by the Legislature shall be passed upon by the
Legislature without having been considered and acted upon by the Board of Examiners.
- 601 (4) The governor shall be the president, and the state auditor shall be the secretary of the board, and in
the absence of either an officer pro tempore may be elected from among the members of the board.

604 Section 16. Section 63G-9-301 is amended to read:

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- 605 **63G-9-301. Audit and approval of claims -- Overexpenditure by agencies.**
- 607 (1)
- (a) The Board of Examiners shall audit any claim presented to it, if the settlement of the claim is required by law.
- 609 (b) If the claim is approved, the board shall transmit it to the Legislature with a statement of the reasons for the approval.
- 611 (2)
- (a) When an agency's line item appropriation has been overexpended and a written report is submitted to the board as required by Section 63J-1-217, the board shall review the report and either:
- 614 ~~[(a)]~~ (i) recommend and submit to the Legislature any supplemental appropriations or corrective legislation that may be needed; or
- 616 ~~[(b)]~~ (ii) recommend other internal procedures or policies that will make an overexpenditure in the future unlikely.
- 618 (b)
- (i) A member of the board may not participate in the board's review of a report under this Subsection (2) if the overexpended line item that is in the report belongs to the member's office.
- 621 (ii) When a member is disqualified under Subsection (2)(b)(i), the state treasurer shall serve in the disqualified member's position for purposes of performing the board's duties related to the report.
- 624 Section 17. Section **63I-1-223** is amended to read:
- 625 **63I-1-223. Repeal dates: Title 23A.**
- 568 (1) Section 23A-2-302, Wildlife Board Nominating Committee created, is repealed July 1, 2028.
- 570 (2) Section 23A-2-303, Regional advisory councils created, is repealed July 1, 2028.
- 571 ~~[(3) Subsection 23A-3-204(2)(c), regarding the Land Conservation Board, is repealed July 1, 2027.]~~
- 631 Section 18. Section **63I-2-263** is amended to read:
- 632 **63I-2-263. Repeal dates: Titles 63A through 63O.**
- 575 (1) Title 63A, Chapter 2, Part 5, Educational Interpretation and Translation Services Procurement Advisory Council is repealed July 1, 2025.
- 577 (2) Section 63A-5b-807, Eminent domain of unincorporated city owned land, is repealed January 1, 2027.
- 579 (3) Section 63A-17-806, Definitions -- Infant at Work Pilot Program -- Administration -- Report, is repealed June 30, 2026.

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- 581 (4) Section 63C-1-103, Appointment and terms of boards, committees, councils, and commissions
transitioning on October 1, 2024, or December 31, 2024, is repealed July 1, 2025.
- 584 (5) Section 63C-1-104, Appointment and terms of boards transitioning on October 1, 2024, is repealed
January 1, 2025.
- 586 (6) Subsection 63G-6a-802(1)(e), regarding a procurement for a presidential debate, is repealed January
1, 2025.
- 588 (7) Subsection 63G-6a-802(3)(b)(iii), regarding a procurement for a presidential debate, is repealed
January 1, 2025.
- 590 (8) Subsection 63H-7a-403(2)(b), regarding the charge to maintain the public safety communications
network, is repealed July 1, 2033.
- 592 (9) Subsection 63J-1-602.2(30), regarding funding the Enterprise Zone Act, is repealed December 31,
2026.
- 594 (10) Subsection [~~63J-1-602.2(46)~~] 63J-1-602.2(45), regarding appropriations to the State Tax
Commission for deferral reimbursements, is repealed July 1, 2027.
- 596 (11) Section 63M-7-221, Expungement working group, is repealed April 30, 2025.
- 597 (12) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed December 31, 2026.
- 656 Section 19. Section **63J-1-105** is amended to read:
- 657 **63J-1-105. Revenue types -- Disposition of dedicated credits and expendable receipts.**
- 601 (1)
- (a) Dedicated credits are subject to appropriations and the restrictions in this chapter.
- 602 (b) An agency may expend dedicated credits for any purpose within the program or line item.
- 604 (2) Except as provided in Subsections (3) and (4), an agency may not expend dedicated credits in excess
of the amount appropriated to a line item as dedicated credits by the Legislature.
- 607 (3) Each agency that receives dedicated credits revenue greater than the amount appropriated to a line
item by the Legislature in the annual appropriations acts may expend the excess up to 25% of the
amount appropriated if the expenditure is included in a revised budget execution plan submitted as
provided in Section 63J-1-209.
- 611 [~~(4) Notwithstanding the requirements of Subsection (3), when an agency's dedicated credits revenue
represents over 90% of the budget of the line item for which the dedicated credits are collected, the
agency may expend 100% of the excess of the amount appropriated if the agency submits a revised
budget execution plan as provided in Subsection (3) and Section 63J-1-209.]~~]

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- 616 (4) Notwithstanding the requirements of Subsection (3), an agency may expend up to 100% of the
618 excess of the amount appropriated if:
- 618 (a)
- 620 (i) the agency's dedicated credits revenue represents over 90% of the budget of the line item for which
the dedicated credits are collected; and
- 620 (ii) the agency submits a revised budget execution plan as provided in Subsection (3) and Section
63J-1-209; or
- 622 (b) the dedicated credits are appropriated to an expendable special revenue fund, {an enterprise} a
proprietary fund, or a fiduciary fund.
- 624 (5) An expenditure of dedicated credits in excess of amounts appropriated to a line item as dedicated
credits by the Legislature may not be used to permanently increase personnel within the agency
unless:
- 627 (a) the increase is approved by the Legislature; or
- 628 (b) the money is deposited as a dedicated credit in a line item covering tuition or federal vocational
funds at an institution of higher education.
- 630 (6)
- 633 (a) All excess dedicated credits not received or expended in compliance with Subsection (3), (4), or (7)
lapse to the General Fund or other appropriate fund as free or restricted revenue at the end of the
fiscal year.
- 635 (b) The Division of Finance shall determine the appropriate fund into which the dedicated credits lapse.
- 635 (7)
- (a) When an agency has a line item that is funded by more than one major revenue type, one of which
is dedicated credits, the agency shall completely expend authorized dedicated credits within
the current fiscal year and allocate unused spending authorization among other funding sources
based upon a proration of the amounts appropriated from each of those major revenue types not
attributable to dedicated credits, unless the Legislature has designated a portion of the dedicated
credits as nonlapsing, in which case the agency shall completely expend within the current fiscal
year authorized dedicated credits minus the portion of dedicated credits designated as nonlapsing,
and allocate unused spending authorization among the other funding sources based upon a proration
of the amounts appropriated from each of those major revenue types not attributable to dedicated
credits.

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- 646 (b) Nothing in Subsection (7)(a) shall be construed to allow an agency to receive and expend dedicated
credits in excess of legislative appropriations to a line item without complying with Subsection (3)
or (4).
- 649 (c) Each agency that receives dedicated credits shall report, to the Division of Finance, any balances
remaining in those funds at the conclusion of each fiscal year.
- 651 (8) Each agency shall include in its annual budget request estimates of dedicated credits revenue that is
identified by, collected for, or set by the agency.
- 653 (9) Each agency may expend expendable receipts in accordance with the terms set by a nonstate entity
that provides the funds.
- 655 (10)
- (a) Expendable receipts are not limited by appropriations.
- 656 (b) Each agency that receives expendable receipts revenue greater than the amount included for a line
item by the Legislature in the annual appropriations acts may expend the excess if the expenditure is
included in a revised budget execution plan submitted as provided in Section 63J-1-209.
- 660 (c) If an agency receives excess expendable receipts revenue that is more than 25% greater than the
amount included for a line item by the Legislature in the annual appropriations acts, the agency
shall report the excess amount, the source of the expendable receipts, and the purpose for which
the expendable receipts will be expended to the Governor's Office of Planning and Budget, the
legislative fiscal analyst, and the Executive Appropriations Committee within 60 days of submitting
a revised budget execution plan as provided in Section 63J-1-209.
- 725 Section 20. Section **63J-1-217** is amended to read:
- 726 **63J-1-217. Overexpenditure of budget by agency -- Prorating budget income shortfall.**
- 670 (1) Expenditures of departments, agencies, and institutions of state government shall be kept within
revenues available for such expenditures.
- 672 (2)
- (a) Line items of appropriation shall not be overexpended.
- 673 (b) Notwithstanding Subsection (2)(a), if an agency's line item is overexpended at the close of a fiscal
year:
- 675 (i) the director of the Division of Finance may make payments from the line item to vendors for goods
or services that were received on or before June 30; and

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- (ii) the director of the Division of Finance shall immediately reduce the agency's line item budget in the current year by the amount of the overexpenditure.
- 679 (c) Each agency with an overexpended line item shall:
- 680 (i) prepare a written report explaining the reasons for the overexpenditure; and
- 681 (ii) present the report to:
- 682 (A) the Board of Examiners as required by Section 63G-9-301; and
- 683 (B) the Office of the Legislative Fiscal Analyst.
- 684 (3)
- (a) As used in this Subsection (3):
- 685 (i) " Income Tax Fund budget deficit" has the same meaning as in Section 63J-1-312; and
- 687 (ii) "General Fund budget deficit" has the same meaning as in Section 63J-1-312.
- 688 (b) If an Income Tax Fund budget deficit or a General Fund budget deficit exists and the adopted estimated revenues were prepared in consensus with the Governor's Office of Planning and Budget, the governor shall:
- 691 (i) direct state agencies to reduce commitments and expenditures by an amount proportionate to the amount of the deficiency; and
- 693 (ii) direct the Division of Finance to reduce allotments to institutions of higher education by an amount proportionate to the amount of the deficiency.
- 695 (c) The governor's directions under Subsection (3)(b) are rescinded when the Legislature rectifies the Income Tax Fund budget deficit and the General Fund budget deficit.
- 697 (4)
- (a) A department may not receive an advance of funds that cannot be covered by anticipated revenue within the budget execution plan of the fiscal year, unless the governor allocates money from the governor's emergency appropriations.
- 700 (b) All allocations made from the governor's emergency appropriations shall be reported to ~~the budget subcommittee of~~ the Legislative Management Committee by notifying the Office of the Legislative Fiscal Analyst at least 15 days before the effective date of the allocation.
- 704 (c) Emergency appropriations shall be allocated only to support activities having existing legislative approval and appropriation, and may not be allocated to any activity or function rejected directly or indirectly by the Legislature.
- 765 Section 21. Section **63J-1-602.2** is amended to read:

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766 **63J-1-602.2. List of nonlapsing appropriations to programs.**

Appropriations made to the following programs are nonlapsing:

- 711 (1) The Legislature and the Legislature's committees.
- 712 (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.
- 715 (3) The Rangeland Improvement Act created in Section 4-20-101.
- 716 (4) The Percent-for-Art Program created in Section 9-6-404.
- 717 (5) The LeRay McAllister Working Farm and Ranch [~~Fund~~] Account Program created in Title 4,
Chapter 46, Part 3, LeRay McAllister Working Farm and Ranch Fund.
- 719 (6) The Utah Lake Authority created in Section 11-65-201.
- 720 (7) Dedicated credits accrued to the Utah Marriage Commission as provided under Subsection
17-66-303(2)(d)(ii).
- 722 (8) The Wildlife Land and Water Acquisition Program created in Section 23A-6-205.
- 723 (9) Sanctions collected as dedicated credits from Medicaid providers under Subsection 26B-3-108(7).
- 725 (10) The primary care grant program created in Section 26B-4-310.
- 726 (11) The Opiate Overdose Outreach Pilot Program created in Section 26B-4-512.
- 727 (12) The Utah Health Care Workforce Financial Assistance Program created in Section 26B-4-702.
- 729 (13) The Rural Physician Loan Repayment Program created in Section 26B-4-703.
- 730 (14) The Utah Medical Education Council for the:
- 731 (a) administration of the Utah Medical Education Program created in Section 26B-4-707;
- 732 (b) provision of medical residency grants described in Section 26B-4-711; and
- 733 (c) provision of the forensic psychiatric fellowship grant described in Section 26B-4-712.
- 734 (15) The Division of Services for People with Disabilities, as provided in Section 26B-6-402.
- 735 (16) The Communication Habits to reduce Adolescent Threats (CHAT) Pilot Program created in
Section 26B-7-122.
- 737 (17) Funds that the Department of Alcoholic Beverage Services retains in accordance with Subsection
32B-2-301(8)(a) or (b).
- 739 (18) The General Assistance program administered by the Department of Workforce Services, as
provided in Section 35A-3-401.
- 741 (19) The Utah National Guard, created in Title 39A, National Guard and Militia Act.
- 742 (20) The Search and Rescue Financial Assistance Program, as provided in Section 53-2a-1102.

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- 744 (21) The Emergency Medical Services Grant Program, as provided in Section 53-2d-207.
- 745 (22) The Motorcycle Rider Education Program, as provided in Section 53-3-905.
- 746 (23) The Utah Board of Higher Education for teacher preparation programs, as provided in Section
53H-5-402.
- 748 (24) Innovation grants under Section 53G-10-608, except as provided in Subsection 53G-10-608(3).
- 750 (25) The Division of Fleet Operations for the purpose of upgrading underground storage tanks under
Section 63A-9-401.
- 752 (26) The Division of Technology Services for technology innovation as provided under Section
63A-16-903.
- 754 (27) The State Capitol Preservation Board created by Section 63O-2-201.
- 755 (28) The Office of Administrative Rules for publishing, as provided in Section 63G-3-402.
- 756 (29) The Colorado River Authority of Utah, created in Title 63M, Chapter 14, Colorado River
Authority of Utah Act.
- 758 (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.
- 760 (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.
- 763 (32) County correctional facility contracting program for state inmates as described in Section
64-13e-103.
- 765 (33) County correctional facility reimbursement program for state probationary inmates and state parole
inmates as described in Section 64-13e-104.
- 767 (34) Programs for the Jordan River Recreation Area as described in Section 65A-2-8.
- 768 (35) The Division of Human Resource Management user training program, as provided in Section
63A-17-106.
- 770 (36) A public safety answering point's emergency telecommunications service fund, as provided in
Section 69-2-301.
- 772 (37) The Traffic Noise Abatement Program created in Section 72-6-112.
- 773 [~~(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.~~]

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[~~(39)~~] (38) The Judicial Council for compensation for special prosecutors, as provided in Section 77-10a-19.

778 [~~(40)~~] (39) A state rehabilitative employment program, as provided in Section 78A-6-210.

779 [~~(41)~~] (40) The Utah Geological Survey, as provided in Section 79-3-401.

780 [~~(42)~~] (41) The Bonneville Shoreline Trail Program created under Section 79-5-503.

781 [~~(43)~~] (42) Adoption document access as provided in Sections 81-13-103, 81-13-504, and 81-13-505.

783 [~~(44)~~] (43) Indigent defense as provided in Title 78B, Chapter 22, Part 4, Utah Indigent Defense Commission.

785 [~~(45)~~] (44) 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.

789 [~~(46)~~] (45) The State Tax Commission for reimbursing counties for deferrals in accordance with Section 59-2-1802.5.

791 [~~(47)~~] (46) The Veterinarian Education Loan Repayment Program created in Section 4-2-902.

850 Section 22. Section **63M-14-102** is amended to read:

851 **63M-14-102. Definitions.**

As used in this chapter:

795 (1) "Appointing authority" means an authority named in Section 63M-14-202 that appoints an authority member for a Colorado River authority area.

797 (2) "Authority" means the Colorado River Authority of Utah created by Section 63M-14-201.

799 (3) "Authority member" means a person appointed as a member of the authority under Section 63M-14-202 or designated as a member of the authority.

801 (4) "Chair" means the chair of the authority.

802 (5) "Colorado River Basin States" means Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming.

804 (6) "Colorado River authority area" means the geographic area designated by Subsection 63M-14-202(2).

806 (7) "Colorado River system" means the entire drainage of the Colorado River in Utah including both the main stem of the Colorado River and the Colorado River's tributaries.

808

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(8) "Law of the river" means the compacts, federal laws, treaties, court decisions and decrees, contracts, and regulatory guidelines that underlie and authorize the management and operation of the Colorado River.

811 [~~(9)~~] "~~Restricted account~~" means the ~~Colorado River Authority Restricted Account created in Section~~
63M-14-501.]

813 [~~(10)~~] (9) "River commissioner" means the person appointed under Section 63M-14-301.

872 Section 23. Section **63N-3-103** is amended to read:

873 **63N-3-103. Industrial Assistance Account created -- Uses -- Administrator duties -- Costs.**

817 (1) There is created a restricted account within the General Fund known as the "Industrial Assistance
Account."[-]

819 (2) The account consists of appropriations made by the Legislature.

820 [~~(2)~~] (3) The administrator shall administer the restricted account.

821 [~~(3)~~] (4) The administrator may hire appropriate support staff to perform the duties required under this
section.

823 [~~(4)~~] (5) The cost of administering the restricted account shall be paid from money in the restricted
account.

825 [~~(5)~~] (6) Interest accrued from investment of money in the restricted account shall remain in the
restricted account.

827 [~~(6)~~] (7) The office shall review the activities and progress of grant recipients under this chapter on
a regular basis and, as part of the office's annual written report described in Section 63N-1a-306,
report on the economic impact of activities funded by each grant.

888 Section 24. Section **63N-3-105** is amended to read:

889 **63N-3-105. Qualification for assistance -- Application requirements.**

833 (1)

{~~(a)~~} Subject to {~~legislative appropriation and~~} the requirements of this part, the administrator may
provide loans, grants, or other financial assistance from the restricted account to an entity offering
an economic opportunity if that entity:

836 {~~(a)~~} {~~(i)~~} applies to the administrator in a form approved by the administrator; and

837 {~~(b)~~} {~~(ii)~~} meets the qualifications of Subsection (2).

838 {~~(b)~~} ~~On or after July 1, 2026, the administrator may not provide loans from the restricted account.~~}

840

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- (2) As part of an application for receiving financial assistance under this part, an applicant shall demonstrate the following to the satisfaction of the administrator:
- 842 (a) the nature of the economic opportunity and the related benefit to the economic well-being of the state by providing evidence documenting the expenditure of money necessitated by the economic opportunity;
- 845 (b) how the economic opportunity will act in concert with other state, federal, or local agencies to achieve the economic benefit;
- 847 (c) that the applicant will expend funds in the state with employees, vendors, subcontractors, or other businesses in an amount proportional with money provided from the restricted account at a minimum ratio of one to one per year or other more stringent requirements as established on a per project basis by the administrator;
- 851 (d) for an application for a loan, the applicant's ability to sustain economic activity in the state sufficient to repay, by means of cash or appropriate credits, the loan provided by the restricted account; and
- 854 (e) any other criteria the administrator considers appropriate.
- 855 (3)
- (a) The administrator may exempt an applicant from any of the requirements of Subsection (2) if:
- 857 (i) the applicant is part of a targeted industry; or
- 858 (ii) the applicant is a quasi-public corporation organized under Title 16, Chapter 6a, Utah Revised Nonprofit Corporation Act, or Title 63E, Chapter 2, Independent Corporations Act, and the applicant's operations, as demonstrated to the satisfaction of the administrator, will provide significant economic stimulus to the growth of commerce and industry in the state.
- 863 (b) The administrator may not exempt the applicant from the requirement under Subsection 63N-3-106(1)(b) that the loan be structured so that the repayment or return to the state equals at least the amount of the assistance together with an annual interest charge.
- 923 (4) The GOEO board shall make recommendations to the administrator regarding applications for loans, grants, or other financial assistance from the Industrial Assistance Account.
- 867 ~~(4)~~ (5) Before awarding any money under this part, the administrator shall:
- 868 (a) make findings as to whether an applicant has satisfied the requirements of Subsection (2);
- 870 (b) establish benchmarks and timeframes in which progress toward the completion of the agreed upon activity is to occur;

872

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(c) monitor compliance by an applicant with any contract or agreement entered into by the applicant and the state as provided by Section 63N-3-107; and

874 (d) make funding decisions based upon appropriate findings and compliance.

934 Section 25. Section **63N-3-106** is amended to read:

935 **63N-3-106. Structure of loans, grants, and assistance -- Repayment -- Earned credits.**

878 (1)

(a) Subject to [~~Subsection (1)(b)]~~ the other provisions of this part, the administrator has authority to determine the structure, amount, and nature of any loan, grant, or other financial assistance from the restricted account.

881 (b) Loans made under this part shall be structured so the intended repayment or return to the state, including cash or credit, equals at least the amount of the assistance together with an annual interest charge as negotiated by the administrator.

884 (c) Payments resulting from grants awarded from the restricted account shall be made only after the administrator has determined that the company has satisfied the conditions upon which the payment or earned credit was based.

887 (2)

(a) The administrator may provide for a system of earned credits that may be used to support grant payments or in lieu of cash repayment of a restricted account loan obligation.

890 (b) The value of the credits described in Subsection (2)(a) shall be based on factors determined by the administrator, including:

892 (i) the number of Utah jobs created;

893 (ii) the increased economic activity in Utah; or

894 (iii) other events and activities that occur as a result of the restricted account assistance.

896 (3)

(a) A cash loan repayment or other cash recovery from a company receiving assistance under this section, including interest, shall be deposited into the restricted account.

899 (b) The administrator and the Division of Finance shall determine the manner of recognizing and accounting for the earned credits used in lieu of loan repayments or to support grant payments as provided in Subsection (2).

902 (4)

(a)

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- (i) At the end of each fiscal year, the Division of Finance shall [~~transfer~~] set aside the balance of the General Fund revenue surplus as defined in Section 63J-1-312 after the transfers of General Fund revenue surplus described in Subsection (4)(b) to the Industrial Assistance Account in an amount equal to any credit that has accrued under this part.
- 907 (ii) The [~~transfer~~] set aside under Subsection (4)(a)(i) is capped at \$50,000,000, and the Division of Finance shall deposit any interest accrued above the \$50,000,000 cap into the General Fund.
- 910 (b) The Division of Finance shall make the [~~transfer~~] set aside required by Subsection (4)(a) after the Division of Finance transfers the General Fund revenue surplus to:
- 912 (i) the Medicaid Growth Reduction and Budget Stabilization Restricted Account, as provided in Section 63J-1-315;
- 914 (ii) the General Fund Budget Reserve Account, as provided in Section 63J-1-312; and
- 915 (iii) as provided in Section 63J-1-314:
- 916 (A) the Utah Wildfire Fund; and
- 917 (B) the State Disaster Recovery Restricted Account.
- 918 (c) These credit amounts may not be used for purposes of the restricted account as provided in this part until appropriated by the Legislature.
- 979 Section 26. Section **67-3-1** is amended to read:
- 980 **67-3-1. Functions and duties.**
- 922 (1)
- (a) The state auditor is the auditor of public accounts and is independent of any executive or administrative officers of the state.
- 924 (b) The state auditor:
- 984 (i) {[is not limited in the selection of personnel]} [~~or in the determination of~~] ; and { }
- 985 (ii) may determine {the reasonable and necessary expenses of the state auditor's office} {~~may select~~ personnel} in accordance with Title 63J, Chapter 1, Budgetary Procedures Act, and subject to {~~operate the state auditor's office~~} Title 63G, Chapter 9, Part 3, Review of Claims.
- 927 (2) The state auditor shall examine and certify annually in respect to each fiscal year, financial statements showing:
- 929 (a) the condition of the state's finances;
- 930 (b) the revenues received or accrued;
- 931 (c) expenditures paid or accrued;

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- 932 (d) the amount of unexpended or unencumbered balances of the appropriations to the agencies,
departments, divisions, commissions, and institutions; and
- 934 (e) the cash balances of the funds in the custody of the state treasurer.
- 935 (3)
- (a) The state auditor shall:
- 936 (i) audit each permanent fund, each special fund, the General Fund, and the accounts of any
department of state government or any independent agency or public corporation as the
law requires, as the auditor determines is necessary, or upon request of the governor or the
Legislature;
- 940 (ii) perform the audits in accordance with generally accepted auditing standards and other auditing
procedures as promulgated by recognized authoritative bodies; and
- 942 (iii) as the auditor determines is necessary, conduct the audits to determine:
- 943 (A) honesty and integrity in fiscal affairs;
- 944 (B) accuracy and reliability of financial statements;
- 945 (C) effectiveness and adequacy of financial controls; and
- 946 (D) ~~compliance with the law~~ whether the entity responsible for the audited fund or account has
engaged in financial practices, used public funds, or managed public property in a manner that
complies with the applicable legal requirements identified in connection with the audit.
- 947 (b) If any state entity receives federal funding, the state auditor shall ensure that the audit is performed
in accordance with federal audit requirements.
- 949 (c)
- (i) The costs of the federal compliance portion of the audit may be paid from an appropriation to the
state auditor from the General Fund.
- 951 (ii) If an appropriation is not provided, or if the federal government does not specifically provide for
payment of audit costs, the costs of the federal compliance portions of the audit shall be allocated
on the basis of the percentage that each state entity's federal funding bears to the total federal funds
received by the state.
- 955 (iii) The allocation shall be adjusted to reflect any reduced audit time required to audit funds passed
through the state to local governments and to reflect any reduction in audit time obtained through
the use of internal auditors working under the direction of the state auditor.
- 959 (4)

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- (a) Except as provided in Subsection (4)(b), the state auditor shall, in addition to financial audits, and as the auditor determines is necessary, conduct performance and special purpose audits, examinations, and reviews of any entity that receives public funds, including a determination of any or all of the following:
- 963 (i) the honesty and integrity of all the entity's fiscal affairs;
- 964 (ii) whether the entity's administrators have faithfully complied with legislative intent;
- 965 (iii) whether the entity's operations have been conducted in an efficient, effective, and cost-efficient manner;
- 967 (iv) whether the entity's programs have been effective in accomplishing the intended objectives; and
- 969 (v) whether the entity's management, control, and information systems are adequate, effective, and secure.
- 971 (b) The auditor may not conduct performance and special purpose audits, examinations, and reviews of any entity that receives public funds if the entity:
- 973 (i) has an elected auditor; and
- 974 (ii) has, within the entity's last budget year, had the entity's financial statements or performance formally reviewed by another outside auditor.
- 976 (5) The state auditor:
- 977 (a) shall administer any oath or affirmation necessary to the performance of the duties of the auditor's office; and
- 979 (b) may:
- 980 (i) subpoena witnesses and documents, whether electronic or otherwise; and
- 981 (ii) examine into any matter that the auditor considers necessary.
- 982 (6) The state auditor may require all persons who have had the disposition or management of any property of this state or its political subdivisions to submit statements regarding the property at the time and in the form that the auditor requires.
- 985 (7) The state auditor shall:
- 986 (a) except where otherwise provided by law, institute suits in Salt Lake County in relation to the assessment, collection, and payment of revenues against:
- 988 (i) persons who by any means have become entrusted with public money or property and have failed to pay over or deliver the money or property; and

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- 990 (ii) all debtors of the state;
- 991 (b) collect and pay into the state treasury all fees received by the state auditor;
- 992 (c) perform the duties of a member of all boards of which the state auditor is a member by the
constitution or laws of the state, and any other duties that are prescribed by the constitution and by
law;
- 995 (d) stop the payment of the salary of any state official or state employee who:
- 996 (i) refuses to settle accounts or provide required statements about the custody and disposition of public
funds or other state property;
- 998 (ii) refuses, neglects, or ignores the instruction of the state auditor or any controlling board or
department head with respect to the manner of keeping prescribed accounts or funds; or
- 1001 (iii) fails to correct any delinquencies, improper procedures, and errors brought to the official's or
employee's attention;
- 1003 (e) establish accounting systems, methods, and forms for public accounts in all taxing or fee-assessing
units of the state in the interest of uniformity, efficiency, and economy;
- 1005 (f) superintend the contractual auditing of all state accounts;
- 1006 (g) subject to Subsection (8)(a), withhold state allocated funds or the disbursement of property taxes
from a state or local taxing or fee-assessing unit, if necessary, to ensure that officials and employees
in those taxing units comply with state laws and procedures in the budgeting, expenditures, and
financial reporting of public funds;
- 1010 (h) subject to Subsection (9), withhold the disbursement of tax money from any county, if necessary, to
ensure that officials and employees in the county comply with Section 59-2-303.1; and
- 1013 (i) withhold state allocated funds or the disbursement of property taxes from a local government entity
or a limited purpose entity, as those terms are defined in Section 67-1a-15 if the state auditor finds
the withholding necessary to ensure that the entity registers and maintains the entity's registration
with the lieutenant governor, in accordance with Section 67-1a-15.
- 1018 (8)
- (a) Except as otherwise provided by law, the state auditor may not withhold funds under Subsection
(7)(g) until a state or local taxing or fee-assessing unit has received formal written notice of
noncompliance from the auditor and has been given 60 days to make the specified corrections.
- 1022

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- (b) If, after receiving notice under Subsection (8)(a), a state or independent local fee-assessing unit that exclusively assesses fees has not made corrections to comply with state laws and procedures in the budgeting, expenditures, and financial reporting of public funds, the state auditor:
- 1026 (i) shall provide a recommended timeline for corrective actions;
- 1027 (ii) may prohibit the state or local fee-assessing unit from accessing money held by the state; and
- 1029 (iii) may prohibit a state or local fee-assessing unit from accessing money held in an account of a financial institution by filing an action in a court with jurisdiction under Title 78A, Judiciary and Judicial Administration, requesting an order of the court to prohibit a financial institution from providing the fee-assessing unit access to an account.
- 1034 (c) The state auditor shall remove a limitation on accessing funds under Subsection (8)(b) upon compliance with state laws and procedures in the budgeting, expenditures, and financial reporting of public funds.
- 1037 (d) If a local taxing or fee-assessing unit has not adopted a budget in compliance with state law, the state auditor:
- 1039 (i) shall provide notice to the taxing or fee-assessing unit of the unit's failure to comply;
- 1041 (ii) may prohibit the taxing or fee-assessing unit from accessing money held by the state; and
- 1043 (iii) may prohibit a taxing or fee-assessing unit from accessing money held in an account of a financial institution by:
- 1045 (A) contacting the taxing or fee-assessing unit's financial institution and requesting that the institution prohibit access to the account; or
- 1047 (B) filing an action in a court with jurisdiction under Title 78A, Judiciary and Judicial Administration, requesting an order of the court to prohibit a financial institution from providing the taxing or fee-assessing unit access to an account.
- 1050 (e) If the local taxing or fee-assessing unit adopts a budget in compliance with state law, the state auditor shall eliminate a limitation on accessing funds described in Subsection (8)(d).
- 1053 (9) The state auditor may not withhold funds under Subsection (7)(h) until a county has received formal written notice of noncompliance from the auditor and has been given 60 days to make the specified corrections.
- 1056 (10)
- (a) The state auditor may not withhold funds under Subsection (7)(i) until the state auditor receives a notice of non-registration, as that term is defined in Section 67-1a-15.

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- 1059 (b) If the state auditor receives a notice of non-registration, the state auditor may prohibit the local
government entity or limited purpose entity, as those terms are defined in Section 67-1a-15, from
accessing:
- 1062 (i) money held by the state; and
- 1063 (ii) money held in an account of a financial institution by:
- 1064 (A) contacting the entity's financial institution and requesting that the institution prohibit access to the
account; or
- 1066 (B) filing an action in a court with jurisdiction under Title 78A, Judiciary and Judicial Administration,
requesting an order of the court to prohibit a financial institution from providing the entity access to
an account.
- 1069 (c) The state auditor shall remove the prohibition on accessing funds described in Subsection (10)(b) if
the state auditor received a notice of registration, as that term is defined in Section 67-1a-15, from
the lieutenant governor.
- 1072 (11) Notwithstanding Subsection (7)(g), (7)(h), (7)(i), (8)(b), (8)(d), or (10)(b), the state auditor:
- 1074 (a) shall authorize a disbursement by a local government entity or limited purpose entity, as those terms
are defined in Section 67-1a-15, or a state or local taxing or fee-assessing unit if the disbursement is
necessary to:
- 1077 (i) avoid a major disruption in the operations of the local government entity, limited purpose entity, or
state or local taxing or fee-assessing unit; or
- 1079 (ii) meet debt service obligations; and
- 1080 (b) may authorize a disbursement by a local government entity, limited purpose entity, or state or local
taxing or fee-assessing unit as the state auditor determines is appropriate.
- 1083 (12)
- (a) The state auditor may seek relief under the Utah Rules of Civil Procedure to take temporary custody
of public funds if an action is necessary to protect public funds from being improperly diverted from
their intended public purpose.
- 1086 (b) If the state auditor seeks relief under Subsection (12)(a):
- 1087 (i) the state auditor is not required to exhaust the procedures in Subsection (7) or (8); and
- 1089 (ii) the state treasurer may hold the public funds in accordance with Section 67-4-1 if a court orders the
public funds to be protected from improper diversion from their public purpose.
- 1092 (13) The state auditor shall:

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- 1093 (a) establish audit guidelines and procedures for audits of local mental health and substance abuse authorities and their contract providers, conducted pursuant to Title 17, Chapter 77, Local Health and Human Services, Title 26B, Chapter 5, Health Care - Substance Use and Mental Health, and Title 51, Chapter 2a, Accounting Reports from Political Subdivisions, Interlocal Organizations, and Other Local Entities Act; and
- 1099 (b) ensure that those guidelines and procedures provide assurances to the state that:
- 1100 (i) state and federal funds appropriated to local mental health authorities are used for mental health purposes;
- 1102 (ii) a private provider under an annual or otherwise ongoing contract to provide comprehensive mental health programs or services for a local mental health authority is in compliance with state and local contract requirements and state and federal law;
- 1106 (iii) state and federal funds appropriated to local substance abuse authorities are used for substance abuse programs and services; and
- 1108 (iv) a private provider under an annual or otherwise ongoing contract to provide comprehensive substance abuse programs or services for a local substance abuse authority is in compliance with state and local contract requirements, and state and federal law.
- 1112 (14)
- (a) The state auditor may, in accordance with the auditor's responsibilities for political subdivisions of the state as provided in Title 51, Chapter 2a, Accounting Reports from Political Subdivisions, Interlocal Organizations, and Other Local Entities Act, initiate audits or investigations of any political subdivision that are necessary to determine honesty and integrity in fiscal affairs, accuracy and reliability of financial statements, effectiveness, and adequacy of financial controls and compliance with the law.
- 1119 (b) If the state auditor receives notice under Subsection 11-41-104(7) from the Governor's Office of Economic Opportunity on or after July 1, 2024, the state auditor may initiate an audit or investigation of the public entity subject to the notice to determine compliance with Section 11-41-103.
- 1123 (15)
- (a) The state auditor may not audit work that the state auditor performed before becoming state auditor.
- 1125 (b) If the state auditor has previously been a responsible official in state government whose work has not yet been audited, the Legislature shall:

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- 1127 (i) designate how that work shall be audited; and
- 1128 (ii) provide additional funding for those audits, if necessary.
- 1129 (16) The state auditor shall:
- 1130 (a) with the assistance, advice, and recommendations of an advisory committee appointed by the state auditor from among special district boards of trustees, officers, and employees and special service district boards, officers, and employees:
- 1133 (i) prepare a Uniform Accounting Manual for Special Districts that:
- 1134 (A) prescribes a uniform system of accounting and uniform budgeting and reporting procedures for special districts under Title 17B, Limited Purpose Local Government Entities - Special Districts, and special service districts under Title 17D, Chapter 1, Special Service District Act;
- 1138 (B) conforms with generally accepted accounting principles; and
- 1139 (C) prescribes reasonable exceptions and modifications for smaller districts to the uniform system of accounting, budgeting, and reporting;
- 1141 (ii) maintain the manual under this Subsection (16)(a) so that the manual continues to reflect generally accepted accounting principles;
- 1143 (iii) conduct a continuing review and modification of procedures in order to improve them;
- 1145 (iv) prepare and supply each district with suitable budget and reporting forms; and
- 1146 (v)
- (A) prepare instructional materials, conduct training programs, and render other services considered necessary to assist special districts and special service districts in implementing the uniform accounting, budgeting, and reporting procedures; and
- 1150 (B) ensure that any training described in Subsection (16)(a)(v)(A) complies with Title 63G, Chapter 22, State Training and Certification Requirements; and
- 1152 (b) continually analyze and evaluate the accounting, budgeting, and reporting practices and experiences of specific special districts and special service districts selected by the state auditor and make the information available to all districts.
- 1155 (17)
- (a) The following records in the custody or control of the state auditor are protected records under Title 63G, Chapter 2, Government Records Access and Management Act:
- 1158 (i) records that would disclose information relating to allegations of personal misconduct, gross mismanagement, or illegal activity of a past or present governmental employee if the

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information or allegation cannot be corroborated by the state auditor through other documents or evidence, and the records relating to the allegation are not relied upon by the state auditor in preparing a final audit report;

- 1164 (ii) records and audit workpapers to the extent the workpapers would disclose the identity of an individual who during the course of an audit, communicated the existence of any waste of public funds, property, or manpower, or a violation or suspected violation of a law, rule, or regulation adopted under the laws of this state, a political subdivision of the state, or any recognized entity of the United States, if the information was disclosed on the condition that the identity of the individual be protected;
- 1171 (iii) before an audit is completed and the final audit report is released, records or drafts circulated to an individual who is not an employee or head of a governmental entity for the individual's response or information;
- 1174 (iv) records that would disclose an outline or part of any audit survey plans or audit program; and
- 1176 (v) requests for audits, if disclosure would risk circumvention of an audit.
- 1177 (b) The provisions of Subsections (17)(a)(i), (ii), and (iii) do not prohibit the disclosure of records or information that relate to a violation of the law by a governmental entity or employee to a government prosecutor or peace officer.
- 1180 (c) The provisions of this Subsection (17) do not limit the authority otherwise given to the state auditor to classify a document as public, private, controlled, or protected under Title 63G, Chapter 2, Government Records Access and Management Act.
- 1183 (d)
- (i) As used in this Subsection (17)(d), "record dispute" means a dispute between the state auditor and the subject of an audit performed by the state auditor as to whether the state auditor may release a record, as defined in Section 63G-2-103, to the public that the state auditor gained access to in the course of the state auditor's audit but which the subject of the audit claims is not subject to disclosure under Title 63G, Chapter 2, Government Records Access and Management Act.
- 1189 (ii) The state auditor may submit a record dispute to the director of the Government Records Office, created in Section 63A-12-202, for a determination of whether the state auditor may, in conjunction with the state auditor's release of an audit report, release to the public the record that is the subject of the record dispute.

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- (iii) The state auditor or the subject of the audit may seek judicial review of the director's determination, described in Subsection (17)(d)(ii), as provided in Section 63G-2-404.
- 1196 (18) If the state auditor conducts an audit of an entity that the state auditor has previously audited and finds that the entity has not implemented a recommendation made by the state auditor in a previous audit, the state auditor shall notify the Legislative Management Committee through the Legislative Management Committee's Audit Subcommittee that the entity has not implemented that recommendation.
- 1201 (19) The state auditor shall, with the advice and consent of the Senate, appoint the state privacy auditor described in Section 67-3-13.
- 1203 (20) Except as provided in Subsection (21), the state auditor shall report, or ensure that another government entity reports, on the financial, operational, and performance metrics for the state system of higher education and the state system of public education, including metrics in relation to students, programs, and schools within those systems.
- 1207 (21)
- (a) Notwithstanding Subsection (20), the state auditor shall conduct regular audits of:
- 1208 (i) the scholarship granting organization for the Carson Smith Opportunity Scholarship Program, created in Section 53E-7-402;
- 1210 (ii) the State Board of Education for the Carson Smith Scholarship Program, created in Section 53F-4-302; and
- 1212 (iii) the scholarship program manager for the Utah Fits All Scholarship Program, created in Section 53F-6-402, including an analysis of the cost effectiveness of the program, taking into consideration the amount of the scholarship and the amount of state and local funds dedicated on a per-student basis within the traditional public education system.
- 1217 (b) Nothing in this subsection limits or impairs the authority of the State Board of Education to administer the programs described in Subsection (21)(a).
- 1219 (22) The state auditor shall, based on the information posted by the Office of Legislative Research and General Counsel under Subsection 36-12-12.1(2), for each policy, track and post the following information on the state auditor's website:
- 1222 (a) the information posted under Subsections 36-12-12.1(2)(a) through (e);
- 1223 (b) an indication regarding whether the policy is timely adopted, adopted late, or not adopted;
- 1225

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- (c) an indication regarding whether the policy complies with the requirements established by law for the policy; and
- 1227 (d) a link to the policy.
- 1228 (23)
- (a) A legislator may request that the state auditor conduct an inquiry to determine whether a government entity, government official, or government employee has complied with a legal obligation directly imposed, by statute, on the government entity, government official, or government employee.
- 1232 (b) The state auditor may, upon receiving a request under Subsection (23)(a), conduct the inquiry requested.
- 1234 (c) If the state auditor conducts the inquiry described in Subsection (23)(b), the state auditor shall post the results of the inquiry on the state auditor's website.
- 1236 (d) The state auditor may limit the inquiry described in this Subsection (23) to a simple determination, without conducting an audit, regarding whether the obligation was fulfilled.
- 1239 (24) The state auditor shall:
- 1240 (a) ensure compliance with Title 63G, Chapter 31, Distinctions on the Basis of Sex, in accordance with Section 63G-31-401; and
- 1242 (b) report to the Legislative Management Committee, upon request, regarding the state auditor's actions under this Subsection (24).
- 1244 (25) The state auditor shall report compliance with Sections 67-27-107, 67-27-108, and 67-27-109 by:
- 1246 (a) establishing a process to receive and audit each alleged violation; and
- 1247 (b) reporting to the Legislative Management Committee, upon request, regarding the state auditor's findings and recommendations under this Subsection (25).
- 1249 (26) The state auditor shall ensure compliance with Section 63G-1-704 regarding the display of flags in or on government property.
- 1251 (27)
- (a) On or before January 31 each year, the state auditor shall prepare a report that states, for each entity that holds public funds as defined in Section 51-7-3, the entity's total balance, as of the last day of the immediately preceding fiscal year, of cash, cash equivalents, and investments, as those terms are defined under the standards established by the Governmental Accounting Standards Board.

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- (b) The state auditor shall make the report described in Subsection (27)(a) publicly available on a website that the state auditor maintains.

1322 Section 27. Section 27 is enacted to read:

1323 **79-6-410. Energy Development Infrastructure Fund.**

- 1260 (1) As used in this section, "public entity" means a state agency, county, municipality, special district, special service district, an intergovernmental entity organized under state law, or the military installation development authority created in Section 63H-1-201.
- 1263 (2) There is created a revolving loan fund known as the Energy Development Infrastructure Fund.
- 1265 (3) The fund consists of:
- 1266 (a) money the Legislature appropriates to the fund;
- 1267 (b) money received for repayment of a loan made from the fund; and
- 1268 (c) interest earned on money in the fund.
- 1269 (4) The office may use money in the fund to make one or more loans to one or more public entities to finance infrastructure development that supports nuclear power generation and transmission in the state.
- 1272 (5)
- (a) A public entity that borrows money from the fund shall enter into a loan agreement with the office for repayment of the money.
- 1274 (b)
- (i) The office shall ensure that a loan under this section is secured by:
- 1275 (A) bonds, notes, or another evidence of indebtedness validly issued under state law; or
- 1277 (B) revenue generated from the project.
- 1278 (ii) The security provided under Subsection (5)(b)(i) may include the borrower's pledge of some or all of a revenue source that the borrower controls.
- 1280 (c) A loan under this section shall bear interest at a rate not to exceed .5% above bond market interest rates available to the state.
- 1282 (6) The office may provide conditions in the loan agreement described in Subsection (5) to ensure that:
- 1284 (a) the proceeds of the loan will be used to pay the cost of the project; and
- 1285 (b) the project will be completed.
- 1286 (7) The office shall administer and enforce a loan under this section according to the terms of the loan agreement.

HB0545 compared with HB0545S02

1352 Section 28. Section **79-6-1105** is amended to read:

1353 **79-6-1105. Electrical Energy Development Investment Fund.**

1290 (1) There is created [~~an expendable~~] a special revenue fund known as the "Electrical Energy
Development Investment Fund."

1292 (2) The fund consists of:

1293 (a) property tax differential revenue collected under Section 79-6-1104;

1294 (b) revenue from the radioactive waste facility expansion tax collected under Section 59-24-103.8; and

1296 (c) revenue from a tax on new generators of radioactive waste as described in Subsection
59-24-103.5(3).

1298 (3) The council shall:

1299 (a) administer the fund; and

1300 (b) use fund money only as authorized under Section 79-6-1106.

1365 Section 29. Section **79-6-1106** is amended to read:

1366 **79-6-1106. Authorized uses of fund money.**

1367 (1) The council may use fund money to:

1368 (a) facilitate electrical energy infrastructure development within the state, including:

1369 (i) transmission and distribution lines;

1370 (ii) pipeline development;

1371 (iii) energy storage facilities;

1372 (iv) generation facilities;

1373 (v) related infrastructure; [~~and~~]

1374 (vi) to fund research, site selection, permitting, public outreach, and other activities related to the
development of nuclear energy; and

1376 (vii) district energy systems as defined in Section 79-6-602;

1377 (b) provide matching funds for federal energy development grants;

1378 (c) support energy workforce development programs;

1379 (d) provide incentives for electrical energy development projects; and

1380 (e) pay for administrative expenses related to the council's duties.

1381 (2) Fund money derived from the radioactive waste facility expansion tax revenue collected under
Section 59-24-103.8 is prioritized for activities related to the development of nuclear energy.

1384 Section 30. **Repealer.**

HB0545 compared with HB0545S02

This Bill Repeals:

- 1385 This bill repeals:
1386 Section **19-2-301, Title.**
1387 Section **19-2-302, Definitions.**
1388 Section **19-2-303, Grants and programs -- Conditions.**
1389 Section **19-2-304, Duties and authorities -- Rulemaking.**
1390 Section **23A-3-204, Wildlife Resources Conservation Easement Restricted Account.**
1391 Section **23A-3-206, Donations related to donation of wild game meat -- Wild Game Meat**
1392 **Donation Fund.**
1393 Section **51-9-701, Title.**
1394 Section **51-9-702, Navajo Water Rights Negotiation Account -- Settlement.**
1395 Section **63M-14-501, Colorado River Authority Restricted Account.**
1396 Section 31. **FY 2026 Appropriations.**

1397 The following sums of money are appropriated for the fiscal year beginning July 1,
1398 2025, and ending June 30, 2026. These are additions to amounts previously appropriated for
1399 fiscal year 2026.

1400 Subsection 31(a). **Operating and Capital Budgets**

1401 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the
1402 Legislature appropriates the following sums of money from the funds or accounts indicated for
1403 the use and support of the government of the state of Utah.

1404 ITEM 1 To Department of Natural Resources - Office of Energy Development

1405 From General Fund, One-time (5,000,000)

1406 Schedule of Programs:

1407 Office of Energy Development (5,000,000)

1408 Subsection 31(b). **Business-like Activities**

1409 The Legislature has reviewed the following proprietary funds. Under the terms and
1410 conditions of Utah Code 63J-1-410, for any included Internal Service Fund, the Legislature
1411 approves budgets, full-time permanent positions, and capital acquisition amounts as indicated,
1412 and appropriates to the funds, as indicated, estimated revenue from rates, fees, and other
1413 charges. The Legislature authorizes the State Division of Finance to transfer amounts between
1414 funds and accounts as indicated.

HB0545 compared with HB0545S02

1415 ITEM 2 To Department of Natural Resources - Energy Development Infrastructure Fund
1416 From General Fund, One-time 5,000,000
1417 Schedule of Programs:
1418 Energy Development Infrastructure Fund 5,000,000

1419 Section 32. **FY 2027 Appropriations.**
1420 The following sums of money are appropriated for the fiscal year beginning July 1,
1421 2026, and ending June 30, 2027. These are additions to amounts previously appropriated for
1422 fiscal year 2027.

1423 Subsection 32(a). **Operating and Capital Budgets**
1424 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the
1425 Legislature appropriates the following sums of money from the funds or accounts indicated for
1426 the use and support of the government of the state of Utah.

1427 ITEM 3 To Office of the Governor - Colorado River Authority of Utah
1428 From General Fund 1,638,500
1429 Schedule of Programs:
1430 Colorado River Authority of Utah 1,638,500

1431 Subsection 32(b). **Restricted Fund and Account Transfers**
1432 The Legislature authorizes the State Division of Finance to transfer the following
1433 amounts between the following funds or accounts as indicated. Expenditures and outlays from
1434 the funds to which the money is transferred must be authorized by an appropriation.

1435 ITEM 4 To General Fund Restricted - Colorado River Authority Restricted Account
1436 From General Fund (1,638,500)
1437 Schedule of Programs:
1438 Colorado River Authority Restricted Account (1,638,500)

1439 The Legislature intends that the Division of
1440 Finance transfer any balances remaining in the Colorado
1441 River Authority Restricted Account after fiscal year 2026
1442 closeout to Office of the Governor - Colorado River
1443 Authority of Utah line item.

1444 Section 33. **Effective date.**
Effective Date.

HB0545 compared with HB0545S02

This bill takes effect on July 1, 2026.

1446

Section 34. Coordinating H.B. 545 with H.B. 473.

If this H.B. 545, Budgetary Modifications, and H.B. 473, Colorado River Authority

Amendments, both pass and become law, the Legislature intends that, on July 1, 2026, Section 29 of H.B. 545 not take effect.

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